

HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	Mr Tang Zhen Feng
Heard on:	Wednesday, 13 August 2025
Location:	Held remotely by video conference
Committee:	Mrs Kathryn Douglas (Chair) Dr Beth Picton (Accountant) Mrs Diane Mickle (Lay)
Legal Adviser:	Mr Andrew Granville Stafford
Persons present and capacity:	Mr James Halliday (Case Presenter on behalf of ACCA) Miss Nicole Boateng (Hearings Officer)
Observers:	Ms Revelyn Fairbrother (ACCA Head of Adjudication)
Outcome:	Allegations 1, 2, 3(a) to (d) and 4(a) proved. Excluded from membership Costs of £6,300 to be paid by Mr Tang Zhen Feng to ACCA

INTRODUCTION AND PRELIMINARY MATTERS

1. The Disciplinary Committee of ACCA ('the Committee') convened to consider a report concerning Mr Tang Zhen Feng ('Mr Tang').
2. Mr Tang was admitted as a member of ACCA in 2002 and as a fellow in 2007. He is resident in China.
3. The Committee had before it a Bundle of documents (55 pages) and a Service Bundle (21 pages).

PROCEEDING IN ABSENCE

4. Mr Tang did not attend the hearing and was not represented.
5. Notice of today's hearing was sent by email to Mr Tang on 16 July 2025. The email address to which the notice was sent matches Mr Tang's registered email address. The Committee was provided with a confirmation receipt confirming delivery of the email.
6. Mr Tang has not responded to the Notice of Hearing. The Hearings Officer attempted to contact Mr Tang by telephone on 4 and 12 August 2025, but the calls went unanswered and there was no opportunity to leave a voicemail. She also emailed Mr Tang on the same dates, asking him whether he intended to attend the hearing, but there has been no reply.
7. The Committee was satisfied that the requirements of Regulations 10(1) and 22(5) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations ('CDR') as to service had been complied with.
8. Having satisfied itself that service had been effected in accordance with the regulations, the Committee went on consider whether to proceed in the absence of Mr Tang. The Committee bore in mind that the discretion to do so must be exercised with the utmost care and caution.
9. The Committee considered that Mr Tang has voluntarily absented himself from this hearing. Based on his lack of engagement with the disciplinary process,

the Committee considered that no useful purpose would be served by an adjournment. Bearing in mind the public interest to deal with allegations of this nature expeditiously, the Committee was satisfied that it was in the interests of justice to proceed today in Mr Tang's absence.

ALLEGATIONS AND BRIEF BACKGROUND

10. The allegations against Mr Tang were as follows.

Mr Tang Zhen Feng, 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) 2 January 2025
 - (iii) 3 February 2025
 - (iv) 10 February 2025
4. By reason of his conduct at Allegations 1, 2 and 3 above, Mr Tang Zhen Feng 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).

11. At the material time, Mr Tang was working for Firm A, an international accountancy firm, in one of its Chinese offices. The allegations in this case relate to audit work carried out by Firm A in respect of Company B, a Chinese real estate company. The allegations came to light following the collapse of Company B.
12. Following an investigation, the China Securities Regulatory Commission ('CSRC') imposed penalties on Firm A for failing to diligently carry out its duties in relation to the audits of Company B. CSRC issued a press release on 13 September 2024 stating:

'Our investigation found that [Firm A] failed to perform due diligence in the audit of [Company B'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 [sic], failed to make correct professional judgments, and failed to discover [Company B'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 [Company B] to replace samples, and excluding real estate projects marked as "not allowed to go" by [Company B] 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. [Firm A] issued a standard unqualified audit report for [Company B's] 2019 and 2020 annual reports, and issued a statement guaranteeing the truthfulness, accuracy and completeness of the financial data for [Company B's] five bond issuances, namely . . . The documents produced and issued by [Firm A] contained false records.'

13. The investigation found that Firm A's Guangzhou branch failed to point out major financial mis-statements in the accounts of Company B and as a result issued false and inappropriate audit opinions. The findings of the investigation were summarised as follows:

'First, the design and implementation of the main audit procedures related to [Company B's] revenue from 2018 to 2020 were seriously flawed, and many procedures led to false conclusions; in 2020, they knew that [Company B] recognized revenue in advance but did not point it out. Second, they lost their independence, prepared consolidated financial statements for [Company B], and prepared adjusting entries at the level of consolidated financial statements to inflate profits. Third, they knew or should have known that [Company B] 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 [Company B] 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 [Company B's] "equity-like debt" financing and inaccurate scope of consolidated financial statements. Sixth, [Company B] 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.'

14. Firm A was fined the equivalent of \$62m for its role in the collapse of Company B. The Chinese Ministry of Finance revoked the certified public accountant certificates of the four accountants who wrote the audit reports. The Ministry of Finance press release states:

'With regard to the certified public accountants, pursuant to the Certified Public Accountants Law of the People's Republic of China, the Ministry of Finance took disciplinary action against four signing certified public accountants; specifically Tang Zhenfeng, [redacted] and [redacted]; who oversaw the audit reports of [Company B's] financial statements between 2018 and 2020 by revoking their CPA licenses as a penalty.'

15. ACCA's case against Mr Tang was as follows.
16. In respect of Allegation 1, ACCA alleged that Mr Tang was liable to disciplinary action under ACCA bye-law 8(a)(iv) by virtue of the fact he has been disciplined by another regulatory body.
17. In respect of Allegation 2, Mr Tang failed to notify ACCA of the disciplinary action taken against him by the Chinese authorities. Bye-law 10(b) states:
'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.'
18. ACCA wrote to Mr Tang on four occasions, on the dates listed in Allegation 3, asking him to provide further information in relation to the Chinese investigation. Pursuant to CDR 3, a member is under a duty to co-operate with ACCA by responding promptly to any request for information from an investigating officer. Allegation 3 alleged that, by failing to respond to ACCA, Mr Tang was in breach of this obligation.
19. In respect of the above allegations, ACCA contended that Mr Tang had committed misconduct (Allegation 4(a)), or in the alternative was liable to disciplinary action by virtue of having breached ACCA's bye-laws or regulations (Allegation 4(b)).
20. Mr Tang has not provided any response to the allegations.

DECISIONS ON ALLEGATIONS AND REASONS

21. The Committee considered the documents before it, the submissions of Mr Halliday on behalf of ACCA and the advice of the Legal Adviser. The Committee bore in mind that the burden of proving an allegation rests on ACCA and the standard to be applied is proof on the balance of probabilities.

Allegation 1

22. The Committee first had to be satisfied that the 'Tang ZhenFeng' referred to in the Ministry of Finance press release was Mr Tang. It considered the possibility that, although the name was the same, there might be another accountant in China with that name.
23. The Committee noted, in particular, an email from Person A, an ACCA employee based in China. They referred to Ministry of Finance press release and said that, of the 11 individuals mentioned in it, two were ACCA members. One of those they named as Mr Tang Zhenfeng and they gave their ACCA ID number. They also added that locally ACCA had a 'good relationship' with Mr Tang and one of the other named individuals.
24. Further, if it was not this Mr Tang who had been disciplined in China, the Committee would have expected him to have responded to ACCA correspondence pointing this out.
25. In light of the above, the Committee was satisfied on the balance of probabilities that the 'Tang Zhenfeng' referred to in the Ministry of Finance press release was Mr Tang.
26. The Committee was also satisfied that the Chinese Ministry of Finance was a regulatory body and the action taken against Mr Tang, namely removing his CPA licence, amounts to disciplinary action. It noted in particular that the Ministry of Finance press release describes the removal of the CPA licence as a 'penalty' and refers to taking 'disciplinary action' against Mr Tang Zhenfeng.
27. The Committee therefore found Allegation 1 proved, on the basis that Mr Tang had been disciplined by another regulatory body and was therefore liable to disciplinary action under bye-law 8(a)(vi).

Allegation 2

28. The Committee was satisfied that Mr Tang failed to bring to ACCA's attention the fact that he had been disciplined by the Chinese Ministry of Finance. This, in the Committee's view, amounted to a breach of bye-law 10(b).

29. Therefore, the Committee found Allegation 2 proved.

Allegation 3

30. The Committee considered the correspondence sent to Mr Tang by ACCA. It noted, in particular, that Mr Tang was warned that he may be liable to disciplinary action if he did not reply to that correspondence. It was clear that there has been no response from Mr Tang.
31. The Committee was satisfied that this was a breach of CDR 3 and found Allegation 3 proved in its entirety.

Allegation 4

32. The Committee considered that each of Allegations 1, 2 and 3 were very serious matters. They included failing to co-operate with a regulator and being disciplined by another regulatory body. This constituted conduct which would be regarded as deplorable by fellow practitioners. The Committee was satisfied that, both collectively and individually, the proven allegations amounted to misconduct.
33. It therefore found Allegation 4(a) proved.
34. As Allegation 4(b) was put in the alternative, there was no need for the Committee to consider it.

SANCTION AND REASONS

35. The Committee considered what sanction, if any, to impose taking into account ACCA's Guidance for Disciplinary Sanctions ('GDS') and the principle of proportionality. The Committee bore in mind that the purpose of sanctions was not punitive but to protect the public, maintain confidence in the profession and declare and uphold proper standards of conduct and behaviour. It took into account the submissions of the parties and the advice of the Legal Adviser.

36. The Committee took into account that no previous disciplinary findings had been made against Mr Tang. That apart, the Committee was unable to identify any other mitigating factors.
37. The Committee considered it to be an aggravating factor that Mr Tang has not demonstrated any evidence of insight.
38. Having found that Mr Tang's actions amounted to misconduct, taking no further action was clearly not appropriate. The Committee therefore considered the available sanctions in ascending order of seriousness.
39. In taking into account the nature and extent of the misconduct, the Committee considered that each of the three failings in question was a serious departure from acceptable standards. It was clear to the Committee that the auditing failures in respect of Company B and its subsequent insolvency had very serious repercussions. Mr Tang's part in that led to his CPA certificate and licence being removed.
40. In those circumstances, the conduct was far too serious for either an admonishment or reprimand to be justified.
41. The Committee considered the guidance in the GDS in relation to a severe reprimand. In the absence of any insight, remorse or co-operation, it was satisfied that a severe reprimand would not be an appropriate sanction.
42. The Committee found that the conduct in this case was fundamentally incompatible with continued membership of a professional body. The Committee concluded that no lesser sanction than exclusion was appropriate to protect the public.
43. Therefore, pursuant to CDR 13.1(c), Mr Tang is excluded from membership of ACCA.
44. The Committee considered that there was no reason to give any direction as to a period restricting an application for re-admission, given that any such application will have to be considered by the Admissions & Licensing Committee in any event.

COSTS AND REASONS

45. ACCA applied for costs in the sum of £7,191. The application was supported by a Schedule providing a breakdown of the costs incurred by ACCA in connection with the hearing.
46. Mr Tang provided no information regarding his financial circumstances.
47. The Committee considered that in principle a costs order should be made in favour of ACCA. It was satisfied that the costs sought were reasonable, save that some adjustment should be made to reflect the actual rather than estimated time for the hearing.
48. The Committee determined that the appropriate order was that Mr Tang pay ACCA's costs in the sum of £6,300.

EFFECTIVE DATE OF ORDER

49. Pursuant to CDR 20, sanctions imposed by the Committee come into effect from the date of expiry of the appeal period, namely after 21 days from service of this written statement of the Committee's reasons for its decision, unless Mr Tang gives notice of appeal in accordance with the Appeal Regulations prior to that.
50. The Committee has the power to order that the sanction of exclusion has immediate effect if it finds that it is in the public interest to do so. However, it was not contended by ACCA that there was any such public interest in this case, and the Committee was unable to identify one. Therefore, the order for exclusion will come into effect at the expiry of the appeal period.

Ms Kathryn Douglas
Chair
13 August 2025