

- 1.2 The Practice was notified in February 2015 that it had been selected for an initial practice review in May 2015.
- 1.3 In April 2014, as a reminder of the Practice Review Committee's (the "PRC") expectation on compliance with the basic requirements of Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" ("HKSQC 1") a letter was issued to all practising members advising that the PRC would take strong action against practices that failed to take steps to implement procedures to address the requirements of HKSQC 1. The letter stated that if a practice is found to have made little or no attempt or effort to address those requirements, such behaviour would be viewed as serious professional misconduct. A copy of the letter was also attached to the notification letter sent to the Practice in February 2015 regarding its initial practice review.
- 1.4 Prior to the practice review, the Respondent completed an electronic Practice Review Self-Assessment Questionnaire ("2014 EQS") concerning, inter alia, quality control policies and procedures of the Practice.
- 1.5 A draft report was sent to the Respondent on 2 June 2015 and the Respondent filed a response to the draft report, dated 10 July 2015. A copy of the Reviewer's Report outlining the practice review findings set out by the PRC was provided to the Respondent on 14 October 2015.
- 1.6 The PRC considered the results of the review to be unsatisfactory due to a number of significant deficiencies identified in the Practice's quality control system. The PRC regarded these deficiencies to be a serious lack of commitment to quality control by the Respondent. Further, the PRC considered that the answers given in the 2014 EQS to contain misleading statements or information that was furnished recklessly. The PRC, therefore, considered that the combined effect of the aforementioned conduct amounted to serious professional misconduct and decided to raise a complaint against the Respondent.

2. Relevant professional standards

2.1 The complaint relates to the following professional standards:

- (a) Hong Kong Standards on Auditing ("HKSA"),
- (b) Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial statements and Other Assurance and Related Services Engagements" (Revised July 2010) ("HKSQC 1"); and
- (c) The Code of Ethics for Professional Accountants ("COE").

3. The Complaint

Complaint 1

- 3.1 Section 34(1)(a)(vi) of the PAO applies to the Respondent for having failed or neglected to observe, maintain or otherwise apply a professional standard, namely HKSQC 1, in that being the sole proprietor responsible for the Practice's quality control system, his Practice had not implemented adequate quality control policies and procedures and/or adequately documented the quality control policies and procedures in respect of the monitoring process, independence requirements, client acceptance and continuance, file assembly procedures, and engagement performance.

Complaint 2

- 3.2 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, paragraphs 100.5(a) and 110.2 of the COE in respect of the answers he gave in relation to his Practice's monitoring review which he provided in the 2014 EQS.

Complaint 3

- 3.3 Section 34(1)(a)(viii) of the PAO applies to the Respondent in that he has been guilty of professional misconduct as a result of his failure to comply with multiple requirements of quality control under the HKSQC 1 and/or failure to comply with the fundamental principle of integrity in respect of the answers he gave in the 2014 EQS.

4. Facts and Circumstances surrounding the Complaint

Complaint 1

Monitoring process

- 4.1 The Practice is considered to have failed to comply with paragraphs 48 and 57 of HKSQC 1.
- 4.2 Prior to the practice review visit, the Practice submitted a completed 2014 EQS. In response to the question "Was a monitoring review completed during the period from 1 April 2013 to 31 March 2014?" The Respondent furnished the following response: "As there is continuous shortage of man power and the heavy workload during the period concerned, no monitoring review was carried out."
- 4.3 In response to the question "Did the monitoring review include a review of completed audit engagement file?" the Respondent answered as follows: "In view of the shortage of audit staff in the past two years, there was no sufficient time to carry out review of completed audit engagement files."
- 4.4 The Respondent lodged the following answer "As the review was carried out by the proprietor directly, no written documentation was prepared" in response to the question "Were the monitoring review procedures, results and follow up action plan documented".

- 4.5 The Respondent's letter, dated 10 July 2015, stated that an internal review had been carried out before 1 April 2013 but no review had been carried out since then. It was also stated in the Respondent's letter that there was no formal written report on the internal review.
- 4.6 According to paragraph 48 of HKSQC 1, all practices are required to establish a monitoring process designed to provide the practice with reasonable assurance that the policies and procedures relating to the system of quality control are relevant, adequate, and operating effectively. This process shall include ongoing consideration and evaluation of the firm's system of quality control and requires the Practice to undertake an inspection of at least one completed audit engagement.
- 4.7 Paragraph 57 of HKSQC 1 requires the Practice to establish policies and procedures requiring appropriate documentation to provide evidence of the operation of each element of its system of quality control.
- 4.8 The Complainant maintains that the Respondent, who is solely responsible for the Practice, did not undertake an ongoing evaluation of the firm's system of quality control and did not provide any documentary evidence to demonstrate that it had undertaken an inspection of at least one completed audit engagement. The responses furnished by the Respondent to the 2014 EQS claimed that a monitoring review had been completed in December 2012, yet the review did not include an inspection of at least one completed audit engagement file, in accordance with paragraph 48 of HKSQC 1.
- 4.9 The reviewer found no documentary evidence to substantiate that a monitoring review had been undertaken in December 2012 in accordance with paragraph 57 of HKSQC 1. Such documentation would have included details of the monitoring review procedures undertaken along with the results and follow up action plan arising from the review.

Independence

- 4.10 The Respondent is considered to have failed to comply with paragraphs 21 and 57 of HKSQC 1.
- 4.11 Paragraph 21 of HKSQC 1 requires a practice to establish policies and procedures designed to provide the practice with reasonable assurance that the firm and its personnel maintain independence where required by relevant ethical requirements.
- 4.12 It was reported by the practice reviewer that the Practice provided accounting services and company secretarial services to its audit clients. The reviewer also found that the Practice was not able to demonstrate that there were appropriate safeguards, such as segregation of duty, in place.
- 4.13 The Respondent's letter, dated 10 July 2015, explained that the accountancy services were carried out by two designated staff not involving any audit work on the same clients. It was also stated in the Respondent's letter that the company secretarial services provided to clients involved general compliance work such as preparing annual returns and minutes of annual general meetings.
- 4.14 No documentary evidence has been made available to show that the Practice had performed any procedures to:

- (i) identify and evaluate circumstances and relationships that may create threats to independence arising from the provision of accounting services and company secretarial services to its audit clients; and
- (ii) consider the need for appropriate safeguards to eliminate the identified threats to an acceptable level in order to ensure that the Practice and its personnel satisfy the ethical requirements on independence to meet the requirements under paragraph 57 of HKSQC 1.

Client Acceptance and continuance

- 4.15 The Practice is considered to have failed to comply with paragraphs 26 to 28 and 57 of HKSQ 1.
- 4.16 Paragraphs 26 to 28 of HKSQC 1, require a practice to establish policies and procedures for client acceptance and continuance which enable the practice to obtain information necessary in the circumstances prior to accepting an engagement with a new client or when deciding whether to continue an engagement with an existing client.
- 4.17 In response to the question “Does your practice have new client and engagement acceptance policies and procedures?” the Respondent answered “Yes” in the 2014 EQS.
- 4.18 When conducting the practice review, the reviewer found no evidence to show that the Respondent had carried out client and acceptance procedures prior to accepting an engagement with a new or existing client.
- 4.19 The Respondent’s letter dated 10 July 2015 stated that the Respondent would assess the acceptance and continuance for the audit of a client alone, but that no documentation was generated to record the claimed assessment.

File Assembly

- 4.20 The Respondent is considered to have failed to carry out his responsibility for the Practice’s quality control procedures in respect of file assembly in accordance with paragraphs 45 and A54 of HKSQC 1.
- 4.21 Paragraph 45 of HKSQC 1 requires a practice to establish policies and procedures for engagement teams to complete the assembly of final engagement files on a timely basis after the engagement reports have been finalized.
- 4.22 Paragraph A54 of HKSQC 1 states that a time limit within which to complete the assembly of the final audit file is ordinarily not more than 60 days after the date of the auditor’s report.
- 4.23 During the practice review, the reviewer noted that certain audit working papers of Client J and Client V, which were shown to the reviewer during the practice review visit in May 2015, were not originally included in the audit files. The audit reports of Client J and Client V were both issued in November 2014. Despite a lapse of six months, the audit files still had not been properly compiled until the practice reviewer asked to inspect them.
- 4.24 The Respondent’s letter, dated 10 July 2015, stated that the Practice staff had no time to complete the file assembly procedures on a timely basis.

Engagement performance

4.25 The Respondent is considered to have failed to have complied with Paragraph 32 of the HKSQC 1.

4.26 Paragraph 32 of HKSQC 1 requires a practice to establish policies and procedures designed to provide it with reasonable assurance that engagements are performed in accordance with professional standards and applicable legal and regulatory requirements, and that the firm or the engagement partner issued reports that are appropriate in the circumstances.

4.27 The practice review findings show that the Practice's audit work and documentation did not meet the requirements of a number of auditing standards. In particular, the reviewer noted that the Practice's self-developed audit programs and audit working papers of the two selected audit engagements, Client J and Client V, did not show any evidence that the Practice had properly carried out the following required audit procedures:

(i) Obtain an understanding of the entities' internal controls relevant to the audits; and evaluate the design of those controls to determine whether they have been properly implemented in the period under audit, in accordance with the Hong Kong Standard on Auditing ("HKSA") 315 "*Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment*".

(ii) Obtain information for use in identifying and assessing the risks of material misstatement due to fraud; and perform audit procedures, including journal entry testing to address the risks of management override of controls, in accordance with the requirements specified under HKSA 240 "*The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*".

Complaint 2

4.28 The Respondent is considered to have knowingly submitted false or misleading statements and/or furnished information recklessly in the 2014 EQS, in breach of paragraphs 100.5(a) and 110.2 of the COE.

4.29 Paragraphs 100.5(a) and 110.2 of the COE require a professional accountant to be straightforward and not knowingly associated with information which contains false or misleading statements; or information furnished recklessly.

4.30 The Respondent submitted the following responses in the 2014 EQS:

Extract from EQS 2014 Summary	Practice's response
Was a monitoring review completed during the period from 1 April 2013 to 31 March 2014?	As there is continuous shortage in man power and the heavy workload during the period concerned, no monitoring review was carried out.
Was a monitoring review completed prior to 1 April 2013?	Yes
Please specify year and month of completion of the latest completed monitoring review	2012
Please specify year and month of completion of the latest completed monitoring review	12
Did the monitoring review include a review of implementation of firm-wide quality control policies and procedures?	Yes
Have the monitoring review findings been followed-up?	Yes
Which department(s) or organization(s) or individual is (are) responsible for carrying out the monitoring review?	Tam Tak Kuen Alfred, Proprietor
When is the next planned monitoring review? [Please specify...year and month]	2014
When is the next planned monitoring review? [Please specify...year and month]	12

4.31 During the practice review the reviewer could not find any evidence that a monitoring review had been completed by the Practice. No evidence has since been provided by the Respondent to support the statement that a monitoring had been performed.

4.32 In a letter, dated 10 July 2015, the Respondent explicitly stated that there was no documentary evidence to prove that the monitoring review had been conducted prior to April 2013.

4.33 Paragraph 57 of HKSQC 1 states that “appropriate documentation” is required “to provide evidence of the operation of each element of its system of quality control.”

Complaint 3

4.34 The Respondent is considered to have failed both to demonstrate an effective quality control system and to comply with the fundamental principle of integrity, which in the view of the Complainants amounts to a serious professional misconduct.

4.35 Paragraph 16 of HKSQC 1 requires a practice to establish and maintain a system of quality control which includes policies and procedures that address, amongst other things, the following elements:

- (i) Relevant ethical requirements.
- (ii) Acceptance and continuance of client relationships and specific engagements.
- (iii) Engagement performance Monitoring.

4.36 The practice review findings identified multiple failures by the Practice to comply with the basic requirements of HKSQC 1 in respect of monitoring, independence, client acceptance and continuance, file assembly and engagement performance.

4.37 The reviewer also found that the Respondent had submitted the 2014 EQS, which contains false or misleading statements or information furnished recklessly, in breach of paragraphs 100.5(a) and 110.2 of the COE.

5. Findings and Conclusions

Complaint 1

Monitoring process

- 5.1 The Respondent, being a sole practitioner of the Practice, is responsible for the Practice's quality control system and is required to comply with professional standards set out in HKSQC 1.
- 5.2 Paragraph 48 of HKSQC 1, requires all practices to establish a monitoring process designed to provide the practice with reasonable assurance that the policies and procedures relating to the system of quality control are relevant, adequate, and operating effectively. In accordance with paragraph 57 of HKSQC 1 the Practice is required to establish policies and procedures requiring appropriate documentation to provide evidence of the operation of each element of its system of quality control.
- 5.3 The Respondent claimed in the 2014 EQS that a monitoring review had been completed in December 2012, but the review did not include an inspection of at least one completed audit engagement file as required under paragraph 48 of HKSQC 1.
- 5.4 No documentary evidence was provided by the Respondent to substantiate that a monitoring review had been undertaken in December 2012 in accordance with paragraph 57 of HKSQC 1.
- 5.5 The Respondent has explicitly stated in the 2014 EQS that a monitoring review had not been carried out during the period from 1 April 2013 to 31 March 2014 due to a "continuous shortage in man power" and "heavy workload" during the relevant period.
- 5.6 Further, the Respondent's letter, dated 10 July 2015, stated that an internal review had been carried out before 1 April 2013 but no review was carried out since then. The Respondent also stated that there was no formal written report on the internal review.
- 5.7 The absence of documentation of the Practice's monitoring process demonstrates that the monitoring review, if it had been undertaken, was not operating effectively as it did not provide a record of the monitoring procedures, results and follow up action based on which the Practice could assess whether the quality control requirements under HKSQC

I were complied with.

- 5.8 Owing to the Respondent's own admissions in the 2014 EQS and Respondent's letter, dated 10 July 2015, the Disciplinary Committee is satisfied that a monitoring review has not been carried out in accordance with paragraph 48 of HKSQC 1. The Disciplinary Committee is also satisfied that the Respondent has not been able to provide documentary evidence to demonstrate that a monitoring review had been undertaken in December 2012 and has, therefore, failed to comply with paragraph 57 of HKSQC 1.

Independence

- 5.9 The Respondent is responsible for the Practice's engagements.
- 5.10 The practice reviewer reported that the Respondent provides accounting services and company secretarial services to its audit clients.
- 5.11 At the substantive hearing held on 29 March 2017, the Complainant notified the Disciplinary Committee that the Respondent was not required to comply strictly with paragraph 21 of HKSQC 1 since the Respondent, as a sole proprietor, is subject to a concession put in place by the Institute. In practice, the concession operates by the Institute allowing the Respondent to audit and carry on the practice, as a sole-proprietor, by providing services in addition to auditing on the condition that the Respondent put in place certain procedures to ensure independence.
- 5.12 Despite the operation of such a concession, the Disciplinary Commission is satisfied that the Respondent has not put in place any procedures to ensure independence and therefore has not been able to demonstrate the minimum standards required of a sole proprietor under paragraph 21 of HKSQC 1.
- 5.13 The Disciplinary Commission regards the Respondent's admission to the reviewer that he did not conduct an assessment of significance of threats to independence arising from the provision of accounting and secretarial services to audit clients as a significant factor that indicates non-compliance with the relevant standards.
- 5.14 In accordance with paragraph 57 of HKSQC 1, documentary evidence should be made available to show that the Practice had performed procedures to:
- (i) identify and evaluate circumstances and relationships that may create threats to independence arising from the provision of accounting services and company secretarial services to its audit clients; and
 - (ii) consider the need for appropriate safeguards to eliminate the identified threats to an acceptable level in order to ensure that the Practice and its personnel meet the ethical requirements on independence.
- 5.15 No such documentary evidence had been made available by the Respondent as required under paragraph 57 of HKSQC 1.
- 5.16 The Disciplinary Committee is satisfied that the Respondent has not complied with both paragraphs 21 and 57 of HKSQC 1.

Client acceptance and continuance

- 5.17 The reviewer found no evidence showing that the Practice had carried out client acceptance and continuance procedures before accepting an engagement with a new or existing client, despite the Respondent's responses to the 2014 EQS, in which it was indicated that client acceptance and continuance procedures had been performed.
- 5.18 The Respondent's letter dated 10 July 2015, stated that the Respondent alone would assess the acceptance and continuance of clients for the audit of a client without any written documentation.
- 5.19 The Disciplinary Committee does not regard the Respondent's conduct, outlined in para. 5.18 above, to be sufficient to demonstrate that policies and procedures for client acceptance and continuance have been established under paragraphs 26 and 28. Further, no written documentation has been provided in accordance with paragraph 57.
- 5.20 The Disciplinary Committee is satisfied that the Respondent has not complied with paragraphs 26, 28 and 57 of HKSQC 1.

File assembly

- 5.21 The Respondent is responsible for ensuring that the Practice's quality control procedures in respect of file assembly meet the requirements set out in paragraphs 45 and A54 of HKSQC 1.
- 5.22 The practice reviewer found that certain audit working papers of Client J and Client V, which were shown to the reviewer during the practice review visit in May 2015, were not originally included in the audit files. Such a finding shows that the assembly of final engagements has not been filed on a timely basis after the engagement reports have been finalised.
- 5.23 The audit reports of Client J and Client V were both issued in November 2014. This demonstrates that despite a lapse of six months the audit files were not properly compiled.
- 5.24 The Respondent has admitted, by way of letter dated 10 July 2015 and during the substantive hearing on 29 March 2017, that the Practice staff had no time to complete the file assembly procedures on a timely basis.
- 5.25 The Disciplinary Committee is accordingly satisfied that the Respondent has not met the requirements set out in paragraphs 45 and A54 of HKSQC 1.

Engagement performance

- 5.26 The Respondent is responsible for ensuring that the Practice establishes policies and procedures designed to provide reasonable assurance that engagements are performed in accordance with professional standards and applicable legal and regulatory requirements, and that the firm or the engagement partner issued reports that are appropriate in the circumstances according to paragraph 32 of HKSQC 1.
- 5.27 There is no evidence to show that the Practice has carried out relevant audit procedures of two selected audit engagements, Client J and Client V.
- 5.28 The Disciplinary Committee is satisfied that the above findings show that the Respondent has not established the policies and procedures required under paragraph 32

of HKSQC 1.

Complaint 2

5.29 The Respondent completed the 2014 EQS to indicate, inter alia, that:

- (a) a monitoring review had been completed by the Practice prior to 1 April 2013,
- (b) the monitoring review included a review of implementation of firm-wide quality control policies and procedures; and
- (c) the monitoring review findings had been followed up.

5.30 The Respondent is required to comply with all professional standards, particularly HKSQC 1 and COE. Yet, the Respondent made an admission during the substantive hearing, held on 29 March 2017, that he was unclear about what the relevant standards were. He refused to accept that it was his responsibility to acquaint himself with the standards and claimed that he had no time to do so because he was too busy. The Disciplinary Committee is satisfied that the Respondent's admissions demonstrate his blatant disregard for the professional standards.

5.31 Paragraphs 100.5(a) and 110.2 of the COE require a professional accountant to be straightforward and not knowingly be associated with information, which contains false or misleading statements; or information furnished recklessly.

5.32 The Respondent had filed the following responses in the 2014 EQS:

Was a monitoring review completed prior to 1 April 2013?	YES
Did the monitoring review include a review of implementation of firm-wide quality control policies and procedures?	YES
Have the monitoring review findings been followed-up?	YES

5.33 In light of the Respondent's admissions that he was not certain about the relevant standards in the HKSQC 1, and his blatant disregard for professional standards, the Disciplinary Committee are satisfied that he had filed the answers of the 2014 EQS, referred to in para. 3.32 above, recklessly by representing that he had been in compliance with those standards.

5.34 Paragraph 57 of HKSQC 1 states that "appropriate documentation" is required "to provide evidence of the operation of each element of its system of quality control."

5.35 The Disciplinary Committee is also satisfied that there is no documentary evidence available to support the answers filed in the 2014 EQS. The Respondent has explicitly stated that there is no documentary evidence to prove that the monitoring review was conducted prior to April 2013 in a letter dated 10 July 2013 and orally during the substantive hearing held on 29 March 2017.

5.36 In the absence of documentation there is no record of the procedures and results of the monitoring review undertaken and how the Practice could then follow up its monitoring review findings. Accordingly, without documentation there is no record of whether the Practice had adequately, or at all, complied with its monitoring review requirements.

5.37 The Disciplinary Committee is satisfied that the lack of documentation constitutes non-compliance with paragraph 57 of HKSQC 1.

Complaint 3

- 5.38 The Disciplinary Committee is satisfied that the Practice has failed to comply with multiple requirements of HKSQC 1 in respect of monitoring process, independence, client acceptance and continuance, file assembly and engagement performance set out in Complaint 1.
- 5.39 With regard to Complaint 2, the Disciplinary Committee determine that the Respondent has furnished information in the 2014 EQS recklessly in breach of paragraphs 100.5(a) and 110.2 of the COE.
- 5.40 The Disciplinary Committee is, therefore, satisfied that the multiple breaches of HKSQC 1 and Respondent's non-compliance with paragraphs 100.5(a) and 110.2 of the COE amount to a serious professional misconduct.
- 5.41 In considering the decision to be made in this case, the Disciplinary Committee has paid due regard to all of the previously mentioned matters, including the particulars and oral submissions made by the Respondent and Complainant at the substantive hearing held on 29 March 2017. The Disciplinary Committee finds the First Complaint, Second Complaint and Third Complaint are proved.

Dated the 10th day of July 2017

IN THE MATTER OF

A Complaint made under Section 34(1) of the Professional Accountants Ordinance (Cap.50) (“the PAO”) and referred to the Disciplinary Committee under Section 33(3) of the PAO

BETWEEN

The Practice Review Committee of
the Hong Kong Institute of
Certified Public Accountants

COMPLAINANT

AND

Mr. Tam Tak Kuen Alfred
Membership No. F02942

RESPONDENT

Before a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants

Members: Dr. WILSON Claire (Chairman)
Ms. CHEUNG Sau Fun, Susie
Mr. LAI Yat Hin Adrian
Mr. CHOI Wai Wing

Date of Hearing: 29 March 2017
Date of Reasons for Decision: 10 July 2017
Date of Order: 12 October 2017

ORDER

1. The Committee handed down its Reasons for Decision on 10 July 2017 and founded the following complaints against the Respondent proved.

Complaint 1: Section 34(1)(a)(vi) of the PAO applies to the Respondent for having failed or neglected to observe, maintain or otherwise apply a professional standard, namely HKSQC 1, in that being the sole proprietor responsible for the practice's quality control system, his practice had not implemented adequate quality control policies and procedures and/or adequately documented the quality control policies and procedures in respect of the monitoring process, independence requirements, client acceptance and continuance, file assembly procedures, and engagement performance.

Complaint 2: 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, paragraphs 100.5(a) and 110.2 of the Code of Ethics for Professional Accountants in respect of the answers he gave in relation to his practice's monitoring review which he provided in the 2014 electronic Practice Review Self-Assessment Questionnaire (EQS).

Complaint 3: Section 34(1)(a)(viii) of the PAO applies to the Respondent in that he has been guilty of professional misconduct as a result of his failure to comply with multiple requirements of quality control under the HKSQC 1 and/or failure to comply with the fundamental principle of integrity in respect of the answers he gave in the 2014 EQS.

2. Pursuant to the directions of the Disciplinary Committee, the Complainant made submission on sanctions and costs on 24 July 2017. There was no response from the Respondent; and a reminder was sent to him on 25 July 2017. On 9 August 2017, the Chairman directed the Respondent to provide his submission on sanctions and costs on or before 15 August 2017. There was no response from the Respondent.
3. In considering the proper order to be made in this case, the Disciplinary Committee has had regard to all of the previously mentioned matters, including the Complainant's submissions on sanctions and costs, and the conduct of the parties throughout the hearing.
4. The Disciplinary Committee ORDERS that:-
 - (a) the Respondent be reprimanded under Section 35(1)(b) of the PAO;
 - (b) the Respondent pay a penalty of HK\$50,000 under Section 35(1)(c) of the PAO;
 - (c) the practising certificate issued to the Respondent in 2017 be cancelled under Section 35(1)(da) of the PAO;
 - (d) a practising certificate shall not be issued to the Respondent for two years under section 35(1)(db) of the PAO;
 - (e) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$51,628 under Section 35(1)(iii) of the PAO.

The above shall take effect on the 40th day from the date of this order.