



Minutes of the 220<sup>th</sup> meeting of the Ethics Committee held on Wednesday, 27 July 2011 at 9:30 a.m. in the Conference 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. Raymond Kong (Deputy Chairman) (Dial-in)  
Mr. Raymond Cheng (Dial-in)  
Ms. Susanna Cheung  
Mr. Ringo Chiu  
Mr. Eric Fok  
Ms. Grace Ma  
Mr. Amirali Nasir  
Ms. Jacqueline Wong  
Ms. Virginia You  
Ms. Monica Yu

In attendance: Mr. Steve Ong, Director, Standard Setting  
Ms. Selene Ho, Associate Director, Standard Setting  
Ms. Katherine Leung, Manager, Standard Setting

Apologies for absence were received from Mr. Alden Leung and Mr. Kenny Tam.

**1520. Minutes of the 219<sup>th</sup> Meeting**

The minutes of the 219<sup>th</sup> meeting were approved by the Committee and signed by the Chairman.

**1521. Joint Declaration of the China Ethics Committee and the Institute on the converged China Code of Ethics for Professional Accountants (China Code) and HKICPA Code of Ethics for Professional Accountants (HKICPA Code) (Joint Declaration)**

The Committee is requested to provide comments on the proposed Joint Declaration which would be signed by the Institute and the China Ethics Committee in early November 2011.

The SSD briefed the Committee on the due process undertaken for the project. The Committee deliberated on the differences between the China Code and the HKICPA Code. The Committee considered the use of the word "converged" in the Joint Declaration may not be appropriate. The Committee is concerned that it may be interpreted that members or firms complying with the HKICPA Code would also comply with the China Code which may not be the case as certain requirements in the China Code are more stringent. The Committee agreed that compliance with the China Code would mean compliance with the HKICPA Code, but not vice versa. SSD was requested to amend the wordings.

In addition, the Committee requested that ongoing submissions on exposure drafts of proposed/revised China Code should be approved the Committee.

Action

SSD

The Committee agreed that they would review the comparison between the IESBA Code of Ethics for Professional Accountants and the China Code prepared by CICPA and provide comments by end of August 2011.

**1522. The Institute's educational activities on the HKICPA Code**

The SSD reported that the Institute has carried out the following educational activities after the introduction of the HKICPA Code:

- Alert 14 was issued in February 2011 to provide guidance on the management's responsibility for preparation of accounting records and financial statements for an audit client;
- Special Task Force on Adoption of the HKICPA Code by Small and Medium Practitioners (SMP) was set up;
- Lunch forum was held on 24 May 2011 on the implementation of the HKICPA Code from SMP perspective for the provision of non-assurance services;
- Joint forum by the Institute and ICAEW was held on 18 July 2011 and various technical update evening sessions on the HKICPA Code were held throughout the period.
- Experience sharing seminar on the implementation issues faced by SMPs on the HKICPA Code will be held on 23 August 2011.
- A session on HKICPA Code from SMPs' perspective has been arranged at the Annual auditing update to be held on 24 September 2011;
- Alert 15 updating members on the implementation of the HKICPA Code from SMP's perspective would be issued.

[Posting meeting note: Alert 15 was issued on 2 August 2011 and can be accessed at:

[http://www.hkicpa.org.hk/file/media/section6\\_standards/technical\\_resources/pdf-file/financialauditing/2011/fraa-15.pdf](http://www.hkicpa.org.hk/file/media/section6_standards/technical_resources/pdf-file/financialauditing/2011/fraa-15.pdf)]

There being no further business, the meeting closed at 10: 45 a.m.

RAPHAEL DING  
CHAIRMAN

8 August 2011