



Dear Assignment / News / Business Section Editor

Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant

(HONG KONG, 6 February 2015) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 22 January 2015 that the name of Chow Chi Hung (membership number A24218) be removed from the register of certified public accountants for 12 months with effect from 3 March 2015 and pay a penalty of HK\$30,000 to the Institute. In addition, Chow was ordered to pay costs of the disciplinary proceedings of HK\$20,499.

Chow was employed as a senior manager of a firm of certified public accountants at the relevant time. The Institute received information about Chow having signed the auditor's reports on the financial statements of a private company for three consecutive years in the name of his employer without its knowledge and permission. After considering the information available, the Institute lodged a complaint against Chow under sections 34(1)(a)(vi) and 34(1)(a)(x) of the Professional Accountants Ordinance.

Chow admitted the complaint against him. The Disciplinary Committee found that Chow failed or neglected to observe, maintain or otherwise apply the fundamental principle of integrity in sections 100.4(a) and 110 of the Code of Ethics for Professional Accountants, and that he was also guilty of dishonourable conduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Chow under section 35(1) of the ordinance.

Under the ordinance, if Chow is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at www.hkicpa.org.hk.

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the ordinance by a five-member Disciplinary Committee. Three members of each committee, including the chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interests of justice. A hearing schedule is available at the Institute's website. A CPA who feels aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

The Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practising certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

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About the Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 38,000 members and more than 18,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world’s leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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