



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 23 August 2016) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 9 August 2016 that the name of Au Yeung Keung, Steve (membership number F02874) be removed from the register of certified public accountants for three years with effect from 18 September 2016. In addition, he was ordered to pay HK\$200,000 towards the costs of the disciplinary proceedings.

In 2002 to 2003, Au Yeung was the General Manager - Financial and Commercial Affairs and Company Secretary of a Hong Kong listed company. He knowingly made or assisted in making misrepresentations or misleading statements to the Stock Exchange of Hong Kong Limited that an investment project in a gas pipeline business in 2002 was a genuine one when he knew that it was not. He also participated in the subsequent sham disposal of the project in 2003.

After considering the information available, the Institute lodged a complaint against him under section 34(1)(a)(x) of the Professional Accountants Ordinance (Cap.50).

Au Yeung admitted the complaint against him. The Disciplinary Committee found that he was guilty of dishonourable conduct. Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Au Yeung under section 35(1) of the ordinance.

Under the ordinance, if Au Yeung 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 a 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 interest 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.

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 practicing certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

- End -

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 40,000 members and 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.

Hong Kong Institute of CPAs' contact information:

Stella To

Head of Corporate Communications

Phone: 2287 7209

Mobile: 9027 7323

Email: stella@hki CPA.org.hk