

IN THE MATTER of a complaint made under section  
34(1)(a) of the Professional Accountants Ordinance  
(Cap. 50)

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BETWEEN

THE REGISTRAR OF THE HONG KONG  
INSTITUTE OF CERTIFIED PUBLIC  
ACCOUNTANTS Complainant

and

LEE CHEE HO, JULEUS Respondent

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**REASONS FOR DECISION**

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1. Two complaints were made against the Respondent. The First Complaint concerns section 34(1)(a)(x) of the Professional Accountants Ordinance ("Ordinance"), in which the Respondent was convicted of three criminal offences (assault occasioning actual bodily harm, dangerous driving, and failing to report an accident involving personal injury).

The second complaint concerns section 34(1)(a)(vi) of the Ordinance, in which the Respondent failed or neglected to observe, maintain or otherwise apply paragraph 4 of the Fundamental Principles set out in Statement 1.200 "Professional Ethics - Explanatory Foreword" (Revised in April 1999 and September 2004). The Respondent was convicted for 2 charges of failing to notify the Securities and Futures Commission ("SFC") of the liquid capital deficiencies of A Limited in which he was the director and the responsible officer and 2 charges of filing two semi-annual financial returns to the SFC that misled the SFC as to the true liquid capital position of A Limited.

2. By a letter dated 20 January 2009 from the Respondent, the Respondent admitted formally to all the complaints.

3. The Disciplinary Committee therefore invited the parties to make written submissions in respect of the appropriate sanctions to be imposed on the Respondent. Both the Complainant and the Respondent made written representations to the Committee on 30 July 2009 and 12 August 2009 respectively. In the Complainant's written representation it was submitted that the Complainant had no objection to any regard in respect of the Order to be made. The Complainant also submitted that the Respondent should pay the costs and expenses of and incidental to the disciplinary proceedings and in that connection a statement of costs was attached to the Complainant's written submission. The total costs incurred by the Complainant including the costs of the clerk to the Disciplinary Committee up to 29 July 2009 was HK\$16,327.10. The Committee has been informed that the costs incurred in relation to the Clerk after 6 June 2009 to the conclusion of the matter is HK\$10,328. The total costs incurred in relation to the proceedings are therefore HK\$26,655.10.
4. In the Respondent's letter to the Committee dated 12 August 2009, the Respondent invited the Committee to consider the fact that the First Complaint was not work related although he did not act sensibly in that particular case. The Respondent also highlighted that in relation to the Second Complaint, neither A Limited nor the Respondent had received any benefits. The Respondent took a "short cut" approach when filing the FRR returns.
5. Upon the Respondent's own admission, and the clear evidence submitted by the Complainant in support of the complaints, the Committee finds all the complaints proved.
6. In considering the appropriate orders to be made, the Committee accepts the submissions of the Respondent and also takes into account the fact that the Respondent has admitted to the complaints at an early stage. Given the circumstances, the Committee considers that the following sanction would be appropriate:
  - (i) An order that the Respondent be reprimanded for the First Complaint; and
  - (ii) An order that the Respondent be reprimanded and pay a penalty of HK\$100,000 for the Second Complaint.
7. The Committee is also of the view that costs and expenses in relation to the proceedings should be borne by the Respondent. Taking into account of the attitude of the Respondent and the early time that he admitted the complaints to the Committee, the Committee finds it appropriate to impose a total costs order of HK\$13,000.

Dated the 6<sup>th</sup> day of November 2009.