

## HEARING

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

#### REASONS FOR DECISION

<b>In the matter of:</b>	<b>Mr Peixi Huang</b>
<b>Heard on:</b>	<b>Friday, 24 November 2023</b>
<b>Location:</b>	<b>Heard remotely by video conference</b>
<b>Committee:</b>	<b>Mr Andrew Gell (Chair), Ms Andrea White (Accountant), Mr Geoff Baines (Lay)</b>
<b>Legal Adviser:</b>	<b>Mr Andrew Granville Stafford</b>
<b>Persons present and capacity:</b>	<b>Mr Adam Slack (ACCA Case Presenter) Ms Anna Packowska (Hearings Officer)</b>
<b>Summary:</b>	<b>Allegations 1, 2(a), 4 and 5(a) proved Excluded from membership with immediate effect Costs of £4,700</b>

#### PRELIMINARY

1. The Disciplinary Committee of ACCA ('the Committee') convened to consider a report concerning Mr Peixi Huang.

#### ACCA



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2. The Committee had before it a bundle of documents (265 pages), an additional bundle (31 pages) and a service bundle (18 pages).
3. Mr Huang, whose registered address is in Indonesia, did not attend the hearing and was not represented.

### **PROCEEDING IN ABSENCE**

4. The notice of hearing was sent by email on 27 October 2023 to the email address notified by Mr Huang to ACCA. The Committee was provided with a delivery receipt showing the email had been received by the addressee.
5. On 14 November 2023, the Hearings Officer emailed Mr Huang, asking whether he would be attending the hearing and giving him the option of joining by video link or telephone. Mr Huang replied by email the same day saying:

*'Sorry for being late on replying this email and thanks for your reminder. I am not able to attend this Disciplinary Committee Hearing to be held on Friday, 24 November 2023 as busy work. I would be appreciated it if you could understand me'.*

6. On 16 November 2023, the Hearings Officer emailed Mr Huang asking him whether he was content for the hearing to proceed in his absence. There has been no reply to that enquiry.
7. The Committee was satisfied that the requirements of regulations 10(1) and 22(1) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 ('CDR') as to service had been complied with.
8. Having satisfied itself that service had been effected in accordance with the regulations, the Committee went on consider whether to proceed in the absence of Mr Huang. The Committee bore in mind that the discretion to do so must be exercised with care and in light of the public interest in dealing with matters such as this fairly, economically, and expeditiously.
9. The Committee noted that, apart from the email sent on 14 November 2023, there has been little engagement from Mr Huang. It also noted that the notice of hearing made it clear to Mr Huang that he could apply for an adjournment if

he had reason to do so. Although he had stated he was busy with work, he has not requested an adjournment or suggested alternative dates.

10. The Committee was satisfied, given Mr Huang's general lack of engagement, that no useful purpose would be served by adjourning this hearing. There was no reason to think that he would attend if this case were to be relisted on a future date.
11. These are serious allegations and there is a clear public interest in dealing with them expeditiously. The Committee is aware it should reduce any disadvantage there may be to Mr Huang arising from his non-attendance by testing the case against him. The Committee considered that it, in all the circumstances, it was in the interests of justice that the hearing should proceed in Mr Huang's absence.

#### **ALLEGATIONS AND BRIEF BACKGROUND**

12. The allegations against Mr Huang are as follows:

Mr Peixi Huang ('Mr Huang'), at all material times an ACCA trainee,

1. Applied for membership to ACCA on or about 19 September 2020 and in doing so purported to confirm in relation to his ACCA Practical Experience training record his Practical Experience Supervisor in respect of his practical experience training in the period from 30 November 2018 to 19 September 2020 was Person 'A' when Person 'A' did not supervise that practical experience training in accordance with ACCA's requirements as published from time to time by ACCA or at all.
2. Mr Huang's conduct in respect of the matters described in Allegation 1 above:
  - a) Was dishonest, in that Mr Huang sought to confirm his Practical Experience Supervisor did supervise his practical experience training in accordance with ACCA's requirements or otherwise and/or his Supervisor had personally verified the achievement of the performance

objectives claimed and/or that they had been achieved in the manner claimed either or both of which he knew to be untrue.

b) In the alternative, demonstrates a failure to act with Integrity.

3. In the further alternative to Allegations 2a) and 2b) above, such conduct was reckless in that Mr Huang paid no or insufficient regard to ACCA's requirements to ensure:

a) His practical experience was supervised;

b) His Practical Experience Supervisor was able to personally verify the achievement of the performance objectives he claimed and/or verify it had been achieved in the manner claimed;

4. Failed to co-operate with ACCA's Investigating Officer in breach of Complaints and Disciplinary Regulation 3(1) in that he failed to respond fully or at all to any or all of ACCA's correspondence dated:

a) 1 September 2022;

b) 16 September 2022;

c) 3 October 2022.

5. By reason of his conduct, Mr Huang is:

a) Guilty of misconduct pursuant to ACCA bye-law 8(a)(i) in respect of any or all the matters set out at 1 to 4 above; in the alternative in respect of allegation 4 only.

b) Liable to disciplinary action pursuant to bye-law 8(a)(iii).

13. Mr Huang was admitted as an affiliate member of ACCA on 18 April 2016. He was admitted as a full member on 25 September 2020 following an application for membership submitted on or about 19 September 2020.

14. Part of the requirement of becoming an ACCA member, in addition to passing the relevant exams, is the completion of practical experience. ACCA's practical experience requirement ('PER') is a key component of the ACCA qualification.
15. ACCA's PER is designed to develop the skills needed to become a professionally qualified accountant. There are two components to the PER:
  - Completion of nine performance objectives ('POs'). Each PO includes a statement of 200 to 500 words, in which the student explains how they have achieved the objective. They should, therefore, be unique to that student. The PO must be signed off by a practical experience supervisor ('PES'), who must be a qualified accountant recognised by law in the relevant country and/or a member of an IFAC body. They must have knowledge of the student's work in order to act as a PES. The PES is typically the student's line manager, though if their line manager is not suitably qualified, they can nominate an external supervisor provided the external supervisor has sufficient connection with the trainee's place of work.
  - Completion of 36 months practical experience in accounting or finance related roles, verified by a PES. The period of practical experience may be verified by a non-IFAC qualified line manager.
16. Those undertaking the PER are known as trainees. The trainee's progress towards the PER is recorded online in their PER Training Record.
17. In support of his application for membership, Mr Huang submitted a PER Training Record to ACCA on or around 9 September 2020. He claimed he had achieved his practical experience by working for two companies.
18. He stated he had worked for Company C as an Account Executive from 13 May 2016 to 29 November 2018, and that he had practical experience of 30 months in this company. In relation to this role, his PER training record named a single supervisor, Mr S, who is recorded as authorised to approve Mr Huang's experience/time claim only. This he did on 8 September 2020. Mr S is recorded as a 'non-IFAC qualified line manager'.

19. Mr Huang stated in his PER that he had been working for the second firm, Company B, as a Finance Manager since 30 November 2018. 21 months of practical experience was claimed in respect of this position (which would be roughly the period between starting this role and submitting his membership application to ACCA).
20. In relation to this role the training record originally submitted refers to three supervisors namely Mr H, who was authorised to approve Mr Huang's PO's only, and Mr S and Mr N, who were authorised to approve his experience/time claim only. Mr S and Mr N are recorded as being non-IFAC qualified line managers.
21. On 11 September 2020, two days after he had submitted his PER, ACCA's Customer Services Team emailed Mr Huang to advise him that Mr H had not provided confirmation of his IFAC membership. ACCA requested Mr Huang to get Mr H to do so.
22. Mr Huang responded the same day saying:  
  
*'May I know if I can appoint another person to be my practical supervisor who are qualified to sign off my performance objectives? Because there are some misunderstandings between me and my previous appointed practical supervisor. Seems he could not provide me the supporting documents on assisting me to transfer to ACCA membership. If I can appoint another one, should I add his details on and get him to sign off my performance objectives again?'*
23. As a result, the POs which had been submitted as being approved by Mr H were 'declined'. On 19 September 2020 Mr Huang amended his PER training recording to show that Person A had been appointed as his 'IFAC qualified external supervisor'. On the same day, Person A approved all nine of Mr Huang's POs. Mr Huang then emailed ACCA asking for his membership application to be processed and it was granted on 25 September 2020.
24. During 2021 it came to the attention of ACCA's Professional Development team that between December 2019 and January 2021, around 100 ACCA trainees had submitted PER Training Record in which they claimed their POs had been

- approved by Person A. ACCA's case, supported by evidence from Ms C, Manager of ACCA's Professional Development Team, was that it would not be expected that a PES had more than two to three trainees at any one time.
25. A review was carried out by ACCA's Professional Development Team. It noted that a number of POs submitted by the trainees Person A had allegedly supervised were identical or strikingly similar to each other. In relation to Mr Huang, the review showed eight out of his nine POs were unique to him. One of them was the same as that of another trainee. However, ACCA accepted that Mr H's PO pre-dated that of the other trainee, and therefore it did not allege that Mr Huang had copied it.
  26. Person A, who is a member of the Chinese Institute of Certified Public Accountants (CICPA), an IFAC registered body, was contacted by ACCA. She provided witness evidence stating she had only supervised one ACCA trainee, who she named as Mr D, and who was not one of the 100 trainees referred to above.
  27. The matter was referred to ACCA's Investigations Team. A member of that team sent an email to Mr Huang's registered email address on 1 September 2022. Attached to the email was a letter which set out the complaint and requested that Mr Huang respond to a number of questions by 15 September 2022. The letter also referred to CDR 3(1), which requires a member to cooperate with an ACCA investigation.
  28. Mr Huang did not reply, so chaser emails were sent on 16 September and 3 October 2022. These emails stated that, should he fail to reply, an allegation of breaching CDR 3(1) would be brought. There has been no response to any of this correspondence from Mr Huang.

## **DECISIONS ON ALLEGATIONS AND REASONS**

29. The Committee considered the documents before it, the submissions of Mr Slack on behalf of ACCA and the advice of the Legal Adviser. The Committee bore in mind that the burden of proving an allegation rests on ACCA and the standard to be applied is proof on the balance of probabilities.

### Allegation 1

30. The Committee had sight of Mr Huang's PER Training Record. It was clear that Mr Huang had named Person A as his PES in respect of his practical experience training in the period from 30 November 2018 to 19 September 2020. The issue for the Committee was whether ACCA had proved that Person A did not supervise that practical experience training in accordance with ACCA's requirements.
31. The Committee accepted the evidence of Person A contained in her witness statements dated 18 October 2022 and 12 September 2023. She stated that she had only acted as PES for one trainee, Mr D. By necessary inference, therefore, she had not acted as PES for Mr Huang. The Committee also noted that the email address given for Person A in Mr Huang's Training Record was not in fact Person A's email address. Further it noted that Person A had not originally been named as Mr Huang' PES and had, apparently, approved all of his nine POs on the same day.
32. In the circumstances, the Committee was satisfied that Mr Huang had no relationship with Person A and that she had not supervised his practical experience training in accordance with ACCA's requirements.
33. Further, though the Committee bore in mind that there is no burden of proof on Mr Huang, it noted that he had had the opportunity to challenge ACCA's allegation that Person A had not been his PES and he had not done so.
34. The Committee therefore found Allegations 1 proved.

### Allegation 2

35. The Committee was satisfied that Mr Huang must have known what ACCA's training requirements are. They are widely published and are available in his native tongue of Mandarin as well as in English. He was clearly aware, in the Committee's view, that Person A had not supervised his training and was not able to verify his POs.
36. The Committee considered the test for dishonesty, as set out in the case of *Ivey v Genting Casinos*.



37. The Committee was satisfied that Mr Huang's state of knowledge was that he was seeking to gain a professional qualification by illicit means. He knew that he had not been supervised by Person A, and therefore claiming that he had was untrue. There is no doubt that this would be regarded as dishonest by ordinary and honest people.
38. The Committee therefore found Allegation 2(a) proved. As Allegation 2(b) was put in the alternative, there was no need for the Committee to consider it.

#### Allegation 3

39. As Allegation 3 was an alternative to Allegation 2, there was no need for the Committee to consider it.

#### Allegation 4

40. CDR 3(1) reads:

*(1) Duty to co-operate*

*(a) Every relevant person is under a duty to co-operate with any investigating officer and any assessor in relation to the consideration and investigation of any complaint.*

*(b) The duty to co-operate includes providing promptly such information, books, papers or records as the investigating officer or assessor may from time to time require.*

41. The Committee found that ACCA had sent Mr Huang requests for information by email on 1 September 2022, 16 September 2022, and 3 October 2022 and, further, that those emails had been delivered to him. The Committee noted that there was evidence to show that all these emails were opened. He had not responded to any of those emails. The Committee was satisfied that he was under a duty to do so and, by failing to do so, was in breach of CDR 3(1).

#### Allegation 5

42. Having found charges 1, 2(a) and 4 proved, the Committee considered whether this conduct amounted to misconduct. Engaging in a pattern of conduct for

personal gain is a serious falling short of the standards required of a professional. The Committee had not only found that Mr Huang had acted dishonestly but, by wilfully not engaging with the investigation, he had frustrated his regulator in the performance of its functions.

43. Such conduct clearly brings discredit to Mr Huang, the Association, and the profession of accountancy. It was therefore misconduct, rendering him liable to disciplinary action under Bye-law 8(a)(i).
44. The Committee therefore found Allegations 5(a) proved. As Allegation 5(b) was in the alternative, it was not necessary for the Committee to consider it.

#### **SANCTION AND REASONS**

45. The Committee considered what sanction, if any, to impose taking into account ACCA's Guidance for Disciplinary Sanctions ('GDS') and the principle of proportionality. The Committee bore in mind that the purpose of sanctions was not punitive but to protect the public, maintain confidence in the profession and declare and uphold proper standards of conduct and behaviour. Having found that Mr Huang's actions amounted to misconduct, taking no further action was clearly not appropriate. The Committee therefore considered the available sanctions in ascending order of seriousness.
46. In mitigation, the Committee took into account that no previous findings had been made against Mr Huang.
47. The Committee considered that the following were aggravating factors. This was deliberate dishonest conduct committed for personal gain and sustained over an extensive period. Further, given Mr Huang's lack of engagement, there was no evidence of any insight into his behaviour.
48. The Committee considered the guidance in the GDS in relation to admonishment and reprimand. It considered that none of the reasons potentially justifying an admonishment were present in this case. Further, this was not misconduct of a minor nature and therefore a reprimand was not appropriate.

49. The Committee considered whether a severe reprimand would be an appropriate and proportionate sanction. Taking into account the guidance in the GDS, the Committee considered that a severe reprimand would not adequately mark the seriousness of the misconduct. Further, given Mr Huang's lack of insight, a severe reprimand would not be an appropriate sanction.
50. Dishonesty undermines the trust and confidence which the public places in the profession. In addition, Mr Huang had failed to co-operate with his regulator, which is a serious matter in itself.
51. The Committee concluded that Mr Huang's actions in this case were such a serious departure from acceptable standards as to be incompatible with retaining membership of a professional association. The Committee did not feel that any lesser sanction than exclusion would adequately protect the public.
52. Therefore, the Committee made an order under CDR 13(1)(c) of the Disciplinary Regulations excluding Mr Huang from membership of ACCA.
53. The Committee did not consider that the public interest in this case required it to additionally make an order under CDR 13(1)(c) restricting Mr Huang's ability to apply for readmission beyond the normal minimum period. It noted that any application for readmission will, as a matter of course, have to be considered by the Admissions and Licensing Committee.

#### **COSTS AND REASONS**

54. ACCA applied for costs against Mr Huang in the sum of £5,624.58. The application was supported by a schedule providing a breakdown of the costs incurred by ACCA in connection with the hearing. Mr Slack accepted some reduction would be appropriate to reflect the actual rather than the estimated time the hearing had taken. The Committee agreed and made a reduction to the amount claimed on that basis.
55. The Committee found that there was no reason in principle not to make an order for costs in ACCA's favour. Nor did it consider that the application was for an unreasonable amount, subject to an adjustment based on the length of the hearing.

56. The Committee had no information about Mr Huang's financial circumstances, and therefore had no basis on which a reduction in the costs claimed could be justified.
57. The Committee ordered Mr Huang to pay ACCA's costs in the sum of £4,700.

**EFFECTIVE DATE OF ORDER**

58. The Committee determined that it would be in the interests of the public for the order to take immediate effect. Therefore, pursuant to CDR 20, the order removing Mr Huang from membership will take effect immediately.

**Mr Andrew Gell**  
**Chair**  
**24 November 2023**