

## Press Statement

7 December 2023

### **AFRC expects active cooperation and full compliance by PIE auditors with the AFRC Ordinance and their self-reporting of critical incidents in a timely manner**

The Accounting and Financial Reporting Council (**AFRC**) reiterates, as the independent regulator of the accounting profession in Hong Kong, that it expects all PIE auditors and registered responsible persons to fully comply with the Accounting and Financial Reporting Council Ordinance (**AFRCO**) and report to the AFRC in a timely manner any critical incidents in relation to audit quality and the firms' systems of quality management.

The AFRC stresses that it expects full and active cooperation from all firms to facilitate the efficient and effective discharge of its statutory functions, including registration, inspection, investigation, discipline and the promotion of the sustainable development of the accounting profession.

The AFRC will not hesitate to hold them accountable by taking robust enforcement actions against those who delayed in the self-reporting of critical incidents and were subsequently found to have committed any misconduct or violation of the AFRCO, irrespective of whether those firms or persons have been disciplined by other local, Mainland or overseas regulators. By so doing, the AFRC ensures financial reporting and audit quality and the integrity of those involved, thereby promoting investor confidence, protecting the public interest and safeguarding Hong Kong's position as a leading international financial centre.

Ms Janey Lai, Acting CEO cautioned "Compliance is a must, not an option. It is a commitment that must be ingrained in the firm's culture and embraced by all individuals of the firm, from leadership to front-line employees. Compliance is not just a legal obligation but a fundamental pillar of responsible and sustainable practice. I am confident that a compliance culture is conducive to better control and high quality for firms and their engagements respectively."

End

## 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, AFRC spearheads and leads the accounting profession to constantly raise the level of quality of professional accountants, and thus protects the public interest.

For more information about the statutory functions of the AFRC, please visit [www.afrc.org.hk](http://www.afrc.org.hk).

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