



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

(HONG KONG, 5 October 2021) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Mr. Tang Siu Kun, Stephen, certified public accountant (A19921) for his failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute.

Tang was a founder of Magic Holdings International Limited and the chairman of its board of directors. In March 2021, the Market Misconduct Tribunal (“MMT”) fined the company and its directors for late disclosure of inside information on a proposed acquisition of the company in 2013. The MMT found that the company’s disclosure of the proposed acquisition, which would have had a positive impact on its share price, had been delayed for approximately three months.

The MMT also found that Tang breached the disclosure requirement under the Securities and Futures Ordinance and did not take all reasonable measures to ensure that proper safeguards existed to prevent the company’s breach of the disclosure requirement. He was fined and disqualified by the MMT from being a director or being involved in the management of a listed company for 24 months. Tang was also ordered to undergo a training programme to be approved by the Securities and Futures Commission.

In view of Tang’s breaches, the Institute concluded that Tang failed or neglected to observe, maintain or otherwise apply the fundamental principle of professional behaviour under sections 100.5(e) and 150 of the applicable Code of Ethics for Professional Accountants.

### Regulatory action

Based on the foregoing, especially the actions taken by the MMT, and in lieu of further proceedings, the Council of the Hong Kong Institute of Certified Public Accountants concluded that the following should resolve the complaint:

1. Tang acknowledge the facts of the case and the areas of non-compliance with a professional standard;
2. Tang be reprimanded; and
3. Tang pay costs of the Institute of HK\$15,000.

### About Resolution by Agreement

In order to better serve the interests of the public and the profession, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the

Professional Accountants Ordinance, a Resolution by Agreement ("RBA") may be offered in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at [www.hkicpa.org.hk](http://www.hkicpa.org.hk).

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### **About HKICPA**

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has over 46,000 members and 17,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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