



Dear Assignment / News / Business Section Editor

## **Hong Kong Institute of Certified Public Accountants takes disciplinary action against two certified public accountants**

(HONG KONG, 3 October 2012) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 19 September 2012 that Leung Chi Keung (membership number A12275) and Luk Ka Cheung (membership number A03987) be reprimanded and their names be removed from the register of certified public accountants for a period of one year with effect from 31 October 2012.

The Disciplinary Committee further ordered that each of Leung and Luk pay a penalty of HK\$100,000, and pay the costs of the disciplinary proceedings amounting to HK\$34,159 and HK\$21,145 for Leung and Luk respectively.

In July 2009, the Market Misconduct Tribunal found Leung and Luk to be culpable of insider dealing, contrary to section 270(1)(e)(i) of the Securities and Futures Ordinance (Cap 571). The two individuals had dealt in the securities of China Overseas Land and Investment Limited (a Hong Kong listed company) when they held information about that company which was specific, non-public and price sensitive.

After considering the information available, the Institute lodged complaints against Leung and Luk under sections 34(1A) of the Professional Accountants Ordinance. Council of the Institute resolved in January 2010 to refer the complaints to the Disciplinary Panels. The disciplinary proceedings were stayed in March 2010 following an appeal made by Leung against the Market Misconduct Tribunal's decision. The proceedings were resumed upon the Court of Appeal's dismissal of the appeal in April 2012.

On the evidence and the admission made by Leung and Luk, the Disciplinary Committee found that Leung and Luk were in breach of the Fundamental Principles of Statement 1.200 "Professional Ethics – Explanatory Foreword". The Disciplinary Committee considered that the misconduct is serious as public interest was involved, and that there was a breach of trust by Leung and Luk.

Having taken into account the circumstances of the case, the Disciplinary Committee made the order as stated above against Leung and Luk under section 35(1) of the Professional Accountants Ordinance.

Under the Professional Accountants Ordinance, the respondents may give notice of an appeal to the Court of Appeal within 30 days after they are served the order.

Findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at [www.hkicpa.org.hk](http://www.hkicpa.org.hk).

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 of each committee(three members), 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.

- End -

### **About the Hong Kong Institute of Certified Public Accountants**

The Hong Kong Institute of Certified Public Accountants 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 34,000 members and more than 16,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designatory letters *CPA*.

The Hong Kong Institute of Certified Public Accountants 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 CPA 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 Certified Public Accountants 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.

### **Hong Kong Institute of Certified Public Accountants contact information:**

Stella To  
Deputy Director, Communications  
Phone: 2287 7209  
Mobile: 9027 7323  
Email: [stella@hkicpa.org.hk](mailto:stella@hkicpa.org.hk)