

Press Release

11 September 2025

AFRC reprimands Prism Hong Kong Limited, Kyaw Sai Hong and Yam Wai Man for conducting PIE engagements without the required registrations and imposes pecuniary penalties totalling HK\$353,500

The Accounting and Financial Reporting Council (**AFRC**) has sanctioned the PIE auditor Prism Hong Kong Limited¹ (**Prism**), Mr Kyaw Sai Hong² (**Kyaw**) and Mr Yam Wai Man³ (**Yam**) for conducting various PIE engagements in 2023 without the required registrations, in contravention of sections 20D, 20E and 20V of the Accounting and Financial Reporting Council Ordinance (Cap. 588) (**AFRCO**). The AFRC has:

- issued a public reprimand to Prism, Kyaw and Yam (collectively, **Regulatees**);
- imposed pecuniary penalties totalling HK\$353,500, comprising penalties of HK\$210,000 for Prism, HK\$105,000 for Kyaw and HK\$38,500 for Yam; and
- ordered Kyaw and Yam to pay the investigation costs and expenses.

According to sections 20D, 20E and 20V of the AFRCO, a registered PIE auditor must not authorise any person who is not its registered engagement partner or its registered engagement quality control reviewer to carry out any activities in such capacities, and any individual who is to act as an engagement partner or an engagement quality control reviewer for a PIE engagement carried out by a registered PIE auditor must be a registered engagement partner or a registered engagement quality control reviewer of the registered PIE auditor concerned, before undertaking any activities in such capacities.

Kyaw and Yam were not (and are not) a registered engagement partner or registered engagement quality control reviewer of Prism. However, in 2023, Prism, as the auditor in seven PIE engagements, authorised Kyaw to act as the engagement partner or engagement quality control reviewer in six of those audit engagements, and authorised Yam to act as the engagement quality control reviewer in one of those audit engagements, and Kyaw and Yam acted in such capacities without the required registrations.

In light of the above, the Regulatees contravened sections 20D, 20E and 20V of the AFRCO,⁴ and also violated the fundamental principle of professional behaviour under the Code of Ethics for Professional Accountants. In the circumstances, they have each committed misconduct under the AFRCO.

¹ Corporate practice registration number: M0607. During the relevant period, Prism was registered with its former name, Prism Hong Kong and Shanghai Limited.

² Hong Kong Institute of Certified Public Accountants (**HKICPA**) membership number: A30393.

³ HKICPA membership number: A26535.

⁴ Specifically, Prism contravened section 20V of the AFRCO, Kyaw contravened sections 20D and 20E of the AFRCO, and Yam contravened section 20E of the AFRCO.

In deciding the appropriate disciplinary sanctions against the Regulatees, the AFRC has considered all the relevant circumstances, including the nature, seriousness, duration, frequency and impact of the misconduct. Among other things, the AFRC has taken into account the following:

- this case involves multiple contraventions of the registration requirements concerning PIE engagements. Such misconduct is serious as it undermines the credibility of the accounting profession and the AFRC's ability to protect the investing public;
- there is, however, no finding of intentional, dishonest or deliberate misconduct by the Regulatees;
- Prism promptly undertook remedial actions to minimise the risk of future non-compliance, including improving its internal policies and procedures and providing training to its relevant staff;
- Prism and Kyaw have clean disciplinary records with the HKICPA and the AFRC, whereas Yam has one prior disciplinary record with the HKICPA; and
- the Regulatees admitted their misconduct and accepted the AFRC's disciplinary action in full. They initiated resolution discussions and reached an early settlement with the AFRC. In light of the Regulatees' cooperative attitude, the AFRC has exercised its discretion under the [Guidance Note on Cooperation with the AFRC](#) and reduced the pecuniary penalties by 30%.

Ms Hester Leung, Head of Discipline, stated, "The registration and associated regulatory requirements for engagement partners and engagement quality control reviewers of PIE auditors were established to safeguard the interests of the investing public. These requirements ensure that PIE engagements are conducted by individuals who are properly qualified and their audit work is subject to the AFRC's regulatory scrutiny. Acting in those key roles while unregistered not only violates the fundamental intent of the law but also undermines that protection, constituting serious misconduct, which is totally unacceptable."

The AFRC issued a [guidance](#) on 17 January 2025, emphasising the importance of complying with registration requirements for PIE engagements, and that it would take stringent enforcement actions against those who are in breach in order to safeguard the integrity and reputation of the accounting profession and the public interest. The profession should also be reminded that any person who, without reasonable excuse, contravenes section 20D or 20E of the AFRCO may commit a criminal offence under the AFRCO, which is punishable upon conviction on indictment by a maximum fine of HK\$1,000,000 and imprisonment for two years.

For details of the decision, please refer to the [Statement of Disciplinary Action](#).

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About the Accounting and Financial Reporting Council

The Accounting and Financial Reporting Council (**AFRC**) is an independent body established under the Accounting and Financial Reporting Council Ordinance. As an independent regulator, the AFRC leads the accounting profession by upholding professional standards, safeguarding the public interest, and promoting the profession's healthy development.

For more information about the statutory functions of the AFRC, please visit www.afr.org.hk.

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