

IN THE MATTER OF

A Complaint made under section 34(1)(a) and section 34(1A) of the Professional Accountants Ordinance (Cap. 50) ("**PAO**") and referred to the Disciplinary Committee under section 33(3) of the PAO

BETWEEN

The Registrar of the Hong Kong
Institute of Certified Public
Accountants

COMPLAINANT

AND

The Respondent

RESPONDENT

REASONS FOR DECISION

1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (the "**Institute**") as Complainant against the Respondent, who is a certified public accountant. Section 34(1)(a)(vi) of the PAO applied to the Respondent.
2. The particulars of the Complaint as set out in a letter dated 26 June 2014 ("the Complaint") from the Registrar of the Institute to the Council of the Institute for consideration of the Complaint for referral to the Disciplinary Panels were as follows:-

BACKGROUND

- 1) On 29 September 2013, the Institute received a complaint lodged by one Mr. C that the Respondent had falsely claimed on a number of occasions that he held a degree of Master of Professional Accounting ("**MPA**") awarded by the Hong Kong Polytechnic University ("**Poly U**") when in fact he was only a student of that programme at the relevant time.
- 2) It was alleged that the Respondent had associated himself with the false claim of holding an MPA degree on the following occasions:

- a. In speaking at a seminar called "QP Exam Skills and Sharing Seminar" on 25 May 2013 organized by Lingnan University, the Respondent showed a PowerPoint slide which stated that he was an MPA holder. The handouts distributed to the audience during the Seminar, apparently being copies of the Respondent's presentation slides, also referenced the MPA degree.
 - b. A picture of the Respondent taken in the Seminar which appeared in his Facebook account also showed the PowerPoint slide with the MPA reference.
 - c. A print out of the Respondent's LinkedIn profile dated 22 September 2013 showed "MPA (Poly U with distinction)".
- 3) A copy of the Respondent's academic transcript shows that he only completed the MPA degree in January 2014.
 - 4) By letters dated 9 October 2013, 23 January 2014, 6 February 2014, 4 March 2014 and 13 March 2014, the Institute sought representations from the Respondent in respect of the matter. The Respondent replied on 16 October 2014 ("**1st Reply**") and 27 January 2014, and his solicitor replied by open letters dated 28 February 2014 and 10 March 2014 and by a without prejudice letter dated 4 April 2014.

RELEVANT PROFESSIONAL STANDARDS

- 5) Section 100.5 of the Code of Ethics for Professional Accountants ("**Code**") states:

"100.5 A professional accountant shall comply with the following fundamental principles:

(a) Integrity – to be straightforward and honest in all professional and business relationships."

- 6) Section 110 "Integrity" of the Code states:

"110.1 The principle of integrity imposes an obligation on all professional accountants to be straightforward and honest in all professional and business relationships. Integrity also implies fair dealing and truthfulness.

110.2 A professional accountant shall not knowingly be associated with reports, returns, communications or other information where the professional accountant believes that the information:

(a) Contains a materially false or misleading statement;

(b) *Contains statements or information furnished recklessly;
or*

(c) *Omits or obscures information required to be included
where such omission or obscurity would be misleading.*

*When a professional accountant becomes aware that the
accountant has been associated with such information, the
accountant shall take steps to be disassociated from that
information."*

THE COMPLAINT

- 7) Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he had failed or neglected to observe, maintain or otherwise apply a professional standard, namely sections 100.5 and 110 of the Code, when he made statement(s) to the effect that he was a holder of an MPA degree when, at the time, that was not true.

FACTS AND CIRCUMSTANCES IN SUPPORT OF THE COMPLAINT

- 8) The Respondent does not deny that he only obtained his MPA qualification after completing the study programme in January 2014. Prior to that time, the Respondent was clearly not entitled to use the academic designation and any use of the designation by him, at that time, would give the false or misleading impression that the Respondent had completed and successfully passed the study programme.
- 9) However, the Respondent did portray himself as an MPA degree holder by using the "MPA" reference on a number of occasions even though he had yet to complete the study programme.

The Seminar

- 10) On 25 May 2013, the Respondent was a speaker at a seminar "*QP Exam Skills and Sharing Seminar*" organized by the Lingnan University (the "**Seminar**"). To assist his presentation, the Respondent had prepared and used a set of PowerPoint slides.
- 11) Within these slides, the Respondent had prepared a slide containing details of his qualifications and experience. This slide represented that the Respondent was *inter alia* the holder of an MPA degree.
- 12) Hardcopies of the PowerPoint slides, including the slide containing his personal qualification and experience, were distributed at the Seminar to all attendees.

Facebook

- 13) The Respondent maintained a Facebook account with 770 connections. Given the way Facebook operates as an internet communication platform, it is reasonable to expect the postings would be accessible to more than just the Respondent's 770 connections.
- 14) The Respondent's Facebook page contained a picture of the Respondent standing in front of the slide from his PowerPoint presentation which claimed that he was the holder of an MPA degree. The picture was taken during the Seminar and had been uploaded by the Respondent to his Facebook account.
- 15) As noted above, this picture would have been available for view by any one of the Respondent's 770 Facebook friends which included *"prominent people in the accounting sector, such as Council Members and Committee Members of our Institute, Legco Councilor, my friends, my tutors, and my students"* in addition to, possibly, others in the Facebook network.

LinkedIn

- 16) The Respondent maintained a LinkedIn account with 120 connections. Given the way LinkedIn operates as an internet communication platform especially for professionals, it is reasonable to expect that the page would be accessible to more than just Respondent's 120 connections.
 - 17) As shown in a snapshot of the Respondent's own LinkedIn profile page taken on 22 September 2013, he had been representing that he was the holder of an MPA degree from Poly U which he claimed to have passed with distinction.
3. The Respondent admitted the Complaint against him. He did not dispute the facts as set out in the Complaint and withdrew his defence submitted in his Case. He agreed that the steps set out in paragraphs 26 to 30 of the Disciplinary Committee Proceedings Rules be dispensed with.
 4. By a letter dated 6 January 2015 addressed to the Complainant and the Respondent, the Clerk to the Disciplinary Committee ("**DC**"), under the direction of the DC, informed the parties that they should make written submissions to the DC as to the sanctions and costs and that the DC would not hold a hearing on sanctions and costs unless otherwise requested by the parties.
 5. In considering the proper order to be made in this case, the DC has had regard to all the aforesaid matters, including the particulars in support of the Complaint, the Respondent's personal circumstances, and the conduct of the Complainant and the Respondent throughout the proceedings.
 6. The DC orders that:-
 - 1) the Respondent be reprimanded under section 35(1)(b) of the PAO;

- 2) the Respondent do pay a penalty of HK\$10,000 under section 35(1)(c) of the PAO; and
- 3) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$64,265 under section 35(1)(iii) of the PAO.

Dated the 10th day of March 2015