



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 10 April 2015) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 6 March 2015 that the name of Yeung Chai On, Paul (membership number F02869) be removed from the register of certified public accountants for 6 months with effect from 1 May 2015. In addition, Yeung was ordered to pay costs of the disciplinary proceedings of HK\$31,829.70.

Yeung was granted an interest-free loan in 2002 by the HKICPA Trust Fund. Under the loan agreement, Yeung was required to repay the loan in full by 2006 but he failed to do so. The Trust Fund had repeatedly requested Yeung for details of his financial position but he was evasive and did not provide a substantive reply.

The Administrator of the Trust Fund lodged a complaint under sections 34(1)(a)(vi) and 34(1AAA) of the Professional Accountants Ordinance against Yeung for his failure to be straightforward and honest in his dealings with the Trust Fund.

The Disciplinary Committee found that Yeung failed or neglected to observe, maintain or otherwise apply the fundamental principle of "integrity" in sections 100.4/100.5(a) and 110 of the Code of Ethics for Professional Accountants.

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

Under the ordinance, if Yeung 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 interests 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.

The 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 practising 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 38,000 members and more than 18,000 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，二零一五年四月十日) — 香港會計師公會轄下紀律委員會於二零一五年三月六日命令將楊濟安先生(會員編號：F02869) 的名字由二零一五年五月一日起從專業會計師註冊紀錄冊中除名，為期六個月。此外，楊先生須支付紀律程序的費用三萬一千八百二十九元七角。

楊先生於2002年獲香港會計師公會信託基金批出一筆免息貸款。根據貸款協議，楊先生需在2006年或以前償還整筆貸款，但他沒有履行協議內容。信託基金多次曾要求楊先生提供財務狀況的詳情，但他一直推託，沒有給予實質回覆。

信託基金管理人根據《專業會計師條例》第34(1)(a)(vi)條及34(1AAA)條就楊先生沒有直接坦誠地處理信託基金事宜，向他作出投訴。

紀律委員會裁定楊先生沒有或忽略遵守、維持或以其他方式應用公會頒布的專業準則 – Code of Ethics for Professional Accountants 中第100.4/100.5(a) 及110條的 Fundamental Principle - "Integrity"。

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)條向楊先生作出上述的命令。

根據《專業會計師條例》，如楊先生不服紀律委員會對他作出的命令，可於命令文本送達後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部份查閱，網頁為 <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，是由香港特別行政區行政長官從業外人士組成的紀律小組中選派委任，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、執業會計師事務所會員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計師註冊紀錄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，會員人數超過三萬八千，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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IN THE MATTER OF

A Complaint made under sections 34(1)(a) and 34(1AAA) of the Professional Accountants Ordinance (Cap. 50)

BETWEEN

The Administrator of the HKICPA Trust Fund COMPLAINANT

AND

Yeung Chai On, Paul (F02869) RESPONDENT

Date of Hearing : 6 March 2015

Date of Written Decision : 18 March 2015

Members: Ms. CHAN Nancy (Chairman)
 Miss CHAN Yat Mei Sophie
 Mr. CHOW Tak Sing Peter
 Mr. KAN Siu Lun
 Mr. WONG Kwok Wai Albert

DECISION

The Complaint

1. Section 34(1)(a)(vi) of the Professional Accountants Ordinance applies to the Respondent in that he had failed or neglected to observe, maintain or otherwise apply a professional standard, namely sections 100.4(a)/100.5(a) and 110.1 of the Code of Ethics for Professional Accountants (the "**Code**"), when he was evasive in avoiding a debt owed to the Complainant and hence failed to be straightforward and honest (including having fair dealings) in all of his professional and business relationships.

Background

2. In 1998, the HKSA Trust Fund was established with the objects of, inter alia, relieving poverty of persons who are HKSA members (declaration of trust). It is a registered charity. HKSA has its name changed to HKICPA (the "**Institute**") in about 2004, and the said Trust Fund is now called HKICPA Trust Fund (the "**Trust**"), with the same objects of relieving poverty of HKICPA members. The Complainant is the administrator of the Trust.

3. In January 2002, the Respondent submitted an application for financial assistance from the Trust on the ground that he was unemployed and facing "severe financial problem". He stated: "I urgently need financial assistance from HKSA to help me survive this critical period". He requested for a loan of \$100,000.
4. An interest-free loan of \$40,000 was granted to the Respondent under a Loan Agreement dated 27 February 2002 (the "**Loan**"). The terms are for the Loan to be repaid in 48 monthly installments, commencing in June 2002. Hence the Loan should have been repaid in about June 2006.
5. In actual fact, the Respondent only made 3 repayments – 1st payment of \$830 on 2 December 2002, 2nd payment of \$1,000 on 21 October 2008, and 3rd payment of \$1,000 on 3rd February 2009. \$37,170 of the Loan remains outstanding.
6. After receiving the 3rd and last payment in February 2009, numerous letters and emails have been sent to the Respondent requesting updates on his financial status as well as requesting and demanding repayment. Telephone calls have also been made to the Respondent. A detailed description of these correspondence and telephone exchanges from February 2009 to March 2014 has been submitted to the Disciplinary Committee.
7. The Respondent's response, or the lack thereof, to the abovestated events is the subject matter of the present Complaint.

The Professional Standards

8. Section 100.4(a) of the Code (effective from 2009-2010) provides as follows:-

"A professional accountant is required to comply with the following fundamental principles:

(a) *Integrity*

A professional accountant should be straightforward and honest in all professional and business relationships."
9. Section 100.5 of the Code (effective from January 2011) provides as follows:-

"A professional accountant shall comply with the following fundamental principles:

(a) Integrity – to be straightforward and honest in all professional and business relationships."

10. Section 110.1 of the Code (effective from 2009-2010) further elaborates on the requirement of integrity as follows:-

"The principle of integrity imposes an obligation on all professional accountants to be straightforward and honest in professional and business relationships. Integrity also implies fair dealing and truthfulness."

11. Section 110.1 of the Code (effective as from January 2011) is virtually identical:-

"The principle of integrity imposes an obligation on all professional accountants to be straightforward and honest in all professional and business relationships. Integrity also implies fair dealing and truthfulness."

Fact and Circumstances in support of the Complaint

12. The Complainant relies on the correspondence and events submitted to the Disciplinary Committee to support the present Complaint. Those events show that, initially the Respondent has responded to the correspondence and phone calls:-

- (a) In his email of 21 October 2010, he explained that he was still in financial difficulty, but he acknowledged his liability to repay by saying "I will surely arrange to settle my outstanding loan balance by instalments once I have a financial turn-round";
- (b) Ms. Angel Wong ("**Wong**"), associate director of Finance, was able to speak to the Respondent on 21 October 2010, 27 May 2011 and 30 June 2011. On these occasions, he explained that he was still experiencing financial difficulties.

13. However, despite repeated requests, the Respondent failed or refused to provide any update to his financial position.

14. After June 2011, there was no further response from the Respondent. All the correspondence sent after June 2011 has elicited no response. Moreover, after 30 June 2011 the Respondent could no longer be reached on telephone calls or simply refused to talk to Wong (eg on 18 July 2011).

15. The situation continued even after the matter has been passed to the Institute's Compliance Department for investigation. The department sent 3 letters to the Respondent from October 2012 to March 2014 to request the Respondent to explain his behavior. There is no response to those letters.

16. Therefore, the Complainant's case is that, from about February 2009 to 2014, the Respondent has been acting in an evasive manner to avoid his payment obligation. This was a breach of the integrity requirement under the Code – the Respondent was not being straightforward or honest, and his actions above were not "fair dealings" vis-à-vis the Trust.
17. Throughout the period from 2011 to 2014, the Respondent has renewed his membership and remained a member of the Institute. This fact is relevant to show that the Respondent remained contactable and could meet financial obligations in a selective manner.
18. The Clerk contacted the Respondent by telephone on 22 September and 17 October 2014. Although the Clerk's letter by post to the Respondent's address on record with the Institute was rejected, the Respondent continued to receive that letter and other letters from the Clerk dated 23 September, 20 October, 10 November and 9 December 2014 by email. However, it is a pity that no written response has been received from him and he did not attend the hearing.

Conclusions

19. 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 Complaint, the Respondent's personal circumstances, and the conduct of the parties throughout the proceedings. The Disciplinary Committee unanimously found that the Complaint has been proved against the Respondent.
20. In the circumstances, the Disciplinary Committee ordered as follows :
 - (a) the name of the Respondent be removed from the register of certified public accountants for 6 months from 1 May 2015 under Section 35(1)(a) of the PAO; and
 - (b) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$31,829.70 under Section 35(1)(iii) of the PAO.

IN THE MATTER OF

A Complaint made under sections 34(1)(a) and 34(1AAA) of
the Professional Accountants Ordinance (Cap. 50)

BETWEEN

The Administrator of the HKICPA COMPLAINANT
Trust Fund

AND

Yeung Chai On, Paul (F02869) RESPONDENT

DECISION

Dated the 18th day of March 2015

IN THE MATTER OF

A Complaint made under sections 34(1)(a) and 34(1AAA) of
the Professional Accountants Ordinance (Cap. 50)

BETWEEN

The Administrator of the HKICPA Trust Fund COMPLAINANT

AND

Yeung Chai On, Paul (F02869) RESPONDENT

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

Members: Ms. CHAN Nancy (Chairman)
 Miss CHAN Yat Mei Sophie
 Mr. CHOW Tak Sing Peter
 Mr. KAN Siu Lun
 Mr. WONG Kwok Wai Albert

ORDER

Upon hearing the complaint against MR. YEUNG CHAI ON PAUL, a certified public accountant, the Committee finds that Section 34(1)(a)(vi) of the Professional Accountants Ordinance (Cap. 50) (“the PAO”) applied to the Respondent in that he had failed or neglected to observe, maintain or otherwise apply a professional standard, namely sections 100.4(a)/100.5(a) and 110.1 of the Code of Ethics for Professional Accountants, when he was evasive in avoiding a debt owed to the Complainant and hence failed to be straightforward and honest (including having fair dealings) in all of his professional and business relationships.

IT IS ORDERED that:-

1. the name of the Respondent be removed from the register of certified public accountants for 6 months from 1 May 2015 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\$31,829.70 under Section 35(1)(iii) of the PAO.

Dated the 6th day of March 2015

Proceedings No.: D-12-0743H

IN THE MATTER OF

A Complaint made under sections 34(1)(a) and 34(1AAA) of
the Professional Accountants Ordinance (Cap. 50)

BETWEEN

The Administrator of the HKICPA Trust Fund COMPLAINANT

AND

Yeung Chai On, Paul (F02869) RESPONDENT

ORDER

Dated the 6th day of March 2015