

HEARING

**DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF
CHARTERED CERTIFIED ACCOUNTANTS****REASONS FOR DECISION**

In the matter of: Miss Xiaotong Tang

Heard on: Thursday, 23 January 2025

Location: Virtual hearing via Microsoft Teams.

Committee: Mr Andrew Popat CBE (Chair)
Mr Ryan Moore (Accountant)
Dr Jackie Alexander (Lay)

Legal Adviser: Mr Charles Apthorp

**Persons present
and Capacity:** Ms Michelle Terry (ACCA Case Presenter)
Miss Mary Okunowo (Hearings Officer)

Summary: Allegations 1, 2 (a), 4 and 5(a) found proved.

Sanction: Exclusion from Membership, order to take immediate effect.

Costs: £7,000.00

1. The Committee heard an allegation of misconduct against Miss Xiaotong Tang ("Miss Tang"). Ms Michelle Terry appeared for ACCA, Miss Tang was not

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present and was not represented.

2. The hearing was conducted remotely by Microsoft Teams.

SERVICE OF PAPERS

3. The Committee considered the service bundle (1) with pages numbered 1- 247 in order to determine whether the Notice of Hearing ("the Notice") dated 16 December 2024 had been served in accordance with the provisions of the Complaints and Disciplinary Regulations 2014 (amended 2020) ("the Regulations").
4. The Notice had been sent to Miss Tang's registered email address held on file by ACCA and in the Committee's view complied with the other requirements of the Regulations.
5. The Committee was satisfied that this was effective service under the Regulations.

PROCEEDING IN ABSENCE

6. The Committee considered whether it should proceed in Miss Tang's absence and recognised it could only do so with care and caution.
7. The Committee noted that Miss Tang had responded to the allegations in the service bundle in an email dated 21 January 2025 where Miss Tang stated that she did not intend to attend the hearing and that she did not object to the case continuing in her absence. No application had been made by Miss Tang to adjourn the hearing to another date.
8. The Committee recognised that there was a strong public interest in regulatory proceedings being considered and concluded expeditiously, particularly given the serious nature of the allegations. The Committee concluded that Miss Tang was aware of the date and place of the hearing and had voluntarily absented herself.

9. The Committee determined that it was fair and just to proceed in Miss Tang's absence in accordance with its discretionary power at regulation 10(7) and that a fair hearing could take place in her absence.
10. The Committee were provided with the following bundles: Hearing bundle (1-247), Additional Bundles (1-12), Service Bundle (1-24) and a Separate Bundle of documents relating to the complaint (1-56).
11. The Committee had read the papers prior to the hearing.

BRIEF BACKGROUND

12. Miss Tang was registered as an ACCA member on 18 August 2022.
13. Miss Tang after completing her exams is required to obtain at least 36 months of practical experience, which is recorded in her Practical Experience Requirement ("PER") training record. The record is completed using an online tool, 'MyExperience' accessed via MyACCA an online portal.
14. As part of their practical experience, each trainee is required to complete nine performance objectives (POs) under the supervision of a qualified accountant. It is a requirement that the relevant practical experience is signed off by a qualified supervisor. In addition, the description of the experience in the trainee's record should be unique to each trainee.
15. During 2023 it came to the attention of ACCA's Professional Development Team that the practical experience supervisors registered to 91 ACCA trainees, shared one of three email addresses despite the names of such supervisors being different. It would not be expected for a supervisor to share an email address with any other supervisor or person.
16. The three email addresses were as follows:
 - email 1
 - email 2

- email 3
17. Further analysis of this cohort of 91 trainees confirmed the following:
- Most of these trainees were registered with ACCA as resident in China.
 - Although each statement supporting a PO should be a description of a trainee's experience and therefore unique, many of such statements within this cohort of 91 trainees were the same. These ACCA trainees had therefore copied their PO statements from others.
 - Of these 91 trainees, the earliest date a supervisor with one of these three email addresses is recorded as approving a trainee's PER training record was August 2021 with the latest date being March 2023.
18. In their personal statement for each PO, a trainee needs to provide a summary of the practical experience they gained. They must explain what they did, giving an example of a task. They must describe the skills they gained which helped them achieve the PO and they must reflect on what they have learned including what went well or what they would have done differently.
19. The ACCA PER guide states:
- 'Your situation and experience are unique to you, so we do not expect to see duplicated wording, whether from statement to statement, or from other trainees. If such duplication occurs, then it may be referred to ACCA's Disciplinary Committee.'*
20. Miss Tang's PER was compared to other trainees. One PO, PO21, was first in time, the date her line manager approved the PO in her PER. However, the remaining eight she completed and were found to be identical or sufficiently similar to PO statements contained in the PER's of other ACCA trainees.
21. Miss Tang was notified of the allegations on 05 April 2024 requesting she respond to questions by 19 April 2024. An email was sent to her email address

- recorded on the ACCA system later in the same day which was delivered successfully.
22. On 12 April 2024, the ACCA China office sent a mobile phone message, which was successfully delivered, to Miss Tang advising her that an email had been sent to her registered email address.
 23. Further reminders were sent on 18 April 2024 in which Miss Tang was reminded of her duty to cooperate with the investigation and requesting a response by 06 May 2024. A further reminder was sent on 07 May 2024 requesting a response by 21 May 2024. On 08 May 2024, an investigations officer called Miss Tang's mobile phone and during the conversation she admitted receiving the email the previous day. She was reminded to respond by 21 May 2024. No response was received.
 24. On 31 May 2024, ACCA sent an email to Miss Tang giving her a final opportunity to respond by 07 June 2024. No response was received.
 25. In similar cases many of those trainees who have co-operated have indicated they engaged a third party to apply for membership on their behalf. It is therefore accepted that it is possible a third party applied for membership on Miss Tang's behalf.
 26. Miss Tang in an email dated 16 August 2024 stated that there was no ACCA member at her firm, and she contacted Person A on a social app to seek assistance in completing her PER. She also stated that she was shocked to discover that Person A pretended to be her line manager, and she was too eager to be a member.
 26. Miss Tang faced the following allegations:

ALLEGATIONS

Xiaotong Tang ("Miss Tang"), at all material times an ACCA trainee,

1. Whether by herself or through a third party applied for membership to ACCA on or about 18 August 2022 and in doing so purported to confirm in relation to her ACCA Practical Experience training record she had achieved the following Performance Objectives:
 - Performance Objective 1: Ethics and professionalism
 - Performance Objective 2: Stakeholder relationship management
 - Performance Objective 3: Strategy and innovation
 - Performance Objective 4: Governance, risk and control
 - Performance Objective 5: Leadership and management
 - Performance Objective 6: Record and process transactions and events
 - Performance Objective 14: Monitor performance
 - Performance Objective 21: Business advisory
 - Performance Objective 22: Data analysis and decision support

2. Miss Tang's conduct in respect of the matters described in Allegation 1 above was: -
 - (a) Dishonest, in that Miss Tang knew she had not achieved all or any of the performance objectives referred to in Allegation 1 above in the manner claimed in the corresponding performance objective statements or at all.

 - (b) In the alternative, any or all of the conduct referred to in Allegation 1 above demonstrates a failure to act with integrity.

3. In the further alternative to Allegations 2a) and 2b) above, such conduct was reckless in that Miss Tang paid no or insufficient regard to ACCA's requirements to ensure that the statements corresponding with the performance objective referred to in Allegation 1 accurately set out how the objective had been met.

4. Failed to co-operate with ACCA's Investigating Officer in breach of

Complaints and Disciplinary Regulation 3(1) in that she failed to respond fully or at all to any or all of ACCA's correspondence dated,

- a) 05 April 2024
- b) 22 April 2024
- c) 07 May 2024

5. By reason of her conduct, Miss Tang 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)

DECISION ON FACTS/ALLEGATION(S) AND REASONS

27. Ms Terry in her submissions relied on the unchallenged evidence in the witness statements from the Senior Administrator in the ACCA support team, the Professional Development manager and documentary evidence. Miss Tang had not requested that any witnesses should attend to provide oral evidence and had not served any evidence.

28. The Committee accepted the advice of the Legal Adviser.

Allegation 1

29. Allegation 1 found proved.

30. The Committee determined that there was clear evidence that the 8 PO statements contained within Miss Tang's PER did not reflect her practical experience and it was on the balance of probabilities either completed and submitted by her or completed for her and submitted by a third party.

31. The Committee noted that shortly before the submission of the PER Miss Tang

had been in contact with ACCA and it determined that she was fully aware of the obligations that she should submit to ACCA POs which reflected her own experience. In addition, the Committee were satisfied that Miss Tang was aware of her obligation that the POs should be signed off by a suitably qualified person who had supervised her work.

32. The Committee determined that in either eventuality Miss Tang was aware that the submission in support of her application did not reflect her practical experience.

Allegation 2a

33. The Committee find allegation 2a proved.
34. The Committee noted that Miss Tang was motivated to be a member, as set out in her response in the email dated 16 August 2024. Further, she was aware the initial POs submitted were vague and were not sufficient to obtain membership. The Committee concluded that Miss Tang at the date of submission of her PER was aware that the POs contained within it did not reflect her work and this was done in the knowledge that she was submitting or causing to be submitted false POs in her PER.
35. The Committee also found that the public would expect an accountant at the beginning of their career to provide evidence in support of their application which properly reflected their experience. It is the Committee's view that a member of the public would consider the conduct of Miss Tang in submitting false Performance Objective statements to obtain membership to be dishonest.

Allegations 2 b and 3

36. The Committee having found Allegation 2a proved did not go on to consider Allegation 2b, whether there was a lack of integrity in her conduct and Allegation 3 as they were put in the alternative in the event Allegation 2a was found not proved.

Allegation 4a, b and c

37. The Committee found Allegation 4a, b, and c proved.
38. The Committee noted that there was a limited response by Miss Tang in August 2024 but noted that she had not responded fully to the questions put to her by ACCA in the emails 05 April 2024 and the follow up emails on 22 April and 07 May. The Committee determined that Miss Tang had not made a detailed response to the questions put to her and it noted that ACCA had made it clear to Miss Tang that there was a duty to cooperate. It therefore concluded that Miss Tang was in breach of her obligation to cooperate with an investigation and the Allegations 4, a b and c were found proved.

MISCONDUCT AND LIABILITY TO DISCIPLINARY ACTION

39. The Committee went on to consider misconduct and liability to disciplinary action. Ms Terry made submissions on the issue of misconduct and referred the Committee to the case of Roylance and byelaw 8(a).
40. In relation to Allegations 1 and 2(a) the Committee considered that Miss Tang's dishonest conduct undermined the process of the qualification to become a member of ACCA. In addition, Miss Tang had become a member of the accountancy profession by dishonest means. This was in the Committee's view a serious breach of the regulations striking at the core role of the Regulator, to maintain standards and public confidence in the profession. In addition, this conduct brought discredit upon Miss Tang, the profession and undermined public confidence in ACCA. The Committee noted that Miss Tang would have been working holding herself out, based on her qualifications, as an ACCA member which in the Committee's view was a risk to the public and engaged public protection.
41. The Committee determined that the copying of the POs of other members, submitting it to ACCA or having it submitted by a third party on her behalf, purporting to be her own work to obtain membership, was an act of serious dishonesty. In the Committee's view it was a breach of a fundamental

expectation of the profession to be open and honest and undermined the protections put in place to protect the public.

42. The Committee found that Allegations 1 and 2(a) taken together amounted to serious misconduct.
43. The Committee also found that Allegation 4 the failure to cooperate with an investigation undermined the role of ACCA as a regulator and prevented a full investigation of all of the circumstances surrounding the misconduct. This conduct was also found separately to amount to serious misconduct.
44. The Committee concluded that Miss Tang was liable to disciplinary action pursuant to bye-law 8(a)(iii) in respect of Allegations 1 and 2(a) and found misconduct proved in respect of Allegation 5a.

SANCTION(S) AND REASONS

45. Ms Terry, the case presenter, made submissions on the appropriate and proportionate sanction. The Committee received advice from the Legal Adviser and in determining the appropriate and proportionate sanction considered the least restrictive sanctions first before moving onto the more serious ones.

ALLEGATIONS 1, 2a, and 4

46. The Committee considered what sanction, if any, to impose in the light of its findings, having regard to ACCA's Guidance for Disciplinary Sanctions (2024). It first sought to identify aggravating and mitigating factors.
47. In respect of mitigating factors, the Committee took into account Miss Tang had no previous disciplinary findings against her. It also took account of her limited engagement in the investigatory process and her previous good character. The Committee attached limited weight to the [PRIVATE] issues raised by Miss Tang as there was limited evidence and no independent evidence in support. In the Committee's view there was limited mitigation.

48. The Committee considered the aggravating factors in relation to these allegations. In the Committee's view it was an aggravating factor that there was limited evidence of remorse or insight into what the Committee considered to be serious breaches. It took into account that the dishonesty was a one off over a short period of time, but it was not a spur of the moment breach, as the conduct was premeditated. In addition, it was an aggravating factor that Miss Tang had sought to undermine the integrity of the application process to be a member and a deliberate course of conduct for personal benefit and has deceived her regulator to become a professional accountant.
49. The Committee considered that the dishonesty was at the more serious end of the scale of dishonest conduct and that there was a continuing risk to the public and took into account section E2 of the ACCA Guidance for Disciplinary Sanctions regarding findings of dishonesty.
50. In respect of allegation 4 the Committee took account of Miss Tang's limited engagement in the disciplinary process and her failure to provide a detailed response to the investigatory process. The Committee considered that this misconduct was serious as it undermined the investigatory process.
51. The Committee considered that taking no further action or imposing an admonishment did not reflect the seriousness of the conduct and noted that there was limited evidence of insight.
52. In respect of a reprimand the Committee considered the dishonest conduct to be serious and not minor. Given the lack of significant insight the Committee considered that a Severe Reprimand was not a sufficient sanction as there was a continuing risk to public confidence, the potential risk of harm and the risk to the validity of the ACCA qualification process.
53. The Committee considered the factors listed at C5.1 in the guidance. It noted that in addition to showing limited insight or remorse there was no reflection. The Committee also took into account the submissions made by Miss Tang.
54. The Committee took account of the guidance at E2.3 and concluded that there

was no remarkable or exceptional mitigation presented by Miss Tang which would warrant anything less than exclusion from membership. It also took into account the importance of protecting the integrity of the profession's qualification process and therefore determined that the only proportionate sanction was to direct that Miss Tang be excluded from membership.

56. The Committee did not deem it necessary to impose a specified period before which Miss Tang could make an application for readmission to the register.

COSTS AND REASONS

57. Ms Terry applied for costs totalling £7,448.50.
58. The Committee was satisfied that the proceedings had been properly brought and that ACCA was entitled in principle to its costs. The Committee also recognised that it needed to consider the principle that the majority of those paying ACCA's fees should not be required to subsidise the minority who, through their own misconduct, have found themselves subject to disciplinary proceedings. The Committee considered that the time spent, and the sums claimed were reasonable. It was not appropriate to make a substantial reduction as the hearing had run for half a day. Therefore, the reasonable costs are assessed to be £7,000.
59. There was information before the Committee about Miss Tang's means, which she stated in her response were limited after payment of income tax.
60. The Committee took account of paragraph 27 of the Guidance of Costs Orders and noted that Miss Tang had not provided a statement of Financial Position. The Committee having been provided with no evidential basis to justify a reduction directed that Miss Tang pay £7,000 towards ACCA's costs.

IMMEDIATE ORDER

61. Ms Terry invited the Committee to direct that the order come into effect immediately. She submitted it was necessary in the interests of the public and

referred to the findings of the Committee in support.

62. The Committee directed that the order should come into effect immediately as it was necessary to protect the public. The Committee concluded that there was an identified and continuing risk to the public and to the validity of ACCA's process due to Miss Tang's ability to continue holding herself out as member of ACCA.

ORDER

63. The Committee **ordered** as follows:
- a) Miss Tang shall be excluded from the ACCA Register.
 - b) The order is directed to come into effect immediately.
 - c) Miss Tang shall make a contribution to ACCA's costs of £7,000.

Mr Andrew Popat CBE
Chair
23 January 2025