



7. Where there is a dispute arising from how the powers of a reviewer under section 32E of the PAO may be exercised, section 32F of the PAO empowers the PRC to deal with the dispute by issuing a direction.
8. The Respondent is a CPA and has held a CPA practising certificate since 2009. At the date of this order, the Respondent is practising in her own name on a part time basis. On 28 May 2018, the Director, Quality Assurance informed the Respondent that her practice was subject to a practice review and that a practice reviewer would contact her to obtain certain information. Despite repeated requests of the practice reviewer, the Respondent failed to cooperate.
9. On 30 August 2019, the PRC issued a direction under section 32F(2)(b) of the PAO which required the Respondent to cooperate with the practice review and provide certain information in relation to the review ("**Direction**").
10. The Respondent did not comply with the Direction. As a result, the PRC decided to raise a complaint against the Respondent under section 32F(3) of the PAO.

### **THE COMPLAINT**

11. Section 34(1)(a)(v) of the PAO applies to the Respondent in that she, without reasonable excuse, failed or neglected to comply with the direction issued by the PRC on 30 August 2019 under section 32F(2)(b) of the PAO.

### **FACTS AND CIRCUMSTANCES IN SUPPORT OF THE COMPLAINT**

#### *Events leading to the PRC Direction*

12. On 28 November 2017, the QAD notified the Respondent that her practice had been selected for a practice review and requested her to provide information for the QAD's assessment as to whether the Respondent's practice was suitable for a desktop practice review. Having considered the information provided by the Respondent, the QAD informed the Respondent on 28 May 2018 that her practice would be subject to a desktop practice review ("**Review**").
13. During the period from February to September 2019, the QAD staff made numerous attempts to obtain the required information from the Respondent for the purpose of the Review. However, the Respondent failed or refused to provide the information requested, i.e. completed audit files of one client selected by QAD and other information.
14. In the telephone conversation on 24 May 2019 between the Respondent and the QAD staff, the Respondent refused to provide the information required because she said she had plans to cease practising in future. The Respondent then hung up.
15. A final reminder letter was sent to the Respondent by registered post on 15 July 2019 and by email on 25 July 2019 requesting her to provide the information required for the Review by the final deadline of 29 July 2019. However, the Respondent did not contact QAD or provide the information required. The above therefore gave rise to a dispute under Section 32F(1) of the PAO.

16. A letter dated 6 August 2019 was sent to the Respondent by registered post, ordinary post and email inviting her to make written submission or representation regarding the dispute under Section 32F(1) of the PAO by 20 August 2019. However, the Respondent did not make any written submission or representation.
17. Hence, the QAD staff was unable to conduct the practice review on the Respondent's practice.

*Failure to comply with PRC direction*

18. The PRC was of the view that there had been a dispute arising from the lack of cooperation of the Respondent to enable the Review to be carried out.
19. On this basis, the PRC issued the Direction on 30 August 2019 which required the Respondent to (i) cooperate and make herself available for the Review from 18 to 20 September 2019; and (ii) provide the QAD with the information in relation to the Review.
20. Despite the Direction, the Respondent still refused to respond to the QAD. The PRC considered that the Respondent should have been aware of the Review but determined not to comply with the Direction.
21. On the above basis, the PRC concluded that the Respondent had failed to comply with its Direction and decided to raise a complaint against the Respondent under section 32F(3) of the PAO.
22. In the circumstance, section 34(1)(a)(v) of the PAO applies to the Respondent in that she, without reasonable excuse, failed or neglected to comply with the Direction issued by the PRC under section 32F(2)(b) of the PAO.

**THE PROCEEDINGS**

23. A Disciplinary Committee was constituted under section 33(3) of the PAO and a Notice of Commencement of Proceedings ("Notice") was issued on 15 April 2020. The Respondent did not submit her case by 10 June 2020 in accordance with the procedural timetable enclosed with the Notice.
24. The Disciplinary Committee directed on 10 July 2020 that the substantive hearing be dispensed with unless the Respondent filed a written objection. No objection or reply was received from the Respondent. The Clerk to the Disciplinary Committee wrote to the parties on 29 July 2020 advising that the substantive hearing had been dispensed with, and the parties were directed by the Chairman of the Disciplinary Committee to file their submissions on sanctions and costs by 19 August 2020.
25. The Complainant filed its submission on sanctions and costs on 13 August 2020. The Respondent did not file any submission on sanctions and costs by 19 August 2020.
26. The Disciplinary Committee proceeded to determine whether the Complaint was established based on submissions filed without a hearing and on 28 August 2020, a meeting of the Disciplinary Committee was convened for this purpose. At this meeting, the Complaint was found proven on the basis of the submissions filed by the Complainant.

27. In considering the proper order to be made in this case, the Disciplinary Committee has had regard to all the aforesaid matters, including the particulars in support of the Complaint, and the Respondent's failure to participate in the proceedings.

**SANCTIONS AND COSTS**

28. The Disciplinary Committee having considered all the documents available, the submission made by the representative of the Complainant and the circumstances as a whole, orders that:-
- 28.1. the Respondent be reprimanded under section 35(1)(b) of the PAO;
  - 28.2. the name of the Respondent be removed from the register of certified public accountants for three (3) years under section 35(1)(a) of the PAO and it shall take effect on the 42<sup>nd</sup> day from the date of this order;
  - 28.3. a practising certificate issued to the Respondent be cancelled under section 35(1)(da) of the PAO and it shall take effect on the 42<sup>nd</sup> day from the date of this order;
  - 28.4. the Respondent do pay a penalty of \$30,000 under section 35(1)(c) of the PAO; and
  - 28.5. the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant, including the costs of the Disciplinary Committee, in the sum of HK\$55,105 under section 35(1)(iii) of the PAO.

Dated the 16th day of September 2020.

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Ms. DOE Julianne Pearl  
Chairman

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Ms. POON, Suk Ying, Debora  
Member

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Mr. BAO, King To, Raymond  
Member

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Mr. SIU, Choi Fat  
Member

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Mr. IP, Chiu Yin, Eddie  
Member