



Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant

(HONG KONG, 1 February 2023) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Cheung Hing Chik, Charles, a certified public accountant (“CPA”) (F01073) on 23 December 2022 for his failure or neglect to observe, maintain or otherwise apply the fundamental principle of Integrity in section 110.1 A1(a) and subsections R110.2 and R111.2 under Chapter A of the Code of Ethics for Professional Accountants (“COE”) and the fundamental principle of Professional Behaviour in section 110.1 A1(e) and subsections R110.2 and R115.1 of the COE issued by the Institute, and being guilty of professional misconduct. The Committee further ordered that the name of Cheung be removed from the register of CPAs for 18 months with effect from 3 February 2023. In addition, he was ordered to pay costs of the disciplinary proceedings of HK\$55,630.50.

Cheung carried on his practice both as the sole proprietor of C&N Certified Public Accountants (“C&N CPA”) and as one of the two practising directors of Charles H.C. Cheung & CPA Limited (“CHCC”). In February 2021, he filed an annual return (“Return”) with the Institute for the renewal of his membership and for the issuance of a practising certificate (“PC”), for the year of 2021. In the Return, Cheung declared that he was not a bankrupt, nor had he become bankrupt. Acting on the representations, including the aforesaid declaration made by Cheung in the Return, his membership was renewed and a PC was issued to him.

It was subsequently discovered that a bankruptcy order (“BO”) was issued against Cheung by the High court in August 2020. Although Cheung had applied to rescind the BO, his application was dismissed in September 2020. Cheung’s appeal against the said dismissal was also rejected by the Court of Appeal in July 2021. Cheung’s leave to appeal to the Court of Final Appeal was also refused in November 2021.

Having discovered the BO, the Institute cancelled Cheung’s PC in May 2021. As a result, C&N CPA was removed from the Institute’s registration of firms, and CHCC was subsequently changed to a sole-practicing member corporate practice.

After considering the information above, the Institute lodged a complaint against Cheung under sections 34(1)(a)(vi) and 34(1)(a)(viii) of the pre-amended Professional Accountants Ordinance (“Ordinance”) for falsely declaring to the Institute that he was not a bankrupt nor had he become bankrupt when he renewed his PC for the year 2021 and for failing to resign as a director of CHCC in accordance with the requirements of the Companies Ordinance when he had become bankrupt. Cheung admitted to the complaint against him. The Committee found that Cheung had been guilty of professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Cheung under section 35(1) of the Ordinance.

About HKICPA Disciplinary Process

The Hong Kong Institute of Certified Public Accountants ("HKICPA") enforces the highest professional and ethical standards in the accounting profession. Governed by the pre-amended Professional Accountants Ordinance (Cap. 50) and the Disciplinary Committee Proceedings Rules, an independent Disciplinary Committee is convened to deal with a complaint referred by Council. If the charges against a member, member practice or registered student are proven, the Committee will make disciplinary orders setting out the sanctions it considers appropriate. Subject to any appeal by the respondent, the order and findings of the Disciplinary Committee will be published.

For more information, please see:

<https://www.hkicpa.org.hk/en/News/Archival-records-on-regulatory-functions/Compliance/Disciplinary>

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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 nearly 48,000 members and over 14,000 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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