



Dear Assignment / News / Business Section Editor

## **Hong Kong Institute of CPAs takes disciplinary action Against a certified public accountant (practising)**

(HONG KONG, 17 August 2011) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 15 August 2011 that the name of Chung Yuen-ling (membership number F03401) be permanently removed from the register of certified public accountants with effect from 18 October 2011, and no application for readmission for membership by Chung should be approved within a period of eight years due to her conviction in Hong Kong of four offences involving dishonesty.

In addition, Chung was ordered to pay the costs of the disciplinary proceedings amounting to HK\$46,449.

Chung was the finance director of a company listed on the Hong Kong Stock Exchange. In April 2008, she was found guilty of one offence each of conspiracy to offer advantages to agents and conspiracy to commit false accounting of the company's records. She was also found guilty of two offences of conspiracy to steal funds from the company. Chung was sentenced to imprisonment for a total of three years and nine months.

After considering the information available, the Institute lodged a complaint against Chung under section 34(1A) of the Professional Accountants Ordinance. A Disciplinary Committee was constituted in December 2010.

The Disciplinary Committee found, on Chung's admission, that the complaint against her was proven. Having taken into account the circumstances of the case, the Disciplinary Committee made the order against Chung.

Under the Professional Accountants Ordinance, Chung may give notice of an appeal to the Court of Appeal within 30 days after she is served the order, if she is aggrieved by the order made by the Disciplinary Committee under section 35(1) of the ordinance.

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.

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### **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 32,000 members and 15,000 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 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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