



**Ethics Committee**  
**Meeting Summary – June 2008**

The Ethics Committee (Committee) met on 27 June 2008.

Members of the Committee present were: Philip Tsai (Chairman), Lucia Li (Deputy Chairman), Keith Pogson (Deputy Chairman), Wilson Chan, Graham Chan, Barbara Chan, Paul Cheng, Eric Fok, Charles Grieve, Piera Ho, Alex Lai, Quinn Law, Jonathan Leong, Selwyn Mar, Kenneth Morrison, Kenny Tam and Cecilia Yam.

Secretariat staff present were: Steve Ong, Selene Ho and Phoebe To.

The following agenda items were discussed:

1. Terms of Reference and Proposed Work Plan for 2008
2. Proposed Consultation Paper on the proposed identification of Hong Kong Entities of Significant Public Interest (ESPIs) for incorporation into the HKICPA Code of Ethics for Professional Accountants
3. Invitation to Comment on IESBA Re-Exposure Draft on Section 290 (Independence – Audit and Review Engagements) of the Code of Ethics on Internal Audit Services and Relative Size of Fees

**1. Terms of Reference and Proposed Work Plan for 2008**

The Committee considered and endorsed the Terms of Reference brought forward from the previous year. The Committee considered and endorsed the proposed Work Plan for 2008. A Committee member requested the Institute to take proactive steps to promote members' and the public's awareness of ethics for professional accountants in Hong Kong which is one of the items in the Committee's Terms of Reference.

**2. Proposed Consultation Paper on the proposed identification of Entities of Significant Public Interest (ESPIs) for incorporation into the HKICPA Code of Ethics for Professional Accountants**

The Convenor of the Working Group on ESPIs reported that the Working Group met on 28 January 2008 and 16 April 2008 to develop the draft Consultation Paper.

The Working Group proposed several guidelines for selecting ESPIs other than listed entities (which are classified as ESPIs by IFAC) in relation to the HKICPA Code of Ethics for Professional Accountants. The Working Group also concluded in its first draft that certain entities should be considered as ESPIs for Hong Kong.

The Committee noted that certain entities were proposed to be excluded as ESPIs based on a threshold. The Committee had comments on the proposed threshold and proposed principles in identifying ESPIs and the Working Group was requested to consider the comments and revised the proposed Consultation Paper, where appropriate.

*[Post meeting The Working Group met on 9 July 2008 to discuss the comments received on the Consultation Paper]*

**3. Invitation to Comment on IESBA Re-Exposure Draft on Section 290 (Independence – Audit and Review Engagements) of the Code of Ethics on Internal Audit Services and Relative Size of Fees**

The Committee ratified the Invitation to Comment on IESBA Re-Exposure Draft on Section 290 of the Code of Ethics on Internal Audit Services and Relative Size of Fees which was posted on the Institute's website on 16 June 2008 for consultation until 1 August 2008 after obtaining the Committee's endorsement by circulation.

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