



Minutes of the 202nd meeting of the Financial Reporting Standards Committee held on Tuesday, 7 August 2012 at 8:30 a.m. in the 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. Clement Chan (Chairman)
Mrs. Catherine Morley (Deputy Chairman)
Mr. Colin Chau
Mr. Vincent Ching
Mr. James Fawls
Mr. Henri Fok
Ms. Caron Hughes
Ms. Susanna Lau
Mr. Ernest Lee
Mr. William Lim
Mr. Eugene Liu
Mr. Steve Ong
Mr. Paul Phenix
Mr. Kenneth Siu
Ms. Shelley So (represented by Nigel Dealy)
Ms. Florence Wong.

In attendance: Ms. Winnie Chan, Manager, Standard Setting
Mr. Ambrose Wong, Manager, Standard Setting

Apologies for absence were received from Mr. Stephen Chan, Ms. Elsa Ho, Ms. Kelly Kong and Mr. Nelson Lam.

1. **Minutes of the 201st meeting**

The minutes of the 201st meeting were approved by the Committee and signed by the Chairman.

2. **IFRS Regional Policy Forum 2013 in Hong Kong**

The Chairman provided the Committee with an update of the tentative programme, possible date and venue of the forum. A member suggested that, for the panel session related to IFRS transition, countries that adopted different IFRS convergence approaches should be invited to share their experience at the Forum. The Committee was informed that the tentative programme, together with their suggestions, would be considered by the Steering Committee of the Forum.

3. **Outreach activities of IASB's post-implementation review of IFRS 8**

The Committee noted that the IASB had issued a Request for Information relating to the post-implementation review of IFRS 8. To better understand whether the standard is functioning as intended in Hong Kong, as well as to get more practical information on the challenges and costs associated with implementing the standard, the Committee agreed that a roundtable meeting should be organized with the IASB in Hong Kong in September 2012. The roundtable meeting would be attended by preparers, investors, analysts, regulators and accounting firms. A member suggested that the invitation list should also include those awardees of HKICPA Best Corporate Governance Disclosures Awards and HKMA Best Annual Reports Awards.

Action

In addition, to raise the awareness of the members of the Institute, the Committee requested the training team of the Standard Setting Department to organize some seminars related to the implementation of IFRS 8 before the roundtable meeting.

4. **AOSSG IFRS for SMEs Working Group**

The Committee noted that the Asian-Oceanian Standard-Setters Group (AOSSG) proposes to set up a IFRS for SMEs topical working group, which intends to deal with emerging issues of IFRS for SMEs and also to work on the AOSSG submission on the recent IASB Request for Information of Comprehensive Review of the IFRS for SMEs.

The Committee discussed the possible role of the Institute in the working group. The Committee generally supported the decision to take up the leading role of the working group given that Hong Kong has adopted the standard in 2010. Some members expressed concerns on human resources at HKICPA to support the leading role of the working group. A member volunteered to lead the working group and will work together with the Standard Setting Department on this project.

5. **Draft agenda of IFASS meeting in October 2012**

The Committee considered the draft agenda of the International Forum of Accounting Standard Setters (IFASS) meeting which is scheduled to take place on 22 – 23 October at Zurich. The Chairman requested the Committee to provide their comments, if any, to the Standard Setting Department before 17 August 2012.

The Chairman also reported that an informal conference call had been held on 1 August 2012 among regional groups to discuss the relationship between the IASB and regional groups. The call was attended by representatives from AOSSG, Accounting Standards Board of Japan (ASBJ), The Canadian Institute of Chartered Accountants (CICA), Financial Accounting Standards Board (FASB), Group of Latin-american Accounting Standard Setters (GLASS), Pan African Federation of Accountants (PAFA) and European Financial Reporting Advisory Group (EFRAG). The participants generally agreed that maintaining bilateral relationships between individual jurisdictions and the IASB is important, however, a regional discussion forum would be of best use in coordinating research activities with the IASB and organizing outreach and field test activities. A follow up meeting will be organized alongside the IFASS meeting in October 2012.

6. **IASB and IVSC consultation documents**

The Committee noted that the IASB and the International Valuation Standards Council (IVSC) had issued the following exposure drafts:

- (a) IASB Request for Information of Post-implementation Review: IFRS 8 Operating Segments;
- (b) IVSC Discussion Paper of Valuation in the Extractive Industries;
- (c) IFRS Interpretations Committee ED of Levies Charged by Public Authorities on Entities that Operate in a Specific Market; and
- (d) IFRS Foundation Consultation Document of Drafting Review: Separating the Role of the IASB Chair and the Executive Director

For item (a), the Committee agreed that a working group should be set up to develop the submission. The working group would also consider the comments received at the roundtable meeting organized by the Institute.

For item (b), the Committee agreed that both the financial reporting valuation working group and experts from the extractive industries should be invited to develop the submission.

For item (c), the Committee agreed that no working group should be set up and the standard setting department will prepare the submission based on the comments received from constituents. SS Dept.

For item (d), it was agreed that the Standard Setting Department would prepare the submission for the consideration of the Committee with reference to the Institute's previous comments to the Monitoring Board's Governance Review. SS Dept.

7. **Joint Financial Reporting Forum - HKFRS 10 Consolidated Financial Statements for asset managers**

The Committee noted that the joint financial reporting forum was confirmed to be held on 25 September 2012. It would be supported by HK Investment Fund Association (HKIFA), Asian Association for Investors in Non-Listed Real Estate Vehicles (ANREV) and Asia Pacific Real Estate Association (APREA) in promoting the event to their members. The Committee considered the proposed agenda of the forum and had a number of comments. The Standard Setting Department was requested to revise the agenda and confirmed the new arrangement with the speakers of the forum. SS Dept.

There being no further business, the meeting closed at 10:30 a.m.

CLEMENT CHAN
CHAIRMAN

21 August 2012