

HEARING

CONSENT ORDERS COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Miss Ekaterina Zenina

Heard on: Friday, 22 September 2023

Location: Remote Link via Microsoft Teams

Committee: Ms Valerie Paterson (Chair)

Legal Adviser: Miss Judith Chrystie

Summary Approved consent order dated 11 September 2023 setting out that Miss Zenina:

1. be severely reprimanded, and
2. shall pay costs to ACCA in the sum of £1,568 (one thousand five hundred and sixty-eight pounds).

2. A Consent Order is made on the order of the Chair under Regulation 8 of the Complaints and Disciplinary Regulations 2014 (as amended) ('the Regulations').

3. In considering whether to approve an amended Consent Order following her initial consideration of the matter under the Regulations on 8 September 2023, the Chair had regard to the following case documents:

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- a. Draft Consent Order dated 11 September 2023 and report with page numbers 1-4
 - b. Consent Order Bundle with page numbers 1-159
 - c. Simple Cost Schedule
 - d. Detailed Cost Schedule
4. The Chair accepted the advice of the Legal Adviser.

ALLEGATIONS

5. An amended draft Consent Order was signed by Miss Zenina on 11 September 2023 and on behalf of ACCA the same day.
6. Within the draft Consent Order, Miss Zenina admitted the following:

Allegation 1

Miss Ekaterina Zenina, a student of the Association of Chartered Certified Accountants (ACCA):

- 1) Breached the Membership Regulations 2014 (as applicable in 2020) with regard to any or all of the following:
- 2) Between 15 January 2020 to 17 August 2023, she has been the Director of Firm A “the Firm” where public practice was carried out in the name of the Firm, without a practising certificate, contrary to Regulation 8(2)(a)(iii) of the Membership Regulations 2014.
- 3) Between 15 January 2020 to 17 August 2023, she held 100 shares in “the Firm” where public practice was carried on in the name of the firm, which in effect put her in the position of a Principal [*sic*] of the firm, without a practising certificate, contrary to Paragraph 8(2)(a)(iv) of the Membership Regulations 2014.

Allegation 2

- 4) Between 15 January 2020 to 24 August 2020 and 1 September 2021 to 14 February 2022, Miss Ekaterina Zenina failed to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (information on

the payer) Regulations 2017, in that she was not supervised for Anti-Money Laundering (“AML”).

Allegation 3

- 5) By reason of her conduct above Miss Ekaterina Zenina is:
 - (i) Guilty of misconduct pursuant to bye-law 8(a)(i); or in the alternative;
 - (ii) In respect of allegation 1 and 2, liable to disciplinary action pursuant to byelaw 8(a)(iii).

7. The Consent Order set out that Miss Zenina and ACCA had agreed that Miss Zenina should, subject to approval through the Complaints and Disciplinary Regulations 2014, be:
 - a. severely reprimanded, and
 - b. shall pay costs to ACCA in the sum of £1,568 (one thousand five hundred and sixty-eight pounds).

BRIEF BACKGROUND

8. Miss Zenina became a student of ACCA on 6 December 2016.

9. Miss Zenina does not hold a practising certificate and, as an ACCA student, she is not eligible to apply for one.

10. Since 15 January 2020, the firm in which Miss Zenina was a Director and Principal (with a shareholding of 100%) had carried out accounting and auditing activities. The firm is called Capital Empire Ltd (‘the Firm’) and formerly known as Great Financial Way Ltd.

11. Miss Zenina held herself out as Director of the Firm on both Facebook and LinkedIn.

12. Miss Zenina did not have Anti-Money Laundering (‘AML’) supervision between the following dates:
 - a. 15 January 2020 and 24 August 2020 – which Miss Zenina said was because the Firm carried out less business owing to the Covid pandemic,

- b. 1 September 2021 and 14 February 2022 - which Miss Zenina said was because the Firm had separated from Great Financial Way Ltd, and she had concentrated on operating the Firm rather than AML supervision.
13. ACCA submitted the following were aggravating features:
- a. Since 15 January 2020, Miss Zenina had been holding herself out as the Director and Principal, with 100% shareholding, of a Firm undertaking public practice without an ACCA practising certificate and without being eligible to gain one;
 - b. Miss Zenina had failed to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (information on the payer) Regulations 2017 by having no AML supervision;
 - c. The Firm had not professional indemnity insurance between:
 - i. 15 January 2020 – 7 September 2020
 - ii. 8 September 2021 – 16 May 2022;
 - d. The Investigation was initiated following receipt of an anonymous complaint.
14. ACCA identified the following mitigating factors:
- a. Miss Zenina has a previous good record with no previous complaint or disciplinary history;
 - b. Miss Zenina had fully co-operated with the ACCA's investigation and regulatory process;
 - c. Miss Zenina had opted to regularise her position by submitting a resignation from ACCA on 22 November 2022, which would take effect on the disposal of the case;
 - d. Miss Zenina had not acquired AML supervision owing to a belief that the Firm was not active or as a result of the separation of the Firm which shifted her focus and priorities to operating the Firm;
 - e. There was no evidence of deliberate disregard of her professional obligations.

- f. The incident was remote, which suggested it was unlikely to be repeated.
- g. There did not appear to be any continuing risk to the public.

DECISION AND REASONS

15. On 8 September 2023, in accordance with her discretion under Regulation 8(13) of the Regulations, the Chair recommended an amendment to the terms of a draft Consent Order signed by the parties on 17 August 2023. The Chair had considered ACCA's Guidance for Disciplinary Sanctions ('Sanctions Guidance') as well as ACCA's Consent Order Guidance and Consent Order Guidance FAQs in proposing the amendments.
16. The Chair recognised that also under Regulation 8(13) she could subsequently approve any agreed amended order. Having reconsidered the evidence and material in the case the Chair was satisfied that it was appropriate to deal with the matter through a Consent Order and that she could approve the amended Consent Order signed by both Miss Zenina and ACCA on 11 September 2023. The Chair's reasons for her decision are set out below.
17. The Chair approved the Order on the basis that given the seriousness of the allegations it was not appropriate to conclude this matter with no order nor a reprimand. The Chair, having considered the Sanctions Guidance, concluded that the factors suggesting that a reprimand would be a reasonable outcome were not present. The Chair did not consider that the misconduct admitted by Miss Zenina was of a minor nature nor that it occurred over a short period of time and stopped as soon as possible. Further, the Chair was not satisfied that Miss Zenina had made an early admission or acceptance of the misconduct nor did she consider that the evidence demonstrated sufficient evidence of an understanding and genuine insight into the conduct admitted. In these circumstances, the Chair determined that a reprimand would not be an appropriate order with which to conclude the case in the public interest.
18. When she initially considered the case on 8 September 2023, the Chair had recommended that an appropriate sanction was severe reprimand. She remained satisfied that this was a reasonable and proportionate outcome. The recommendation and, now approval, of the draft Consent Order were based on the Chair's assessment that the admitted breaches were serious and significant

rather than minor in nature but her conclusion that they were not fundamentally incompatible with Miss Zenina's name remaining on the student register.

19. Whilst concluding that, on balance and on the current evidence, it was unlikely that the allegation would result in removal from the student register, the Chair identified a number of features exacerbating the admitted breaches. The breaches were in respect of regulatory and legal obligations which were placed on Miss Zenina to protect the public. These aggravating features included a failure to hold professional indemnity insurance, the extended period of time over which the misconduct had endured and the failure of the Firm to identify the lack of supervision. In addition, the Chair took into account the evasive and argumentative way in which she considered Miss Zenina had engaged with ACCA – as her professional and regulatory body – whilst it sought to conduct its investigative and disciplinary process. Further, the Chair assessed that the material before her did not demonstrate that Miss Zenina understood the impropriety of her breaches nor that she recognised and accepted the seriousness of her misconduct, notwithstanding her admissions.
20. Considering the matter overall, including Miss Zenina's previous good record, the Chair was satisfied a severe reprimand, rather than a reprimand, was a reasonable and proportionate outcome. The Chair considered that such an order would maintain public confidence in the accountancy profession and its regulation as well as declaring and upholding proper standards of conduct and behaviour for other ACCA students, affiliates, and members.
21. Consequently, the Chair approved the terms of the amended Consent Order that Miss Zenina is subject to a severe reprimand.
22. The Chair confirmed her previous view that the cost order in the sum of £1,568 was reasonable to reflect the cost incurred in investigating this matter and the disciplinary process leading to her consideration of the agreed Consent Order. Further the Chair considered that it was appropriate for Miss Zenina to pay to contribute to the cost of the proceedings against her for her admitted breaches and misconduct rather than for those costs to be borne by the wider ACCA membership.
23. The Chair approved the draft Consent Order signed by the parties on 11 September 2023 in accordance with her power under Regulation 8 of the

Regulations. She recognised that, having done so, this would constitute a formal finding and order.

Valerie Paterson
Chair
22 September 2023