



Dear Assignment / News / Business Section Editor

Hong Kong Institute of Certified Public Accountants settles regulatory proceedings involving Wong Lam Leung & Kwok C.P.A. Limited and Mr. Wong Lung Tak, Patrick, a certified public accountant (practising)

(Hong Kong, 29 June 2012) – The Hong Kong Institute of Certified Public Accountants has settled regulatory proceedings in respect of alleged violation of its professional standards involving a corporate practice, Wong Lam Leung & Kwok C.P.A. Limited.

The alleged violation related to the conduct by Wong Lam Leung & Kwok C.P.A. Limited of the audit of an insurance broker for the year ended 31 March 2009 and the failure of the practice to report on a breach by the broker of the Minimum Requirements of the Insurance Companies Ordinance, Cap. 41 regarding the keeping of separate client accounts. The relevant report was signed in the name of Wong Lam Leung & Kwok C.P.A. Limited by Mr. Wong Lung Tak, Patrick, managing director of the practice. The Council of the Institute noted the regulating authority's opinion that, on the facts of the case, the breach by the insurance broker was trivial or technical in nature.

Agreement

The Council of the Institute has agreed with the practice and Mr. Wong that:

1. The Institute will cease regulatory proceedings against them.
2. A formal disapproval letter will be issued to the practice and Mr. Wong by the Institute.
3. A lump sum of HK\$80,000 will be paid by the practice and Mr. Wong to the Institute.

The Council considers that dealing with the matter by way of a disapproval letter and cost recovery will achieve an appropriate resolution without incurring additional expense and tying up resources in disciplinary proceedings.

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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 33,000 members and 16,000 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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