

Press Release

6 January 2026

AFRC reprimands and fines Rongcheng (Hong Kong) CPA Limited, Lee Wai Chi and Chan Kin Wai over HK\$1.18 million for contraventions of registration and notification requirements under the AFRCO

The Accounting and Financial Reporting Council (**AFRC**) has sanctioned the public interest entity (**PIE**) auditor Rongcheng (Hong Kong) CPA Limited¹ (**RCHK**), Mr Lee Wai Chi² (**Lee**) and Mr Chan Kin Wai³ (**Chan**) for their respective contraventions of the relevant registration and notification requirements under the Accounting and Financial Reporting Council Ordinance (Cap. 588) (**AFRCO**). The AFRC has:

- issued a public reprimand to RCHK, Lee and Chan (collectively, **Regulatees**);
- imposed pecuniary penalties totalling HK\$1,183,000, comprising penalties of HK\$808,000 for RCHK, HK\$140,000 for Lee and HK\$235,000 for Chan; and
- ordered Lee and Chan to pay the investigation costs and expenses.

RCHK was registered under its former name CL Partners CPA Limited (**CL Partners**) during the relevant time of the misconduct. The AFRC found that CL Partners authorised Lee and Chan to act as its engagement partner in 14 PIE engagements in 2022 and 2023 respectively when the two individuals were not registered in such capacity with the AFRC, and each of them acted as engagement partner in seven of those audit engagements without the required registration, in serious contravention of the registration requirements under the AFRCO.

Further, it is particularly concerning that CL Partners did not have any registered engagement partner and registered quality control system responsible person for around five months in 2022, and it also failed to inform the HKICPA of the same within the specified time, in contravention of the relevant registration and notification requirements under the AFRCO at the time.

Besides, Chan did not respond to a statutory requirement issued by the investigator during the investigation.

The above breaches seriously undermined the regulator's proper and effective discharge of its statutory duty, and could damage the reputation of the profession.

¹ Corporate practice and PIE auditor registration number: M0298.

² Hong Kong Institute of Certified Public Accountants (**HKICPA**) membership number: A37958.

³ Former HKICPA membership number: A24477.

Mr Denis Cheng, Head of Investigation and Compliance, said, “PIE auditors and their responsible persons must adhere to the registration requirements in relation to PIE engagements. The registration and associated requirements were established to uphold the highest standards of accountability and transparency in the accounting profession. Any violation of such requirements, whether intentional or inadvertent, not only constitutes a contravention of the law, but also undermines the public’s trust in the accounting profession.”

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

- The Regulatees’ multiple contraventions constituted serious misconduct. Audits of 14 PIE engagements were conducted by engagement partners without the required registration. Further, CL Partners still conducted various PIE audit engagements when it had no registered engagement partner and registered quality control system responsible person at all.
- The Regulatees’ conduct undermined the credibility and could damage the reputation of the accounting profession, and exposed investors to increased risk.
- There is, however, no finding of intentional, dishonest or deliberate misconduct by the Regulatees.

In light of RCHK’s and Lee’s admission of misconduct, acceptance of the AFRC’s disciplinary action in full and reaching an early settlement with the AFRC, the AFRC has exercised its discretion and reduced the pecuniary penalties against them by 20%. As CL Partners and Lee gave inconsistent or contradictory responses during the investigations, the maximum reduction was not rendered in this case.

Ms Hester Leung, Head of Discipline, added, “The AFRC will not tolerate breaches of the registration and notification requirements under the AFRCO, so PIE auditors should establish and implement policies and procedures to ensure compliance. The AFRC will continue to take stringent enforcement actions against PIE auditors and practitioners who breach those requirements, to safeguard the standards and credibility of the profession.”

The profession and stakeholders may inspect the [PIE auditors register](#) on the AFRC’s website to access up-to-date registration details and information on PIE auditors’ registered responsible persons.

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.afrc.org.hk.

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