



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 30 December 2016) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 6 December 2016 that the name of So Kin Po (membership number A40082) be removed from the register of CPAs for five years with effect from 17 January 2017. In addition, he was ordered to pay costs of the disciplinary proceedings of HK\$88,326.30.

So registered as a student of the Institute in 2010 and later became a certified public accountant after completing the Institute's Qualification Programme ("QP"). He applied to the Continuing Education Fund ("CEF") of the Hong Kong Government for reimbursement of QP course fees. In the application, So submitted falsified documents showing a false commencement date of the course in order to qualify for the reimbursement. So was reimbursed a sum of HK\$10,000 by the fund. The CEF Office subsequently discovered the falsified documents and reported the matter to the police. So was convicted in the Magistrates' Courts for fraud.

After considering the information available, the Institute lodged a complaint against So under section 34(1A) of the Professional Accountants Ordinance (Cap.50).

The Disciplinary Committee found that So had been convicted of an offence involving dishonesty, and accordingly section 34(1)(a)(ii) of the ordinance applied to him.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against So under section 35(1) of the ordinance.

Under the ordinance, if So is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at www.hkicpa.org.hk.

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the ordinance by a five-member Disciplinary Committee. Three members of each committee, including the chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interest of justice. A hearing schedule is available at the Institute's website. A CPA who feels aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practicing certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

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About the Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 40,000 members and 17,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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致：編採主任／新聞／財經版編輯

香港會計師公會對一名會計師作出紀律處分

(香港，二零一六年十二月三十日) — 香港會計師公會轄下紀律委員會，於二零一六年十二月六日命令把蘇建寶先生(會員編號：A40082)的名字由二零一七年一月十七日起從專業會計師名冊中除名，為期五年。此外，蘇先生須繳付紀律程序費用港幣八萬八千三百二十六元三角。

蘇先生在 2010 年註冊為公會的學生，並在完成公會的專業資格課程(「QP」) 後成為會計師。他向香港政府持續進修基金(「基金」)申領發還 QP 的課程費用。在申請過程中，蘇先生向基金提交偽造文件，顯示一個虛假的課程開始日期，以便能獲批發還費用。蘇先生獲基金發還港幣一萬元。其後，基金辦事處發現該份偽造文件並報警處理。蘇先生在裁判法院被裁定欺詐罪名成立。

經考慮有關情況後，公會根據《專業會計師條例》第34(1A)條對蘇先生作出投訴。

紀律委員會認為蘇先生被裁定犯下涉及不誠實行為的罪行，因此屬於《專業會計師條例》第34(1)(a)(ii)的適用範圍。

經考慮有關情況後，紀律委員會根據《專業會計師條例》第35(1)條向蘇先生作出上述的裁決。

根據《專業會計師條例》，如蘇先生不服紀律委員會對他作出的裁決，可於裁決文本送達後30天內向上訴法庭提出上訴。

紀律委員會的書面判決可於公會網頁內"Compliance"部分查閱，網址為 <http://www.hkicpa.org.hk>。

公會的紀律程序是根據《專業會計師條例》第V部份，由五位成員組成的紀律委員會執行。每個紀律委員會的大多數成員，即包括主席在內的三名成員，是從業外人士組成的紀律小組中選派，該紀律小組的成員是由香港特別行政區行政長官委任的；另外兩名成員由專業會計師出任。

除非負責的紀律委員會因公平理由認為不恰當，否則紀律聆訊一般以公開形式進行。紀律聆訊的時間表可於公會網頁查閱。如當事人不服紀律委員會的裁判，可向上訴法庭提出上訴，上訴法庭可確定、修改或推翻紀律委員會的裁判。

紀律委員會有權向公會會員、執業會計師事務所及註冊學生作出處分。紀律處分範圍包括永久或有限期地將違規者從會員名冊中除名或吊銷其執業證書、對其作出譴責、下令罰款不多於五十萬港元，以及支付紀律程序的費用。

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關於香港會計師公會

香港會計師公會是香港唯一獲法例授權負責專業會計師註冊兼頒授執業證書的組織，會員人數超過四萬，註冊學生人數逾一萬八千。公會會員可採用「會計師」稱銜（英文為 **certified public accountant**，簡稱 **CPA**）。

公會(**Hong Kong Institute of Certified Public Accountants**)於一九七三年一月一日成立，當時的英文名稱為 **Hong Kong Society of Accountants**。

公會根據《專業會計師條例》履行職責，以公眾利益為依歸。其職能廣泛，包括開辦專業資格課程(**Qualification Programme**)以確保會計師的入職質素，以及頒布香港的財務報告、審計及專業操守準則。此外，公會亦負責在香港監管和推動優良而有效的會計實務，以鞏固香港作為國際金融中心的領導地位。

香港會計師公會是全球會計聯盟（**Global Accounting Alliance, GAA**）的成員之一。全球會計聯盟於二零零五年成立，聯合了全球頂尖的專業會計團體，推動優質服務，並積極與各地監管機構、政府及關連人士就國際重要議題共同合作。

香港會計師公會聯絡資料

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3. On 13 January 2016, the Complainant informed the DC that the Respondent was convicted. He was sentenced to 60 days imprisonment and was ordered to pay HK\$10,000 compensation through the court.
4. On 5 May 2016, the Complainant provided a memo from the police, stating that the Respondent had abandoned his appeal. So, the Notice of Commencement of Proceedings was issued to the parties on 8 June 2016.
5. On 8 June 2016, the Complainant applied to the DC to amend the complaint letter signed by the Registrar dated 25 June 2015.
6. There were no responses from the Respondent to any of the letters sent by the Complainant since his conviction. The DC directed the Clerk to telephone the Respondent on 15 June 2016. The Respondent confirmed that he had received the letters from HKICPA (the "**Institute**") but he had not read them. He also confirmed that his postal and email correspondence addresses that the DC used to contact him were correct.
7. Given the above, the DC approved the amended complaint from the Complainant dated 8 June 2016 ("**Amended Complaint**").

The Amended Complaint

8. The particulars of the Amended Complaint are as follows.
9. Mr. So Kin Po ("**Respondent**") was registered as a student of the Institute in August 2010.
10. On 10 September 2010, the Respondent enrolled in the Institute's Qualification Programme ("**QP**") which comprised of four modules. The first QP module, module A, commenced on 20 September 2010. The Respondent attended all 4 modules and took the relevant examinations, completing them by December 2012. The Respondent paid tuition fees totaling \$16,000 for the 4 modules.
11. On 25 March 2011, the Respondent filed with the Office of Continuing Education Fund ("**CEF**") of the Hong Kong Government an Application Form ("**Application Form**") for opening an account for the QP enrolled, which was a recognized CEF Course. On the first page of the form, the Respondent filled in "28 03 2011" as the purported "Commencement Date" of the QP. An Institute's stamp certifying the Respondent's enrollment and the correctness of the information on the form given by the Respondent regarding the course appeared on the second page of the form.
12. On 9 March 2013, the Respondent filed a CEF Reimbursement Claim Form ("**Reimbursement Form**") for module costs paid by him totaling \$16,000 (i.e. fees for all four modules he enrolled). An Institute's stamp certifying the correctness of the course commencement and completion dates, among other things, appeared on the same page of the form.

13. In support of his claim for reimbursement, the Respondent also submitted to the CEF Office documents issued by the Institute, including Module Enrolment Confirmation Slip dated 8 June 2011 ("Confirmation Slip"), and Examination Results and Status Report ("Exam Report"). Both documents showed, inter alia, that module A's commencement date was 28 March 2011.
14. Subsequently, the Respondent successfully claimed the reimbursement of \$10,000. The Respondent passed the final examination of the QP in June 2013 and became a certified public accountant on 1 January 2014.
15. In about February 2014, CEF Office became aware that the module A's commencement date and examination date set out on the Confirmation Slip and Exam Report were not the same as those on the copies provided by the Institute to it upon its routine verification procedures. CEF Office reported the matter to the police in June 2014. The Respondent was interviewed by Police on 26 January 2015. At the interview, the Respondent admitted, inter alia, that he had falsified certain particulars on the Confirmation Slip and the Exam Report.
16. The police laid criminal charges against Respondent in June 2015. The criminal proceedings, TWC 1595/2015, were held from September to December 2015, at the end of which the Respondent was convicted of a charge of fraud.

Relevant provision of the Professional Accountants' Ordinance (Cap. 50) ("PAO")

17. The Complainant informed the DC on 19 September 2016 that they would not pursue Complaint 2 in the Amended Complaint provided under cover of their letter dated 8 June 2016. This was approved by the DC on 30 September 2016. Therefore, the DC only needs to consider the following Section 34(1)(a)(ii) of the PAO :

(1) A complaint that-

(a) a certified public accountant-

...

(ii) has been convicted in Hong Kong or elsewhere of any offence involving dishonesty;

...

shall be made to the Registrar who shall submit the complaint to the Council which may, in its discretion but subject to section 32D(7), refer the complaint to the Disciplinary Panels.

Complaint 1

18. Section 34(1)(a)(ii) of the PAO applies to the Respondent in that he had been convicted in TWC 1595/2015 of a charge of fraud, contrary to section 16A(1)(a) of the Theft Ordinance (Cap. 210), being a charge involving dishonesty.

Facts and Circumstances in support of Complaint 1

19. Comparison between a copy of the original Confirmation Slip as issued by the Institute, and the version submitted by the Respondent to CEF reveals the following differences :-

Particulars	Original	Submitted to CEF
Date of Confirmation Slip	01 December 2010	08 June 2011
Module Commencement Date	20 September 2010	28 March 2011
Module Session	December 2010	June 2011
Workshop Group Code	CHK1A1708	CHK1A1710
"Venue" and "Address"	Room 518 Delia School of Canada Tai Fung Avenue Taikoo Shing Hong Kong	The workshop venue details will be posted on the QP Learning Support Centre on 8 April 2011, candidates please login to the QP Learning Support Centre for your workshop venue details on that day.
"Workshop Date Time From Time To"	1.10/10/2010 09:00 17:00 2.07/11/2010 09:00 17:00	1. 17/04/2011 09:30 17:30 2. 15/05/2011 09:30 17:30
The "Settlement Date" for the 4 instalments	01 September 2010 04 October 2010 01 November 2010 01 December 2010	08 March 2011 08 April 2011 08 May 2011 08 June 2011
Date of examination stated in note 2	28 December 2010	28 June 2011

20. Comparison between a copy of the original Exam Report as issued by the Institute, and the version submitted by the Respondent to CEF reveals the following differences:-
- (a) The workshop "Session/Year" for module A was changed from "Dec/2010" to "Jun/2011";
- (b) The examination "Session/Year" for module A was changed from "Dec/2010" to "Jun/2011".
21. The general requirement of the CEF reimbursement scheme is that applicants must submit their application forms to the CEF before the commencement of the courses they attend in order to qualify for reimbursement.
22. According to the notes of interview with an police officer on 26 January 2015 (the "Interview"), the Respondent admitted that:

- (a) At the time when he submitted the Application Form, he knew that module A's commencement date had passed. He therefore used module B's commencement date of 28 March 2011 as the QP commencement date in the Application Form, and admitted that the date on the Application Form was a misrepresentation.
- (b) He could not apply for the CEF account prior to the module A's actual commencement because he was not able to obtain the module fee payment receipt from the Institute due to a credit card fee settlement problem.
- (c) To support his reimbursement claim, he falsified certain particulars of the Confirmation Slip and Exam Report by using the Photoshop software in his computer at home:
 - (i) He falsified the Confirmation slip by converting it from another confirmation slip (module B) issued by the Institute, and then further falsified the "Module Enrolled"¹, the "Workshop Group Code", and the 2 "Workshop Date"; and
 - (ii) For the Exam Report, he falsified the "Session/Year" of the workshop and examination of module A.
- (d) He filled out and signed the Reimbursement Form and attached the above falsified documents as supporting documentation.
- (e) The Respondent was aware that if he had not stated the false course commencement date, he would not be eligible for the reimbursement as he did not apply for the CEF account before the first module commenced. The Institute also indicated to him that it would not endorse the reimbursement claim if he applied for reimbursement of only module B to module D.
- (f) He said the reason for the above fraudulent acts was that he was unemployed at that time and therefore needed the money for his living expenses.

23. In the Respondent's letter to the Institute dated 31 January 2015, the Respondent admitted that he had altered (or falsified) the contents of the Confirmation Slip and the Exam Report. As for the reasons for his alteration (falsification), he simply referred to the contents of the Interview with the police.

24. Thus, in the Interview and in the letter of 31 January 2015, the Respondent had admitted to falsifying the altered particulars in the Confirmation Slip and the Exam Report.

25. The Respondent was charged in TWC 1595/2015 with the offence of fraud. The charge was that, with intent to defraud and by deceit, he falsely represented that the Confirmation Slip and the Exam Report were genuine, and thereby induced CEF to grant him \$10,000 in continuing education fund. He was found guilty by the court after

¹ This particular appears the same in the original and the altered document.

a trial which took place over 5 days from 11 September to 31 December 2015. He was sentenced to (i) imprisonment of 60 days; and (ii) repayment of the \$10,000 to CEF.

26. The criminal charge in TWC 1595/2015 was based on the Respondent's falsification of the Confirmation Slip and the Exam Report. The charge was one involving dishonesty. Therefore, section 34(1)(a)(ii) of PAO applies to the Respondent.

Parties' submissions

27. The Complainant provided his Case on 29 June 2016. The Respondent did not file any Case.
28. The DC considers that the Respondent had been given adequate notices but he chose not to comply with the disciplinary proceedings procedures, and did not respond to any of the letters issued by the Institute.
29. The Chairman then directed that the parties to file their checklists.
30. The Complainant's checklist was received on 11 August 2016. Having considered the Amended Complaint and the conduct of the parties throughout the proceedings and given the lack of responses from the Respondent, the DC directed that the remaining disciplinary proceedings be conducted by way of written submissions. There was no objection from the parties.
31. On 30 September 2016, the DC invited the parties to make submissions on sanctions.

Sanctions and costs

32. The Complainant provided his submission on sanctions and costs on 14 October 2016. There was no response from the Respondent.
33. In considering the proper order to be made in this case, the DC has had regard to all the aforesaid matters, including the particulars in support of the Amended Complaint, the seriousness of the complaint against the Respondent which involved dishonesty, the Respondent's personal circumstances, and the conduct of the parties throughout the proceedings. The DC unanimously found that Complaint 1 has been proved against the Respondent.
34. The Disciplinary Committee orders that :-
- (1) the name of the Respondent be removed from the register of certified public accountants for 5 years from 42 days from the date of this order under Section 35(1)(a) of the PAO; and

(2) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$88,326.30 under Section 35(1)(iii) of the PAO.

Dated the 6th day of December 2016