

IN THE MATTER OF a complaint against the Respondent,
a professional accountant, made under
Section 34(1)(a) of the Professional Accountants
Ordinance, Cap. 50

BETWEEN

The Registrar of the Hong Kong Institute of
Certified Public Accountants

Complainant

AND

Respondent

REASONS and ORDER

UPON the complaint made by the Complainant against the Respondent dated 24 January 2008.

AND UPON the formal admission in writing made by the Respondent in his letter dated 23 July 2008 to the Disciplinary Committee.

The Disciplinary Committee is satisfied that the complaint against the [Respondent] on a breach of PN 810.1 "Insurance Brokers - Compliance with the Minimum Requirements" specified by the Insurance Authority under sections 69(2) and 70(2) of the Insurance Companies Ordinances and section 34(1)(a)(vi) of the Professional Accountants Ordinance is proved. The Respondent had failed or neglected to maintain or observe a professional standard, in which there was evidence that the Respondent failed to include in the 2002 Audit Report the details of the non-compliance of Broker A in keeping separate client accounts.

AND UPON considering the written representation of the Complainant dated 25 June 2009 and the written representation of the Respondent dated 29 June 2009 on sanctions to be imposed, NOTING that (1) there is no allegation of losses suffered by the client or the public, (2) the Respondent's early admission and cooperation throughout, which enabled the Disciplinary Committee to dispense with the Procedural Timetable and adopt a speedy procedure, which admission is cost-saving as well as indicative of the Respondent's regret for the misconduct, (3) the Respondent's plea of leniency and (4) the facts of the case and principles of totality and proportionality, but balancing that against the public interest of sending the correct message to the profession at large of the serious consequences of non compliance of a professional standard.

The Disciplinary Committee hereby ORDERS that:

- (1) The Respondent be reprimanded under section 35 (1)(b) of the Ordinance;
- (2) The Respondent be fined a sum of HK\$20,000; and
- (3) Costs and expenses of and incidental to the proceedings in the amount of HK\$30,000 be paid by the Respondent.

Dated the 11th day of January 2010.