



## **Hong Kong Institute of Certified Public Accountants takes regulatory action against a certified public accountant**

(HONG KONG, 8 April 2022) The Hong Kong Institute of Certified Public Accountants has taken regulatory action against Mr Kong Muk Yin, a certified public accountant (A11100), for his failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute.

Kong was the executive director of China Medical & Healthcare Group Limited. In May 2021, the Market Misconduct Tribunal (“MMT”) fined the company and its directors for late disclosure of inside information regarding unrealized profits and significant gains in 2014. At the relevant time, Kong was responsible for the operation of the finance and accounts department as well as company secretarial matters and administration. The MMT fined Kong and disqualified him from being a director or being involved in the management of a listed company for six months. Kong was also ordered to undergo a training programme to be approved by the Securities and Futures Commission.

In view of Kong’s breach, the Institute concluded that he failed or neglected to observe, maintain or otherwise apply the fundamental principle of professional behaviour in section 110.1A1(e) and subsection 115 under Part A of the applicable Code of Ethics for Professional Accountants.

### **Regulatory action**

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

1. Mr. Kong acknowledge the facts of the case and his non-compliance with a professional standard;
2. he be reprimanded; and
3. he pay costs of the Institute of HK\$15,000.

### About Resolution by Agreement

In order to better serve the interests of the public and the profession, the Hong Kong Institute of Certified Public Accountants ("HKICPA") ensures complaints are dealt with in an effective and transparent manner. In accordance with Council powers outlined in the Professional Accountants Ordinance, a Resolution by Agreement ("RBA") may be offered in uncontested cases considered to be moderate after taking into account the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty, which are handled through a separate disciplinary process.

The RBA includes a mandatory public censure which entails publication of the name of the respondent, facts of the case and areas of non-compliance with professional standards. Information on the Institute's complaint handling process and guidelines for Resolutions by Agreement are available at the Institute website under the "Compliance" section at [www.hkicpa.org.hk](http://www.hkicpa.org.hk).

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### **About HKICPA**

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has over 46,000 members and 17,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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