

# Financial Accounting Standards Committee

## Meeting summary – August 2003

The Society's Financial Accounting Standards Committee (Committee) met on 13 August 2003.

Present at the Committee's meeting were: Messrs. Roger Best (Chairman), Carlson Tong (Deputy Chairman), Choy Chung-foo (represented by Mr. Vingle Yuen), William Crowe, Raphael Ding, Tommy Fung, Philip Hilliard, Quinn Y.K. Law, Tommy Tam, Ms. Susanna Lau, Mr. Simon Riley (HKSA Deputy Director, Accounting) and Ms. Elsa Ho (HKSA Assistant Director, Accounting).

The Committee discussed the following items:

- ✓ Proposed HKFRS 1, First-Time Adoption of Hong Kong Financial Reporting Standards
- ✓ Proposed Preface to Hong Kong Financial Reporting Standards

### Proposed HKFRS 1, First-Time Adoption of Hong Kong Financial Reporting Standards

The Committee considered the following documents that were based on the equivalent international statements:

- ✓ Proposed HKFRS 1
- ✓ Guidance on Implementing HKFRS 1
- ✓ Basis for Conclusions on HKFRS 1

The Committee considered all the drafting changes made to the equivalent international statements, which are necessary because Hong Kong is not yet fully converged with IFRSs, and agreed that wherever IFRS 1 or the Guidance on Implementing IFRS 1 contained a cross-reference to an IAS for which there is no equivalent SSAP, the text as found in the international statements should remain in the Hong Kong document and a footnote included to explain that a proposed SSAP based on the IAS is currently being exposed, if applicable, and, in accordance with paragraph 23 of SSAP 1, entities should consider the IAS when dealing with the relevant items. The Committee also agreed that the IASB's basis for conclusions on IFRS 1 should be reproduced as the basis for conclusions on HKFRS 1 but that an introduction be added to highlight that the Committee considered and agreed with the IASB's basis for conclusion and thus no material changes were made to the international statements when adopting them in Hong Kong.

The Committee tentatively agreed that proposed HKFRS 1 should become effective concurrently with IFRS 1 (that is, for periods beginning on or after 1 January 2004). In order to achieve this, the Committee would consider revised drafts after taking into account the above comments at its next meeting with a view to finalising them for issue in October.

### Proposed Preface to Hong Kong Financial Reporting Standards

The Committee considered comments received from the following, in response to the Committee's Invitation to Comment on ED, Preface to Hong Kong Financial Reporting Standards ("Preface"):

- ✓ DTC Association
- ✓ Deloitte Touche Tohmatsu
- ✓ HK Association of Banks
- ✓ PetroChina Company Limited
- ✓ Securities and Futures Commission

The comment letters will be made available on the HKSA website: <http://www.hksa.org.hk/professionalttechnical/accounting/rm>.

The Committee agreed to make a number of wording changes to the Preface in response to the comments received. The Committee would continue its discussion of the comments with a view to finalising the proposed Preface at its next meeting.

### Date of Next Meeting

The Committee's next meeting is tentatively scheduled to be held on 10 September 2003.

This meeting summary is provided for the information and convenience of those who wish to follow the Committee's deliberations. Except where indicated otherwise, all conclusions reported are tentative and may be changed at future meetings.

The IASB publishes summaries of its meetings and projects. These can be found on the IASB's website at <http://www.iasb.org.uk>.

The Committee welcomes comments on its technical agenda. Please e-mail us at [commentletters@hksa.org.hk](mailto:commentletters@hksa.org.hk).