

IN THE MATTER OF

A Complaint 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 Registrar of the Hong Kong Institute of Certified Public Accountants

COMPLAINANT

AND

the Respondent

RESPONDENT

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

Members:

REASONS FOR DECISION

1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (“the Institute”) against [the Respondent] as 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 11 July 2012 (“the Complaint”) from the Registrar of the Institute to the Council of the Institute for consideration of the Complaint for referral to the Disciplinary Panels, are as follows:-

- (a) Section 34(1)(a)(x) of the PAO applies to the Respondent in that between 14 July 2003 and 20 November 2007, he dealt with the sum of 6,117,783.81, in euro currency, knowing or having reasonable grounds to believe that the said property, in whole or in part directly or indirectly, represented proceeds of an indictable offence. For this dealing, [the Respondent] was convicted and sentenced to imprisonment for 6 years. His appeal was dismissed by the Court of Appeal on 9 December 2011.
 - (b) [The Respondent] was guilty of dishonourable conduct. His conviction and his failure to implement adequate anti-money laundering measures and /or his turning of a blind eye to the use of his Client's Account brought discredit upon himself and also damaged the reputation of the Institute and the accountancy profession.
3. On 26 November 2012, the Notice of Commencement of Proceedings was issued to the Parties and they were requested to make submissions in accordance with the Procedural Timetable. The Complainant's Case was filed on 17 December 2012, however, the Respondent did not make any submissions to the Disciplinary Committee.
4. On 15 February 2013, the Complainant submitted that:
 - (a) the Respondent is currently incarcerated at Tong Fuk Correctional Institute and as their previous efforts to communicate with him were not fruitful, it is unlikely that a Respondent's Case would be filed
 - (b) it would be unnecessary for the Complainant to file a Reply
 - (c) the present Complaint be disposed of based upon the documentary evidence before the Committee
5. Having considered the afore-mentioned and that the Respondent has not responded since the commencement of the proceedings, the Committee wrote to the Respondent on 26 February 2013, copying the Complainant's letter, and requested that he should provide any written submissions in accordance with the Disciplinary Committee Proceedings Rules and any representations on the Complainant's letter dated 15 February 2013.
6. On 2 April 2013, the Disciplinary Committee informed the Parties that:
 - (a) it resolved to accede to the Complainant's request that the proceedings be conducted based on the documentary evidence available to the Committee,
 - (b) the Complaint against the Respondent is found proved, and
 - (c) they should make submissions on sanctions to the Committee.
7. On 24 April 2013, the Respondent referred to the Complainant's submission on sanctions dated 16 April 2013 and made his submissions to the Disciplinary Committee.

8. In considering the proper order to be made in this case, the Committee has had regard to all the aforesaid matters, including the particulars in support of the Complaint, and the conduct of the Complainant and the Respondent throughout the proceedings. Implementing proper, relevant and timely anti-money laundering measures is fundamental to professionals, Certified Public Accountants in this case. Money-laundering is a serious matter, and the money involved in this case is not insignificant. In the circumstances, the Respondent's conviction and his failure to implement anti-money laundering measures renders him guilty of dishonourable conduct, as a result of which s.34(1)(a)(x) of the PAO applies to him.
9. Having considered all the information before it, the Committee, by majority, ORDERS that:
 - (1) the name of the Respondent be removed from the register of certified public accountants permanently under Section 35(1)(a) of the PAO. The removal shall be effective from the 42nd day from the date of this order;
 - (2) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$41,463 under Section 35(1)(iii) of the PAO.

Dated the 28th day of May 2013

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BETWEEN

The Registrar of the Hong Kong Institute of Certified Public Accountants

COMPLAINANT

AND

The Respondent

RESPONDENT

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

Members:

ORDER

Upon reading the complaint against [the Respondent], a certified public accountant, as set out in a letter from the Registrar of the Hong Kong Institute of Certified Public Accountants ("the Complainant") dated 11 July 2012, the Complainant's Case dated 17 December 2012, and written submissions of the Complainant dated 15 February and 16 April 2013; and that of the Respondent dated 24 April 2013 and the relevant documents, the Disciplinary Committee is satisfied by the documentary evidence adduced before it that the following Complaint is proved:

Section 34(1)(a)(x) of the PAO applies to the Respondent in that between 14 July 2003 and 20 November 2007, he dealt with the sum of 6,117,783.81, in Euro currency, knowing or having reasonable grounds to believe that the said property, in whole or in part directly or indirectly, represented proceeds of an indictable offence.

IT IS ORDERED that:-

1. the name of the Respondent be removed from the register of certified public accountants permanently on the 42nd day from the date of this order under Section 35(1)(a) of the PAO;
2. the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$41,463 under Section 35(1)(iii) of the PAO.

Dated the 28th day of May 2013