



Minutes of the 217th meeting of the Ethics Committee held on Wednesday, 28 July 2010 at 12:30 p.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. Raphael Ding (Chairman)
Mr. Eric Fok
Ms. Piera Ho (represented by Ms. Jacqueline Wong)
Mr. Alden Leung (via tele-conference)
Ms. Grace Ma
Ms. Virginia You
Ms. Monica Yu

In attendance: Mr. Chris Joy, Executive Director
Mr. Steve Ong, Director, Standard Setting
Ms. Alison Wilde, Director, Professional Development
Ms. Selene Ho, Assistant Director, Standard Setting
Ms. Grace Ho, Assistant Director, Professional Development

Apologies for absence were received from Mr. Raymond Kong, Mr. Stephen Chan, Mr. Wilson Chan, Mr. Frankie Lam, Mr. Amirali Nasir and Mr. Kenny Tam.

	<u>Action</u>
<p>1507. <u>New member</u></p> <p>The Chairman informed the Committee that the extant representative from The Law Society of Hong Kong, Mr. Joseph Li, will be replaced by Mr. Amirali Nasir with immediate effect. The Committee recorded a vote of thanks to past member, Mr. Joseph Li for his contributions.</p>	
<p>1508. <u>Minutes of the 215th and 216th Meetings</u></p> <p>The minutes of the 215th and 216th meetings were approved by the Committee and signed by the Chairman.</p>	
<p>1509. <u>Revised Statement 1.500 Continuing Professional Development (Statement 1.500)</u></p> <p>The Committee considered the revised Statement 1.500 prepared by the Professional Development Department. The Committee agreed with the approach of the revised Statement 1.500 and suggested the following improvement changes:</p> <ul style="list-style-type: none">• to delete "The Hong Kong Institute of Certified Public Accountants" in paragraph 34;• to re-consider any further changes to the list of GAA members in paragraph 34;• to delete the last sentence "The Council has also delegated to the Director, Professional Development this authority to grant extensions and exemptions to members for compliance with the CPD requirements." in paragraph 35;	PD

- to align wordings in paragraph 36 and (iii) of Appendix 2 of Statement 1.500 to highlight that generally, in recognition of public interest, no exemption will be granted to members holding practising certificates or directorship of listed companies except in circumstances approved on a case by case basis;
- to remove the reference to a specific time frame in the bold paragraph of Appendix 2 and to replace with terms such as "for a significant period" or "for a prolong period";
- to include an illustrative note to explain what it normally means by "for a significant period" in Appendix 2;
- to specify that the Council may also specify the time frame for a member resuming accountancy or accountancy related duties to refresh and update knowledge and also to remind members of the requirements under the Code of Ethics for Professional Accountants for professional competence and due care.

The Committee also agreed that there is no need to expose Statement 1.500 as there is no change to the key principles of the Statement and it maintains the same spirit of the extant Statement. The revised Statement provides additional clarity on the guidelines for granting exemptions.

The Professional Development Department is requested to make the necessary amendments and circulate the revised Statement 1.500 to the Committee for approval.

[Post meeting note: The revised Statement was approved by the Committee by circulation on 20 August 2010 and updated under Members' Handbook Update 92]

There being no further business, the meeting closed at 1:30 p.m.

RAPHAEL DING
CHAIRMAN

1 September 2010