



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

## **Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant**

(HONG KONG, 8 June 2018) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 2 May 2018 that the name of Yan Kwok Ting, Sunny, certified public accountant (membership number A17960) be removed from the register of CPAs for 5 years with effect from 13 June 2018. In addition, Yan was ordered to pay costs of the disciplinary proceedings of HK\$262,499.

Yan was employed by Core Pacific-Yamaichi Capital Ltd. (CPYC) as personal assistant to the head of corporate finance. During that time he was a licensed person under the Securities and Futures Ordinance (Cap. 571). In January 2005, the Securities and Futures Commission (SFC) commenced an investigation into due diligence work performed by CPYC in sponsoring a listing on the Growth Enterprise Market board. The SFC started the investigation after finding CPYC's earlier submissions to the Stock Exchange of Hong Kong gave an unjustified impression that the due diligence work on the sponsored listing was sufficient.

During the SFC enquiries, CPYC's head of corporate finance submitted new evidence to the SFC which ostensibly allayed his responsibility for the earlier misleading submissions to the Stock Exchange. Yan provided information in a statutory declaration and in an interview with the SFC, which attempted to support the validity of the new evidence. The SFC determined that the new evidence was fabricated or forged, and the information provided by Yan was also false. On this basis, the SFC concluded Yan was guilty of providing false or misleading information to the SFC. He was prohibited from re-entering the industry for 4 years.

Yan later applied to the Securities and Futures Appeals Tribunal (SFAT) to review the decision of the SFC. The SFAT dismissed the application after an extensive hearing. After considering the information available, the Institute lodged a complaint under section 34(1)(a)(x) of the Professional Accountants Ordinance (Cap. 50).

Yan admitted the complaint against him. The Disciplinary Committee found that Yan was guilty of dishonourable conduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order under section 35(1) of the ordinance. In making the order, the Committee noted that SFAT based its conclusion on a careful and comprehensive survey of the evidence which indicated that Yan was aware of the falsity in the new evidence. The Committee further noted it was clear from the SFAT's verdict that Yan had given materially false or misleading statements to the SFC, which was clearly dishonourable conduct. The Committee found Yan's conduct amounted to a serious breach of integrity, which is a fundamental requirement of the profession. His failure to

cooperate with the Institute at an early stage led to additional time and expense being incurred, warranting the award of full costs to the complainant.

#### About HKICPA Disciplinary Process

The Hong Kong Institute of Certified Public Accountants (HKICPA) enforces the highest professional and ethical standards in the accounting profession. Governed by the Professional Accountants Ordinance (Cap. 50) and the Disciplinary Committee Proceedings Rules, an independent Disciplinary Committee is convened to deal with a complaint referred by Council. If the charges against a member, member practice or registered student are proven, the Committee will make disciplinary orders setting out the sanctions it considers appropriate. Subject to any appeal by the respondent, the order and findings of the Disciplinary Committee will be published.

For more information, please see:

<http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/disciplinary/>

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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 more than 42,000 members and 18,000 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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