HEARING

DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of:	**Mr Gavin James Wallace**
Heard on:	**Wednesday, 02 September 2026**
Location:	**Remotely via Microsoft Teams**
Committee:	**Mr Martin Winter (Chair)** **Dr David Horne (Accountant)** **Ms Diane Meikle (Lay)**
Legal Adviser:	**Mr Charles Apthorp**
Persons present and capacity:	**Mr Matthew Kerruish-Jones (Case Presenter on behalf of ACCA)** **Ms Aimee Murphy (Hearings Officer)**
Summary:	**Allegation 1, 2a and 3 found proved.** **Exclusion for membership**
Costs:	**£8087.50**

SERVICE OF PAPERS

1. Mr Gavin John Wallace ("Mr Wallace") was neither present nor represented.

2. The Committee considered the service bundle with pages numbered (1-19) in order to determine whether the Notice of Hearing ("the Notice") dated 4 August 2026 had been served in accordance with the provisions of the Complaints and Disciplinary Regulations 2014 (amended 2025) ("the Regulations").

3. The Committee noted that the Notice had been sent to Mr Wallace's registered email address held by the ACCA. As the notice of hearing was sent by email, the Committee noted that service may be proved by confirmation of delivery of the notice, which had been provided to the Committee, and that the notice would be deemed as having been served on the day that it was sent. The Committee noted that this was more than 28 days prior to the date listed for hearing and in its view complied with the other requirements of the Regulations.

4. The Committee was satisfied that this was effective service in accordance with the Regulations.

PROCEEDING IN ABSENCE

5. The Committee noted in addition to the service of the notice that a chaser email had been sent to Mr Wallace's email address on the 10 August 2026 by the hearings team.

6. Mr Wallace responded on the same day stating that:

"Further to your email, I can confirm I will not be attending the hearing.

With no disrespect to the Hearing Committee, I believe the matter is clear cut, having admitted I am at fault, with no further evidence/explanation to present, other than that, within the HMRC file, which has already been recently reviewed by the ACCA. Accordingly I am content for the Committee to proceed in my absence.

Kind regards, GAVIN"

7. Mr Wallace was again contacted by email on the 14 August 2026 by the hearings team noting that he did not intend to attend the hearing, suggesting that he should complete the statement of financial means and provide supporting documents. Mr Wallace requested the hearings team send him a secure document on the 24 August 2026, which was provided on the same day. ACCA hearings team also sent to Mr Wallace a link to the hearing on the 01 September 2024.

8. The Committee considered whether the hearing should proceed in Mr Wallace's absence and recognised it could only do so with care and caution.

9. The Committee noted that Mr Wallace had engaged with the investigation and had stated that he did not intend to attend the hearing. The Committee noted that Mr Wallace had not made an application for the hearing to be adjourned. The Committee noted the absence of any evidence that if the hearing was adjourned to another date Mr Wallace would attend the adjourned hearing. In all the circumstances the Committee concluded that Mr Wallace was aware of the hearing and had voluntarily absented himself.

10. The Committee noted the emails which had been sent in August 2026 to Mr Wallace's registered email address had been delivered and that he had responded.

11. The Committee recognised that there was a strong public interest in regulatory proceedings being considered and concluded expeditiously, particularly given the serious nature of the allegations.

12. The Committee determined that it was fair and just to proceed in Mr Wallace's absence in accordance with its discretionary power at Regulation 10(7) and that a fair hearing could take place in his absence.

13. The Committee was provided with the following bundles: hearing bundle (159 pages), a financial bundle (9 pages) and a service bundle (19 pages).

14. Mr Wallace faced the following allegations:

Schedule of Allegations

Mr Gavin John Wallace ("Mr Wallace"), a member of the Association of Chartered Certified Accountants:

1. *Between 05 April 2016 and 01 February 2019, Mr Wallace in his self assessment tax returns for 2015 to 2016, 2016 to 2017 and/or 2017 to 2018 declared, or caused to be declared, in respect of Company A, the dividend income set out in Schedule 1, when his dividend income from Company A was more than that was declared.*

Schedule 1

Self Assessment Tax Return	Dividend Declared
2015 - 2016	[REDACTED]
2016 - 2017	[REDACTED]
2017 - 2018	[REDACTED]

2. *Mr Wallace's conduct set out in Allegation 1 above was:*

   (a) Dishonest in that he knew that the declarations were inaccurate;

   (b) Lacking in integrity;

   (c) Reckless in that he paid no, or insufficient, regard to ensuring that the declarations were accurate; or

   (d) Contrary to section 130 and/or 150 of ACCA's Code of Ethics and Conduct – Fundamental Principle of Professional Competence and Due Care, and Professional Behaviour.

3. *By reason of any, or all, of his conduct set out above, Mr Wallace 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) in respect of Allegation 2(d) above.

BRIEF BACKGROUND

15. Mr Wallace became an ACCA Member on 13 July 1995 and a Fellow on 13 July 2000. He holds a practising certificate and an Audit Qualification. Mr Wallace is a partner in an ACCA registered accountancy firm ("the firm").

16. On 02 July 2025, HM Revenue & Customs ("HMRC") wrote to ACCA about Mr Wallace. ACCA's case relied on documentation provided by HMRC.

17. Mr Wallace was appointed as a director for Company A on 11 June 2015 initially holding 50% of the companies' Class A shares. On 08 August 2019, HMRC issued a letter to the firm requesting an explanation for a discrepancy in dividend income paid to the shareholders totaling [REDACTED] for the period 31 August 2014 to 31 August 2017.

18. On 24 January 2020, HMRC issued information notices to Mr Wallace and to his firm. On 10 March 2020, HMRC issued a [REDACTED] penalty to Mr Wallace for failing to comply with the information notice. On 20 April 2020, HMRC issued a letter to Mr Wallace confirming that the enquiry was suspended due to Covid-19 and the Pandemic.

19. On 22 October 2020, HMRC notified Mr Wallace that they had resumed their enquiry. On 11 June 2021, HMRC issued a letter to the firm outlining a proposal to amend Mr Wallace's Self-Assessment Tax Return position in line with the dividends declared in the company accounts for the periods 31 August 2016, 31 August 2017 and 31 August 2018.

20. On 26 July 2021, HMRC issued a letter to Mr Wallace advising him of the additional tax liability arising from the revised dividend income received from Company A as set out in the table below:

[REDACTED]

21. On 28 July 2021, the firm issued a letter to HMRC to confirm Mr Wallace held "A" shares in Company A and that dividends were to be equally distributed between shareholders. On 06 August 2021, HMRC issued an email to the firm requesting documentary evidence of the agreed dividend distribution for the periods ending 31 August 2016 and 31 August 2017. On 31 August 2021, HMRC emailed the firm with details of the dividends, which were equally split between shareholders.

22. On 01 October 2021, the firm emailed HMRC confirming agreement to the revised tax position of both shareholders.

23. On 07 October 2021, HMRC issued discovery assessment to Mr Wallace for the tax years ended 05 April 2016, 05 April 2017 and a closure notice of the tax year ending 05 April 2018 as set out in the table below:

[REDACTED]

24. On 11 January 2022, Mr Wallace emailed HMRC to confirm that there was a query regarding the allocation of dividend income and that a lack of communication between the two shareholding partners had occurred, which needed to be addressed.

25. On 08 March 2022, Mr Wallace emailed HMRC to inform them of the ongoing disagreement between the two partners, with no resolution reached regarding the distribution of the dividend income. Mr Wallace acknowledged that he was responsible for preparing the accounts for Company A and admitted he had failed to notify the preparer of the Self-Assessment Tax Returns of the correct dividend distribution from Company A.

26. On 08 April 2022, HMRC issued a letter to Mr Wallace outlining their position on the penalty for the under-declared dividends from Company A. HMRC's view was that Mr Wallace actions were considered to be deliberate. On 08 April 2022, HMRC issued a penalty explanation letter to Mr Wallace, confirming a

deliberate penalty of [REDACTED] had been charged as set out in the table below:

[REDACTED]

27. On 12 May 2022, HMRC issued a penalty assessment notice. This notice was not appealed.

28. On 08 July 2025, HMRC reported the complaint against Mr Wallace to ACCA.

29. On 03 October 2025, ACCA wrote to Mr Wallace to ask questions relating to the complaint filed by HMRC. On 21 October 2025, ACCA wrote to Mr Wallace to request a response to their letter dated 03 October 2025 and requested a response by 04 November 2025.

30. On 31 October 2025, Mr Wallace responded and requested previous emails be forwarded on. On 03 November 2025, ACCA's Senior Investigations Officer forwarded their email from 03 October 2025. On the same day, Mr Wallace confirmed receipt of ACCA's email.

31. On 10 November 2025, Mr Wallace emailed ACCA requesting a copy of the HMRC complaint. On the same day ACCA forwarded the email to Mr Wallace. The Senior Investigations Officer confirmed a new response deadline of 13 November 2025.

32. On 13 November 2025, Mr Wallace emailed ACCA:

In response to "Please would you provide ACCA with your recollection of the events set out by HMRC in its complaint form along with any reasons for the misdeclaration of dividends?" Mr Wallace responded *"The HMRC enquiry arose, due to the incorrect declaration of dividends. I was looking to recover investment funds from other business projects and with no prospect of recovering those funds directly, grew increasingly frustrated, returning funds via company dividends. Please refer to the HMRC schedules for detailed analysis.*

Disputes with [redacted] arose over interpretation of these dividends, however in the final analysis, I am ultimately responsible for ensuring accurate Tax Reporting of both parties."

In response to "Have the penalty fines imposed by HMRC now been paid?" Mr Wallace states *"The relevant income tax and penalties arising on the additional dividends were paid."*

In response to "Do you have any objections to the case laid out by HMRC and the conclusions they have drawn" Mr Wallace states *"With regard to the Revenue opinion, I fully acknowledge and do not dispute their findings (hence no appeal) as regard both to the assessment raised and integrity of the firm.*

We have been in practice for almost thirty years, never either before the enquiry or since, caused concern to HMRC. No serious Client tax enquiries have arisen in the whole thirty years time, all minor enquiries amicably dealt with to the satisfaction of HMRC and not promoted any artificial tax planning schemes to clients.

However, whilst being monitored by HMRC, subsequent to the enquiry, more recently, [REDACTED]*, which may have given rise to this more recent HMRC complaint?*

.... Clearly, we are at fault with inaccurate Dividend reporting to HMRC and acknowledge the potential impact on the integrity of the ACCA, both of which we sincerely regret. With regard to the latter, HMRC generously did not publish the matter of the original enquiry and for our part, all matters were kept strictly confidential from Clients and Family.

Finally, we are more than conscious of the potential impact on the continuity of the Practice and would be extremely grateful for due consideration in that regard, particularly mindful of the [REDACTED] *that [redacted] and I find ourselves in*"

ACCA SUBMISSIONS

33. Mr Kerruish-Jones submitted that Mr Wallace's conduct was dishonest as he would have known that submitting or causing to be submitted to HMRC Self-Assessment Tax Returns excluding dividend income would be regarded as dishonest by the standards of ordinary decent people, particularly as Mr Wallace as an ACCA qualified accountant would have been aware that all dividend income should be included and declared on a Self-Assessment tax Return.

34. It was submitted by Mr Kerruish-Jones in the alternative that Mr Wallace's conduct lacked integrity in that it fell below the higher standards to be expected of a professional accountant.

35. It was submitted by Mr Kerruish-Jones that misconduct is a matter of judgment for the Disciplinary Committee and not a matter of proof. Nonetheless, if any or all of the facts relied upon are found proved, ACCA submit that misconduct is made out, particularly as Mr Wallace has acted in a manner which brings discredit to himself, ACCA and the accountancy profession.

36. Mr Wallace in the email of the 13 November 2025 stated, *"With regard to the Revenue opinion, I fully acknowledge and do not dispute their findings (hence no appeal) as regard both to the assessment raised and integrity of the firm..*" and in an email on the 10 August 2026 that he was "*at fault".*

37. The Committee determined, having taken legal advice, that matters relating to the [REDACTED] of Mr Wallace should be heard in private.

DECISION ON FACTS/ALLEGATION(S) AND REASONS

38. The Committee considered the oral and written submissions made on behalf of ACCA, reviewed the exhibits, took account of the response of Mr Wallace dated 10 August 2026. The Committee received advice from the Legal Advisor, which it accepted. The Legal Advice included reference to the case of Enemuwe v NMC [2013] EWHC 2081 (Admin) in which it was stated that

the opinions and conclusions of other investigations were not relevant to the determination of the Committee.

39. The Committee also had regard to the case management from dated 22 June 2026 in which he admitted allegations 1, 2 and 3. The Committee noted that allegations 2 and 3 were divided into separate particulars put in the alternative. The Committee therefore determined that the admissions were not, as required, unequivocal and required ACCA to prove its case, but took into account that there had been an early admission to the facts of the case by Mr Wallace.

Allegation 1

40. The Committee finds Allegation 1 proved.

41. The Committee considered the submissions made on behalf of ACCA and reviewed the documents, the HMRC assessments and written responses of Mr Wallace and noted that he accepted in his response during ACCA's investigation that "*Clearly, we are at fault with inaccurate Dividend reporting to HMRC".* The Committee also noted the admission to allegation 1 made on the case management form by Mr Wallace.

42. The Committee therefore determined that Mr Wallace declared or caused to be declared self-assessment tax returns in the years for 2015 to 2016, 2016 to 2017 and/or 2017 to 2018 and under declared the dividend income as alleged and found Allegation 1 proved.

Allegation 2a

43. The Committee found Allegation 2a proved.

44. In relation to Allegation 1 the Committee had previously found that Mr Wallace had under declared the dividend income on his self-assessment tax returns in the years for 2015 to 2016, 2016 to 2017 and/or 2017 to 2018.

45. The Committee noted that Mr Wallace was an experienced accountant of many

years standing and concluded that he would have been aware that the dividend income being declared to HMRC in his tax return in those years was not a true reflection on the funds he had received. The Committee also noted that HMRC had determined that the under reporting was deliberate and had as a result levied penalties on Mr Wallace.

46. In reaching its determination it took account of the period Mr Wallace had been an accountant and his previous good character.

47. The Committee determined that Mr Wallace was aware that he had submitted false declarations of the dividends received from Company A in the years 2015 to 2016, 2016 to 2017 and/or 2017 to 2018 and noted he benefited personally from the under reporting.

48. The Committee having established his state of mind and knowledge at the relevant time went on to consider whether this would be considered by a member of the public to be dishonest conduct. The Committee found that this was dishonest conduct by the standards of ordinary decent people and therefore found Allegation 2 proved.

49. The Committee did not go on to consider Allegations 2b, 2c and 2d as these allegations were put as an alternative.

MISCONDUCT AND LIABILITY TO DISCIPLINARY ACTION

50. In respect of Allegation 3a the Committee regarded that honesty is a fundamental tenet of professionalism and Mr Wallace had been dishonest in his self-assessment tax declarations to HMRC over several years. Mr Wallace's dishonest conduct fell far short of the standards expected of a member of the accountancy profession. It could not be regarded as anything other than unacceptable behaviour which brought the profession into disrepute and constituted misconduct.

SANCTION AND REASONS

51. Mr Kerruish-Jones made submissions on the appropriate and proportionate sanction and referred the Committee to ACCA's guidance on Sanction and Costs. The Committee received advice from the Legal Adviser and in determining the appropriate and proportionate sanction considered the least restrictive sanctions first before moving onto the more serious ones.

52. The Committee considered what sanction, if any, to impose in the light of its findings, having regard to ACCA's Guidance for Disciplinary Sanctions (2024). It first sought to identify aggravating and mitigating factors.

53. Mr Wallace had no previous disciplinary findings against him, that in the Committee's view, given how many years he had been an accountant was a mitigating factor. It also took account of his previous good character and his [REDACTED]. The Committee noted Mr Wallace's admissions to HMRC and the payment of both the arrears of tax and penalties. The Committee noted Mr Wallace's acceptance of responsibility to both HMRC and ACCA, but there remained in the Committee's view little evidence of reflection on the impact of his misconduct. In the Committee's view there was limited mitigation.

54. The Committee next considered whether there were any aggravating factors. It found that the conduct was pre-planned and there was an attempt to obtain a financial advantage, which for a period was successful. The Committee saw limited evidence of insight and remorse in what it considered to be very serious dishonest acts in the preparation of Mr Wallace's tax returns.

55. The Committee considered that the dishonesty was a not a one off over a short period of time. It considered section E2 of ACCA Guidance for Disciplinary Sanctions regarding findings of dishonesty and took into account that the dishonest misconduct was over three tax years.

56. The Committee considered that it would be wholly insufficient to take no further action or impose an admonishment. Neither of those sanctions would reflect the seriousness of the conduct by an accountant in the preparation of his own

tax returns. It noted that there was some evidence of insight, but limited understanding of the seriousness of the misconduct and the impact of the conduct on the reputation of the profession.

57. In respect of a reprimand the Committee considered the dishonest conduct to be very serious and not minor and a reprimand was an insufficient sanction and did not protect the public.

58. The Committee considered that a severe reprimand was not a sufficient sanction as the Committee was satisfied that there was a continuing risk to the public and to the confidence placed in the profession by a dishonest accountant providing services to the public. It also took into account the limited insight shown by Mr Wallace into his misconduct.

59. The Committee considered the factors listed at C4.1 in the guidance. It noted that dishonesty in the preparation and filing of tax returns over several years was a very serious matter. It took into account the importance of protecting the integrity of the profession's reputation and therefore determined that the only proportionate sanction was to direct that Mr Wallace be excluded from the register.

COSTS AND REASONS

60. Mr Kerruish-Jones applied for costs totalling £8,347.50. He acknowledged that this was based on an estimated hearing time of a full day whereas the actual time was less. He invited the Committee to make an appropriate reduction.

61. The Committee was satisfied that the proceedings had been properly brought and that ACCA was entitled in principle to its costs. The Committee also recognised that it needed to consider the principle that the majority of those paying ACCA's fees should not be required to subsidise the minority who, through their own misconduct, have found themselves subject to disciplinary proceedings. The Committee considered that the time spent, and the sums claimed were reasonable. It was appropriate to make a reduction for the fact that the hearing would last for less time than estimated. That would reduce the

reasonable costs to £8,087.50.

62. There was a statement of financial means before the Committee about Mr Wallace’s means and personal circumstances, which ACCA had requested. However, the Committee determined that there was no basis to depart from the standard position that the reasonable costs of the ACCA should be paid by the member [REDACTED]. The Committee directed that Mr Wallace pay £8,087.50 towards ACCA's costs.

IMMEDIATE ORDER

63. The Committee considered whether Mr Wallace be excluded from the Register pending the expiry of the Appeal period. It determined that it was necessary to impose an immediate order as he was presently working and there was an identified risk to the public of a dishonest accountant preparing accounts and tax returns for companies and members of the public.

ORDER

64. The Committee ordered as follows:

    (a) Mr Wallace shall be excluded from membership.

    (b) Mr Wallace shall make a contribution to ACCA’s costs of £8,087.50.

Mr Martin Winter
Chair
02 September 2026