



## Minutes of the 368<sup>th</sup> Meeting of the Auditing and Assurance Standards Committee

- Date: Tuesday, 24 April 2018 at 8:30 a.m.
- Location: Board Room of the Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.
- Present: Mr. Paul Lau (Chairman)  
Ms. Loretta Fong (Deputy Chairman)  
Mr. Derek Broadley  
Mr. Edmond Chan  
Mr. Paul Hebditch  
Ms. Susanna Lau  
Mr. Steve Ong (Dial-in)  
Mr. Chi Kit Shaw  
Mr. Anthony Wong  
Miss. Basilia Wong  
Mr. Thomas Wong  
Miss. Joyce Woo
- In attendance: Mr. Chris Joy, Executive Director  
Ms. Christina Ng, Director, Standard Setting  
Ms. Selene Ho, Deputy Director, Standard Setting  
Ms. Phoebe To, Manager
- Apologies: Mr. Frank Lam

### Action

**2818. Minutes of the 367<sup>th</sup> Meeting**

The Committee approved and the Chairman signed the minutes of the 367<sup>th</sup> meeting.

**2819. Work Plan Status Report and Update from Working Groups**

The Committee considered the report and noted progress of various projects.

**2820. Adoption of new accounting standards for reporting accountants**

It was reported that the Accountants' Report Sub-Committee ("Sub-Committee") sought clarification from staff of The Stock Exchange of Hong Kong Limited ("HKEx") on the application of certain rules under Chapter 4 of the Main Board Listing Rules ("Listing Rules") when new IFRS/ HKFRS 9 and 15 became effective. The clarification would be helpful for reporting accountants when preparing the accountants' report under the Listing Rules. A draft FAQ had been developed by the Sub-Committee in consultation with staff from HKEx.

The FAQ would be issued after due process and further deliberations with the relevant stakeholders.

**2821. Proposed auditor's reporting requirements under the proposed legislative amendments to Occupational Retirement Schemes Ordinance**

It was reported that the HKICPA was approached by the Mandatory Provident Fund Schemes Authority ("MPFA") regarding the proposed legislative amendments to the Occupational Retirement Schemes Ordinance ("ORSO").

Investment Funds Regulatory Advisory Panel ("IFRAP") and Standard Setting Department would work together with the MPFA to develop necessary guidance for the proposed engagement.

The draft wording on the auditor reporting requirements would be circulated to the Committee in due course. SSD

**2822. Cryptocurrencies, initial coin offerings ("ICO") and the impact on the accounting profession**

In view of the significant increase in the level of activity in respect of blockchain and related technologies, there was a presentation by an expert on this area on the basic process of an ICO and the impact on the accounting profession. There was a brief discussion of the global developments and sharing of views on this subject matter.

**2823. AOB**

There was a referral from the Financial Reporting Standards Committee (FRSC) to consider any implication from an audit perspective on the two-tiered profits tax regime.

The Committee considered that there was no particular audit implication arising from the tax regime in addition to the general considerations in relation to tax.

There being no further business, the meeting closed at 10:00 a.m.

PAUL LAU  
CHAIRMAN

26 April 2018