



Dear Assignment / News / Business Section Editor,

Hong Kong Institute of CPAs takes disciplinary action Against a certified public accountant

(HONG KONG, 24 July 2009) — On 5 May 2009, a disciplinary committee of the Hong Kong Institute of Certified Public Accountants ordered that the name of Mr. Steven Todd Krause (membership number F01431) be removed from the register of certified public accountants permanently and that Mr. Krause shall pay to the Institute a penalty and costs of the disciplinary proceedings totalling HK\$220,000, due to his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute and being guilty of dishonourable conduct.

The Institute received information that a court order was made in December 2006 to remove Mr. Krause as the liquidator of a company due to serious dereliction of duty in the course of conducting the liquidation. After considering the information available, the Institute lodged a complaint against Mr. Krause under section 34(1A) of the Professional Accountants Ordinance.

The disciplinary committee found that Mr. Krause:

- (a) failed or neglected to observe, maintain or otherwise apply the Institute's Fundamental Principles set out in Statement 1.200 "Professional Ethics - Explanatory Foreword" and the Code of Ethics for Professional Accountants; and
- (b) was guilty of dishonourable conduct.

Having taken into account the evidence and circumstances of the case, the disciplinary committee ordered that Mr. Krause:

- (1) be removed from the register of certified public accountants permanently with immediate effect;
- (2) pay a penalty of HK\$50,000 to the Institute; and
- (3) pay HK\$170,000 towards the costs and expenses of and incidental to the disciplinary proceedings.

- End -

Note to editor

About the Hong Kong Institute of CPAs

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 28,000 members and 13,000 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 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 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 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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