

## HEARING

### DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

#### REASONS FOR DECISION

<b>In the matter of:</b>	<b>Mr Mahboob Ahmed</b>
<b>Heard on:</b>	<b>Thursday, 01 July 2021</b>
<b>Location:</b>	<b>Remotely via Microsoft Teams</b>
<b>Committee</b>	<b>Mrs Kathryn Douglas (Chair) Mr Martin Davis (Accountant) Ms Helen Kitchen (Lay)</b>
<b>Legal Adviser:</b>	<b>Mr Robin Havard (Legal Adviser)</b>
<b>Persons present and capacity:</b>	<b>Mr Benjamin Jowett (ACCA Case Presenter) Ms Anna Packowska (Hearings Officer)</b>
<b>Summary</b>	<b>Removed from the student register</b>
<b>Costs:</b>	<b>£7,500</b>

#### ACCA



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## **PRELIMINARY APPLICATIONS**

### **SERVICE OF PAPERS**

1. The Committee had considered the following documents: a hearing bundle (pages 1 to 213), a Case Management Order dated 25 March 2021 (pages 1 to 6) and a service bundle (pages 1 to 20).
2. The Committee had read the letter dated 14 May 2021 sent by ACCA by email and by courier to Mr Ahmed at HMP Lindholme where he is currently serving a 7-year prison sentence. The details of the address to which the letter was sent is consistent with the information obtained by ACCA with regard not only to Mr Ahmed's current location but also his prison number. The letter referred to the documents to which the Committee would be referred in the course of the hearing, such documents also having been sent to Mr Ahmed.
3. As stated, the letter and its attachments were also sent by email to Mr Ahmed. The Committee had noted the emails of the same date sent to Mr Ahmed with the necessary link and password to enable Mr Ahmed to gain access to documents relating to this hearing.
4. The Committee was satisfied that such emails had been sent to his registered email address in accordance with Regulation 22 of the Complaints and Disciplinary Regulations 2014 as amended ("CDR"). The Committee had noted that the emails had been delivered successfully.
5. The emails and the documents to which Mr Ahmed had access also contained the necessary information in accordance with CDR10. Consequently, the Committee decided that Mr Ahmed had been properly served with notice of proceedings.
6. The proceedings being sent in this way is also in accordance with the order made at the Case Management Hearing on 21 March 2021.

7. The Committee therefore concluded that the proceedings had been properly served in accordance with CDR10 and 22.

#### **PROCEEDING IN ABSENCE**

8. On 25 June 2021, ACCA sent an email to Mr Ahmed asking if he would be attending the hearing, reminding him of the information contained in the Notice of Proceedings that he was able to join the hearing via telephone or video link. Although there is confirmation that the email was delivered successfully, there has been no further contact from Mr Ahmed.
9. However, the Committee considered the following to be relevant to its decision whether it would be appropriate to proceed in the absence of Mr Ahmed.
10. On 06 July 2020, ACCA wrote by email to Case Administration at the Prison Service. ACCA said it had been informed that Mr Ahmed had been incarcerated at HMP Lindholme. ACCA asked the Prison Service to provide Mr Ahmed with that email to notify him that ACCA had emailed him and that he was required to respond.
11. On 06 July 2020, the Prison Service responded, stating that Mr Ahmed had no access to computer services and would not be able to respond.
12. On 24 July 2020, ACCA received a consent form signed by Mr Ahmed in which he consented to ACCA corresponding with him at HMP Lindholme.
13. On the same day, ACCA wrote to him at HMP Lindholme enclosing copies of all documents and correspondence which had previously been sent to him together with the Sentencing Remarks and Certificate of Conviction. ACCA ask him for a response to the questions put to him in ACCA's letter of 03 June 2020.
14. In the same letter, ACCA stated, *"Thank you for consenting to receiving correspondence from ACCA at HMP Lindholme."*

15. On 13 August 2020, Mr Ahmed replied to ACCA, acknowledging ACCA's letter of 24 July 2020, but declining to respond substantively. He stated that he was due to be transferred to another establishment and that he would then liaise with ACCA explaining his situation in depth relating to his conviction.
16. ACCA had not heard further from Mr Ahmed since that date.
17. The Committee had read the letter dated 14 May 2021 sent by ACCA by courier to Mr Ahmed at HMP Lindholme where he is currently serving a 7-year prison sentence. The information contained in the letter was consistent with the information obtained by ACCA, not only with regard to Mr Ahmed's current location but also his prison number.
18. The Committee considered it was reasonable to infer from this information that Mr Ahmed was aware of the date of hearing.
19. The Committee concluded that Mr Ahmed had voluntarily absented himself from the hearing. He had corresponded with the ACCA in 2020 and he could have corresponded again with ACCA in relation to these proceedings had he so wished, whether to engage in the proceedings or to request an adjournment. He had therefore waived his right to attend.
20. The Committee was also satisfied that, taking account of the seriousness of the allegations, it was in the public interest to proceed. The Committee did not consider that any benefit would be derived from an adjournment of the hearing and no such application had been made.
21. Finally, the Committee considered that it was in a position to reach proper findings of fact on the written evidence presented to it by ACCA and, in respect of those allegations relating to his conviction, on the Certificate of Conviction which had been provided.
22. The Committee ordered that the hearing should proceed in the absence of Mr Ahmed.

## **AMENDMENT OF ALLEGATIONS AS REQUESTED BY ACCA**

23. In relation to Allegation 1(a), the total period during which the conduct was alleged to have occurred extended from 2008 to 2019, although the dates of the regulations to which ACCA referred in respect of the breach of Membership Regulations ("MR") 8(2)(a)(iii) related to the period from 2013 to 2018.
24. It was proposed that the allegation should be amended by deleting the reference to MR8(2)(a)(iii) so that the allegation would simply relate to a breach of MR8(2) as applicable in the period 2008 to 2019.
25. With regard to Allegation 1(b), it was proposed that the allegation should be amended by deleting the reference to MR8(2)(a)(iv) so that the allegation would simply relate to a breach of MR8(2) as applicable in the period 2008 to 2019.
26. It was proposed that Allegation 1(d) should be amended, first, by changing the address, and secondly by changing the year of the MRs which are applicable from 2018 to 2016.
27. In respect of the MRs, Mr Jowett confirmed that there was no change to the regulations in the years covered by the proposed amendments.
28. Finally, with regard to Allegation 6, there is a typographical error in the last line of paragraph 6(a) which should refer to Allegation 5 and not Allegation 1.
29. The Committee was satisfied that, in accordance with CDR10(5), it was appropriate to allow the amendments to the allegations in that they were minor in nature and did not cause any prejudice to Mr Ahmed.

## **AMENDED ALLEGATIONS**

### **Allegation 1**

Mr Mahboob Ahmed, an ACCA student, breached Membership Regulations (as applicable 2008 to 2019) by virtue of any or all the following:

- (a) Between 14 April 2008 and 26 July 2019 Mr Ahmed was the sole director of Tax Focus (Yorkshire) Limited, where public practice is carried on in the name of the firm or otherwise in the course of the firm's business, contrary to Paragraph 8(2) of the Membership Regulations (as applicable 2008 to 2019);
- (b) Between 14 April 2008 and 26 July 2019 Mr Ahmed was the sole shareholder and principal and or controller of Tax Focus (Yorkshire) Limited, where public practice is carried on in the name of the firm or otherwise in the course of the firm's business, contrary to Paragraph 8(2) of the Membership Regulations (as applicable 2008 to 2019);
- (c) In or around June 2018 Mr Ahmed carried on public practice in that he acted as Client A's tax agent, contrary to Paragraph 8(2) of the Membership Regulations (as applicable in 2018);
- (d) In or around June 2016, Mr Ahmed claimed to be a member of ACCA by virtue of the letters "ACCA" being displayed in or on the window of Tax Focus (Yorkshire) Limited's premises, contrary to paragraph 8(2)(a)(i) of the Membership Regulations (as applicable in 2016);

## **Allegation 2**

- (a) On or around 04 June 2018, Mr Mahboob Ahmed, an ACCA student, has retained and failed to return £3,296.08 belonging to Client A without Client A's permission or agreement;
- (b) Mr Ahmed's conduct in relation to 2(a) above is:
  - (i) Dishonest in that Mr Ahmed knew that the £3,296.08 belonged to Client A and that he did not have Client A's permission or

agreement to retain it and continues to wrongly deprive Client A of £3,296.08; or in the alternative

- (ii) Contrary to the Fundamental Principle of Integrity (as applicable in 2018) in that such conduct demonstrates a failure to be straightforward and honest;

### **Allegation 3**

Contrary to Paragraph 3(1) of the Complaints and Disciplinary Regulations 2014, Mr Mahboob Ahmed, an ACCA student, failed to co-operate with the investigation of a complaint in that he failed to provide any or all the information requested by an Investigation Officer in correspondence dated:

- (i) 27 June 2019
- (ii) 18 July 2019
- (iii) 02 August 2019

### **Allegation 4**

By reason of his conduct in respect of any or all the matters set out above, Mr Mahboob Ahmed is:

- (a) Guilty of misconduct in respect of any or all the matters set out above at 1(a), 1(b), 1(c), 1(d), 2(a), 2(b)(i), 2(b)(ii) and/ or 3 pursuant to byelaw 8(a)(i); or
- (b) Liable to disciplinary action in respect of 1(a), 1(b) 1(c),1 (d), and/ or 3, pursuant to byelaw 8(a)(iii)

### **Allegation 5**

Mr Mahboob Ahmed who is an ACCA student:

- (a) On 26 July 2019 was convicted before Sheffield Crown Court, of conspire to do an act to facilitate the commission of a breach of UK immigration law by a non-EU person, which is discreditable to the Association, or to the accountancy profession.
- (b) By reason of his conduct at 5(a) above, Mr Mahboob Ahmed is liable to disciplinary action pursuant to byelaw 8(a)(ix).

### **Allegation 6**

Mr Mahboob Ahmed who is an ACCA student:

- (a) Was on 20 September 2019 disqualified by Sheffield Crown Court from holding the position of director of a company for 10 years, pursuant to section 6 of the Company Directors Disqualification Act 1986, by reason of his conduct as a director in relation to the facts and matters giving rise to the conviction, referred to in Allegation 5.

By reason of his conduct at 6(a) above, Mr Mahboob Ahmed is liable to disciplinary action pursuant to byelaw 8(a)(i)

## **DECISION ON FACTS, ALLEGATIONS AND REASONS**

### **Allegations 1(a) – (d)**

- 30. On 31 July 2005, Mr Ahmed became an ACCA registered student and he remains on the register.
- 31. The Committee relied on information from Companies House and found that, on 14 April 2008, Mr Ahmed was appointed a director of Tax Focus (Yorkshire) Limited ("the Company"). He was the sole director, sole shareholder and Principal of the Company until 26 July 2019. The Company's business concerns were described as, "*Accounting and auditing activities*".



32. According to the online directory [www.192.com](http://www.192.com) the company held itself out as *"Accountants in Sheffield"*.
33. In or around June 2016, Google street view showed an image of the premises of Tax Focus (Yorkshire) Limited which showed it claimed to be an ACCA firm through signage in or on its windows.
34. Sometime in 2018, Client A engaged the Company to attend to Client A's tax affairs.
35. On 04 June 2018, HMRC wrote to Client A stating, *"Thank you for your recent claim to repayment. A Bank transfer for £3296-08 is being made to your agent's account. Agent: TAX FOCUS (YORKSHIRE) LTD"*.
36. On 04 June 2018, HMRC wrote to the Company regarding the tax repayment in relation to Client A stating, *"Your client is due a repayment. A Bank transfer for £3296-08 is being made to your account."*
37. On this basis, the Committee was satisfied on the balance of probabilities that Allegations 1(a) – (d) had been found proved.

#### **Allegation 2(a)**

38. The Committee relied on the letter from HMRC dated 04 June 2018 and found that it made a bank transfer in the sum of £3,296.08 to the Company representing a tax repayment in respect of Client A.
39. The Committee relied on the written complaint sent by Client A to ACCA which sets out an account of Client A's dealings with Mr Ahmed and the Company. Client A stated, and the Committee found, that on 04 June 2018 Mr Ahmed told Client A that the £3,296.08 repayment had been sent to his *"head office"* and would take two weeks to *"clear"*.

40. On 18 June 2018, Mr Ahmed then informed Client A there had been a mistake, that HMRC should never have made the repayment of £3,296.08, and that he was going to return the monies to HMRC.
41. On 18 July 2018, HMRC informed Client A that there had not been a mistake in relation to the repayment of £3,296.08.
42. On 21 July 2018, Client A received confirmation from HMRC regarding the basis on which it had calculated the amount of the repayment owing to Client A.
43. On 21 July 2018, Client A having made a further request for repayment, Mr Ahmed refused to pay Client A the sum of £3,296.08 and threatened to report Client A to the Home Office in order to have Client A deported.
44. Despite further subsequent requests made for repayment, Mr Ahmed continues to retain the £3,296.08 belonging to Client A (page 42).
45. Mr Ahmed had therefore retained the funds belonging to Client A without Client A's permission and agreement, and had not returned the funds to Client A.
46. On its findings of fact, the Committee found Allegation 2(a) proved.

**Allegation 2(b)(i)**

47. The Committee relied upon its findings of fact under Allegation 2(a) above.
48. The Committee was satisfied that Mr Ahmed had deliberately withheld funds which he knew he was obliged to pay to Client A. He had also provided information to Client A which he knew to be false when he said that the funds had been paid in error and that he would be returning the funds to HMRC which he failed to do.

49. The Committee was satisfied that, by the standards of ordinary decent people, such conduct would be considered to be dishonest.
50. Consequently, the Committee found Allegation 2(b)(i) proved.

**Allegation 2(b)(ii)**

51. On the basis that this allegation was pleaded in the alternative to Allegation 2(b)(i), the Committee made no finding in respect of it.

**Allegation 3**

52. On 27 June 2019, an ACCA Senior Investigations Officer wrote to Mr Ahmed at his ACCA registered address, both by post and email, setting out the issues raised by Client A's complaint to ACCA and requesting his response by 18 July 2019. A copy of the letter was also sent to Mr Ahmed by email. No response was received from Mr Ahmed.
53. On 18 July 2019, the ACCA Senior Investigations Officer wrote again to Mr Ahmed by post and email enclosing a copy of the 27 June 2019 letter requesting Mr Ahmed's response by 01 August 2019. Copies of the letters were also sent to Mr Ahmed by email. No response was received from Mr Ahmed.
54. On 02 August 2019, the ACCA Senior Investigations Officer sent a final letter to Mr Ahmed informing him that if he failed to co-operate by not providing a satisfactory response by 09 August 2019, an allegation under Regulation 3(1)(c) of the Regulations would be raised against him. A copy of the letter was also sent to Mr Ahmed by email. No response was received from Mr Ahmed.
55. The Committee was satisfied that the letters and emails were sent to the postal address and email address appearing on ACCA's register.

56. However, this correspondence took place just before, and during, the period of the prosecution of Mr Ahmed which led to his conviction on 26 July 2019 and the sentencing hearing on 20 September 2019.
57. In correspondence from the Prison Service to ACCA, in answer to the question, *"When was he incarcerated?"*, the Prison Service replied, saying, *"26/07/2019 – REMANDED – 20/09/19 SENTENCED"*.
58. The Committee had concluded, therefore, that this was evidence to suggest that Mr Ahmed would not have received the letter and email of 02 August 2019.
59. Furthermore, there was too much uncertainty with regard to Mr Ahmed's status prior to his conviction on 26 July 2019 such that the Committee was unable to find, on the balance of probabilities, that he had received the letters and emails of 27 June 2019 and 18 July 2019. For example, ACCA had not been able to provide evidence whether Mr Ahmed had been remanded in custody prior to his conviction on 26 July 2019.
60. Consequently, the Committee was not satisfied that he had received the correspondence from ACCA and had failed to respond.
61. On this basis, the Committee was not satisfied that ACCA had proved, on the balance of probabilities, that Mr Ahmed had failed to cooperate. It, therefore, had not found Allegation 3 proved.

#### **Allegation 4(a)**

62. Taking account of its findings in respect of Allegations 1 and 2, and that Mr Ahmed had acted dishonestly, the Committee was satisfied that he was guilty of misconduct in that such conduct could properly be described as deplorable. In the Committee's judgement, it brought discredit to Mr Ahmed, the Association and the accountancy profession. Honesty is at the heart of the profession. His dishonest conduct, and his preparedness to hold himself out as a person who was qualified to conduct public practice, had also caused

considerable distress and harm to a member of the public. Such behaviour represented a very serious risk to the public generally.

63. The Committee was also concerned to note that, in response to being asked to repay the funds, Mr Ahmed had threatened Client A. Again, such conduct was reprehensible and inexcusable, amounting to misconduct.
64. On this basis, the Committee found Allegation 4(a) proved.

#### **Allegation 4(b)**

65. On the basis that this allegation was pleaded in the alternative to Allegation 4(a), the Committee made no finding in respect of it.

#### **Allegation 5**

66. The Committee relied on the Certificate of Conviction and found that, on 26 July 2019, Mr Ahmed was convicted at Sheffield Crown Court of conspiring to do an act to facilitate the commission of a breach of UK immigration law by a non-EU person. On 20 September 2019, he was sentenced to 7 years imprisonment.
67. The Committee had also relied on the Sentencing Remarks of His Honour Judge Thomas QC. Extracts from his remarks are set out below (sic).

*"What it comes to is this, that you, Maboob Ahmed, are the principal offender here. In simple terms you were running a business, not just providing bookkeeping services to clients but providing services in relation to immigration by giving advice and providing services. That is, in fact, the simple offence described at Count 6, but the services you were providing.....the services you were providing there were of a dishonest nature; you effectively organising affairs so that individual applicants could make very false applications to bring somebody into this country who otherwise wouldn't have been entitled."*

*"Although Maboob Ahmed has been described during the course of this case as an accountant – it may be that was the term that he himself used for the work he carried out – he had no professional qualifications."*

*"You were somebody who quite clearly was holding yourself out to provide these dishonest services. You did it on a good number of occasions over a significant enough period of time; two or three years, something of that sort. You were clearly making money, and perhaps good money at that, from these services, because what you did involved quite an amount of effort and you clearly were doing it for reward. In part, the text exchange you had with one of your other clients whose business you used in a false way – this is.....- shows the truth of the position as far as you are concerned."*

*".....because what you did, and provided this service to clients, was to provide clients who were wishing to have, usually a spouse coming to the country, was to provide to those clients documents that would be approved by the immigration authorities. Clearly, in particular, the income limit or threshold that the sponsor of a spouse would have to establish with the authorities; you would provide letters of employment, proof of employment in that way, you would provide contracts of employment, you would provide wage slips and to correspond with the wage slips you would demonstrate activity in bank accounts to demonstrate that the wages were actually being paid.*

*This was, as I have said I think already, a sophisticated setup."*

*"One of the requirements is that such a person would not be a burden financially on the State, and at the time of this indictment it was necessary for the sponsor of such an applicant, the four of you, to demonstrate that you were in employment that earned something just over £18,500 and that was the falsehood that Mr Ahmed was able to provide."*

*"It is just impossible to see how any of those employments could have been anything like legitimate. Two of the applications in Count 6 were based upon*

*would be employment at Tax Focus, again impossible realistically to see how that could have been legitimate and proper employment."*

68. The Committee found such conduct to be discreditable to ACCA and to the accountancy profession. Consequently, the Committee found Allegations 5(a) and (b) proved.

### **Allegation 6**

69. The Committee relied on the Certificate of Conviction that confirmed that Mr Ahmed was disqualified from holding a directorship for ten years. The Committee also noted the Sentencing Remarks of HHJ Thomas QC, who confirmed that he had disqualified Mr Ahmed from being a company director for ten years due to his dishonest conduct. The Committee found Mr Ahmed's behaviour brought discredit to himself, ACCA and the profession such that he was guilty of misconduct.
70. On this basis, the Committee found this allegation proved.

### **SANCTION AND REASONS**

71. The Committee considered what sanction, if any, to impose taking into account all it had read in the bundle of documents, ACCA's Guidance for Disciplinary Sanctions, and the principle of proportionality. It had also listened to legal advice from the Legal Adviser which it accepted.
72. The Committee considered the available sanctions in increasing order of severity having decided that it was not appropriate to conclude the case with no order.
73. The Committee was mindful of the fact that its role was not to be punitive and that the purpose of any sanction was to protect members of the public, maintain public confidence in the profession and in ACCA, and to declare and uphold proper standards of conduct and performance.

74. The Committee considered whether any mitigating or aggravating factors featured in this case.
75. The Committee had not been informed that there were any previous findings against Mr Ahmed.
76. However, this was the extent of any material available to the Committee by way of mitigation. The Committee had no information regarding the personal circumstances of Mr Ahmed save that he was serving a prison sentence of 7 years, nor had it been provided with any testimonials or references as to Mr Ahmed's character.
77. As for aggravating features, based on its findings, it had been established that Mr Ahmed's behaviour had been dishonest. The steps Mr Ahmed would have had to take, both in terms of the events relating to Client A and his conduct leading to his conviction involved a level of planning and premeditation. It was also conduct which extended over a period of years and had caused considerable harm to members of the public.
78. The Committee was satisfied that his behaviour would undermine the reputation of ACCA and the profession.
79. The Committee concluded that neither an admonishment nor a reprimand would adequately reflect the seriousness of the Committee's findings.
80. The Committee then considered whether a severe reprimand would be an appropriate sanction. Again, taking account of the seriousness of its findings, the Committee did not consider that a severe reprimand would be sufficient or proportionate.
81. Mr Ahmed had been found to have acted dishonestly in his conduct and that, based on its findings, the objective of his dishonest conduct was to gain an unfair advantage and financial reward. It was conduct which was fundamentally incompatible with being a student member of ACCA.



82. Taking account of the finding of dishonest conduct, the Committee had considered whether there were any reasons which were so exceptional or remarkable that it would not be necessary to remove Mr Ahmed from the student register but could find none.
83. The Committee concluded that the only appropriate, proportionate and sufficient sanction was to order that Mr Ahmed shall be removed from the student register.
84. Furthermore, taking account of the very serious nature of Mr Ahmed's dishonest conduct, the Committee concluded that it would be appropriate and proportionate to order that no application for readmission may be considered until the expiry of five years after the effective date of his order.

#### **COSTS AND REASONS**

85. The Committee had been provided with four documents relating to ACCA's claim for costs.
86. The Committee concluded that ACCA was entitled to be awarded costs against Mr Ahmed. Save for Allegation 3, all allegations, including dishonesty, had been found proved. The amount of costs for which ACCA applied was £7,974.50. Having examined the breakdown, the Committee did not consider that the claim was unreasonable, although the Case Presenter and Hearings Officer had not been engaged for a full day.
87. Mr Ahmed had not provided ACCA with any details of his means in advance of the hearing. In the correspondence sent to him prior to the hearing, Mr Ahmed would have been warned of the importance of providing details of his means.
88. On that basis, and taking account of all the circumstances, despite Mr Ahmed's current state of incarceration, the Committee approached its assessment on the basis that Mr Ahmed was in a position to pay an award of costs made against him.

89. In all the circumstances, and in exercising its discretion, the Committee considered that it was reasonable and proportionate to award costs to ACCA in the reduced sum of £7,500.

**EFFECTIVE DATE OF ORDER**

90. The Committee decided that this order shall take effect at the expiry of the period allowed for an appeal in accordance with the Appeal Regulations.

**Ms Kathryn Douglas**  
**Chair**  
**01 July 2021**