



Dear Assignment / News / Business Section Editor

## **Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant (practising)**

(HONG KONG, 20 December 2013) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Chu Ka Chuen (membership number A31614) on 19 November 2013 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. In addition, Chu was ordered to pay the costs of the disciplinary proceedings of HK\$21,466.

At the relevant time Chu was a non-practising CPA. The Institute received information that Chu did not complete audit arrangement services appropriately. During the investigation, the Institute became aware that the website of a company, of which Chu was one of the directors and shareholders, contained information that it might provide audit service to clients when in fact it could not as it was not a CPA practice registered with the Institute. After considering the information available, the Institute lodged a complaint against Chu under section 34(1)(a)(vi) of the Professional Accountants Ordinance.

Chu admitted the complaint against him. The Disciplinary Committee found that Chu failed or neglected to observe, maintain or otherwise apply a professional standard issued by the Institute, namely the fundamental principles of "*Professional Competence and Due Care*" and "*Professional Behaviour*" set out in section 100 *Introduction and Fundamental Principles* of the Code of Ethics for Professional Accountants.

Having taken into account Chu's admission and the circumstances of the case, the Disciplinary Committee made the above order against Chu under section 35(1) of the ordinance.

Under the ordinance, if Chu 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](http://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 more than 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.

### **Hong Kong Institute of CPAs' contact information:**

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致：編採主任／新聞／財經版編輯

## 香港會計師公會對一名執業會計師作出紀律懲處

(香港，二零一三年十二月二十日) — 香港會計師公會轄下一紀律委員會於二零一三年十一月十九日就朱加泉先生(會員編號：A31614)沒有或忽略遵守、維持或以其他方式應用公會頒布的專業準則，對朱先生作出譴責。此外，朱先生亦須支付紀律程序的費用港幣二萬一千四百六十六元。

公會早前接獲資料，指朱先生沒有適當地完成一項安排審計的服務。在調查過程中，公會發現由朱先生擔任其中一名董事及股東的公司，其網站顯示該公司可為客戶提供審計服務，但事實上該公司並非公會註冊的執業會計師事務所，因此不能提供此項服務。在有關期間，朱先生為一位非執業會計師。公會經考慮所得資料，根據《專業會計師條例》第34(1)(a)(vi)條對朱先生作出投訴。

朱先生承認投訴中的指控屬實。紀律委員會裁定朱先生沒有或忽略遵守、維持或以其他方式應用公會的專業準則 – *The Code of Ethics for Professional Accountants section 100* 中的 *Introduction and Fundamental Principles – "Professional Competence and Due Care"* 及 *"Professional Behaviour"*。

經考慮朱先生承認指控及有關情況後，紀律委員會根據《專業會計師條例》第35(1)條向朱先生作出上述的命令。

根據《專業會計師條例》，如朱先生不服紀律委員會對他作出的命令，可於命令文本送達後30天內向上訴法庭提出上訴。

紀律委員會的書面判決可於公會網頁內Compliance部份查閱，網頁為 <http://www.hkicpa.org.hk>。

公會的紀律程序是根據《專業會計師條例》第V部份，由五位成員組成的紀律委員會執行。每個紀律委員會的大多數成員，即包括主席在內的三名成員，是由香港特別行政區行政長官從業外人士組成的紀律小組中選派委任，另外兩名成員由專業會計師出任。

除非負責的紀律委員會因公平理由認為不恰當，否則紀律聆訊一般以公開形式進行。紀律聆訊的時間表可於公會網頁查閱。如當事人不服紀律委員會的裁判，可向上訴法庭提出上訴，上訴法庭可確定、修改或推翻紀律委員會的裁判。

紀律委員會有權向公會會員、執業會計師事務所會員及註冊學生作出處分。紀律處分範圍包括永久或有限期地將違規者從會計師註冊紀錄冊中除名或吊銷其執業證書、對其作出譴責、下令罰款不多於五十萬港元，以及支付紀律程序的費用。

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## 關於香港會計師公會

香港會計師公會是香港唯一獲法例授權負責專業會計師註冊兼頒授執業證書的組織，會員人數超過三萬六千，註冊學生人數逾一萬七千。公會會員可採用「會計師」稱銜（英文為 **certified public accountant**，簡稱 **CPA**）。

公會(**Hong Kong Institute of Certified Public Accountants**)於一九七三年一月一日成立，當時的英文名稱為 **Hong Kong Society of Accountants**。

公會根據《專業會計師條例》履行職責，以公眾利益為依歸。其職能廣泛，包括開辦專業資格課程(**Qualification Programme**)以確保會計師的入職質素，以及頒布香港的財務報告、審計及專業操守準則。此外，公會亦負責在香港監管和推動優良而有效的會計實務，以鞏固香港作為國際金融中心的領導地位。

香港會計師公會是全球會計聯盟 (**Global Accounting Alliance, GAA**) 的成員之一。全球會計聯盟於二零零五年成立，聯合了全球頂尖的專業會計團體，推動優質服務，並積極與各地監管機構、政府及關連人士就國際重要議題共同合作。

## 香港會計師公會聯絡資料

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IN THE MATTER OF

A Complaint made under section 34(1)(a) and section 34(1A) of the Professional Accountants Ordinance (Cap. 50) (“PAO”) and referred to the Disciplinary Committee under section 33(3) of the PAO

BETWEEN

The Registrar of the Hong Kong  
Institute of Certified Public  
Accountants COMPLAINANT

AND

Mr. Chu Ka Chuen (A31614) RESPONDENT

Before a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants (“the Institute”).

Members: Miss CHAN, Nancy (Chairman)  
Mr. CHING, Tak Keung, Wilbert  
Miss LO, Jane Curzon  
Mr. HILLS, Martin Stuart  
Mr. LAU, Chi Pong, Howard

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**REASONS FOR DECISION**

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1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (“**the Institute**”) as Complainant against the Respondent, who is a certified public accountant. Section 34(1)(a)(vi) of the PAO applied to the Respondent.
2. The particulars of the Complaint as set out in a letter dated 8 January 2013 (“**the Complaint**”) from the Registrar of the Institute to the Council of the Institute for consideration of the Complaint for referral to the Disciplinary Panels were as follows:-
  - a) On 20 July 2011, the Institute received an email from Mr. Ho [xx] (“**Ho**”) lodging a complaint against the Respondent for non-delivery of the audited financial statements for the year ended 31 March 2010 of Ho’s company, Parco Consultants Limited (“**PCL**”). The matter was reported

to the police by Ho. In September 2011, upon Ho's request, the Respondent refunded the audit fee plus bank confirmation charges to him as the Inland Revenue Department requested Ho to re-perform an audit. In November 2011, the Respondent was charged with fraud but on 20 January 2012, the Respondent was acquitted.

- b) Section 34(1)(a)(vi) of the Professional Accountants Ordinance ("**PAO**") applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard, namely, paragraph 100.4(c) "*Professional Competence and Due Care*" of the Code of Ethics for Professional Accountants ("**Code**") when providing audit arrangement service to Ho , as the Respondent failed to complete the assignment with due care and competence.
  - c) During the investigation by the Compliance Department, it was found that the website of MJP Audit Consultant Limited ("**MJP**"), at least between 9 August 2011 and 8 November 2011, advertised that it provided " Audit and Assurance " services among other professional services and the full name of MJP contained the word "Audit". The advertisement on the website was highly misleading to the public in that MJP purported to provide audit services to ultimate clients when in fact it merely provided audit work sub-contracting services to practising CPA – in this case, Venus Y.S. Ma & Co.
  - d) Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard namely section 100.5(e) "*Professional Behavior*" of the Code, as the contents of the MJP website could render MJP being in breach of s.42(1)(ha)(i) of the PAO through its offering or holding itself out as providing any professional service which only a person who is a certified public accountant (practising) may lawfully provide.
3. The Respondent admitted the Complaint against him. He did not dispute the facts as set out in the Complaint. He agreed that the steps set out in paragraphs 17 to 30 of the Disciplinary Committee Proceedings Rules be dispensed with.
  4. By a letter dated 22 July 2013 addressed to the Complainant and the Respondent, the Clerk to the Disciplinary Committee ("**DC**"), under the direction of the DC, informed the parties that they should make written submissions to the DC as to the sanctions and costs and that the DC would not hold a hearing on sanctions and costs unless otherwise requested by the parties.
  5. In considering the proper order to be made in this case, the DC has had regard to all the aforesaid matters, including the particulars in support of the Complaint and the conduct of the Complainant and the Respondent throughout the proceedings.

6. The DC orders that:-

- 1) the Respondent be reprimanded under section 35(1)(b) of the PAO; and
- 2) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$21,466 under section 35(1)(iii) of the PAO.

Dated the 19<sup>th</sup> day of November 2013

IN THE MATTER OF

A Complaint made under section 34(1)(a) and section 34(1A) of the Professional Accountants Ordinance (Cap. 50) ("PAO") and referred to the Disciplinary Committee under section 33(3) of the PAO

BETWEEN

The Registrar of the Hong Kong  
Institute of Certified Public  
Accountants

COMPLAINANT

AND

Mr. Chu Ka Chuen (A31614)

RESPONDENT

Before a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ("the Institute").

Members: Miss CHAN, Nancy (Chairman)  
Mr. CHING, Tak Keung, Wilbert  
Miss LO, Jane Curzon  
Mr. HILLS, Martin Stuart  
Mr. LAU, Chi Pong, Howard

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**ORDER**

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Upon reading the complaint against Mr. Chu Ka Chuen, being a certified public accountant (practising), as set out in a letter from the Registrar of the Institute ("**the Complainant**") dated 8 January 2013, the written submission of the Complainant dated 30 July 2013, the written submission of the Respondent dated 10 September 2013, and other relevant documents, the Disciplinary Committee is satisfied by the admission of the Respondent and the evidence adduced before it that the following complaints are proved:

1. Section 34(1)(a)(vi) of the Professional Accountants Ordinance ("**PAO**") applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard, namely, paragraph 100.4(c) "*Professional Competence and Due Care*" of the Code of Ethics for Professional Accountants ("**Code**") when providing audit arrangement service to Mr. Ho Chung Pak, Patrick, as the Respondent failed to complete the assignment with due care and competence.



2. Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard namely section 100.5(e) "*Professional Behavior*" of the Code, as the contents of the MJP Audit Consultant Limited ("**MJP**") website could render MJP being in breach of s.42(1)(ha)(i) of the PAO through its offering or holding itself out as providing any professional service which only a person who is a certified public accountant (practising) may lawfully provide.

IT IS ORDERED that:-

1. the Respondent be reprimanded under section 35(1)(b) of the PAO; and
2. the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$21,466 under section 35(1)(iii) of the PAO.

Dated the 19<sup>th</sup> day of November 2013