



Dear Assignment/News/Business Section Editor

Hong Kong Institute of Certified Public Accountants takes regulatory action against a certified public accountant (practising) and a corporate practice

(Hong Kong, 3 July 2015) - The Hong Kong Institute of Certified Public Accountants has undertaken regulatory action against a certified public accountant (practising), So Kwok Keung, Keith and a Corporate Practice, East Asia Sentinel Limited, a corporate practice ("Respondents"), for their failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute.

So was the engagement director of the corporate practice which issued an unqualified opinion on the unaudited pro forma financial information ("UPFI") contained in a circular issued by a listed company for the purpose of an acquisition of the entire remaining interest of a subsidiary.

The Institute received information from The Stock Exchange of Hong Kong Limited which concerned So's concurrence with the company's decision to treat the excess investment costs over the company's share of the remaining interest arising from the acquisition as goodwill under non-current assets in the UPFI. This accounting treatment was incorrect under the Hong Kong Accounting Standard 27 (Revised) *Consolidated and Separate Financial Statements* as the transaction should be accounted for as an equity transaction.

Therefore, the Institute concluded that the Respondents were in breach of Hong Kong Standard on Investment Circular Reporting Engagements 300 *Accountants' Reports on Pro Forma Financial Information in Investment Circulars* which requires that reporting accountants must provide reasonable assurance that adjustments made in the UPFI are appropriate.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council concluded that the following Resolution should resolve the complaint:

1. The Respondents acknowledge the facts of the case and their non-compliance with the relevant professional standard;
2. The Respondents be reprimanded; and
3. The Respondents pay an administrative penalty of HK\$30,000 and costs of HK\$10,000.

In accordance with Council powers outlined in the Professional Accountants Ordinance and as a part of the regulatory process to handle complaints, a Resolution by Agreement (RBA) may be offered to respondents in cases considered to be moderate after taking into account factors including, but not limited to, the nature and seriousness of a complaint,

past disciplinary records of the respondents and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty.

Information on the Institute's complaint handling process and guidelines for Resolution is available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

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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 38,000 members and more than 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
Deputy Director, Communications
Phone: 2287 7209
Mobile: 9027 7323
Email: stella@hkicpa.org.hk



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及一執業法團作出監管行動

(香港，二零一五年七月三日) — 香港會計師公會就一名執業會計師蘇國強先生及一間執業法團衛亞會計師事務所有限公司(合稱為「答辯人」)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的投訴，對他們作出監管行動。

蘇先生是該執業法團的執業董事。他代表該執業法團為一間香港上市公司因收購子公司的全部剩餘股益而發出的通函內的一份集團公司之未經審核備考財務資料作出無保留意見的報告。

公會收到香港聯合交易所有限公司提供的資料，指蘇先生認同該公司的處理決定，在未經審核備考財務資料內，就以公司股票收購剩餘股益一項，把其多出的投資成本視作非流動資產的商譽。根據Hong Kong Accounting Standard 27 (Revised) *Consolidated and Separate Financial Statements*，這個會計處理方式是不正確的，該項交易應視作權益轉換。

因此，公會認為答辯人違反了Hong Kong Standard on Investment Circular Reporting Engagements 300 - "Accountants' Reports on Pro Forma Financial Information in Investment Circulars"內有關申報會計師在調整未經審核備考財務資料時，必須合理保證相關調整是適當的。

監管行動 (Regulatory action)

基於上文所述及為省卻進一步的程序，公會理事會決定以下列的方案解決這宗投訴：

1. 答辯人承認此個案中的事實及他們所違反的專業準則；
2. 答辯人被譴責；及
3. 答辯人受命繳交行政罰款三萬港元及費用一萬港元。

根據《專業會計師條例》對公會理事會權力的概述，以及作為處理投訴的監管程序之一，如公會經考慮答辯人涉及投訴的性質及嚴重程度、答辯人過往的處分紀錄、各種加重和寬減的情況等等之後，認為個案屬輕微的，便可藉解決方案處理。如個案涉及不誠實行為的投訴，則不可藉解決方案處理。

有關公會投訴處理程序及解決方案的指引，可於公會網頁內**Compliance**部份查閱，網頁為<http://www.hkicpa.org.hk>。

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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，會員人數超過三萬八千，註冊學生人數逾一萬八千。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**)以確保會計師的人職質素，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

杜幼儀

傳訊主管

直線電話：2287 7209

手提電話：9027 7323

Email: stella@hkicpa.org.hk