

COMPLAINT GUIDELINES

1. What is the purpose of the guidelines?

- 1.1 The following guidelines set out the scope of matters that are within the statutory power of the AFRC. They also highlight factors to consider before filing a complaint and explain how the information will be used. The complaint handling process seeks to ensure that all matters are handled in a fair, proper, and consistent manner.

2. What is AFRC's regulatory authority?

- 2.1 The AFRC is the independent regulator for the accounting and auditing profession in Hong Kong, vested with the power to conduct investigations and enquiries arising from complaints and referrals.

Who can you complain about?	What can you complain about?
<ul style="list-style-type: none"> • Practice units registered with the AFRC (practice units) shown in the AFRC's registers of certified public accountants (Practising) (CPAs (Practising)), CPA firms / corporate practices and registered PIE auditors • Overseas auditors recognised by the AFRC to perform a public interest entity engagement (recognised PIE auditors) shown in the AFRC's register • CPAs registered with the Hong Kong Institute of Certified Public Accountants shown in the HKICPA Membership List <p>(collectively, Regulatees)</p>	<p>Possible misconduct</p> <p>Examples of misconduct include:</p> <ul style="list-style-type: none"> • audit deficiency • non-compliance with a professional standard, such as standard on professional ethics, accounting standard, auditing standard • falsification of a document • incorrect statement made in respect of a document • negligence in the conduct of the person's profession
<ul style="list-style-type: none"> • Hong Kong listed entities 	<ul style="list-style-type: none"> • Non-compliance with accounting standards or other requirements (e.g. Listing Rules and Companies Ordinance, etc.) in the financial reports of listed entities

- 2.2 You may lodge a complaint with us if you possess information and/or evidence on matters that are within our jurisdiction.
- 2.3 After preliminary assessment of the complaint, we will decide how to proceed with the matter. This may include initiating an investigation and/or enquiry or taking no further action. For details, please refer to [Investigations](#) and [Enquiries](#) on the AFRC's website.

3. What information should be provided for filing a complaint?

- 3.1 Accurate, complete information is required to properly assess allegations of misconduct or non-compliance. Therefore, we encourage you to provide:
- (i) Full name and contact information of the CPA, practice unit and its registered responsible persons, recognised PIE auditor, and/or entity concerned;
 - (ii) Description of the alleged misconduct or non-compliance in chronological order;
 - (iii) Relevant supporting documents or records; and
 - (iv) Your name and contact details.

Please provide documents and explanations to support your allegations (e.g. through your own observation of events, documents you have seen, or information communicated by another party). Clear, concise information about the relevant events, individuals who were involved, and dates will assist us in assessing your complaint. If you are unable to provide relevant information, the AFRC may not have sufficient grounds to pursue the matter.

4. How does the AFRC process a complaint?

- 4.1 The AFRC has the authority to pursue allegations that are supported by explanations and evidence showing that the relevant party may have engaged in material misconduct or non-compliance with accounting requirements. Therefore, you should submit all relevant information when making a complaint. Otherwise, processing of your complaint may be delayed while the AFRC focuses efforts on substantiated complaints which greatly impact the public interest.
- 4.2 The following factors will assist the AFRC when assessing your complaint:
- Clear, concise explanation of the allegations
 - Matters involving misconduct or non-compliance with a material impact
 - Allegations that are substantiated by sufficient, appropriate evidence
- 4.3 After receiving the complaint, the AFRC will acknowledge the receipt of your

complaint and perform a preliminary assessment of the complaint. Pursuable matters supported by relevant evidence may result in the initiation of an investigation and/or enquiry. However, further action will not be taken on matters that do not demonstrate material wrongdoing and you will be notified of that decision.

4.4 The AFRC's assessment of the legitimacy of complaints depends on the evidence provided. Submission of a complaint without sufficient support may limit the AFRC's ability to pursue the matter. Filing a complaint without providing contact details may also inhibit the advancement of the matter if the AFRC is unable to follow up and request further information about the allegations.

5. What the AFRC cannot and will not handle?

5.1 The AFRC has no statutory power to deal with matters outside our remit, for example:

(i) Individuals or organizations who are not the Regulatees

Complaints against individuals or organizations other than those stated in paragraph 2.1 above are regarded as not pursuable.

(ii) Non-auditors' duties

Complaints relating to matters that fall outside the responsibilities of auditors are regarded as not pursuable.

The examples below set out the duties of the directors but not the auditors:

- preparation of financial statements of a company;
- keeping books and records of a company;
- provision of copies of the audited financial statements to shareholders upon request; and
- circulation of proposed resolutions and resolutions that have been passed.

(iii) Civil matters

Complaints relating to civil matters, such as disputes over fees charged, commercial contracts or employment, are regarded as not pursuable.

(iv) Criminal matters

Complaints relating to suspected criminal offences that are outside the statutory powers under the Accounting and Financial Reporting Council Ordinance (Cap 588) (AFRCO) are regarded as not pursuable. If you

suspect that any of the CPAs, practice units and their registered responsible persons, or recognised PIE auditors were involved in any criminal activities, you should report the matter to the Police.

- 5.2 When filing a complaint with us, please note that the AFRC is not in a position to:
- (i) Act as your financial or legal adviser;
 - (ii) Get your money back or provide compensation for any monetary loss suffered; and
 - (iii) Start a formal investigation if the legal threshold under the AFRCO is not met.
- 5.3 Furthermore, mathematical errors, typographical or grammatical mistakes, and/or presentation issues with minimal financial impact on the financial statements would not be considered pursuable matters.
- 5.4 The AFRC would not assess matters that are vexatious, misconceived or contain elements of bad faith. Handling unreasonable complaints and complainants with unreasonable behaviour drains the AFRC's resources and hinders its consideration of other complaints. To ensure the fair and reasonable use of the AFRC's resources and to protect the AFRC's staff, the AFRC may not respond to further correspondence from the complainants of unreasonable complaints or who have exhibited unreasonable behaviour. The complainants will be notified of this arrangement and the reasons for this arrangement in writing.

Examples of unreasonable complaints or unreasonable behaviour by complainants include the following:

- (i) There are insufficient or no grounds for the complaint, but it has been made to vex, harass or annoy others;
- (ii) Repeatedly making complaints that are the same as or substantially similar to complaints that have already been dealt with or addressed by the AFRC, without any new substantial information or evidence, in circumstances where the AFRC has already explained the reasons for its handling of the previous complaint;
- (iii) Habitually and persistently making complaints which are unsubstantiated, trivial or frivolous in nature or otherwise without foundation;
- (iv) Introducing trivial or irrelevant new information whilst the complaint is under review; and
- (v) Attempts to harass, verbally abuse or otherwise seek to intimidate staff dealing with their complaint by use of foul, offensive, discriminatory or inappropriate language.

6. Will your complaints be kept in confidence?

- 6.1 Information you provided to the AFRC will be kept confidential in accordance with the secrecy provisions of the AFRCO. However, in certain situations, we may need to disclose your complaint to the subject of the complaint or other authorities to obtain additional information that would allow us to better assess the matter, or for law enforcement or other regulatory purposes.
- 6.2 Normally, the AFRC will not disclose your complaint and personal information without your consent or a legal obligation. However, under the AFRCO and the Personal Data (Privacy) Ordinance (Cap 486), the AFRC may, under certain circumstances, disclose your complaint or your personal information to other parties without your consent. Please read our [Privacy Policy](#) on the AFRC's website to understand how we use your personal data provided in the complaint.

7. What and when will you hear back from the AFRC?

- 7.1 The AFRC will not share specific details or information collected during the handling of your complaint due to the legal requirements regarding confidentiality of our work. This is to ensure fairness and due process. This approach enables us to preserve the integrity of our process and protect the persons involved against unfounded accusations.
- 7.2 The results of investigations into misconduct by CPAs, practice units, and/or recognised PIE auditors will be made public if disciplinary actions are taken. The results of our enquiries involving non-compliance by a listed entity will be released to the public after all related matters have been concluded.
- 7.3 If you write to us asking for updates outside of the situations mentioned in paragraph 7.2, we will not be able to give you any further information.

8. How to file a complaint with the AFRC?

- 8.1 In order for the AFRC to handle your complaint effectively, please complete our [online Complaint Form](#). You may also download our [Complaint Form in PDF Format](#), complete and submit it to the AFRC by email (complaints@afrc.org.hk) or by post*:

'Complaints'
Attn: Investigation and Compliance Department
Accounting Financial Reporting Council
10/F, Two Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

* AFRC will not accept underpaid mail items, which will be returned to the sender or disposed of by Hongkong Post. Please ensure mail items bear sufficient postage.