



Dear Assignment/News/Business Section Editor

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

(HONG KONG, 3 October 2016) — On 20 September 2016, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Chow Chi Hing (membership number A10842) for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. Chow was ordered to pay penalty of HK\$15,000. In addition, he was ordered to pay costs and expenses of the disciplinary proceedings totalling HK\$60,021.

Chow practiced in his own name and issued an auditor's report on the financial statements of a private company for the year ended 31 December 2011. The auditor's report did not include a modified opinion in respect of the Company's failure to disclose a material amount owed to a director and payments to directors as related party transactions in the financial statements. The complaint was made under section 34 (1AAA) of the Professional Accountants Ordinance, Cap. 50.

The Disciplinary Committee found that in auditing the financial statements, Chow failed or neglected to observe, maintain or otherwise apply the fundamental principle of professional competence and due care under section 100.5(c), as elaborated in section 130 of the Code of Ethics for Professional Accountants.

Upon consent of the Complainant and the Respondent, the Disciplinary Committee made the above order against Chow under section 35B of the ordinance, which takes immediate effect.

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 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 40,000 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.

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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處分

(香港，二零一六年十月三日) — 香港會計師公會轄下一紀律委員會，於二零一六年九月二十日就周志慶先生(會員編號：A10842)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，對他作出譴責。委員會又命令周先生須繳付罰款港幣一萬五千元。此外，他須支付紀律程序費用，合共港幣六萬零二十一元。

周先生以個人名義執業並為一間私人公司截至2011年12月31日的財務報表發出核數師報告。該核數師報告就公司沒有披露一筆屬於一位董事的重大金額及關於支付董事款項的關聯方交易發出無修正意見。是次投訴是根據《專業會計師條例》(第50章)第34(1AAA)條作出的。

紀律委員會從財務報表的審核工作中得知，周先生未能維持或以其他方式應用公會頒布闡述於Code of Ethics for Professional Accountants第130段的第100.5 (c) 條 fundamental principle of professional competence 及 due care 。

經答辯人及投訴人的同意後，紀律委員會根據《專業會計師條例》第35B條對周先生發出命令，並即時生效。

紀律委員會的書面判決可於公會網頁內"Compliance"部分查閱，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，是從業外人士組成的紀律小組中選派，該紀律小組的成員是由香港特別行政區行政長官委任的；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，會員人數超過四萬，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 sections 34(1)(a) and 34(1AAA) of the Professional Accountants Ordinance (Cap. 50)

BETWEEN

Worldwide Executive Limited

COMPLAINANT

AND

Mr. Chow Chi Hing (A10842)

RESPONDENT

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

Members: Ms. CHARLTON, Julia Frances (Chairman)
Ms. CHAN, Chui Bik, Cindy
Mr. CHEUNG, Yiu Leung, Andy
Mr. DOO, William Junior Guilherme
Mr. ESPINA, Anthony Joseph

ORDER

UPON READING the complaint against Chow Chi Hing (the "**Respondent**"), being a certified public accountant (practising), as set out in a letter from the solicitors acting on behalf of Worldwide Executive Limited (the "**Complainant**") dated 20 January 2015 and other relevant documents.

AND UPON the admission made by the Respondent on 30 September 2015 that he had failed or neglected to observe, maintain or otherwise apply a professional standard, namely the fundamental principle of professional competence and due care under paragraph 100.5(c), as elaborated in section 130 of the Code of Ethics for Professional Accountants, in breach of section 34(1)(a)(vi) of Professional Accountants Ordinance (Cap. 50) ("**PAO**"), in the audit of the financial statements of **China NTG Gas Group Limited** ("**Company**") for the year ended 31 December 2011 in that:

- (a) an amount due to a director of HK\$36,500,000 should have been classified as a related party transaction under paragraph 18 of the Hong Kong Accounting Standard 24 *Related Party Disclosures* ("**HKAS 24**"); and

- (b) amounts of HK\$400,000 of consultancy fee and HK\$474,000 of salary paid to directors of the Company should have been disclosed as payments to directors in accordance with paragraphs 9 and 17 of HKAS 24 and section 161 of the then effective Companies Ordinance, Cap. 32.

AND UPON the Complainant's and the Respondent's agreement to the proposed consent order made by the Disciplinary Committee on 19 July 2016 and their provision of an agreed costs of the Complainant for pursuing this complaint.

BY CONSENT IT IS ORDERED that:-

- (1) Under section 35B(1)(a) of the PAO, the Respondent be reprimanded;
- (2) Under section 35B(1)(b) of the PAO, the Respondent to pay a penalty of HK\$15,000 to the Institute; and
- (3) Under section 35B(1)(c) of the PAO, the Respondent to pay the total costs of HK\$60,021 made up as follows:
 - (i) HK\$20,000 in relation to the costs of the Complainant; and
 - (ii) HK\$40,021 in relation to the costs of the Clerk to the Disciplinary Committee.

Dated the 20th day of September 2016