



Forensic Update

News from your forensics interest group - ForensIG



Issue no. 9 (April 2017)

Highlights

In this issue, we feature:

- Corruption Perceptions Index
- Recap of the Forensic debate and spring cocktail
- Recent events
- Upcoming events
- Membership
- Useful news and articles

Corruption Perception Index 2016

Transparency International ("TI") published its [Corruption Perception Index 2016](#) earlier in the year. Hong Kong has moved up from 18th equal to 15th equal in the rankings and China from 83rd equal to 79th equal. However, TI's message is that: "No country gets close to a perfect score in the Corruption Perceptions Index 2016. Over two-thirds of the 176 countries and territories in this year's index fall below the midpoint of our scale of 0 (highly corrupt) to 100 (very clean). The global average score is a paltry 43, indicating endemic corruption in a country's public sector. Top-scoring countries [yellow in TI's map] are far outnumbered by countries [orange and red in the map] where citizens face the tangible impact of corruption on a daily basis."

Recap of the Forensic debate and spring cocktail

There was an enthusiastic turnout at the ForensIG debate and spring cocktail held on 16 February. Many ForensIG members, forensic professionals and guests gathered to network and listen to prominent speakers debating the topic, "In a world of Wikileaks and Edward Snowden, this house believes that the leakers of the Panama Papers should be locked up forever ...or given a medal". The speakers from the two sides were:

The disclosure side: the leakers of the Panama Papers should be given a medal

- Chris Fordham, Member, ForensIG Management Committee, HKICPA, and Managing Partner, Fraud Investigation & Dispute Services, Asia-Pacific, EY
- Keith Richburg, Director & Professor of Practice, Journalism and Media Studies Centre, The University of Hong Kong

The privacy side: the leakers of the Panama Papers should be should be locked up forever

- Ian Mann, Partner, Litigation & Insolvency, Harneys
- Eliot Simpson, Partner, Group Head, Hong Kong, Dispute Resolution, Appleby

The disclosure side, in brief, leveraged on the argument for the public's right to know. People could never get access to confidential information which concerns the public interest unless the information was released unofficially. As people expect government officials and politicians to uphold high ethical standards, it is important to know whether they exercise their powers with due care; thus what the leakers do should be applauded. For example, the leaking of the Panama Papers led to the resignation of Iceland's prime minister, after his wife was revealed to have secret offshore investments with claims on the country's failed banks. Without the disclosures from leakers, the public could not monitor governments effectively.

The privacy side defended the position that people have a right to privacy, which is a fundamental human right but which is being increasingly eroded. Also hacking is often wrong and illegal and should not be condoned. Breaches of confidentiality may offend against provisions on civil liberties and human rights and may put lives in danger. Although offshore structures may sometimes be used to evade tax, they are also established for a variety of legitimate reasons; for example, for a variety of commercial reasons, many companies listed on the HK Stock Exchange are incorporated in the Cayman Islands. Therefore, the leakers undermines basic human rights that should be enjoyed by every person.

After a well-fought contest, the winners, who argued for the leakers to be presented a medal, were Chris Fordham and Keith Richburg. Click [here](#) to access the photos.

Recent events

How modern technology impacts the work of forensic accountants

A panel of experts including Jack Jia of EY, Ramesh Moosa of PwC and Keith Williamson of Alvarez & Marsal shared with the audience how technology contributes to their daily work and affects the forensic industry as a whole. The event took place on 24 March and was moderated by Richard Williams of Deloitte.

How forensic accountants assist in matrimonial cases

Elaine Sum of Hampton, Winter and Glynn talked about the role played by forensic accountants in contentious matrimonial cases, and the kind of investigations that they are often asked to carry out, particularly in cases involving large assets. The event took place on 5 April and was moderated by, ForensIG management committee member, Irene Siu.

A presentation to The Hong Kong Polytechnic University

ForensIG Management Committee convenor, John Donker, and Irene Siu, spoke to an audience of university students in March, introducing forensic accounting, the career path of a forensic accountant, as well as discussing some actual cases.

Upcoming events

ForensIG is planning the following events in May and June:

- The new China Cyber Security Law: This regulation could have a far-reaching impact on different industries, particularly, if people store or provide internet data

overseas without official approval. This could lead to their employers' business being suspended and their business licenses being revoked. Click [here](#) to enrol this event.

- Shareholder disputes: Disputes often arise from disagreement over the value of the shareholders' shares. The engagement of a forensic accountant may be required if disputes become contentious, such as where deceptive practices are involved.

Watch out for further details. If you have a good idea for an event or a speaker, please email us at: ForensIG@hkipa.org.hk.

News and articles

The following news and articles may be of interest to you:

- [Search 2.0: go ahead and use key terms to cull, with caveats](#) by EY
- [The future of Onboarding](#) by PwC
- [Reorganize Now or Liquidate Later?](#) by Christa Hart and Amir Agam of FTI Consulting
- [Newsletter Issue No. 26, illustrating clean environment for doing business in HK](#) by the Independent Commission Against Corruption
- [The Privacy Policy Transparency of Fitness Bands](#) by the Office of the Privacy Commissioner for Personal Data *(Members may wish to note that Office of the Privacy Commissioner has indicated that reproduction of all or any parts of the guidance note is permitted, on condition that it is for non-profit making purposes and an acknowledgement of the work is duly made in the reproduction.)*

(N.B. Inclusion of the above articles should not be taken as endorsement by the Institute of any businesses or products that may be advertised in or alongside them.)

Membership

Please tell friends and colleagues, who may be interested in this field, about the [Forensics Interest Group \(ForensIG\)](#). Membership is open to all members of the Institute and also to non-members who are working in forensics and related sectors. Taking this opportunity, if you have not renewed your membership for 2017, click [here](#) to complete the necessary procedures. For enquiries, please email <ForensIG@hkipa.org.hk>.

Quick links

- [A Plus](#)
- [TechWatch](#)
- [CPD \(events by date\)](#)
- [E-circular](#)

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