

4. By a letter dated 12 September 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. In considering the appropriate sanctions, DC noted the following matters :-
 - (1) Public interest was involved as [the company] was a listed company.
 - (2) The Respondent was in breach of trust as the financial controller of the company.
 - (3) The Respondent participated substantially in document falsification with the chairman and the executive director to mislead the auditors.
 - (4) The scale of the document falsification was large. It involved some 400 to 500 “blank” invoice/goods delivery notes templates prepared by the Respondent. The blank invoice templates were apparently used later by the Respondent and other individuals involved in preparing fabricated invoices purportedly issued by overseas suppliers. The Respondent further fabricated bills of lading and two official chops of a mainland bank.
 - (5) Apart from document falsification, the Respondent conspired with a director and others to commit false acts to mislead staff of the auditors during their site visit.
 - (6) The Respondent was not convicted of any criminal offence largely because he was given immunity by the prosecution to testify as a prosecution witness.
 - (7) For his part in the falsification of the documents, the Respondent obtained a personal reward of HK\$50,000.
 - (8) In a case dated 5 May 2009 published in the Institute’s website, the respondent was removed permanently from the register similarly for dishonourable conduct. That case involved serious dereliction of duty in the course of conducting the liquidation of a company.
6. This is an extremely serious case of dishonourable conduct. The admission of the complaint by the Respondent, and the fact that he apparently has no prior disciplinary record, do not mitigate much the seriousness of this case.
7. In the Respondent’s letter dated 19 September 2011, the Respondent requested DC to apply section 35B of PAO in reaching the appropriate order. However, section 35B will only apply if a Disciplinary Committee is of the view that the **appropriate** order or orders to be made should be any one or a composition of (a) reprimand, (b) penalty not exceeding HK\$50,000 and (c)

costs (Emphasis added). In such case, in view of the light penalty, a Disciplinary Committee may by notice propose a consent order to the respondent, and to procure him to admit the complaint in return for the light penalty. We are not following such procedure here. More importantly, we do not consider that section 35B provides the appropriate order or orders for the present case as we are dealing with an extremely serious case of dishonourable conduct.

8. The DC therefore orders that:-

- 1) the name of the Respondent be removed from the register of certified public accountants permanently with effect from the 45th day of this order under section 35(1)(a) of the PAO;
- 2) the Respondent do pay a penalty of HK\$50,000 under section 35(1)(c) of the PAO; and
- 3) the Respondent do pay the costs and expenses of and incidental to the proceedings in the sum of HK\$93,581 under section 35(1)(iii) of the PAO.

Dated the 1st day of December 2011

1. the name of the Respondent be removed from the register of certified public accountants permanently with effect from the 45th day of this order under section 35(1)(a) of the PAO;
2. the Respondent do pay a penalty of HK\$50,000 under section 35(1)(c) of the PAO;
3. the Respondent do pay the costs and expenses of and incidental to the proceedings in the sum of HK\$93,581 under section 35(1)(iii) of the PAO.

Dated the 1st day of December 2011