

IN THE MATTER OF

A Complaint made under section 34(1) of the Professional Accountants Ordinance (Cap. 50)

BETWEEN

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

AND

Mr. Yu Ching Hoi (A24158) RESPONDENT

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

Members: Mr. Yu Tin Yau, Elvin (Chairman)
 Ms. Lam Ding Wan, Catrina
 Mr. Lin, James C
 Ms. Li Yin Fan
 Mr. Lee Kwo Hang, Felix

Date of hearing: 5 October 2020

Date of Reasons for Decision: 29 October 2020

Date of Decision on Sanctions and Costs: 30 December 2020

DECISION ON SANCTIONS AND COSTS

1. This is a complaint made by the Practice Review Committee ("**PRC**") of the Hong Kong Institute of Certified Public Accountants (the "**Institute**") against Mr. YU Ching Hoi, a certified public accountant (practising) (the "**Respondent**").

Sections 34(1)(a)(vi) and 34(1)(a)(viii) of the *Professional Accountants Ordinance* (“**PAO**”) apply to the Respondent.

2. The complaints against the Respondent (“**Complaints**”) are set out below:

First Complaint

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 in respect of the answers he provided in the 2016 practice review self-assessment questionnaire (“**EQS**”).

Second Complaint

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 professional standard(s) in respect of his audit of Client S for the year ended 31 December 2015.

Third Complaint

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 professional standard(s) in respect of his audit of Client V for the year ended 31 March 2013.

Fourth Complaint

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 for his failure to maintain an adequate quality control system.

Fifth Complaint

Section 34(1)(a)(viii) of the PAO applies to the Respondent in that he has been guilty of professional misconduct.

3. The Committee’s findings of facts and reasons are set out in the Reasons for Decision dated 29 October 2020 (“**Decision**”). This decision on sanctions and costs should be read together with the Decision.
4. Pursuant to the Committee’s directions, the Complainant provided their submissions on sanctions and costs on 12 November 2020. The Respondent did not file any written submission by the due date of 4 December 2020.
5. By letter from the Clerk to the Disciplinary Committee (“**Clerk**”) to the Respondent dated 7 December 2020 referring to a phone conversation between the Clerk and the Respondent on even date, the Respondent indicated that he was unwell and missed the submission deadline and he would file the Respondent’s submission on sanctions and costs by 11 December 2020. The Clerk further

conveyed the Chairman's message that the Committee would proceed to issue the disciplinary order if the Respondent did not submit by 11 December 2020. The Respondent did not file any written submission by the extended due date of 11 December 2020.

6. The following is the unanimous decision of the Committee on sanctions and costs.
7. The Committee therefore orders that:-
 - 7.1. The practising certificate issued to the Respondent be cancelled 40 days from the date of this order under Section 35(1)(da) of the PAO;
 - 7.2. A practising certificate should not be issued to the Respondent for a period of 20 months from the date the Respondent's practising certificate is cancelled under sub-paragraph 7.1 above under Section 35(1)(db) of the PAO;
 - 7.3. The Respondent is hereby reprimanded under Section 35(1)(b) of the PAO and ordered to pay a penalty of HK\$50,000 under Section 35(1)(c) of the PAO; and
 - 7.4. The Respondent do pay the costs and expenses of and incidental to the proceedings in the sum of HK\$164,448 under Section 35(1)(iii) of the PAO.

Mr. Yu Tin Yau, Elvin
Chairman

Ms. Lam Ding Wing, Catrina
Member

Ms. Li Yin Fan
Member

Mr. Lin, James C
Member

Mr. Lee Kwo Hang, Felix
Member