

## STATEMENT OF DISCIPLINARY ACTION

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### A. The Disciplinary Action

1. Pursuant to sections 37CA and 37I(1A) of the Accounting and Financial Reporting Council Ordinance (Cap. 588) (**AFRCO**), the Accounting and Financial Reporting Council (**AFRC**) has imposed the following sanctions against Wong Ka Chun (**Wong**):
  - 1.1. public reprimand; and
  - 1.2. pecuniary penalty of HK\$70,000,(collectively, **Disciplinary Action**).
2. The Disciplinary Action was taken in relation to the professional irregularities committed by Wong in breaching the Guidelines on Anti-Money Laundering and Counter-Terrorist Financing for Professional Accountants (**AML Guidelines**) issued by the Hong Kong Institute of Certified Public Accountants (**HKICPA**) in May 2023, which form part of the Code of Ethics for Professional Accountants (**COE**).
3. The AFRC found that Wong had failed to comply with the AML Guidelines, which form part of the COE, and are therefore a PAO professional standard<sup>1</sup> under the AFRCO. Wong's non-compliance constitutes professional irregularities under section 3B(1)(c) of the AFRCO as he had failed to observe, maintain or otherwise apply the following:
  - 3.1. Paragraph 610.1 of the AML Guidelines;
  - 3.2. Paragraph 620.9.1 of the AML Guidelines; and
  - 3.3. Paragraph 650.1.5 of the AML Guidelines.
4. The AFRC further found that Wong's failure to comply with the AML Guidelines constituted a breach of paragraph R113.1 of the COE.
5. Wong's non-compliance with the COE constituted professional irregularities under section 3B(1)(c) of the AFRCO as he has failed to observe, maintain or otherwise apply a PAO professional standard. Accordingly, he has committed CPA misconduct pursuant to section 37AA(1)(a) of the AFRCO.

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<sup>1</sup> As defined in section 2 of the AFRCO.

## **B. Summary of Facts**

6. Wong has held a practising certificate<sup>2</sup> in Hong Kong since 1 January 2018 and practises in his own name. Wong has also been registered as a member of HKICPA since 1 January 2012.<sup>3</sup> Wong is and was a sole proprietor, managing partner, Compliance Officer and Money Laundering Reporting Officer of his firm.
7. The AFRC carried out an anti-money laundering and counter-terrorist financing compliance monitoring inspection for the period from 1 June 2024 to 31 May 2025 on Wong pursuant to section 20ZZB of the AFRCO (**Inspection**). The Inspection covered the evaluation of Wong's compliance with the AML Guidelines.
8. During the Inspection, the AFRC found that Wong carried out five services which fall in the categories specified in paragraphs 600.2.1 and 600.2.2 of the AML Guidelines (**Specified Services**). However, Wong did not have any internal policies, procedures and other controls in respect of on Anti-Money Laundering and Counter-Terrorist Financing (**AML/CTF**), and he had also failed to properly take various steps mandated in the AML Guidelines when performing Specified Services.

## **C. Summary of Findings**

### **C1. AML policies, procedures and controls**

9. Paragraph 610.1 of the AML Guidelines requires Wong to have internal policies, procedures and other controls in place to address money laundering and terrorist financing concerns, and comply with the legal requirements on AML/CTF, when he carried out Specified Services.
10. In the course of the Inspection, the AFRC found that Wong had carried out five such Specified Services falling within the scope of paragraphs 600.2.1 and 600.2.2 during the period from 1 June 2024 to 31 May 2025. However, Wong did not establish or implement any such required policies, procedures and other controls when delivering the said Specified Services.
11. On this basis, the AFRC found that Wong had failed to comply with paragraph 610.1 of the AML Guidelines.

### **C2. Customer due diligence**

12. Paragraph 620.9.1 of the AML Guidelines requires practices to obtain information from new clients to satisfy themselves as to the intended purpose and reason for establishing the client relationship, and document the said information.

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<sup>2</sup> Practising certificate number: P06872.

<sup>3</sup> Membership number: A36301.

13. The inspection results indicated that Wong did not perform customer due diligence on his clients when carrying out any of the Specified Services, as required by paragraph 620.9.1 of the AML Guidelines.

C3. Sanction screening

14. Paragraph 650.1.5 of the AML Guidelines requires practices to conduct name checks of their clients and their beneficial owners against the latest lists of the designated individuals and entities subject to sanctions (designated by the UN Security Council) (**Sanctions List**).

15. The inspection results indicated that Wong did not perform screening of his clients and their beneficial owners against Sanctions List, as required by paragraph 650.1.5 of the AML Guidelines.

C4. Non-compliance with principle of professional competence and due care

16. Paragraph R113.1 of the COE requires a professional accountant to exercise professional competence and due care by acting diligently and in accordance with applicable technical and professional standards.

17. As the managing partner and sole practitioner of his firm, Wong was obliged to adhere to the principle of professional competence and due care, which in the present case entails taking proper steps to ensure that his practice fully complies with the requirements in the AML Guidelines. This includes ensuring his practice (a) has policies, procedures and controls in place to identify and address money laundering and terrorist financing risks, (b) performs proper client due diligence as part of the onboarding procedure, and (c) conducts sanction screening against client names.

18. Based on the above, the AFRC found that Wong failed to act diligently in applying the AML Guidelines and therefore failed to exercise professional competence and due care.

**D. Conclusion**

19. Having considered all relevant circumstances, the AFRC is of the view that Wong is guilty of CPA misconduct.

20. In determining the Disciplinary Action, the AFRC has had regard to its Sanctions Policy for Professional Persons, Guidelines for Exercising the Power to Impose a Pecuniary Penalty for Professional Persons and the Guidance Note on Cooperation with the AFRC, and has taken into account all relevant circumstances, including:

- 20.1. the absence of policies, procedures and controls in relation to anti-money laundering and counter terrorist financing, and the failure to apply such measures in practice are, by nature, a serious matter;

- 20.2. the AML Guidelines came into effect in 2018, therefore, Wong has remained non-compliant with the requirements for a period of time;
- 20.3. the lesser prospect of damage to the interest of the investing public since the relevant Specified Services involved private companies;
- 20.4. Wong has taken / is taking steps to remediate the identified deficiencies and breaches of the AML Guidelines in light of the AFRC's findings;
- 20.5. Wong's clean disciplinary record with the AFRC and the HKICPA; and
- 20.6. Wong admitted his liabilities in full and initiated resolution discussions with the AFRC. He further accepted the Disciplinary Action against him and entered into an agreement with the AFRC pursuant to section 371(1A) of the AFRCO before the issuance of a Notice of Proposed Disciplinary Action.