

IN THE MATTER OF

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

BETWEEN

The Investigation Committee of
the Hong Kong Institute of Certified Public
Accountants

COMPLAINANT

AND

Young Chi Shan Michael ("Young")
Membership No. A18502

RESPONDENT

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

Members:



REASONS FOR DECISION

1. These proceedings arise out of the complaint made by the Investigation Committee of the Hong Kong Institute of Certified Public Accountants (“the Institute”) as Complainant against the Respondent, a certified public accountant. Section 34(1)(a)(x) of the PAO applies to the Respondent.
2. The particulars of the Complaint as set out in a letter dated 7th April 2011 (“the Complaint”) from the Investigation Committee of the Institute to the Council of the Institute for consideration of the Complaint for referral to the Disciplinary Panels are as follows:-

(a) The First Complaint

Section 34(1)(a)(x) of the PAO applies to Young in that he had been guilty of dishonourable conduct as a professional accountant, as a result of his participation in the falsification of accounting records of [Company A] prior to and after its listing on the Hong Kong Stock Exchange which would reasonably be regarded as dishonourable by accountants of good repute and competence.

(b) The Second Complaint (in the alternative)

Section 34(1)(a)(viii) of the PAO applies to Young in that he had been guilty of professional misconduct, as a result of his participation in the falsification of accounting records of [Company A] prior to and after its listing on the Hong Kong Stock Exchange.

3. The Respondent admitted the Complaint against him. He 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 30th August 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. The Respondent has made submissions as to sanctions and costs under cover of a letter dated 26th September 2011 which the DC has carefully considered.
6. In this letter the Respondent admits that he knew that a number of the documents recording the Company’s PRC sales were not genuine, but alleges that he was acting under the influence of his friend [Mr. L].
7. The Respondent also admits he was involved in the cover up of numerous transactions between April 2001 and July 2002.
8. In mitigation, the Respondent says he was a regular donor to charity, co-operated with the investigation and that his elderly parents are dependent upon him. We also bear in mind that the Respondent gave evidence for the prosecution under immunity and was the prosecution’s main witness.
9. We have borne these points in mind. Nevertheless, we are of the view that this is a serious case of misconduct and the Respondent was the financial controller of the Company and was at the heart of the conspiracy to defraud investors in the Company.

10. In the circumstances the DC orders that:-

- (1) The name of the Respondent be removed from the Register of Certified Public Accountants temporarily for five years on the 50th day from the date of this Order under S.35(1)(a) of the PAO;
- (2) The Respondent do pay a penalty of HK\$100,000 under S.35(1)(c) of the PAO;
and
- (3) The Respondent do pay the costs and expenses of and incidental to the proceedings of the complaint in the sum of HK\$30,000 under S.35(1)(iii) of the PAO.

Dated the 26th day of April 2012

IN THE MATTER OF

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

BETWEEN

The Investigation Committee of
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Accountants

COMPLAINANT

AND

Young Chi Shan Michael
Membership No. A18502

RESPONDENT

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

Members:

ORDER

Upon reading the complaint against MR. YOUNG CHI SHAN MICHAEL, a certified public accountant, as set out in a letter from the Investigation Committee of the Hong Kong Institute of Certified Public Accountants ("the Complainant") dated 7th April 2011, the written submission of the Complainant and Respondent dated 20th September 2011 and 26th September 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)(x) of the Professional Accountants Ordinance applies to the Respondent in that he had been guilty of dishonourable conduct as a professional accountant, as a result of his participation in the falsification of accounting records of [Company A] prior to and after its listing on the Hong Kong Stock Exchange which would reasonably be regarded as dishonourable by accountants of good repute and competency.

IT IS ORDERED that:-

- (1) The name of the Respondent be removed from the Register of Certified Public Accountants temporarily for five years on the 50th day from the date of this Order under S.35(1)(a) of the PAO;
- (2) The Respondent do pay a penalty of HK\$100,000 under S.35(1)(c) of the PAO; and
- (3) The Respondent do pay the costs and expenses of and incidental to the proceedings of the complaint in the sum of HK\$30,000 under S.35(1)(iii) of the PAO.

Dated the 26th day of April 2012