

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Jiaxing Zou

Heard on: Thursday, 01 August 2019

Location: ACCA, The Adelphi, 1-11 John Adam Street, London, WC2N 6AU

Committee:
Mr Ian Ridd (Chairman)
Mr Martin Davis (Accountant)
Mr Jonathan Broad (Lay)

Legal Adviser: Mr Mark Ruffell (Legal Adviser)

Persons present

and capacity:
Ms Sarah Cawley-Wilkinson(ACCA Case Presenter)
Mr Richard Lorkin (Hearings Officer)
Mrs Anita Phillips (Hearings Manager)

Observers: Mrs Karen Carlton (ACCA Appointments Board)

Summary **Allegations 1(a), 1(b), 1(c)(i) and 1(d) found proved**
Sanction: Removal from the student register, with immediate effect.

Costs: £9,640.00

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SERVICE OF PAPERS

1. Mr Zou was not present or represented at the hearing. The Committee had read and considered the service bundles pages 1-35 and pages 1-2, and the hearing papers pages 1-320. The Committee considered that there had been good service of the papers.

PROCEEDING IN ABSENCE

2. Ms Cawley-Wilkinson, on behalf of ACCA, submitted that the Committee should proceed in Mr Zou's absence.
3. The Committee accepted the advice of the Legal Adviser. The Committee had regard to the public interest in the expeditious disposal of the case as well as fairness to Mr Zou. The Committee had a discretion as whether to proceed in absence, which should be exercised with the utmost care and caution, having regard to the factors set out by Lord Bingham and endorsed by the House of Lords in R. v. Jones (Anthony William)(No.2)[2002] UKHL 5. The Committee noted that there was no application for an adjournment even though there had been some engagement with ACCA by Mr Zou. The Committee considered that Mr Zou had waived his right to attend, and was voluntarily absenting himself. The Committee determined to proceed in the absence of Mr Zou. Mr Zou faced serious allegations and the public interest required that they should be heard and determined without undue delay.

ALLEGATION

Allegation 1

Mr Jiaxing Zou, who is registered with ACCA as a student:

- a) On 22 August 2017 and/or 26 August 2017 caused or permitted one or more of documents (i) to (ix) in Schedule A to be submitted to ACCA purporting to show Wuhan University had awarded him with a Master Degree and Diploma, when, in fact, it had not.

- b) On 06 August 2018, Mr Jiaxing Zou caused or permitted one or more of documents (x) – (xv) in Schedule A to be submitted to the Hong Kong Institute of Certified Accountants, which purported to show that he was an ACCA Affiliate, member and that he had been awarded a Diploma at Wuhan University when, in fact, he did not have these qualifications.
- c) Mr Jiaxing Zou's conduct as set out in paragraph 1 (a) and/or 1 (b) above was:
 - i. Dishonest, in that he knew or did not care that one or more of the documents in Schedule A were not issued by a Notary and/or Wuhan University and/or ACCA; or in the alternative
 - ii. Contrary to the Fundamental Principle of Integrity, as applicable in 2017 – 2018 in that such conduct demonstrates a failure to be straightforward and honest
- d) By reason of his conduct in respect of paragraphs 1 (a) and/or 1 (b) and/or 1 (c), Mr Jiaxing Zou is guilty of misconduct pursuant to bye-law 8(a)(i).

BRIEF BACKGROUND

- 4. Mr Zou became a registered student with ACCA on 24 August 2017. On 6 August 2018, Mr Zou submitted an application to become a member of the Hong Kong Institute of Certified Practising Accountants (HKICPA). The documents included with the application, namely (xi) and (xii) of Schedule A, purported to have been issued to Mr Zou by ACCA, and indicated that he was admitted as a Member on 11 September 2007, and had provided a transcript of exam history dated 30 July 2018. HKICPA sought confirmation of Mr Zou's ACCA status with ACCA's Hong Kong office. It was then discovered that Mr Zou had made false statements to HKICPA, as to his ACCA status, and he was referred for investigation.

5. Following his registration with ACCA as a student, Mr Zou applied for exemptions from nine ACCA examinations on the basis that he had attained a Masters degree in Professional Accounting at Wuhan University, and submitted documents (i) – (ix) in Schedule A in support of his application. ACCA granted Mr Zou nine exemptions on the basis of the documents he provided with his application. This was the maximum number of exemptions that could be granted. It was subsequently discovered, during the course of ACCA's investigation, that the documents Mr Zou had submitted were not genuine.
6. In relation to the documents submitted to HCIPA, Mr Zou made representations to ACCA on 4 October 2018:

'After [Private], [Person B] retaliated by stealing my personal data, e-mail address and telephone number and sending untrue information to the Hong Kong Institute of Accountants. It was not my job, it was none of my business. On behalf of him, I apologized to the trade union. At present, I will not deceive ACCA, is framed. Due to work reasons, I will not take part in the rest of the examination.'

That same day, ACCA received a further response:

'Now I'm starting a new life in Japan. I don't know the whole thing. But I didn't apply for hkicpa. A stranger took my information to apply for it. But I didn't authorize anyone. Before that, I had no idea what HKICPA was. He was trying to frame me up. I don't want to respond to this anymore. I didn't take the rest of my exams in Japan anymore.my address:[Private]'

7. On 11 October 2018, and in response to ACCA seeking further information, Mr Zou made the following representations:

'a.[Private]. I looked for Person B after this happened, but I didn't get in touch with [Person B]. His name is [Person B], and the number is [Private]. Person B knew I was in ACCA, and threatened to say that I could not pass the exam after breaking up. You know, rubbish like [Person B] can do

anything. b.This is not difficult to explain, [Private], [Person B] is a stranger to me, for HKICPA, [Person B] is also a stranger, because it is not my own file to submit, I did not authorize anyone to my information, [Person B] is a thief!

8. ACCA have been unable to corroborate Mr Zou's version of events concerning his application to HKICPA. ACCA called the number Mr Zou provided for Person B on two occasions without success, as the calls were unanswered. An email sent to the email address Mr Zou provided for Person B has also not been replied to. Mr Zou also contacted ACCA's Customer Service team, Connect. ACCA records show that on 26 January 2019, he stated '*the documents I provided are indeed false....But the documents I provided are true. I just made a mistake.*' He did not respond to requests to clarify this response.
9. Ms Cawley-Wilkinson submitted that Mr Zou had submitted the documents for exemptions around the time of his application for student membership, and he had actively chased the application. Mr Zou had not provided any response to contradict the evidence in support of Allegation 1(a). In relation to Allegation 1(b), the notary who purported to verify the documents did not exist and so the verification was false. Ms Cawley-Wilkinson submitted that the application for membership of HKICPA was accompanied by payment of a significant fee, which would be something that was unlikely to have been paid by someone who had sought to cause Mr Zou harm in retaliation. No one had tipped off HKICPA as to the false application. The only beneficiary of the false application was Mr Zou.

DECISION ON ALLEGATION AND REASONS

10. The Committee accepted the advice of the Legal Adviser. In relation to Allegation 1(a), the Committee noted that there was no challenge to the evidence that the documents submitted by Mr Zou were false. The Committee was satisfied that the documents were submitted and that it was

Mr Zou who had submitted all nine of them to ACCA. Accordingly, the Committee found Allegation 1(a) proved.

11. In relation to Allegation 1(b), the Committee was satisfied that the document from Wuhan University was false. The Committee was satisfied that the documents were submitted to HKICPA. The Committee considered the representations made by Mr Zou that the documents were submitted, in revenge by an ex-boyfriend, together with payment of HK\$4,250. The Committee noted that this would have been an expensive price to pay for revenge. Also, unless the false documents were detected, no harm would be caused to Mr Zou. The Committee considered that Mr Zou's assertions that [Person B] had done this were implausible. The Committee considered that the only credible reason for submitting the documents was to benefit Mr Zou, and as a consequence, the documents were submitted with his full knowledge. Therefore, the Committee found Allegation 1(b) proved.
12. The Committee considered that Mr Zou's causing or permitting the documents to be submitted in Allegations 1(a) and 1(b) must have been done with his full knowledge that the documents were false. As a consequence, the Committee was satisfied that Mr Zou's conduct was dishonest. The Committee found Allegation 1(c)(i) proved. The Committee did not consider the alternative Allegation 1(c)(ii).
13. The Committee considered that the conduct found proved in Allegations 1(a), 1(b) and 1(c)(i) was of sufficient seriousness to amount to misconduct. The Committee found Allegation 1(d) proved.

SANCTION AND REASONS

14. The Committee accepted the advice of the Legal Adviser, and had regard to ACCA's sanctions guidance. The Committee noted that there were no previous regulatory findings against Mr Zou. The Committee considered the following as aggravating factors, namely that this was a well thought out, sophisticated and successful deception. Furthermore, Mr Zou put forward a false explanation regarding another person being responsible in relation to

Allegation 1(b), that the Committee had rejected. The Committee did not find that there were any mitigating factors.

15. The Committee considered that taking No Further Action or imposing a Reprimand were insufficient sanctions for the seriousness of the misconduct.
16. The Committee noted that the misconduct was intentional, sophisticated and repeated. The deception was initially successful. If it had gone undiscovered, then it would have undermined the integrity of the qualifications process. Mr Zou had not demonstrated remorse, provided no references and had stopped engaging with ACCA during the investigation process. In the Committee's view, a Severe Reprimand was not appropriate.
17. The Committee considered that Mr Zou's actions were a serious departure from the standards expected of a student, involving dishonesty, and had an adverse effect upon the reputation of the profession. The Committee considered that the appropriate and proportionate sanction was removal from the student register. The Committee ordered that Mr Zou be removed from the student register. His conduct was wholly incompatible with his remaining a student member of ACCA.

COSTS AND REASONS

18. ACCA applied for costs in the sum of £10,308.50. ACCA accepted that the hearing had been shorter than originally anticipated in their costs application. Mr Zou had not prepared any statement of financial means. The Committee accepted the advice of the Legal Adviser, and had regard to ACCA's Guidance on Costs. The Committee considered that it was right and proper for ACCA to apply for their costs, as they had been successful, in bringing the case against Mr Zou. The Committee recognised that ACCA's figure had over-estimated the length of the hearing and, as a consequence, the Committee considered that a fair and proportionate sum to order was £9,640. As Mr Zou had not completed the statement of means form, there

was no evidential basis for reducing the sum further. The Committee ordered that Mr Zou pay costs of £9,640.

EFFECTIVE DATE OF ORDER

19. The Committee considered that due to the gravity of the case and the length of time that had elapsed since the conduct complained of, it was in the public interest to order that the sanction of removal from the student register should have immediate effect. In addition, the Committee considered that it was in the public interest for ACCA to publicise and bring the order into effect forthwith, as ACCA had no information as to Mr Zou's current employment.

**Mr Ian Ridd
Chairman
01 August 2019**