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Public Notice of Disapproval of  
Registration Application

*In re Registration Application of  
JCH CPA Limited*

PCAOB Release No. 102-2024-002

February 27, 2024

The Public Company Accounting Oversight Board (“the Board”) has disapproved the registration application of JCH CPA Limited (“JCH CPA”), 304 Dominion Centre, 43 Queen’s Road East, Hong Kong. Pursuant to section 105(d)(1)(C) of the Sarbanes-Oxley Act of 2002 (“the Act”) the Board hereby makes public the disapproval determination and the basis for that determination.

The grounds supporting the Board’s disapproval determination are described in the Notice of Hearing attached as an appendix to this release, which the Board issued to JCH CPA on November 7, 2023, pursuant to PCAOB Rule 2106(b)(2)(ii). By its terms, the Notice of Hearing became the Board’s written notice of disapproval, effective as of November 7, 2023, when JCH CPA failed to request a hearing by November 21, 2023. Because JCH CPA failed to seek Securities and Exchange Commission review of the Board’s determination within the period specified by the Commission’s rules, the stay described in section 105(e) of the Act does not operate to delay public notice of the disapproval.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

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Phoebe W. Brown  
Secretary

February 27, 2024



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NOTICE OF HEARING

PCAOB No. 102-2023-003

### Background

1. The Public Company Accounting Oversight Board (“the Board”) has received an application for registration with the Board from JCH CPA Limited (“JCH CPA”).
2. Section 102(c)(1) of the Sarbanes-Oxley Act of 2002 (“the Act”) provides that the Board shall  
  
approve a completed application for registration not later than 45 days after the date of receipt of the application, in accordance with the rules of the Board, unless the Board, prior to such date, issues a written notice of disapproval to, or requests more information from, the prospective registrant.  
  
Pursuant to the Act, the Board has adopted rules related to the registration process, and the Securities and Exchange Commission (“the Commission”) has approved those rules.
3. Under PCAOB Rule 2102, the date of receipt of JCH CPA’s application was April 12, 2023.
4. The Board’s rules provide that the Board will, with respect to an application,  
  
determine whether approval of the application for registration is consistent with the Board’s responsibilities under the Act to protect the interests of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports.

PCAOB Rule 2106(a).

5. If, after reviewing the application, the Board is unable to make the determination described in paragraph 4 above within 45 days of receipt of the application, the Board will either request additional information from the applicant or provide the applicant with a written notice of a hearing to determine whether to approve or disapprove the application. PCAOB Rule 2106(b).

#### Notice of Hearing Procedure

6. Pursuant to PCAOB Rule 2106(b)(2)(ii), the Board has determined to provide JCH CPA an opportunity for a hearing under PCAOB Rule 5500 to determine whether to approve or disapprove JCH CPA's application for registration. Under the Act and Board rules, JCH CPA has the following two options with respect to this notice:

- a. JCH CPA may elect to have a hearing before a Board hearing officer pursuant to the Board's rules; or
- b. JCH CPA may decline to have a hearing and may instead elect to treat this notice as a written notice of disapproval of JCH CPA's application for purposes of Section 102(c) of the Act.

7. If JCH CPA elects a hearing:

- a. JCH CPA will be deemed to have waived any right to have a Board determination on its application within the time period provided in Section 102(c)(1) of the Act;
- b. the Board shall appoint a hearing officer to hear evidence concerning the proposed grounds for disapproval described in paragraph 12 below, to hear other relevant evidence offered by JCH CPA or the Board staff, and to prepare an initial decision (*see* PCAOB Rules 5200(b), 5204(b)); and
- c. the Board's Secretary shall serve the parties with a Notice of Assignment of Hearing Officer, the date of which shall constitute the date of the institution and commencement of the proceeding.

8. To elect a hearing, JCH CPA must, on or before November 21, 2023, file with the Board's Secretary a written request for a hearing date and a notice of appearance (*see* PCAOB Rules 5500, 5401(c)). JCH CPA must include with the request:

- a. a statement that JCH CPA has elected not to treat this notice as a written notice of disapproval for purposes of Section 102(c) of the Act; and
  - b. a statement describing with specificity why JCH CPA believes that the Board should not issue a written notice of disapproval.
9. If JCH CPA elects to forego a hearing and instead chooses to treat this notice as a notice of disapproval for purposes of Section 102(c) of the Act, JCH CPA should notify the Board's Secretary of its election by November 21, 2023.
10. If JCH CPA fails to take the steps described in paragraph 8 above and fails to take the step described in paragraph 9 above, JCH CPA will be deemed to have elected to treat this notice as a notice of disapproval for purposes of Section 102(c) of the Act.
11. If this notice is treated as a notice of disapproval, whether by JCH CPA's election or by JCH CPA's failure to make an election by November 21, 2023:
- a. the date of this notice shall constitute the date of the Board's disapproval, and the proposed ground described in paragraph 13 below shall constitute the final ground of the Board's disapproval;
  - b. as provided by Section 102(c)(2) of the Act, this notice of disapproval shall be treated as a disciplinary sanction for purposes of Sections 105(d) and 107(c) of the Act;
  - c. as provided by Section 105(d) of the Act, the Board shall report this sanction to:
    - (i) the Commission;
    - (ii) any appropriate state regulatory authority or any foreign accountancy licensing board with which JCH CPA is licensed or certified; and
    - (iii) the public (once any stay on the imposition of such sanction has been lifted).

#### Proposed Basis of Disapproval

12. The Board has considered the following information, which includes information obtained by the Board in connection with JCH CPA's application:

- a. From July 2004 to April 2010, JCH CPA (or “the firm”) was registered with the Board.<sup>1</sup>
- b. At the time JCH CPA submitted its application to the Board in April 2023, JCH CPA maintained a website that contained the following passage:

In 2004, the firm became a US Public Company Accounting Oversight Board (“PCAOB”) registered accounting firm and in 2006 obtained an accreditation from SEC of the United States. These enable the firm to provide auditing services to companies listed in the United States of America.

The firm’s website did not indicate in any way that the firm’s registration with the PCAOB, and the firm’s ability to provide auditing services to companies listed in the United States, had ended when the firm withdrew from PCAOB registration in 2010.

- c. JCH CPA maintained those false or misleading assertions on its website until the Board, in connection with evaluating the firm’s April 2023 registration application, asked JCH CPA to explain why its website gave the impression that the firm was registered with the Board.
  - d. Through the conduct described above, JCH CPA demonstrated either a willingness to mislead the public about significant aspects of its accounting and auditing practice, specifically its PCAOB registration status and its ability to provide auditing services to companies listed in the United States, or carelessness about the possibility of doing so.
13. As provided in PCAOB Rules 2106(b)(2)(ii) and 5201(c), and on the basis of the information described in paragraph 12, the Board identifies the following proposed ground for disapproving JCH CPA’s registration application:
- a. JCH CPA’s false or misleading website statements resulted from the firm’s failure to exercise the degree of care that the Board would expect of a public accounting firm under the circumstances.

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<sup>1</sup> JCH CPA was registered under a different name, Jimmy C. H. Cheung & Co.

14. On the basis of the ground described in paragraph 13, the Board is unable to determine that approval of the application would be consistent with the Board's responsibilities under the Sarbanes-Oxley Act of 2002 to protect the interests of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports.

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ISSUED BY THE BOARD



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Phoebe W. Brown  
Secretary

November 7, 2023