



# Technical Update Evening 2006

## Programme 1 : January to April 2006

Updates on the Hong Kong Institute of CPAs  
standard-setting activities :  
Financial Reporting, Auditing and Ethics

### What is TUE? What does it aim to provide?

- Each session addresses one or two main themes of topical interest, with an emphasis on recently released standards and guidance. The sessions will be conducted by the Hong Kong Institute of CPAs Technical Directors
- Sessions will usually include both presentations and question-and-answer segments and members are encouraged to participate actively in these sessions
- Sessions will be limited to 100 participants to enable members to participate and raise technical issues in a relatively informal after-office-hours setting
- The sessions are designed to supplement the other channels the Institute uses to provide technical information to members, including TechWatch, the Technical Query Service, the Institute's magazine *A Plus* and other forms of CPD

### Who should attend?

- ✓ **Members in practice**
- ✓ **Financial statements preparers**
- ✓ **Financial controllers**
- ✓ **Members and Registered Students who wish to keep abreast of Hong Kong Institute of CPAs' latest technical developments**

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# Your Hosts of TUE 2006



**Elaine Chan**  
Assistant Director  
Standard Setting

**Elsa Ho**  
Assistant Director  
Standard Setting

**Stephen Chan**  
Executive Director

**Patricia McBride**  
Director  
Standard Setting

**Steve Ong**  
Assistant Director  
Standard Setting

During TUE 2006, each of your hosts will present sessions in their areas of expertise. As you can see from the following pages, the programme covering January to April 2006 addresses issues relating to audit of listed issuers, the new Code of Ethics (issued in December 2005), a discussion of the new

Accounting Guideline relating to merger accounting (issued in November 2005) and other financial reporting matters.

We urge you to join us in these sessions, as we learn from your questions and comments and we hope that you learn from our expertise.

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## TUE Registration

Applications for registration will be accepted on a **first-come-first-served** basis as seats are **limited** to 100. In case of over-subscription, consideration may be given to arranging a **re-run session**. Applications for registration will be accepted only from **Hong Kong Institute of CPAs members and students**. The success of TUE 2006 depends on active participation. If you have a **basic understanding** of the subject before attending, you will find the **interaction** with your host(s) more productive.

For members and students who wish to attend a TUE, please complete the enclosed **TUE Registration Form** and return it to the **Member Services Department** of the Institute on or before the application deadline, together with either your credit card details or a cheque. Applications for registration by **fax** will be accepted only for **Institute Visa card** payments.

**Confirmation** will be sent by **e-mail** unless your application for registration is unsuccessful. Unless the session is cancelled due to unforeseen circumstances, **no refund** will be given after your registration has been confirmed.

# TUE Programme for 2006

**Time** : 7:00p.m. to 8:00p.m.

**Venue** : Hong Kong Institute of CPAs Meeting & Training Centre,  
Room 1205, 12/F, Tower Two, Lippo Centre, 89 Queensway, Hong Kong

**Fee** : HK\$120 per session

**HKICPA CPD Hour** : 1 hour

**TUE Programme enquiries:**

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Member Services Department

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yvonnechew@hkcipa.org.hk

For more information on the current and future TUE programme, please visit  
[www.hkcipa.org.hk/professionaltechnical/TUE/index.php](http://www.hkcipa.org.hk/professionaltechnical/TUE/index.php)

TUE No.	Date	Topic	Speakers
601	Thursday 26 Jan 2006	<b>Practice Notes relating to Audit of Listed Issuers</b>  This session will give an outline of the recent Practice Notes issued relating to Audit of Listed Issuers <ul style="list-style-type: none"><li>• PN 720 Acting as Scrutineer at a General Meeting of a Listed Issuer</li><li>• PN 730 Guidance for Auditors Regarding Preliminary Announcements of Annual Results</li></ul> PN 720 provides guidance to auditors who have been requested by a Listed Issuer to act as scrutineer when a poll is called at a general meeting. PN 730 provides guidance for auditors on their responsibilities with regard to the preliminary announcement of results for the full financial year of a listed issuer.  <b>Application deadline: 24 January 2006</b>	Stephen Chan Steve Ong
602	Tuesday 7 Feb 2006	<b>Business Combinations: New Accounting Guideline on Merger Accounting and other recent developments</b>  <i>Accounting Guideline (AG) 5 Merger Accounting for Common Control Combinations</i> sets out the basic principles and procedures of merger accounting when recognising a common control combination. This session will give an outline of the guidance in AG 5 and work through a few examples applying the guidance.  This session will also give a brief outline of other recent developments in terms of the accounting for business combinations, including those resulting from the Companies (Amendment) Ordinance 2005 and those proposed under the IASB exposure draft on the proposed revised IFRS 3 <i>Business Combinations</i> .  <b>Application deadline: 2 February 2006</b>	Elsa Ho

TUE No.	Date	Topic	Speakers
603	Tuesday 21 Feb 2006	<p><b>New Code of Ethics Issues relevant to Auditors and CPAs in Public Practice</b></p> <p>The Institute has recently issued a new Code of Ethics for Professional Accountants that is converged with the IFAC Code of Ethics for Professional Accountants. The new Code of Ethics will be effective from 30 June 2006.</p> <p>This session will explain the conceptual framework established by the new Code which introduces a threats and safeguards approach to virtually all areas of professional ethics similar to the current approach to independence for assurance engagements. It will focus on ethics for professional accountants in public practice with examples of situations to illustrate the concept introduced by the new Code.</p> <p><b>Application deadline: 16 February 2006</b></p>	Stephen Chan Elaine Chan
604	Tuesday 14 Mar 2006	<p><b>Introduction to Financial Instruments</b></p> <p>This session is designed for those who are still struggling with the basic requirements of HKAS 32 <i>Financial Instruments: Disclosure and Presentation</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement</i>. It will cover existing requirements, and forthcoming changes, at an introductory level:</p> <ul style="list-style-type: none"> <li>• Distinction between debt and equity</li> <li>• Types of financial assets and financial liabilities</li> <li>• Recognition and derecognition</li> <li>• Measurement: fair value, amortised cost, impairment</li> <li>• Derivatives, including embedded derivatives</li> <li>• Hedge accounting: the three hedge relationships and associated requirements</li> </ul> <p><b>Application deadline: 9 March 2006</b></p>	Patricia McBride
605	Tuesday 21 Mar 2006	<p><b>New Code of Ethics Issues relevant to Professional Accountants in Business (PAIBs)</b></p> <p>Similar to the earlier session on ethics for auditors and CPAs in public practice, this session will explain the conceptual framework established by the new Code which introduces a threats and safeguards approach to virtually all areas of professional ethics similar to the current approach to independence for assurance engagements.</p> <p>The focus will be on ethics for PAIBs. While the existing Professional Ethics Statements primarily focus on ethics for professional accountants in public practice, Part C of the new Code deals specifically with ethics for PAIBs. This session will discuss some common examples of situations with ethical implications encountered by PAIBs in their work places.</p> <p><b>Application deadline: 16 March 2006</b></p>	Stephen Chan Elaine Chan

TUE No.	Date	Topic	Speakers
606	Tuesday 11 April 2006	<p><b>Issues in Preparing Financial Statements</b></p> <p>This session will discuss a number of issues relating to the preparation and use of financial statements. Preparers, auditors and users of financial statements need to understand their increased responsibilities now that Hong Kong Financial Reporting Standards are steadily becoming more 'principles-based'. The session will provide an opportunity for members to raise issues they encountered in applying HKFRSs.</p> <p>In addressing these issues, this session will cover</p> <ul style="list-style-type: none"> <li>• The purpose of financial statements – the differing perspectives of users and preparers</li> <li>• Principles-based standards and rules-based standards – advantages and disadvantages</li> <li>• Selection of accounting policies and application of accounting standards: the requirements of HKAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i></li> <li>• The importance of the <i>Framework for the Preparation and Presentation of Financial Statements</i> in selecting and applying accounting policies</li> <li>• The impact of materiality on financial reporting</li> </ul> <p><b>Application deadline: 6 April 2006</b></p>	Patricia McBride
607	Tuesday 25 April 2006	<p><b>Improving Audit Documentation</b></p> <p>This session will cover the new Hong Kong Standard on Auditing (HKSA) 230, <i>Audit Documentation</i>, adopting the equivalent International Auditing Standard.</p> <p>HKSA 230:</p> <ul style="list-style-type: none"> <li>• Places increased emphasis on the timely preparation of audit documentation necessary to provide a sufficient and appropriate record of the basis for the auditor's report</li> <li>• Establishes a new requirement that the audit is carried out in accordance with HKSAs and applicable legal and regulatory requirements.</li> <li>• Establishes a new requirement that the auditor completes the assembly of the final audit file on a timely basis after the date of the auditor's report.</li> <li>• Establishes a new requirement that the auditor should not delete or discard audit documentation after the final audit file has been assembled, unless the retention period for the audit documentation has elapsed.</li> </ul> <p><b>Application deadline: 20 April 2006</b></p>	Stephen Chan Steve Ong

# TUE Registration Form

## Programme 1: January to April 2006

Please use **BLOCK LETTERS**

Name \_\_\_\_\_ HKICPA Membership / Student No. \_\_\_\_\_

Company Name \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_ E-mail \_\_\_\_\_

Please mark a "✓" against the session(s) for which you wish to apply

- 601 (26 Jan 06)       602 (7 Feb 06)       603 (21 Feb 06)       604 (14 Mar 06)
- 605 (21 Mar 06)       606 (11 Apr 06)       607 (25 Apr 06)

Admission Fee: HKD120 per session x \_\_\_\_\_ session(s) = HKD \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

### Payment by:

- Cheque No. \_\_\_\_\_ (Bank \_\_\_\_\_)

*For cheque payment, please staple the cheque payable to "Hong Kong Institute of Certified Public Accountants" to the TUE registration form before returning it to the HKICPA. Please issue SEPARATE CHEQUE for each session.*

- HKICPA Visa card (only the HKICPA Visa Card (Wing Lung Bank Limited) is accepted)

*For payment by the HKICPA Visa card, please fill in the following:*

Card Number \_\_\_\_\_

Cardholder's Name \_\_\_\_\_ Card Expiry Date (month / year) \_\_\_\_\_

Cardholder's Signature \_\_\_\_\_ Date \_\_\_\_\_

**To:** Member Services Department,  
Hong Kong Institute of CPAs,  
37th Floor, Wu Chung House,  
213 Queen's Road East,  
Wanchai, Hong Kong.

**Fax:** 2865 6776 / 2865 6603

### FOR OFFICIAL USE

Auth. Code No. \_\_\_\_\_

Handled by \_\_\_\_\_

Date \_\_\_\_\_