



Dear Assignment/News/Business Section Editor

Hong Kong Institute of Certified Public Accountants takes disciplinary action against one certified public accountant (practicing).

(HONG KONG, 17 July 2015) - A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 13 July 2015 that the practicing certificates of Leung Kent Ning, Louis (membership number F00550) shall be cancelled with effect from 24 August 2015 and shall not be issued to him for the year 2016. The Committee found that Leung failed or neglected to observe, maintain or otherwise apply professional standards issued by the Institute. Leung was further ordered to pay a penalty of HK\$100,000 to the Institute and pay costs of the disciplinary proceedings of HK\$100,000.

Leung was the engagement director of a corporate practice which issued the auditor's report of a private company for the period when he had been appointed and acted as the Chief Financial Officer of the company and its related group of companies.

After considering the information available, the Institute lodged a complaint against Leung under sections 34(1)(a)(vi) of the Professional Accountants Ordinance.

The Disciplinary Committee found that Leung had failed or neglected to observe, maintain or otherwise apply paragraphs 290.4 and 290.6 of the Code of Ethics for Professional Accountants.

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

Under the ordinance, if Leung is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at www.hkicpa.org.hk.

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the ordinance by a five-member Disciplinary Committee. Three members of each committee including chairman are non-accountants chose from a panel appointed by the Chief Executive of the HKSAR, and the other two 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 practice and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practicing certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

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About the Hong Kong Institute of Certified Public Accountants

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 38,000 members and more than 18,000 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.

Hong Kong Institute of CPAs’ contact information:

Stella To
Deputy Director, Communications
Phone: 2287 7209
Mobile: 9027 7323
Email: stella@hki CPA.org.hk