



Hong Kong Institute of Certified Public Accountants settles regulatory proceedings involving a certified public accountant

(HONG KONG, 8 July 2022) The Hong Kong Institute of Certified Public Accountants has settled regulatory proceedings concerning alleged non-compliance with its professional standards by Mr. Yen Ching Wai, David, certified public accountant (F06045).

The complaint concerns the removal of Mr. Yen as one of the joint and several liquidators of a private company by the Court of First Instance in 2017 due to his conduct during the liquidation of the company. Mr. Yen appealed against the removal order but the Court of Appeal upheld the decision of the Court of First Instance and dismissed his appeal. The decision of the Court of First Instance brought discredit to Mr. Yen and the profession.

As a result of the removal order, Mr. Yen failed or neglected to observe, maintain or otherwise apply the fundamental principle of professional behaviour under sections 100.5(e) and 150.1 of the Code of Ethics for Professional Accountants.

Settlement Agreement

The Council of the Institute has agreed with Mr. Yen that:

1. Mr. Yen acknowledges the facts of the case and areas of non-compliance with professional standards;
2. Mr. Yen be reprimanded; and
3. Mr. Yen pays a financial penalty of HK\$100,000 and costs of HK\$80,000.

The Institute considers a settlement on the agreed basis to be in the public interest. In the circumstances, the Institute is satisfied that there is no purpose to be served in pursuing disciplinary proceedings.

HKICPA Settlement Process

The interests of the public, the profession and Council's regulatory function may be best served by early resolution of complaints which are either anticipated to result in disciplinary proceedings or are already the subject of disciplinary proceedings. Settlement requests will be assessed based on established criteria. Appropriate sanctions will be based on the nature and gravity of the complaint, past disciplinary records of the respondent and any aggravating or mitigating circumstances. The HKICPA will not agree to a settlement unless the matter is subject to publicity in A Plus, press release, and other means deemed appropriate.

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About HKICPA

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has over 46,000 members and 13,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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