



Minutes of the 262<sup>nd</sup> meeting of the Ethics Committee held on Monday, 22 April 2024 at 12:30p.m. in Board Room of the Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong (and via video conference)

Present: Ms. Mary Xuereb (Chair)  
Mr. Horace Ma (Deputy Chair) (Dial-in)  
Mr. Paul Chan (Dial-in)  
Mr. Dennis Chan  
Ms. Elly Chui  
Mr. Eric Hung (Dial-in)  
Ms. Elaine Kwong  
Mr. Charbon Lo  
Mr. Dacky Leung (Dial-in)  
Mr. Rudolf Leung (Dial-in)  
Mr. Ricky Wong  
Ms. Cecilia Yam

In attendance: Mr. Chris Joy, Director  
Ms. Cecilia Kwei, Director, Standard Setting  
Ms. Selene Ho, Deputy Director, Standard Setting  
Ms. Grace Lau, Associate Director, Standard Setting  
Ms. Cherry Yau, Associate Director, Standard Setting

Apologies: Ms. Mary Lau

Observer: Mr. Jason Bradley, Accounting and Financial Reporting Council (Dial-in)

**1942. Minutes of the 261<sup>st</sup> meeting**

The Committee approved the minutes of the 261<sup>st</sup> meeting.

**1943. Work Plan Status Report**

The Committee considered the report and noted the progress of various projects.

**1944. Ethics Educational Materials Advisory Panel ("EEMAP")**

SSD thanked the member for the nomination to participate on the EEMAP. The Committee considered the proposed nominee possession of the relevant qualifications, experience and attributes required of EEMAP and approved the nomination.

**1945. Proposed local refinements to the definitions of listed entity and public interest entity in the Code**

At the last meeting, the Committee agreed that entities defined as public bodies in Schedule 1 of the Prevention of Bribery Ordinance ("POBO") would serve as a reference for developing additional categories of public interest entities ("PIEs") in Chapter A of the HKICPA *Code of Ethics for Professional Accountants* (the "Code"). Consequently, SSD categorized public bodies defined in the POBO based on their attributes and proposed to include some of them as additional PIE categories in Chapter A of the Code in accordance with the factors set out in paragraph 400.9.

Action

Furthermore, SSD analyzed the financial statements of non-governmental organizations that receive government subventions through the Lump Sum Grant Subvention System (“LSGSS”) of the Social Welfare Department. Using the statistics gathered (“statistics”), SSD proposed quantitative thresholds to include entities that receive substantial government subvention and donation income as additional PIEs in Chapter A of the Code.

Additionally, SSD identified a few specific entities that could potentially be additional PIEs in the Code.

The Committee noted the findings and proposals by SSD and provided the following comments:

- To enhance the representation of the statistics, members of professional firms were suggested to provide further information on government subvention and donation income. This would help to develop appropriate criteria and quantitative thresholds to identify entities receiving government subvention and donation income as additional PIEs in Chapter A of the Code.
- The Committee also recommended SSD to consider other types of entities that could potentially be additional PIEs in Chapter A of the Code.

*[Post meeting note: A request for information on government subvention and donation was sent to members of professional firms on 25 April].*

**1946. IESBA’s exposure draft on Using the Work of an External Expert**

The Committee considered the draft comment letter incorporating the comments received from the local invitation to comment as well as the Sustainability Ethics Advisory Panel (“SEAP”), and provided the following comments:

- To provide information about which group of stakeholders that the Institute reached out for soliciting comments.
- To revisit the response relating to the prohibition from using the expert’s work if the expert does not pass the proposed competence, capabilities and objectivity evaluation.

*[Post meeting note: SSD circulated the revised comment letter for the Committee’s approval subsequent to the meeting. The comment letter was approved for submission on 26 April and was submitted to the IESBA on 29 April which is available at: [https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03\\_Our-views/PCD/2024/wee/sub\\_wee.pdf](https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03_Our-views/PCD/2024/wee/sub_wee.pdf).]*

**1947. IESBA’s exposure draft on Proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting (“ED-IESSA”)**

The Committee considered the draft comment letter incorporating the comments received from the local invitation to comment, online survey and the SEAP, and provided the following comments:

- To provide information about which group of stakeholders that the Institute reached out for soliciting comments.

- To revisit the draft responses concerning the scope of the ED-IESSA, as well as the proposed requirements relating to fee-related information disclosures, non-compliance with laws and regulations and value chain entities.

*[Post meeting note: SSD circulated the revised comment letter for the Committee's approval subsequent to the meeting. The comment letter was approved for submission on 7 May and was submitted to the IESBA on 9 May which is available at: [https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03\\_Our-views/PCD/2024/sub0524/sub\\_iesbasus.pdf](https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03_Our-views/PCD/2024/sub0524/sub_iesbasus.pdf).]*

**1948. IESBA National Standards Setters (“NSS”) meeting**

The Committee noted the SSD staff would participate the IESBA NSS meeting in early May and the presentation materials would be shared by SSD following the Committee's meeting. SSD staff would report to the Committee the key notes from the NSS meeting at the next meeting.

*[Post meeting note: The presentation materials for the NSS meeting were circulated to the Committee on 22 April.]*

**1949. Any other business**

The Committee did not have any local implementation issues on ethical requirements for discussion.

The Committee noted that the next meeting was scheduled for 14 May and was requested to suggest agenda items by 23 April. However, considering the need for ample time for member firms to prepare and provide statistics set out in paragraph 1945 above, the Committee suggested rescheduling the next meeting to a later date in May.

There being no further business, the meeting closed at 1:50 p.m.

MARY XUEREB  
CHAIR

10 May 2024