



Minutes of the 201st meeting of the Financial Reporting Standards Committee held on Tuesday, 3 July 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. Elsa Ho
Ms. Caron Hughes
Ms. Kelly Kong
Ms. Susanna Lau
Mr. Ernest Lee (represented by Ms. Juliana Tse)
Mr. William Lim
Mr. Steve Ong
Mr. Paul Phenix
Mr. Kenneth Siu
Ms. Shelley So

In attendance: Mr. Chris Joy, Executive Director
Ms. Winnie Chan, Manager, Standard Setting
Mr. Ambrose Wong, Manager, Standard Setting

Apologies for absence were received from Mr. Stephen Chan, Mr. Nelson Lam, Mr. Eugene Liu and Ms. Florence Wong.

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| <p>1. <u>Minutes of the 200th meeting</u></p> <p>The minutes of the 200th meeting were approved by the Committee and signed by the Chairman.</p> | |
| <p>2. <u>Work plan for 2012 – status report</u></p> <p>The Committee considered the status of the report of the work plan and noted the progress made on the various projects.</p> | |
| <p>3. <u>IFRS Regional Policy Forum 2013 in Hong Kong</u></p> <p>The Chairman reported that Council of the Institute had approved the hosting of the next IFRS Regional Policy Forum in Hong Kong. The Committee considered the draft programme of the Forum prepared by the Standard Setting Department and had a number of comments on the proposed topics. The Standard Setting Department was requested to work with the IASB to organize some panel sessions that assist countries planning to converge with IFRS and to discuss advantages, disadvantages and challenges of different convergence approaches (e.g. selective adoption versus endorsement of original IFRS text).</p> <p>The Committee was requested to forward any further comments that they might have to the Standard Setting Department. The Committee requested the Department to prepare a revised draft for discussion at the next meeting.</p> | SS Dept. |

4. **IASB consultation documents**

The Committee noted that the IASB had issued the following exposure drafts: SS Dept.

- (a) IASB ED of Proposed Improvements to IFRSs (Fifth set - 2012);
- (b) IFRS Interpretations Committee ED of Put Options Written on Non-Controlling interests;
- (c) IFRS Interpretations Committee ED of Levies Charged by Public Authorities on Entities that Operate in a Specific Market;
- (d) IFRS Foundation Consultation Document of Due Process Handbook; and
- (e) IASB Request for Information Comprehensive Review of the IFRS for SMEs

For item (a) and (b), the Committee agreed that the relevant working groups should meet to develop the submissions.

For item (c), given the issue concerned is considered not common in Hong Kong, the Committee agreed that further action would be determined based on the comments received from constituents.

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 IFRS Trustees and Monitoring Board on the review of the IFRS Foundation's Governance.

For item (e), the Committee agreed that further action would be determined based on the comments received from the constituents and the outcome of the Companies Ordinance Rewrite on the eligibility for the use of the Small and Medium-Sized Entity Financial Reporting Framework and Financial Reporting Standard.

5. **Outreach activities for HKFRS 10 Consolidated Financial Statements for asset managers**

The Committee noted that the Institute would organize a joint financial reporting forum in September 2012 with members from the Committee, the Securities and Investment Funds Regulatory Liaison Group (SIFRLG) and professional organizations of the fund industry as speakers to discuss the impact of HKFRS 10 on asset managers. The new standard may change how asset managers assess the funds they manage for consolidation purposes. The proposed format of the forum would combine a presentation with a panel discussion. Members were asked to provide support to the event.

6. **Annual Accounting Update Conference 2012**

The Committee considered the revised programme of the Conference and was generally supportive of the proposed topics.

The Committee agreed that an update session on the Companies Ordinance Rewrite should be included if the bills were finalized before the Conference.

7. **Report on the visit of Vietnam MOF and plan for assisting developing countries in understanding IFRS**

The Chairman thanked the Committee for their contributions in delivering an informative and useful seminar for the Vietnam MOF during their visit to Hong Kong on 13 June 2012.

The Chairman advised that the AOSSG was initiating an idea of the establishment of IFRS Centers of Excellence in developing countries and there will be more discussion on participation of individual jurisdictions and funding arrangement at future AOSSG meetings. The Committee was generally supportive of the preliminary plan of assisting developing countries suggested by the Standard Setting Department, however the Committee expressed concern at the resource implications of assisting countries that had decided not to adopt IFRS word for word and were instead seeking to re-examine IFRS conclusions as to whether they were appropriate for their environment. It was agreed that detailed plan of technical assistance should be drawn up later to fit with AOSSG plans.

8. **Comparison between HKFRS and IFRS as at 30 June 2012**

The Committee considered the updated comparison table prepared by the Standard Setting Department. Members were requested to provide their comments, if any, to the Standard Setting Department.

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

CLEMENT CHAN
CHAIRMAN

6 July 2012