

IN THE MATTER OF

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

BETWEEN

The Registrar of the Hong Kong  
Institute of Certified Public  
Accountants

COMPLAINANT

AND

[The Respondent]

RESPONDENT

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

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**ORDER**

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Upon reading the complaint against [the Respondent], a certified public accountant, as set out in a letter from the Registrar of the Hong Kong Institute of Certified Public Accountants ("the Complainant") dated 30 July 2010, the written submission of the Complainant and Respondent dated 17 March 2011 and 25 April 2011 respectively, and the relevant documents, the Disciplinary Committee is satisfied by the admission of the Respondent and evidence adduced before it that the following complaint is proved:

Section 34(1)(a)(ii) of the Professional Accountants Ordinance applies to the Respondent in that she was convicted in the District Court of four criminal offences involving dishonesty.

IT IS ORDERED that:-

1. the name of the Respondent be permanently removed from the register of certified public accountants on the 50<sup>th</sup> day from the date of this order pursuant to Section 35(1)(a) of the PAO, and any application for readmission for membership by the Respondent should not be approved within a period of 8 years after the permanent removal of her name from the register; and
2. the Respondent do pay the costs and expenses of and incidental to the proceedings in the sum of HK\$46,449 under Section 35(1)(iii) of the PAO, payable after the expiry of 50<sup>th</sup> day from the date of this order.

Dated the 15th day of August 2011

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BETWEEN

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[The Respondent]

RESPONDENT

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**REASONS FOR DECISION**

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1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants ("the Institute") as Complainant against the Respondent, a certified public accountant. Section 34(1)(a)(ii) of the Professional Accountants Ordinance ("PAO") applied to the Respondent.
2. The particulars of the Complaint as set out in a letter dated 30 July 2010 ("the Complaint") from the Registrar of the Institute to the Council of the Institute for consideration of the Complaint for referral to the Disciplinary Panels were as follows:-
  - a) The Respondent was a former senior executive of [a listed company] ("[Company]"). [In 2008], the Respondent was convicted of 4 charges of criminal offences involving:
    - (i) conspiracy to offer advantages to agents ("1st Charge")
    - (ii) conspiracy to commit false accounting ("2nd Charge")
    - (iii) conspiracy to steal ("11th Charge")
    - (iv) conspiracy to steal ("13th Charge")
  - b) [In 2008], the Respondent was sentenced to a total of 3 years and 9 months for the above charges.
  - c) [In 2010], the Respondent's appeal against conviction in relation to all four charges was dismissed by the Court of Appeal.

- d) The Respondent joined [the Company] in Hong Kong in August 2000. She was the Finance Director of [the Company] and had remained in that position until 6 May 2003.
  - e) The 1st Charge relates to a conspiracy to offer unauthorized advantages to employees of travel agents who brought customers to [the Company]'s showrooms between August 1996 and April 2003. The 2nd Charge relates to false accounting of these payments in the records of [the Company].
  - f) The 11th Charge relates to a conspiracy to steal funds in the amount of \$500,000 from [the Company] between February and July 2002.
  - g) The 13th Charge relates to a conspiracy to steal funds in the amount of some \$1.8 million from [the Company] between April and July 2002.
3. The Respondent admitted the Complaint against her. She did not dispute the facts as set out in the Complaint. The parties agreed that the steps set out in paragraphs 17 to 30 of the Disciplinary Committee Proceedings Rules be dispensed with.
  4. By a letter dated 4 March 2011 addressed to the Complainant and the Respondent, the Clerk to the Disciplinary Committee ("DC"), under the direction of the DC, informed the parties that they should make written submissions to the DC as to the sanctions and costs and that the DC would not hold a hearing on sanctions and costs unless otherwise requested by the parties.
  5. By a letter dated 17 March 2011, the Complainant in their submission on sanctions and costs pointed out that the criminal offences involving dishonesty committed by the Respondent were serious and could impact gravely on the reputation of the Institute and the accountancy profession. In the circumstances, the Complainant submitted that apart from any other order under section 35(1) of the PAO which the DC might deem appropriate, an order under section 35(1)(a) for the removal of the Respondent from the register of CPAs could be warranted due to the seriousness of the facts in the Complaint. They further submitted that all costs and expenses of and incidental to the proceedings should be paid by the Respondent.
  6. By a letter dated 25 April 2011, the Respondent stated that she had no objection to any sanction imposed by the DC in respect of the Complaint and that she had no objection to any order for costs and expense of and incidental to the proceedings.
  7. In considering the appropriate orders to be made in this case, the DC has had regard to all the aforesaid matters, including the particulars in support of the Complaint, the Respondent's personal circumstances and the conduct of the Complainant and the Respondent throughout the proceedings.
  8. In particular, the DC considered that:
    - a) The offences which the Respondent committed were serious offences.
    - b) The Respondent pleaded guilty to the Complaint and has served a prison sentence for her offences.

- c) The dishonourable nature of the offences is such that they must have brought disrepute upon the Institute and the accounting profession generally. The Respondent was in breach of trust as the Finance Director of [the Company] at all material times of the offences. The sanctions should therefore be proportionately heavy in order to reflect the seriousness of the Complaint.
9. The DC also considered that the Complaint's costs as described in the annex to the Complainant's letter of 17 March 2011 were reasonable for the work carried out in the prosecution of the Complaint.
10. The DC orders that:-
- a) the name of the Respondent be permanently removed from the register of certified public accountants on the 50<sup>th</sup> day from the date of this order pursuant to Section 35(1)(a) of the PAO, and any application for readmission for membership by the Respondent should not be approved within a period of 8 years after the permanent removal of her name from the register; and
  - b) the Respondent do pay the costs and expenses of and incidental to the proceedings in the sum of HK\$46,449 under Section 35(1)(iii) of the PAO, payable after the expiry of 50<sup>th</sup> day from the date of this order.

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**REASONS FOR DECISION**

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Dated the 15<sup>th</sup> day of August 2011