

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Chen Yun Tao

Heard on: Friday, 01 August 2025

Location: Held remotely via Microsoft Teams

Committee: Ms Ilana Tessler (Chair)
Ms Wanda Rossiter (Accountant)
Ms Victoria Smith (Lay Member)

Legal Adviser: Mr Richard Ferry-Swainson

**Persons present
and capacity:** Ms Michelle Terry (Case Presenter)
Ms Anna Packowska (Hearings Officer)

Summary: All allegations (save for 4(b) that was alleged in the alternative) and misconduct found proved. Member excluded from membership of ACCA and costs ordered.

INTRODUCTION/SERVICE OF PAPERS

1. The Disciplinary Committee (“the Committee”) convened to consider an Allegation against Mr Chen Yun Tao. Mr Chen Yun Tao did not participate in the hearing, nor was he represented.

ACCA



+44 (0)20 7059 5000



info@accaglobal.com



www.accaglobal.com



The Adelphi 1/11 John Adam Street London WC2N 6AU United Kingdom

2. The papers before the Committee were in a bundle numbered 1 to 54. There was also a service bundle and a costs bundle.
3. Ms Terry made an application to proceed in the absence of Mr Chen Yun Tao.

PROCEEDING IN ABSENCE

4. The Committee first considered whether the appropriate documents had been served in accordance with the Complaints and Disciplinary Regulations (“the Regulations”). The Committee took into account the submissions made by Ms Terry on behalf of ACCA and also took into account the advice of the Legal Adviser.
5. Included within the service bundle was the Notice of Hearing dated 4 July 2025, thereby satisfying the 28-day notice requirement, which had been sent to Mr Chen Yun Tao’s email addresses as they appear in the ACCA Register. The Notice included details about the time, date, and remote venue for the hearing and also Mr Chen Yun Tao’s right to attend the hearing, by telephone or video link, and to be represented, if he so wished. In addition the Notice provided details about applying for an adjournment and the Committee’s power to proceed in Mr Chen Yun Tao’s absence, if considered appropriate. There was a receipt confirming the email had been delivered to Mr Chen Yun Tao’s registered email addresses.
6. The Committee was thus satisfied that the Notice for the hearing had been served in accordance with the Regulations, which require ACCA to prove that the documents were sent, not that they were received.
7. The Committee therefore went on to consider whether to proceed in Mr Chen Yun Tao’s absence. The Committee bore in mind that although it had a discretion to proceed in the absence of Mr Chen Yun Tao, it should exercise that discretion with the utmost care and caution, particularly as Mr Chen Yun Tao was unrepresented.

8. Mr Chen Yun Tao did not respond to the Notice of Hearing.
9. On 28 July 2025, the Hearings Officer sent an email to Mr Chen Yun Tao asking him to confirm whether he would be attending the hearing and if not, whether he was content for the hearing to proceed in his absence. Mr Chen Yun Tao did not respond to that email.
10. On 31 July 2025, the Hearings Officer attempted to call Mr Chen Yun Tao on the telephone number provided by Mr Chen Yun Tao. The call was not answered and there was no option to leave a voice mail. A second attempt was made, with the same result. Consequently, the Hearings Officer sent another email to Mr Chen Yun Tao, saying she had tried to call him and again asking him to confirm whether he would be attending his hearing. No response was received from Mr Chen Yun Tao. The same day, the Hearings Officer sent to Mr Chen Yun Tao the link for the hearing so that he could attend, if he wished to do so.
11. The Committee was of the view that Mr Chen Yun Tao faced serious allegations and that there was a clear public interest in the matter being dealt with expeditiously. The Committee noted that Mr Chen Yun Tao had not responded to any of ACCA's many attempts to get in touch with him by both phone and email. The Committee thus considered an adjournment would serve no useful purpose because it seemed unlikely that Mr Chen Yun Tao would attend on any other occasion and he had not applied for an adjournment.
12. In light of his complete lack of engagement throughout the investigation and in relation to the hearing, the Committee concluded that Mr Chen Yun Tao had voluntarily absented himself from the hearing and thereby waived his right to be present and to be represented at this hearing. In all the circumstances, the Committee decided that it was in the interests of justice and in the public interest that the matter should proceed, notwithstanding the absence of Mr Chen Yun Tao. No adverse inference would be drawn from his non-attendance.

APPLICATION TO AMEND THE ALLEGATION

13. Ms Terry made an application to amend Allegation 4, which contained a typographical error in that it referred to ‘conduct at allegations 2, 3 and 4 above’ when it ought to state ‘conduct at allegations 1, 2 and 3 above’. She submitted that this was a minor amendment that would not affect the gravamen of the matters alleged and would not result in any prejudice to Mr Chen Yun Tao.
14. The Committee considered the application with care and accepted the advice of the Legal Adviser. The Committee accepted the submission that this was clearly just a typographical error and to allow the amendment would cause no injustice or prejudice to Mr Chen Yun Tao. Accordingly, the Committee decided to allow the application, as reflected below.

ALLEGATIONS/BRIEF BACKGROUND

15. It is alleged that Mr Chen Yun Tao is liable to disciplinary action on the basis of the following Allegation (as amended):

Mr Chen Yun Tao, a member of the Association of Chartered Certified Accountants (“ACCA”):

- 1. Pursuant to bye-law 8(a)(vi), is liable to disciplinary action by virtue of having been disciplined by another regulatory body.*
- 2. Failed to bring promptly to the attention of ACCA that he may have become liable to disciplinary action by reason of having been disciplined by another regulatory body on or about 13 September 2024, as referred to in allegation 1 above, pursuant to bye-law 10(b).*
- 3. Contrary to Paragraph 3(1) of the Complaints and Disciplinary Regulations 2014, (as amended and as applicable in 2025) has failed to co-operate fully with the investigation of a complaint in that he failed to respond at all to any or all of ACCA’s correspondence dated:*

- (i) 20 January 2025*
- (ii) 22 January 2025*
- (iii) 3 February 2025*
- (iv) 10 February 2025*

4. *By reason of his conduct at allegations 1, 2 and 3 above, Mr Chen Yun Tao is:*

(a) Guilty of misconduct, pursuant to bye-law 8(a)(i); or

(b) Liable to disciplinary action, pursuant to bye-law 8(a)(iii).

- 16. Mr Chen Yun Tao was admitted as an ACCA Member on 15 May 2003 and a Fellow on 17 May 2008.
- 17. Mr Chen Yun Tao was referred for investigation pursuant to Complaints and Disciplinary Regulation 4(1)(a) after ACCA's Guangzhou, China office became aware that Mr Chen Yun Tao had been warned and or fined by the Ministry of Finance in China following the collapse of a Chinese property developer, Evergrande Real Estate.
- 18. On 13 September 2024, the China Securities Regulatory Commission issued a news release, which stated, amongst other things:

"Recently, the China Securities Regulatory Commission imposed administrative penalties on PricewaterhouseCoopers for failing to perform its duties diligently in the audit of Evergrande Real Estate's annual report and bond issuance...

...

Our investigation found that PwC failed to perform due diligence in the audit of Evergrande Real Estate's 2019 and 2020 annual reports. It violated many audit standards and audit requirements during the audit process, and many audit procedures failed to work. It failed to maintain due professional skepticism, failed to make correct professional judgments, and failed to

discover Evergrande Real Estate's large-scale and high-proportion financial fraud. First, the audit working papers were distorted. About 88% of the records in the real estate project observations were inconsistent with the actual implementation, and the contents of the working papers were seriously unreliable. Second, the on-site visit procedures failed. Most of the real estate projects that were considered to meet the delivery conditions during the on-site visits were not actually completed and delivered. Some of them were still not completed and delivered when our on-site investigation was carried out, and were even "a piece of vacant land." Third, the scope of sample selection was out of control, allowing Evergrande Real Estate to replace samples, and excluding real estate projects marked as "not allowed to go" by Evergrande Real Estate from the visit samples. Fourth, the document inspection procedures failed, and the delivery list that was verified to be normal actually had a large number of owners signing and confirming dates later than the balance sheet date. Fifth, the review procedure failed, the on-site visit procedure review work became a formality, and the reviewers issued the review conclusion based on their "trust" in the visiting personnel.

PwC issued a standard unqualified audit report for Evergrande Real Estate's 2019 and 2020 annual reports, and issued a statement guaranteeing the truthfulness, accuracy and completeness of the financial data for Evergrande Real Estate's five bond issuances, namely 20 Evergrande 02, 20 Evergrande 03, 20 Evergrande 04, 20 Evergrande 05 and 21 Evergrande 01. The documents produced and issued by PwC contained false records."

19. On 13 September 2024, the Ministry of Finance in China issued an administrative penalty decision against PricewaterhouseCoopers, which stated, amongst other things:

"In accordance with the "Certified Public Accountant Law of the People's Republic of China" and other laws and regulations, since January 2024, the Ministry of Finance has organized an inspection team to conduct a special

inspection on the practice quality of audit projects of PricewaterhouseCoopers Zhongtian Accounting Firm (hereinafter referred to as PwC) and its Guangzhou branch, Evergrande Real Estate Group Co., Ltd. (hereinafter referred to as Evergrande Real Estate).

After investigation, it was found that PwC and its Guangzhou branch knew that there were major misstatements in Evergrande Real Estate's financial statements during the audit of Evergrande Real Estate's financial statements from 2018 to 2020, but did not point them out, issued inappropriate audit opinions, and issued false audit reports. The main problems include: First, the design and implementation of the main audit procedures related to Evergrande Real Estate's revenue from 2018 to 2020 were seriously flawed, and many procedures led to false conclusions; in 2020, they knew that Evergrande Real Estate recognized revenue in advance but did not point it out. Second, they lost their independence, prepared consolidated financial statements for Evergrande Real Estate, and prepared adjusting entries at the level of consolidated financial statements to inflate profits. Third, they knew or should have known that Evergrande Real Estate had a large amount of restricted monetary funds, did not point out the major misstatements in the financial statements, and concealed or covered them up in various ways. Fourth, they did not point out the major accounting errors of Evergrande Real Estate in 2020, which inflated development costs and arbitrarily recognized investment properties. Fifth, they did not maintain professional skepticism and did not discover the major accounting errors caused by Evergrande Real Estate's "equity-like debt" financing and inaccurate scope of consolidated financial statements. Sixth, Evergrande Real Estate failed to disclose major litigation and arbitration matters in accordance with regulations and did not specify them; the audit procedures such as other receivables, audit sampling, and going concern were not properly implemented; and the project quality control was ineffective.

In response to the problems found in the inspection, in September 2024, the Ministry of Finance made an administrative penalty decision against

PricewaterhouseCoopers and related certified public accountants in accordance with the "Certified Public Accountant Law of the People's Republic of China" and the "Administrative Penalty Law of the People's Republic of China".

As for accounting firms, ...

....

Regarding certified public accountants, the Ministry of Finance, in accordance with the "Certified Public Accountants Law of the People's Republic of China", imposed the penalty of revoking the certified public accountant certificates of ..., the four signing certified public accountants who wrote the audit reports on the relevant financial statements of Evergrande Real Estate from 2018 to 2020; in accordance with the "Accounting Firm Practice License and Supervision and Management Measures" (Ministry of Finance Order No. 97), seven certified public accountants who participated in the preparation of Evergrande Real Estate's consolidated financial statements, including Chen Yuntao, ..., were given administrative penalties of warnings or fines."

20. ACCA has no record of Mr Chen Yun Tao informing ACCA that he had received an administrative penalty of a warning or fine by the Ministry of Finance in China in relation to the collapse of Evergrande Real Estate.
21. ACCA wrote to Mr Chen Yun Tao at his registered email address on the following dates to ask him about the action taken against him by the Ministry of Finance in China. Mr Chen Yun Tao did not respond.

(i) 20 January 2025

(ii) 22 January 2025

(iii) 3 February 2025

(iv) 10 February 2025

22. Mr Chen Yun Tao did not provide any written submissions or evidence for the Committee to consider.

DECISION ON FACTS/ALLEGATION AND REASONS

23. The Committee considered with care all the evidence presented and the submissions made by Ms Terry. The Committee accepted the advice of the Legal Adviser and bore in mind that it was for ACCA to prove its case and to do so on the balance of probabilities.

Allegation 1 - proved

Pursuant to bye-law 8(a)(vi), is liable to disciplinary action by virtue of having been disciplined by another regulatory body.

24. In accordance with Bye-law 8(a)(vi), a member shall be liable to disciplinary action if he has been disciplined by another professional or regulatory body.
25. The Committee was satisfied that the administrative penalty decision made by the Ministry of Finance, China on or before 13 September 2024, in respect of Mr Chen Yun Tao was evidence that Mr Chen Yun Tao, a member of ACCA, had been disciplined by another regulatory body namely, the Ministry of Finance, China and as such he was liable to disciplinary action by virtue of bye-law 8(a)(vi).
26. 2Accordingly, the Committee found Allegation 1 proved.

Allegation 2 - proved

Failed to bring promptly to the attention of ACCA that he may have become liable to disciplinary action by reason of having been disciplined by another regulatory body on or about 13 September 2024, as referred to in allegation 1 above, pursuant to bye-law 10(b).

27. In accordance with Bye-law 10. (b) *“Subject to any legislative or other legal obligation to the contrary, it shall be for every member and for any person to whom these bye-laws relate to bring promptly to the attention of the Secretary any facts or matters indicating that a member or relevant firm or registered student may have become liable to disciplinary action (including any facts or matters relating to himself or itself); and in any such case the Secretary shall lay the facts and matters before the relevant committee of Council or individual if he or she is of the opinion that the complaint ought to be investigated by that committee or individual.”*
28. As a member of ACCA, Mr Chen Yun Tao was duty bound to notify ACCA that he had become liable to disciplinary action. At no stage has Mr Chen Yun Tao informed ACCA that he may have become liable to disciplinary action as a consequence of having been disciplined by the Ministry of Finance in China. ACCA only became aware as a result of a media report.
29. The Committee, therefore, found Allegation 2 proved.

Allegation 3 - proved

Contrary to Paragraph 3(1) of the Complaints and Disciplinary Regulations 2014, (as amended and as applicable in 2025) has failed to co-operate fully with the investigation of a complaint in that he failed to respond at all to any or all of ACCA’s correspondence dated:

- (i) 20 January 2025*
- (ii) 22 January 2025*
- (iii) 3 February 2025*
- (iv) 10 February 2025*

30. The Committee was advised by the Legal Adviser that the duty to co-operate with an ACCA investigation is absolute, that is to say every relevant person is under a duty to co-operate with any Investigating Officer and any Assessor in relation to the consideration and investigation of any complaint. A failure, or

partial failure, to co-operate fully with the consideration or investigation of a complaint shall constitute a breach of the regulations and may render the relevant person liable to disciplinary action.

31. Despite having an ample opportunity to do so, Mr Chen Yun Tao failed to respond to any of the correspondence sent to his registered email address by the Senior Investigating Officer on the four dates specified in Allegation 3, in which he was asked to comment on the matters alleged. In the correspondence sent, Mr Chen Yun Tao was also warned that a failure or partial failure to co-operate fully with the consideration or investigation of a complaint shall constitute a breach of ACCA regulations and may render him liable to disciplinary action. In the email sent on 10 February 2025, the Senior Investigations Officer notified Mr Chen Yun Tao that in light of his lack of response to the preceding emails, an allegation under Complaints and Disciplinary Regulation 3(1)(c) would now be raised against him.
32. The Committee noted that the correspondence was sent by email to Mr Chen Yun Tao's email address as provided by Mr Chen Yun Tao.
33. The Committee also noted that Mr Chen Yun Tao had not responded to ACCA when notified on 24 March 2025 that the disciplinary allegations were to be referred to an Assessor. Nor did he respond after being sent the Assessor's decision on 6 May 2025 and nor did he complete the Case Management Form sent to him twice. In addition, as referred to above, Mr Chen Yun Tao did not respond to any of the correspondence sent to him relating to this hearing. It was quite apparent that Mr Chen Yuan Tao had made a conscious decision not to engage with ACCA, his Regulatory Body.
34. The Committee was thus satisfied, on the balance of probabilities, that Mr Chen Yun Tao had received the emails detailed in Allegation 3 and had, by not responding, failed to co-operate as alleged.
35. Accordingly, the Committee found Allegation 3(i) to (iv) proved in its entirety.

Allegation 4 - proved

By reason of his conduct at allegations 1, 2 and 3 above, Mr Chen Yun Tao is:

- (a) Guilty of misconduct pursuant to bye-law 8(a)(i); or*
- (b) Liable to disciplinary action pursuant to bye-law 8(a)(iii).*

ACCA relies on its members to act professionally and to abide by its Regulations and Bye-laws. Mr Chen Yun Tao has been disciplined by the Ministry of Finance in China for what appears to be a serious infringement. He was duty bound to notify ACCA that he had been disciplined by the Ministry of Finance in China. This he failed to do, with ACCA only becoming aware of the Ministry of Finance in China's action as a result of media coverage, following the collapse of Chinese property developer, Evergrande Real Estate. Thereafter, when ACCA attempted to investigate the matter, Mr Chen Yun Tao resolutely ignored all correspondence sent to him by ACCA.

36. The Committee is of the view that failing to co-operate fully with an investigation being carried out by his Regulator into his alleged conduct of being disciplined as a result of being party to the conduct that led to the collapse of Evergrande Real Estate is a serious matter. A member of ACCA should not be able to frustrate, delay, or derail completely an investigation into their conduct. Being a member of ACCA brings with it a duty to co-operate, both in relation to compliance with the Regulations and into the investigation of a complaint. The Committee was satisfied that such behavior represented a serious falling short of professional standards and brought discredit upon Mr Chen Yun Tao and also upon the profession and ACCA as regulator. ACCA's purpose is to ensure standards are met and that members are complying with the Regulations put in place to protect the public. The Committee considered other members of the profession would find Mr Chen Yun Tao's behavior relating first to being disciplined by the Ministry of Finance, China followed by repeatedly not co-operating with ACCA, to be deplorable.

37. The Committee was thus satisfied that Mr Chen Yun Tao's behavior that resulted in him being disciplined by the Ministry of Finance in China, thereafter failing to notify ACCA of that decision and which was then compounded by his complete lack of cooperation with ACCA, amounted to misconduct and that Allegation 4(a) was proved.
38. Having found misconduct proved it was not necessary for the Committee to consider whether Mr Chen Yun Tao was liable to disciplinary action for failing to cooperate, (Allegation 4(b)) since this was alleged in the alternative.

SANCTION AND REASONS

39. In reaching its decision on sanction, the Committee took into account the submissions made by Ms Terry. The Committee referred to the Guidance for Disciplinary Sanctions issued by ACCA and had in mind the fact that the purpose of a sanction was not to punish Mr Chen Yun Tao, but to protect the public, maintain public confidence in the profession and maintain proper standards of conduct, and that any sanction must be proportionate. The Committee accepted the advice of the Legal Adviser.
40. When deciding on the appropriate sanction, the Committee carefully considered the aggravating and mitigating features in this case.
41. The Committee considered there to be the following aggravating features: a pattern of failing to co-operate with his regulatory body over a significant period of time; an absence of insight; an absence of remorse; an absence of evidence suggesting any remediation; conduct undermining the effectiveness of ACCA's investigatory processes.
42. The Committee did not consider there to be any significant mitigating factors, but noted that Mr Chen Yun Tao had no previous disciplinary record with ACCA.
43. The Committee did not think it appropriate, or in the public interest, to take no further action or order an admonishment in a case where a member had been

disciplined by another Regulatory Body and thereafter repeatedly failed to co-operate with his Regulator. Every member of ACCA is duty bound to comply with ACCA's bye-laws and regulations and to cooperate with ACCA in its investigations.

44. The Committee then considered whether to reprimand Mr Chen Yun Tao. The guidance indicates that a reprimand would be appropriate in cases where the conduct is of a minor nature, there appears to be no continuing risk to the public and there has been sufficient evidence of an individual's understanding, together with genuine insight into the conduct found proved. The Committee did not consider Mr Chen Yun Tao's conduct to be of a minor nature and he had shown no insight into his behavior. The Committee noted that when addressing factors relevant to seriousness in specific case types, ACCA's Guidance indicates that a failure to co-operate is considered to be 'very serious'. Accordingly, the Committee concluded that a reprimand would not adequately reflect the seriousness of the conduct in this case.
45. The Committee then considered whether a severe reprimand would adequately reflect the seriousness of the case. The guidance indicates that such a sanction would usually be applied in situations where the conduct is of a serious nature but where there are particular circumstances of the case or mitigation advanced which satisfy the Committee that there is no continuing risk to the public and there is evidence of the individual's understanding and appreciation of the conduct found proved. The Committee considered none of these criteria to be met. The guidance adds that this sanction may be appropriate where most of the following factors are present:

- *the misconduct was not intentional and no longer continuing;*
- *evidence that the conduct would not have caused direct or indirect harm;*
- *insight into failings;*
- *genuine expression of regret/apologies;*
- *previous good record;*
- *no repetition of failure/conduct since the matters alleged;*

- *rehabilitative/corrective steps taken to cure the conduct and ensure future errors do not occur;*
- *relevant and appropriate references*
- *co-operation during the investigation stage.*

46. The Committee considered that almost none of these factors applied in this case and that accordingly a severe reprimand would not adequately reflect the seriousness of Mr Chen Yun Tao's behavior. His misconduct was intentional, he has not demonstrated any insight into his failings nor made any apology; his behavior was repeated; there has been no evidence of rehabilitative steps; no references; and the misconduct itself involved a lack of co-operation during the investigation stage, which continued during the lead up to the hearing.
47. Accordingly the Committee decided that the only appropriate and proportionate sanction was to exclude Mr Chen Yun Tao from membership of ACCA. Being disciplined by another Regulatory Body and then failing to notify ACCA of that fact, followed by a repeated failure to co-operate at all with an investigation being carried out by ACCA into his alleged conduct is a very serious matter. As stated when considering misconduct, a member of ACCA should not be able to frustrate, delay, or derail completely an investigation into their conduct. Being a member of ACCA brings with it a duty to co-operate, both in relation to compliance with the Regulations and into the investigation of a complaint. The Committee was satisfied that such behaviour represented a serious falling short of professional standards and was fundamentally incompatible with being a member of ACCA.
48. The Committee acknowledged the impact this decision would have on Mr Chen Yun Tao. However, his conduct was such a serious breach of bye-law 8 that no other sanction would adequately reflect the gravity of his offending behaviour. The Committee considered that a failure to exclude a member who had been disciplined by another Regulatory Body and then demonstrated a pattern of ignoring the professional body responsible for regulating his conduct, would seriously undermine public confidence in the profession and in ACCA as its Regulator. In order to maintain public confidence and uphold proper standards

in the profession it was necessary to send out a clear message that this sort of behaviour was not to be tolerated.

49. The Committee therefore ordered that Mr Chen Yun Tao be excluded from membership of ACCA.

COSTS AND REASONS

50. ACCA applied for costs in the sum of £7,191.00. The Committee was provided with a schedule of costs. The Committee was satisfied that the costs claimed were appropriate and reasonable. However, the costs of the Case Presenter and Hearings Officer included in the sum quoted were based upon a full day when in fact the hearing took less than a whole day. Accordingly the figure would be reduced to reflect this.
51. Despite being given the opportunity to do so, Mr Chen Yun Tao did not provide any details of his means or provide any representations about the costs requested by ACCA. There was, therefore, no evidential basis upon which the Committee could make any reduction on this ground.
52. The Committee had in mind the principle that members against whom an allegation has been found proved should pay the reasonable and proportionate cost of ACCA in bringing the case. This was because the majority of members should not be required to subsidise the minority who, through their own failings, have found themselves subject to disciplinary proceedings.
53. In light of its observations above, the Committee reduced the amount requested to reflect the actual costs more likely to have been incurred and made an order in the sum of £6,471.00.

EFFECTIVE DATE OF ORDER

54. In light of its decision and reasons to exclude Mr Chen Yun Tao from ACCA's Register and the seriousness of his misconduct, the Committee decided it was in the interests of the public to order that the sanction have immediate effect.

Ms Ilana Tessler
Chair
01 August 2025