



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Dear Assignment / News / Business Section Editor,

Hong Kong Institute of CPAs takes disciplinary action Against two certified public accountants

(HONG KONG, 22 October 2010) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants made an order on 13 March 2010 against Mr. Yeung Wah Chou Charles (membership number F01446) and Mr. Lie Han Ji (membership no.A03067) for their breaches of professional standards and dishonourable conduct.

The Committee reprimanded the two certified public accountants and ordered that Yeung and Lie pay penalties of HK\$50,000 and HK\$20,000 respectively. In addition, Yeung and Lie were ordered to pay HK\$30,000 towards the costs of the disciplinary proceedings.

In January 2006, the Institute received information from the Official Receiver's Office that Yeung and Lie failed to discharge their duties as provisional liquidators in the winding-up of 28 companies. The failings of Yeung and Lie included their default in completing the cases, submitting accounts under section 203 of the Companies Ordinance and co-operating with the Official Receiver in his field audit.

Upon the Official Receiver's application, the Court ordered in March 2006 that Yeung and Lie be removed as provisional liquidators in the relevant liquidations, noting that their performance and conduct in the liquidations were so unsatisfactory as to justify their removal. After considering the information available, the Institute lodged complaints against Yeung and Lie under section 34(1A) of the Professional Accountants Ordinance.

On the evidence against Yeung and Lie, the Disciplinary Committee found that they:

- (a) failed or neglected to observe, maintain or otherwise apply the Fundamental Principles set out in the Institute's Statement 1.200 "Professional Ethics - Explanatory Foreword"; and
- (b) were guilty of dishonourable conduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above orders against Yeung and Lie.

Under the Professional Accountants Ordinance, Yeung and Lie may give notice of an appeal to the Court of Appeal within 30 days after they were served the order if they are aggrieved by an order made under section 35(1) of the Ordinance. Lie has lodged an appeal in respect of the order made against him and the appeal is in progress. Yeung has not appealed.

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the Professional Accountants 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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Note to editors

About the Hong Kong Institute of CPAs

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 30,000 members and 14,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation of *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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