

# Financial Accounting Standards Committee

## Meeting summary – December 2003

The Society's Financial Accounting Standards Committee (Committee) met on 10 December 2003.

Present at the Committee's meeting were: Messrs. Roger Best (Chairman), Paul F. Winkelmann (Deputy Chairman), Chan Lok Sang, Edward K.F. Chow, Choy Chung-foo (represented by Mr. Vingle Yuen), William Crowe, Raphael Ding, Tommy Fung, Robert Gibson, Andrew Huke, Quinn Y.K. Law, Tommy Tam, Stephen Taylor, Tom Wu, Prof. Woody Wu, Ms. Olivia Cheung, Ms. Susanna Lau and Mr. Simon Riley (HKSA Deputy Director, Accounting).

The following items were on the Committee's agenda:

- ✓ Investment Property – proposed revision of SSAP 13
- ✓ Real Estate Investment Trust – proposed Accounting guideline
- ✓ Accounting and Reporting by Retirement Benefit Plans – proposed ED/SSAP 37 and replacement of Statement 2.302
- ✓ IASB Improvements project

### Investment Property – proposed revision of SSAP 13

The Committee agreed to a minor redrafting of the provisions concerning the transfers between categories of asset, consistent with decisions made at the Committee's previous meeting. The Committee agreed that proposals to revise the transfers provisions presently appearing in SSAP 17 would be dealt with separately as part of the impending project to converge Hong Kong SSAPs with the IASB's Standards. The Committee also considered the current SSAP 13 provisions requiring an investment property held under a lease with an unexpired term of 20 years or less to be depreciated and agreed that, in the exposure draft, there should be a proposal to replace this with a requirement to apply an impairment test.

### Real Estate Investment Trust – proposed Accounting guideline

The Committee considered an initial draft version of a proposed accounting guideline for financial reporting by unit trusts modelled after the UK Statement of Recommended Practice. The Committee agreed that an ad-hoc sub-committee be established to review the proposed guidance for application in Hong Kong.

### Accounting and Reporting by Retirement Benefit Plans – proposed ED/SSAP 37 and replacement of Statement 2.302

The Committee agreed to seek comments from the HKSA Expert Panel on Insurance before releasing for public comment ED/SSAP 37, which proposes convergence with IAS 26 on accounting and reporting by retirement benefit plans.

### IASB Improvements project

The Committee confirmed its intention that the recently finalised revised International Accounting Standards resulting from the IASB's improvements exposure draft be issued as revised Hong Kong Statements of Standard Accounting Practice as soon as possible. A document outlining the significant differences between the previous SSAPs and the revised documents will be developed and reviewed by the Committee. The Committee agreed that the SSAP on joint ventures will be reviewed separately as part of the impending exposure draft that proposes convergence of SSAPs with those IASs not revised and reissued in full as a result of the IASB's improvements project. Certain IASB Interpretations that had previously been written directly into a SSAP, but for which the IASB are retaining the Interpretation as a separate document, will be uplifted from the SSAP and reissued as a separate Interpretation. The Committee also agreed to renumber the existing SSAPs so that the numbering conformed to the equivalent IAS. For example, SSAP 22 on inventories (equivalent to IAS 2) would be renumbered to SSAP 2.

### 2004 meeting dates

The Committee agreed to meet on the following dates in 2004:

14 January  
11 February  
10 March  
14 April  
12 May  
16 June  
14 July  
15 September  
13 October  
10 November  
15 December

Date of Next Meeting

The Committee will next meet on 14 January 2004.

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).