



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 18 September 2013) — Pursuant to an order made by a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants on 12 August 2013, the name of Mr. Chung Wai Shun Wilson (membership number A06012) was removed from the register for a period of six months with effect from 13 September 2013 for his failure to comply with a direction given to him by the Council.

The Disciplinary Committee had originally made an order to reprimand Mr. Chung conditional upon him providing to the Institute, within 30 days, certain outstanding information pertaining to a third party's complaint against him. Upon Mr. Chung's default in fulfilling the condition, the reprimand was replaced with a sanction of removal pursuant to the Committee's order.

Mr. Chung was also ordered to pay to the Institute a penalty of HK\$80,000 and costs of the disciplinary proceedings of HK\$78,116.

Mr. Chung is a practising member of the Institute. In March 2011, the Institute received information from a third party alleging improprieties in professional services undertaken by Mr. Chung for a private company. He failed to respond adequately to the enquiries made by the Institute's compliance department. Council issued a direction to Mr. Chung under section 18B of the Professional Accountants Ordinance on 16 February 2012, requiring him to provide an explanation to the Institute on certain matters pertaining to the alleged improprieties. Mr. Chung failed to provide the explanation. After considering the information available, the Institute lodged a complaint against Mr. Chung under section 34(1)(a)(ix) of the ordinance.

Mr. Chung admitted the complaint made against him. The Disciplinary Committee found that he refused or neglected to comply with a direction lawfully given to him by the Council. Having taken into account the circumstances of the case, the Committee made the above order against Mr. Chung under section 35(1) of the ordinance.

Under the ordinance, if Mr. Chung 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. Mr. Chung has not appealed against 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. The majority (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 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 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 nearly 36,000 members and more than 17,000 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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