



Dear Assignment / News / Business Section Editor

Hong Kong Institute of Certified Public Accountants takes disciplinary action against two certified public accountants (practising)

(HONG KONG, 11 April 2014) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 24 March 2014 that the practising certificates issued to Fung Wing Yuen (membership number F03196) and Pang Ho Choi Robin (membership number F03836) ("Respondents") are to be cancelled with effect from 3 May 2014 and the same shall not be issued to them for 12 months for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. The Committee also ordered each of the Respondents to pay the Institute a penalty of HK\$50,000. In addition, the Respondents were ordered to pay the costs of the disciplinary proceedings of HK\$23,441.

The Respondents are the practising directors of Fung & Pang C.P.A. Limited. The Institute received information from the Official Receiver's Office that they had committed serious misconduct as joint and several liquidators of a private company and that in May 2012 the Court of First Instance removed them as liquidators of the company. The Respondents failed to comply with a number of provisions in the Companies Ordinance and the Companies (Winding-up) Rules for eight years, and they did not respond to the Official Receiver's requests for information and action. After considering the information available, the Institute lodged a complaint against the Respondents under section 34(1A) of the Professional Accountants Ordinance.

The Respondents admitted the complaint against them. The Disciplinary Committee found that they failed or neglected to observe, maintain or otherwise apply professional standards issued by the Institute, namely the Fundamental Principles set out in section 100.5 and as elaborated in section 130 "*Professional Competence and Due Care*" and section 150 "*Professional Behavior*" 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 the Respondents under section 35(1) of the ordinance.

Under the ordinance, if the Respondents are aggrieved by the order, they may give notice of an appeal to the Court of Appeal within 30 days after they are 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. The majority (three members) of each committee, 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.

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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 36,000 members and more than 17,000 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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