



Minutes of the 205th meeting of the Financial Reporting Standards Committee held on Tuesday, 5 March 2013 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. John Chong
Mr. James Fawls
Mr. Henri Fok
Ms. Susanna Lau
Mr. Ernest Lee
Mr. William Lim
Mr. Eugene Liu
Mr. Raymond Ng
Mr. Steve Ong
Ms. Shelley So
Mr. Gary Stevenson
Ms. Florence Wong
Mr. Davis Yu

In attendance: Mr. Simon Riley, Director, Standard Setting
Ms. Winnie Chan, Manager, Standard Setting

Apologies for absence were received from Ms. Kelly Kong.

Action

1. Welcome to new members

The Chairman welcomed Mr. John Chong, Mr. Raymond Ng, Mr. Gary Stevenson and Mr. Davis Yu as new members to the Committee.

The Committee recorded a vote of thanks to retired members, Mr. Stephen Chan, Ms. Caron Hughes, Mr. Nelson Lam and Mr. Kenneth Siu for their contributions to the Committee during the tenure of their services.

2. Guidance note on general confidentiality rules

The Chairman drew members' attention to the guidance note on the general confidentiality rules in relation to minutes and agenda papers of the Council and Committees appointed by the Council.

3. Terms of Reference

The Committee considered and agreed the terms of reference which was brought forward from last year.

4. Meeting schedule for 2013

The Committee noted the meeting dates for 2013.

5. Minutes of the 204th meeting

The minutes of the 204th meeting were approved by the Committee and signed by the Chairman.

6. **Work plan for 2013 – status report**

The Committee considered the status of its work plan and noted the progress made on the various projects.

The Standard Setting Department (SSD) was requested to set up a working group which is responsible for assessing the impact of the new Companies Ordinance on financial reporting. It was also agreed that the China Standards Advisory Group would be responsible for commenting and advising on China Accounting Standards for Business Enterprises (CASBEs)-related matters. Correspondence with MoF on significant financial reporting issues would be circulated to the Committee for fatal flaw review.

SS Dept.

7. **Update on IFRS Regional Policy Forum 2013 in Hong Kong**

The Standard Setting Director reported that the speaking line-up for the Forum is in near-final shape (some 28 speakers). In addition, it was confirmed that an AOSSG interim meeting will be held on the afternoon of 4 June 2013, which will follow an IASB-organised outreach seminar on its exposure draft of impairment to be held that morning. A Financial Reporting Forum with IASB members and staff participation to be held on 7 June 2013.

8. **IFRS Practice Statement Management Commentary**

A member requested for a discussion on whether there is a need in Hong Kong to consider again taking up the IFRS Management Commentary issued by the IASB in December 2010 as part of the international convergence framework.

SS Dept.

The Committee agreed to consider this matter after the SSD obtained an understanding of the implementation status of the Practice Statement in other jurisdictions.

9. **Draft submissions on IASB Exposure Drafts**

The Committee considered the draft submissions prepared by the SSD on the following IASB exposure drafts:

SS Dept.

- (a) Proposed Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets
- (b) Equity method; Share of Other Net Asset Changes

The Committee had a number of comments and editorial changes on the draft letter. The SSD was requested to revise the draft submission based on the comments received at the meeting for the consideration of the Committee by circulation.

10. **IASB Accounting Standards Advisory Forum (ASAF)**

The Chairman reported that AOSSG members supported the proposal of nominating AOSSG as a member of the ASAF and the individual to represent the AOSSG would typically be either the AOSSG Chair or Vice-Chair.

11. IVSC Consultation Papers

The Committee noted that the International Valuation Standards Council (IVSC) had issued the following consultation papers: SS Dept.

- (a) Discussion Paper of Valuation of Liabilities
- (b) Exposure Draft of Amendments to the International Valuation Standards

The Committee agreed that the financial reporting valuation working group should develop the Institute's submission.

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

CLEMENT CHAN
CHAIRMAN

19 April 2013