

Press Alert

9 May 2025

AFRC Reaffirms Commitment to Integrity in Response to Allegations Against Accountants

In accordance with the Memorandum of Understanding signed between the Accounting and Financial Reporting Council (**AFRC**) and the Independent Commission Against Corruption (**ICAC**) to enhance collaboration in the fight against corruption, illicit activities, and malpractices, a joint operation was conducted in November 2021, which involved a search of the offices of a public interest entity auditor (Note 1).

Two certified public accountants and others were charged by the ICAC with conspiracy to defraud by submitting a misleading accountants' report to Hong Kong Exchanges and Clearing Limited to portray an inflated business outlook of a Macao-based construction company to secure its listing in Hong Kong. They were also suspected of conspiring with their relatives to conceal their identities when subscribing for shares of the construction company during the initial public offering (Note 2).

The AFRC takes the allegations outlined in the ICAC's statement seriously. As Hong Kong's accounting regulator, the AFRC expects accountants to uphold integrity under the Code of Ethics for Professional Accountants. The AFRC is committed to maintaining public trust in the profession and will not hesitate to take regulatory actions to hold the professional accountants accountable for breaching ethical standards and regulatory requirements.

END

Notes:

1. [FRC and ICAC joint operation against suspected misconduct and bribery, 22 November 2021.](#)
2. [Four audit staff charged by HK ICAC for alleged conspiracy to defraud over listing of Macao construction firm by false accounting, 6 May 2025.](#)

About the Accounting and Financial Reporting Council

The Accounting and Financial Reporting Council is an independent body established under the Accounting and Financial Reporting Council Ordinance. As an independent regulator, the AFRC spearheads and leads the accounting profession to constantly raise the level of quality of professional accountants and thus protects the public interest and promotes the healthy development of the accounting profession.

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

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