

**CL 1**

Sender: Simon <simontsao05@yahoo.com.hk>  
Date: Tue 23/2/10  
Subject: Financial Reporting Lunch Forum - HKFRS for Private Entities

Dear Chris,

Your luncheon forum on the above refers. The question in mind throughout the forum was that is this a revised version of a three-tier reporting for HK enterprises? I believe I have written to the Institute on this way back in 2008 when Mr. Raphael Ding was the Chairman but no concrete answer was given. If you remembered my submission to the Government on the issue of Companies Ordinance Rewrite, sure you will understand my worry: should accounting standards override legislation? Accounting framework should come under a unique standard as a basis of measurement. The danger in the current accounting development is clearly 'off-course' and 'out-of-phase' with the current legislative constraint. If the Institute believes in a more relaxed disclosure requirement, should it replace the former SME disclosures (which of course be amended by legislation in the Eleventh Schedule!)?

With best regards,  
Simon