



Dear Assignment / News / Business Section Editor

Hong Kong Institute of Certified Public Accountants takes disciplinary action against a registered student

(HONG KONG, 10 July 2017) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 7 June 2017 that Chan Wone Yee (student number S038498) be declared unfit to remain a registered student, and her name be removed from the student register with effect from 5 July 2017. In addition, Chan was ordered to pay costs of the disciplinary proceedings of HK\$46,908.40.

Chan was registered as a student of the Institute in 2014. She falsified a reference letter purporting that it was issued by her former employer and used the letter to successfully apply for a job. The new employer later discovered the reference letter was forged. The matter was reported to the police in August 2015. Chan was convicted in the Magistrates' Courts of obtaining pecuniary advantage by deception under the Theft Ordinance. In replying to the Institute's enquiry of her about the matter, Chan made untruthful submissions.

After considering the information available, the Institute lodged complaints against Chan under by-laws 34(1)(b) and 34(1)(d) of the Professional Accountants By-Laws.

The Disciplinary Committee found that Chan had been convicted of an offence involving dishonesty and guilty of conduct which rendered her unfit to become a certified public accountant. Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Chan under by-law 35.

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 Professional Accountants 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 registered student who feels aggrieved by an order made by a Disciplinary Committee may appeal to Council, which may affirm or vary the order, or rescind the order and substitute any other order which might have been made by the Disciplinary Committee under by-law 35.

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 20,000 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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Hong Kong Institute of
Certified Public Accountants
香港會計師公會

致：編採主任／新聞／財經版編輯

香港會計師公會對一名註冊學生作出紀律處分

(香港，二零一七年七月十日) — 香港會計師公會轄下紀律委員會，於二零一七年六月七日頒布陳韻怡 (註冊學生編號：S038498) 不適宜維持註冊學生的身份，並命令把她的姓名由二零一七年七月五日起從註冊學生的註冊紀錄冊中刪除。此外，陳小姐須繳付紀律程序費用港幣四萬六千九百零八元四角。

陳小姐於 2014 年註冊成為公會的學生。她偽造一封聲稱由她的前僱主簽發的推薦信並利用該信成功申請工作職位。新僱主其後發現該推薦信是偽造，事件在 2015 年 8 月交由警方處理。裁判法院根據《盜竊罪條例》，裁定陳小姐干犯了以欺騙手段取得金錢利益的罪行。陳小姐在回應公會就上述事件查詢的過程中，向公會作出失實的陳述。

經考慮所得的資料，公會根據《專業會計師附例》第 34(1)(b) 及 34(1)(d) 條向陳小姐作出投訴。

紀律委員會認為陳小姐被裁定干犯涉及不誠實行為的罪行及犯下失當行為，令其不適宜成為會計師。經考慮有關情況後，紀律委員會根據附例第 35 條向陳小姐作出上述的裁決。

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，是選自業外人士組成的紀律小組，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。如註冊學生不服紀律委員會的命令，可向理事會提出上訴，理事會可維持或更改該命令，或撤銷該命令，並以紀律委員會根據附例第 35 條原本可作出的任何其他命令取代。

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。

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，註冊學生人數逾二萬。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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IN THE MATTER OF

A Complaint made under by-law 34(2) of the Professional Accountants By-Laws (By-Laws) (Cap. 50A) (the “**By-Laws**”)

BETWEEN

Registrar of the Hong Kong Institute of
Certified Public Accountants COMPLAINANT

AND

Chan Wone Yee RESPONDENT
(registered student no.: S038498)

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

Members: Ms. Queenie Fiona Lau (Chairman)
Mr. David Fenn
Ms. Law Wing Yee Wendy
Mr. Ng Chi Keung Victor
Ms. Chung Kit Yi Kitty

ORDER & REASONS FOR DECISION

1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (the “**Institute**”) against Ms. Chan Wone Yee, whose name is on the register of registered students kept by the Registrar of the Institute (the “**Respondent**”).

The Complaints

2. The complaints as set out in the Institute’s letter dated 5 September 2016 (the “**Complaints**”) are as follows:-

First Complaint

- (1) By-law 34(1)(b) of the By-Laws applies to the Respondent because she was convicted of one count of obtaining pecuniary advantage by deception under section 18(1) of the Theft Ordinance (Cap. 210).

Second Complaint

- (2) By-law 34(1)(d) of the By-Laws applies to the Respondent for being guilty of conduct which renders her unfit to become a certified public accountant in that she was convicted of a criminal offence involving dishonesty and had been dishonest in her submissions to the Institute.

FACTS AND CIRCUMSTANCES IN SUPPORT OF THE FIRST COMPLAINT

- (3) The Respondent is and has been a student registered under the Qualification Programme of the Institute since 14 August 2014.
- (4) The Respondent worked as an Audit Junior with Lee & Yu Certified Public Accountants ("**Lee & Yu**") for the period from 2 September 2013 to 24 September 2014.
- (5) Subsequently, she worked as an Accounts Clerk with Denso Industry Asia Company Limited ("**Denso**") for the period from 23 February 2015 to 24 April 2015.
- (6) The Respondent created and submitted to Denso a "Reference Letter" purportedly signed by one of the partners of Lee & Yu, namely Mr. Lee Chi Fai ("**Mr. Lee**"), for the purpose of her job application.
- (7) The Reference Letter stated the following:

"I would like to recommend [the Respondent]....She is an especially professional employee who stood out among her peers for her enthusiasm and eagerness to learn more..."

...she demonstrated the ability to manage multiple tasks and accomplish goals efficiently and according to schedule; she demanded a great deal of herself and she worked hard to ensure that she performed her tasks professionally...."

- (8) However, the positive comments in the Reference Letter did not corroborate with Lee & Yu's appraisal of the Respondent's work performance which was considered as "not satisfactory". The appraisal form completed by Lee & Yu indicated that on a rating scale from 1 to 5, the Respondent scored "2" in most of the related skill areas. A rating of 2 was defined as "Needs Improvement".
- (9) According to Miss Sylvia Lei ("**Miss Lei**"), who was the supervisor of the Respondent at Denso, the Respondent's poor work performance led her to contact Lee & Yu, whereupon she discovered that the Reference Letter was forged.

- (10) Miss Lei confronted the Respondent regarding the Reference Letter, and the Respondent admitted that she created the letter herself. The Respondent stated that her reason for doing so was to enable her to easily find a job. In view of this misconduct, Denso asked the Respondent to resign immediately.
- (11) In August 2015, the matter was reported to the police for investigation. During the course of the police investigation, the Respondent admitted to having falsified the Reference Letter. Consequently, the Respondent was charged with one count of obtaining pecuniary advantage by deception in that she had falsely represented that the Reference Letter was genuine and dishonestly obtained remuneration from Denso (Case Number STCC 1116/2016).
- (12) On the basis of the Respondent's guilty plea, the magistrate imposed an 80-hour community service order against the Respondent and ordered her to pay compensation in the sum of HK\$24,578.25 to Denso.

FACTS AND CIRCUMSTANCES IN SUPPORT OF THE SECOND COMPLAINT

- (13) In a letter to the Institute dated 6 May 2015, Mr. Lee stated that the Reference Letter had been forged because he had not signed it.
 - (14) During the Institute's enquiry with the Respondent, the Respondent stated that she did not know that the Reference Letter was not genuine, that she had not falsified the Reference Letter, and that she did not know who had falsified the Reference Letter.
 - (15) The Respondent's subsequent admission in the criminal proceedings STCC 1116/2016 that she had falsified the Reference Letter shows that she had been dishonest in her submissions to the Institute.
3. In summary, the Institute's case is that in view of the Respondent's conviction of an offence involving dishonesty and her untruthful submissions to the Institute, the Respondent is guilty of conduct which renders her unfit to become a certified public accountant under By-law 34(1)(d) of the By-Laws.

Events prior to the commencement of these proceedings

4. Prior to the commencement of these proceedings, by a letter dated 22 September 2016, the Complainant asked the Respondent if she would admit the Complaints against her. If there was an admission, a respondent needs to sign on two pages to confirm the admission. The first is a formal admission to admit the complaint, and the second a joint letter to the Disciplinary Committee to waive paragraphs 17 to 30 of the Disciplinary Committee Proceedings Rules.

5. By an email dated 4 October 2016, the Respondent wrote to the Complainant, enclosing a photograph of the joint letter to the Disciplinary Committee which the Respondent had signed, but without any signed formal admission.
6. The Complainant surmised that the Respondent probably wanted to admit the Complaints, but despite trying to clarify her intention through correspondence and numerous telephone calls, the Complainant had not been able to contact the Respondent.
7. As there was uncertainty regarding the Respondent's intention, the Complainant has invited the Disciplinary Committee to proceed on the basis that the Respondent has not admitted the Complaints.

The proceedings

8. The Notice of Commencement of Proceedings and procedural timetable was issued to the parties on 21 November 2016.
9. The Complainant filed his case on 9 December 2016.
10. The Respondent did not file her case according to the procedural timetable. The Clerk of the Disciplinary Committee sent reminder letters to the Respondent on 12 December 2016 and 12 January 2017 respectively, and thereafter made various attempts to contact the Respondent by phone. However, the Respondent did not answer the phone and there was no response from her.
11. The Disciplinary Committee is of the view that adequate notice has been given to the Respondent.
12. On 2 February 2017, the Chairman directed that the proceedings would continue.
13. On 8 February 2017, the Complainant filed his checklist in accordance with rule 24 of the Disciplinary Committee Proceeding Rules. Given the Respondent's refusal to participate in the proceedings apart from her aforementioned email dated 4 October 2016 or to communicate with either the Clerk of the Disciplinary Committee or the Complainant, the Complainant invited the Disciplinary Committee to issue a direction to dispense with the oral hearing.
14. By a letter dated 17 February 2017, the Disciplinary Committee stated that based on the available information and given the lack of response by the Respondent, it did not appear that an oral hearing would serve any useful purpose. The Disciplinary Committee stated that there would be no oral hearing in respect of the Complaints unless a party filed an objection within 14 days of the letter.

15. The Disciplinary Committee did not receive any objection by the deadline of 3 March 2017, and thus this matter has proceeded without an oral hearing.
16. On 22 March 2017, the Disciplinary Committee informed the parties that it had found that the Complaints against the Respondent were proved, and directed that the parties make submissions on sanctions and costs within 14 days.
17. The Complainant made submissions on sanctions and costs on 5 April 2017, whilst there has been no response from the Respondent.

Discussion

18. As stated by Sir Thomas Bingham MR in **Bolton v Law Society [1994] 1 WLR 512**, 518B-E, in respect of solicitors:

“Any solicitor who is shown to have discharged his professional duties with anything less than complete integrity, probity and trustworthiness must expect severe sanctions to be imposed upon him by the Solicitors Disciplinary Tribunal. Lapses from the required high standard may, of course, take different forms and be of varying degrees. The most serious involves proven dishonesty, whether or not leading to criminal proceedings and criminal penalties. In such cases the tribunal has almost invariably, no matter how strong the mitigation advanced for the solicitor, ordered that he be struck off the Roll of Solicitors. Only infrequently, particularly in recent years, has it been willing to order the restoration to the Roll of a solicitor against whom serious dishonesty had been established, even after a passage of years, and even where the solicitor had made every effort to re-establish himself and redeem his reputation. If a solicitor is not shown to have acted dishonestly, but is shown to have fallen below the required standards of integrity, probity and trustworthiness, his lapse is less serious but it remains very serious indeed in a member of a profession whose reputation depends upon trust. A striking off order will not necessarily follow in such a case, but it may well. The decision whether to strike off or to suspend will often involve a fine and difficult exercise of judgment, to be made by the tribunal as an informed and expert body on all the facts of the case. Only in a very unusual and venial case of this kind would the tribunal be likely to regard as appropriate any order less severe than one of suspension.”

19. Like at least one other previous disciplinary committee, this Disciplinary Committee considers that the same principles apply to accountants as they do to solicitors. See **Chan Cheuk Chi v. The Registrar of the Hong Kong Institute of Certified Public Accountants, CACV 38/2012, 8 February 2013**, §36.
20. The Complainant has helpfully referred the Disciplinary Committee to three previous cases concerning dishonesty by members of the Institute, namely

D-14-0987H, D-12-0690H and D-10-0515C, whilst correctly highlighting that past cases are not binding precedents upon this Disciplinary Committee. The Complainant has also rightly pointed out that those past cases relate to members of the Institute rather than registered students.

21. The Complainant submits that this case involves a serious breach of integrity, where the Respondent fabricated the Reference Letter, the contents of which bear no resemblance to her actual performance (which was how the employer discovered the fraud), and that to make matters worse, the Respondent lied about it to the Institute during the investigation, both in correspondence as well as in the interview.
22. The Complainant seeks a declaration that the Respondent is unfit to remain a registered student, and that her name be removed from the register of registered students. The Complainant also seeks the costs incurred by the Complainant and the Clerk of the Disciplinary Committee, and has prepared a Statement of Costs dated 5 April 2017.
23. Even though the Respondent is a registered student rather than a member, the Disciplinary Committee agrees with the Complainant that the present case is at least as serious as the case of D-14-0987H, where the respondent fabricated particulars on two documents to support a reimbursement claim of \$10,000. In that case, the respondent's name was removed from the register of certified public accountants for 5 years.
24. Further, the Disciplinary Committee bears in mind that whilst the Respondent's employment with Denso was terminated relatively quickly in the present case, which meant that the Respondent did not benefit from her misconduct for a lengthy period of time, this was only because Denso discovered the Respondent's misconduct. The Respondent could potentially have kept Denso in the dark for much longer had it not been for the Respondent's own poor performance which caused Denso to look into the matter of the Reference Letter.
25. In addition, the Disciplinary Committee notes another previous case, D-07-0287-H, where the respondent, a registered student, had misled the Institute and its board by falsifying a document for the purpose of obtaining special consideration from the Institute's board in relation to her qualification programme workshop marks. The disciplinary committee found, on the respondent's admission, that she was guilty of misconduct, and on 28 November 2008 ordered that she be declared unfit to remain as a registered student and that her name be removed from the register of registered students, and that she pay the costs and expenses of the disciplinary proceedings. The Disciplinary Committee notes that the sanction ordered in that case, which also involved dishonesty by a registered student, is similar to what the Complainant is proposing in the present case.
26. The Disciplinary Committee would add that whilst the Complainant places reliance on the Respondent's failure to make any appearance in these

disciplinary proceedings, and questions how much she values membership of a profession, the Disciplinary Committee does not place weight on this particular factor in view of the uncertainties surrounding the Respondent's aforementioned email dated 4 October 2016, in particular with regard to the question of whether the Respondent was seeking to admit the Complaints. Although it is not known why the Respondent did not subsequently respond to the Complainant's or the Clerk of the Disciplinary Committee's attempts to contact her, the Disciplinary Committee is prepared to bear in mind that the Respondent did respond to the Complainant once, namely on 4 October 2016.

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 Complaints and the previous cases referred to above, whilst at the same time bearing in mind that each case must be decided upon its own particular facts.

Sanctions and costs

28. The Disciplinary Committee orders that:-
- (a) the Respondent be declared unfit to remain a registered student, and that the Registrar remove her name from the register of registered students pursuant to By-Law 35(1)(i) of the By-Laws;
 - (b) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$46,908.40 under By-Law 35(1) of the By-Laws.

The above shall take effect on the 28th day from the date of this Order.

Dated the 7th day of June 2017