



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 14 June 2017) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 11 May 2017 that the name of Ip Wing Lun, Allan (membership number F04513) be removed from the register of CPAs for eight years with effect from 30 June 2017. In addition, Ip was ordered to pay costs of the disciplinary proceedings of HK\$22,618.00.

Ip was convicted in the High Court in October 2014 for conspiracy to offer monetary advantages to the chairman of a listed company in Hong Kong. The advantages were offered to induce the chairman to act in a fraudulent scheme concerning the company's substantial acquisition of a mining business in 2008. Ip attended meetings at the company to implement the fraudulent scheme, facilitated the transfer of the chairman's shareholding interests in the company as part of the scheme, and participated in drafting the company's circular about the acquisition which contained various misrepresentations. In addition, documents relating to the fraudulent scheme were found at Ip's office.

After considering the information available, the Institute lodged a complaint against Ip under section 34(1)(a)(x) of the Professional Accountants Ordinance (Cap.50). Ip admitted the complaint against him.

The Disciplinary Committee found that Ip was guilty of dishonourable conduct. Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Ip under section 35(1) of the ordinance.

Under the ordinance, if Ip 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](http://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 interest 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.

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 practicing 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 40,000 members and 20,000 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，二零一七年六月十四日) — 香港會計師公會轄下紀律委員會，於二零一七年五月十一日命令把葉泳倫先生(會員編號：F04513)的名字由二零一七年六月三十日起從專業會計師名冊中除名，為期八年。此外，葉先生須繳付紀律程序費用港幣二萬二千六百一十八元。

於二零一四年十月，葉先生被高等法院裁定串謀向一間香港上市公司的主席提供金錢利益的罪名成立。案中所提供的利益是為了誘使該主席實行一個涉及該公司於二零零八年對一項採礦業務進行重大收購的欺詐計劃。葉先生參與公司關於執行該計劃的會議，及作為計劃的一部份，促成公司的主席轉讓其在公司的股權，並且參與草擬公司就上述收購發出帶有多項失實陳述的公告。此外，葉先生的辦公室藏有與該欺詐計劃有關的文件。

經考慮所得到的資料後，公會根據《專業會計師條例》第 34(1)(a)(x)條對葉先生作出投訴。葉先生承認投訴中的指控。

紀律委員會認為葉先生犯下不名譽的行為。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)條向葉先生作出上述的裁決。

根據《專業會計師條例》，如葉先生不服紀律委員會對他作出的裁決，可於裁決文本送達後 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"部分查閱，網址為 <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，是從業外人士組成的紀律小組中選派，該紀律小組的成員是由香港特別行政區行政長官委任的；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員名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，會員人數超過四萬，註冊學生人數逾二萬。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 Section 34(1) and 34(1A) 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

Mr. Ip Wing Lun, Allan  
Membership No. F04513  
RESPONDENT

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

Members: Mr. Kaung Wai Ming Alexander (Chairman)  
Mr. David Fenn  
Ms. Tsui Pui Man Winnie  
Mr. Ryan John Joseph  
Mr. Man Mo Leung

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**ORDER & REASONS FOR DECISION**

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1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (the “**Institute**” or the “**Complainant**”) against Mr. Ip Wing Lun, Allan, a certified public accountant (the “**Respondent**”).
2. On 3 November 2016, the Respondent signed a confirmation (the “**Confirmation**”) whereby he admitted the complaint against him, and confirmed his agreement to the facts, as set out in the letter from the Complainant to the Institute’s Council dated 1 September 2016 (the “**Complaint**”).
3. In light of the admission by the Respondent and by consent between the parties, the Disciplinary Committee (“**DC**”) has directed that the steps set out in Rules 17 to 30 of the Disciplinary Committee Proceedings Rules be dispensed with, and that the parties make written submissions as to sanctions and cost which should be imposed by the DC.
4. In the Confirmation, the Respondent confirmed his agreement to the facts and his admission of the complaint as set out in the Complaint.

5. In arriving at its decision as to sanctions and cost, the DC has accordingly taken into consideration what has been set out in the Complaint.
6. The particulars set out in the Complaint can be summarised in material part as follows:-
  - (i) On 8 October 2014, the Respondent was convicted in the High Court of one count of conspiracy to offer advantages to an agent contrary to sections 9(2)(a) and 12(1) of the Prevention of Bribery Ordinance, and sections 159A and 159C of the Crimes Ordinance.
  - (ii) The Respondent's conviction came after a trial by jury and the findings by the jury that the Respondent had been involved in a conspiracy to offer advantages to Tan Sim Chew ("**Tan**"), the then Chairman of Benefun International Holdings Limited ("**Benefun**"), a Hong Kong listed company.
  - (iii) In 2007, Benefun had run into financial difficulties and Tan and his associates were keen to divest themselves of their shareholding interests in Benefun (which represented 32% of the issued share capital of Benefun at the time).
  - (iv) The conspiracy concerned an undisclosed agreement (the "**Agreement**") entered into on 5 May 2008 by Tan and Super Aim Group Limited ("**Super Aim**") whereby Tan would sell the said shareholding interests to Super Aim for consideration of HK\$80 million. One of the terms of the agreement was that Super Aim would ensure that all of the original assets of Benefun (the "**Assets**") would be transferred for nil consideration to Tan or persons designated by him.
  - (v) In return, Tan would cause the appointment of Super Aim's nominees to the board of directors of Benefun, to constitute a majority on the board and to cause Benefun to pass a resolution to acquire a mining business for a pre-determined price of HK\$500 million (the "**Acquisition**").
  - (vi) The Agreement was not disclosed in the announcement or the circular issued by Benefun to shareholders in respect of the Acquisition.
  - (vii) In sentencing the Respondent, the judge remarked that the Respondent had "*played an active role in the early stages of the conspiracy to offer advantages to Tan. He prepared many documents to bring it to fruition.*"
  - (viii) The evidence of the Respondent's active involvement in and knowledge of the fraudulent arrangement as set out in the judge's summing up to the jury included (a) the fact that documents relating both to the preparation and the implementation of the arrangement, including drafts of the Agreement, were discovered in the Respondent's office during a search by the ICAC, (b) the fact that the Respondent had attended various meetings at Benefun, carried out a due diligence exercise of Benefun and provided input as an accountant to the

working group set up to implement the Agreement, (c) the fact that the Respondent facilitated the transfer by Tan of his shareholding interests including opening an account at Yicko Securities, and was in possession of unsigned bought and sold notes, instruments of transfer and instructions to Yicko Securities in his office, and (d) the fact that the Respondent was a party to e-mail discussions between Benefun's lawyers and the Hong Kong Stock Exchange regarding the drafting of Benefun's circular which contained various misrepresentations.

- (ix) The Respondent was sentenced to 3 years imprisonment, which was subsequently increased to 4 years by the Court of Appeal.
  - (x) In sentencing the Respondent, the judge considered that the Respondent had been aware that the sums being paid to Tan were inducements to bring the "*corrupt scheme to fruition*".
  - (xi) In finding the Respondent guilty of the conspiracy charge the jury had rejected his defence that he was simply providing accounting services without knowledge of or active involvement in the underlying fraud(s).
7. The DC agrees that the Respondent was guilty of dishonourable conduct under section 34(1)(a)(x) of the Professional Accountants Ordinance ie. conduct which would reasonably be regarded as bringing or likely to bring discredit upon himself, the Institute or the accountancy profession.
  8. The Respondent was convicted of a crime involving dishonesty. The Respondent has also admitted certain facts relating to his involvement in and knowledge of a fraudulent scheme as a result of which amongst other things misrepresentations were made to the Hong Kong Stock Exchange, shareholders of Benefun and the investing public. This is conduct which would warrant the imposition of a serious sanction.
  9. By a letter dated 16 February 2017, the Clerk to the DC, under the direction of the DC, informed the parties that they should make written submissions to the DC as to sanctions and costs within 21 days ie. by 9 March 2017.
  10. The Complainant provided its written submissions on sanctions and costs on 9 March 2017.
  11. The Respondent did not provide any written submissions on sanctions and costs by 9 March 2017. The Clerk to the DC, under the direction of the DC, issued a further letter to the Respondent on 14 March 2017 asking the Respondent to confirm that he did not wish to file any written submissions on sanctions and costs and informing the Respondent that if no submissions on sanctions and costs were received from him within 7 days, the DC proceed to consider the matters of sanctions and costs without any submissions from him.

12. In the end, the Respondent confirmed by e-mail on 24 March 2017 that he did not have any submissions on sanctions and costs.
13. The DC proceeded to consider the matters of sanctions and costs without any submissions from the Respondent.
14. In the circumstances, the Chairman of the DC directed that it was not necessary to convene a sanctions hearing.
15. The Complainant, in its submissions dated 9 March 2017, drew to the attention of the DC that the Respondent had previously been the subject of a disciplinary action by the Institute imposed on 10 September 2015 for failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute, and was ordered on that occasion to pay a penalty of HK\$1,000 and costs to the Institute. It appears that failure related to the Respondent's directorship of a Hong Kong listed company and a transaction where the company concerned had failed to seek shareholders' prior approval for a major transaction under the Listing Rules, resulting in a finding that the Respondent and other directors were in breach of their director's undertakings for failing to use their best endeavours to procure the company to comply with the Listing Rules. However, that previous disciplinary action clearly involved conduct of a far less egregious nature, and would appear to have little bearing on the sanction to be imposed in this case.
16. The Complainant has referred the DC to 4 past cases which are said to be similar (D-07-0257-C, D-10-0520-O, D-11-0640-C and D-11-0583-H). All of these cases involved respondents who had been convicted of criminal offences and sentenced to imprisonment for periods ranging from 2 year and 9 months to 6 years. It is noted that two of those cases (D-10-0520-O and D11-0640-C) involved convictions for the offence of money laundering, which are different in nature to the conviction of the Respondent in the present case.
17. The respondent in D-07-0257-C, who was the finance director of a Hong Kong listed company, was convicted of four criminal offences involving dishonesty, namely conspiracy to offer advantages to agents, conspiracy to commit false accounting, and two counts of conspiracy to steal. The sanction ordered was a permanent removal from the register of CPAs but this was also subject to an order that any application for readmission for membership by the Respondent should not be approved within a period of 8 years thereafter.
18. The respondent in D-11-0583-H, who was the chief financial controller and executive director of a Hong Kong listed company, was convicted of 9 charges involving conspiracy to steal, conspiracy to defraud and publishing a false statement in a company's annual report. The sanction ordered was a permanent removal from the register of CPAs.



19. The Complainant suggests that the appropriate sanction would be a permanent removal or failing that a removal order of a duration of at least 10 years. The Complainant also makes the observation that this would be consistent with the imposition by the trial judge against the Respondent of a disqualification order under Section 168E of the Companies Ordinance of a duration of 10 years.
20. In deciding on the appropriate sanction, the DC has a wide discretion under Section 35 of the Professional Accountants Ordinance. What would be an appropriate sanction in any particular case must be considered in the light of all of the circumstances of that particular case.
21. The DC takes into account the fact that it is not alleged that the Respondent initiated the fraudulent scheme, or that the Respondent derived any personal gain from his conduct beyond fees paid to his CPA firm for accounting services.
22. The DC also takes into account the fact that (i) the Respondent has already served a custodial sentence, (ii) the Respondent's criminal conviction and the stigma attached to the sanction against him in these disciplinary proceedings will inevitably affect any future career prospects which he may have, and (iii) the Respondent has admitted the complaint against him, which has allowed Rules 17 to 30 of the Disciplinary Committee Proceedings Rules to be dispensed with and shortened these proceedings considerably, and has resulted in the saving of time and costs.
23. However, the Respondent's breaches involved serious lapses of integrity, and his conduct fell seriously below the standard of integrity, probity and trustworthiness that the public can expect from a member of the HKICPA. They clearly warrant a removal of the Respondent from the register of CPAs and the DC considers that removal of the Respondent from the register for a period of 8 years would be appropriate in this case.
24. As to costs, the DC has a discretion to determine the extent to which costs should be recoverable. Absent any good reason to do otherwise, costs should follow the event ie. be awarded to the successful party in the proceedings. The DC orders that the Respondent pay the Complainant's costs and the costs of the Clerk to the Disciplinary Committee.
25. The Complainant has produced a Statement of Costs and seeks costs in the total amount of HK\$22,618, of which HK\$19,348 represents the costs and expenses of the Complainant itself for conducting its investigation and preparing the complaint in these proceedings, and HK\$3,270 represents the costs and expenses of the Clerk to the DC. The DC considers the costs claimed to be reasonable and allows them in full.

26. The Disciplinary Committee orders that:-

- (1) the name of the Respondent be removed from the register of certified public accountants for a period of eight years commencing on the 50th day from the date of this order 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 including the costs of the Clerk to the Disciplinary Committee in the sum of HK\$22,618 under Section 35(1)(iii) of the PAO.

Dated the 11th day of May 2017

IN THE MATTER OF

A Complaint made under Section 34(1) and 34(1A) 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

Mr. Ip Wing Lun, Allan  
Membership No. F04513

RESPONDENT

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**ORDER & REASONS FOR DECISION**

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Dated the 11th day of May 2017