



Dear Assignment / News / Business Section Editor

Hong Kong Institute of CPAs takes disciplinary action Against a certified public accountant

(HONG KONG, 27 October 2011) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 11 October 2011 that the name of Li Wing Kei (membership number A07048) be permanently removed from the register of certified public accountants with effect from 29 November 2011.

In addition, Li was ordered to pay HK\$60,000 towards the costs of the investigation and disciplinary proceedings.

In 2007 and 2008, Li was convicted of a total of five counts of criminal offence involving dishonesty in two criminal proceedings in Hong Kong. Li was involved, on two occasions, as a consultant of two companies in connection with their applications for listing on the Hong Kong Stock Exchange.

He was found guilty of conspiring with others to defraud the Hong Kong Stock Exchange, shareholders and other parties by falsifying financial records and documents to inflate the turnover and profit figures shown in the companies' listing prospectus and published financial statements subsequent to the companies' successful listings. Li was also found guilty of conspiring with others to help the founder of one of the companies steal from its bank accounts. Li applied for leave to appeal against his convictions. In 2010, the Court of Appeal and Court of Final Appeal dismissed his applications. Li was sentenced to imprisonment for a total of nine years.

After considering the information available, an Investigation Committee of the Institute lodged a complaint against Li under section 34(1) of the Professional Accountants Ordinance. A Disciplinary Committee was constituted in March 2011.

The Disciplinary Committee found, on evidence submitted and Li's admission, that the complaint against him was proven. Having taken into account the circumstances of the case, the Disciplinary Committee made the order against Li under section 35(1) of the Professional Accountants Ordinance.

Under the ordinance, if Li 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.

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 Professional Accountants Ordinance by a five-member Disciplinary Committee. The majority of each committee (three members), including the chairman, are non-accountants chosen from a panel appointed by the chief executive of the HKSAR, and the other two members 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 CPAs

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 32,000 members and nearly 16,000 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 CPA 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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