



Minutes of the 204<sup>th</sup> meeting of the Financial Reporting Standards Committee held on Wednesday, 12 December 2012 at 8:30 a.m. in the Board 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. Clement Chan (Chairman)  
Mrs. Catherine Morley (Deputy Chairman)  
Mr. Stephen Chan  
Mr. Vincent Ching  
Ms. Caron Hughes  
Ms. Kelly Kong  
Mr. Ernest Lee  
Mr. William Lim  
Mr. Eugene Liu  
Mr. Steve Ong  
Mr. Paul Phenix  
Mr. Kenneth Siu  
Ms. Shelley So  
Ms. Florence Wong

In attendance: Mr. Simon Riley, Director, Standard Setting  
Ms. Winnie Chan, Manager, Standard Setting  
Mr. Ambrose Wong, Manager, Standard Setting

Apologies for absence were received from Mr. Colin Chau, Mr. James Fawls and Mr. Henri Fok.

Action

**1. Minutes of the 203<sup>rd</sup> meeting**

The minutes of the 203<sup>rd</sup> meeting were approved by the Committee and signed by the Chairman.

**2. Work plan for 2012 – status report**

The Committee considered the status of its work plan and noted the progress made on the various projects.

**3. Report on the various international meetings**

The Committee received a report prepared by the Standard Setting Department on the Three Countries meeting (China, Japan and Korea) in Seoul on 10 October, International Forum of Accounting Standards Setters' Meeting (IFASS) in Zurich on 22 – 23 October, AOSSG Informal Meeting in London on 24 October, World Standard Setters Meeting (WSS) in London on 25 – 26 October and Annual AOSSG Meeting in Nepal on 27 – 29 November.

The Chairman and the Standard Setting Director briefed the Committee on the key matters discussed at the various meetings as follows:

- the latest developments of key IFRS projects (i.e. revenue recognition, leases, financial instruments and insurance project)
- the IASB's revised work plan
- Update on recent IASB proposals for the creation of the Accounting

Standards Advisory Forum to provide technical advice and feedback to the IASB from the standard-setting community

- Presentation of the projects on IFRS for SMEs and IFRS 8 Post-implementation reviews by the HKICPA at the AOSSG Annual Meeting.

**4. IVSC Discussion Paper: Valuation of Trade Related Property**

The Committee considered the draft submission prepared by the Standard Setting Department. Members were requested to provide their suggested improvement changes to the Standard Setting Department before the end of this week.

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**5. IASB and IVSC Exposure Drafts**

The Committee noted that the IASB and the International Valuation Standards Council (IVSC) had issued the following exposure drafts (ED):

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- (a) IASB ED of Annual Improvements to IFRSs 2011-2013 cycle
- (b) IASB ED of Proposed Amendments to IAS 28 – Equity Method: Share of Other Net Asset Changes
- (c) IASB ED of Proposed Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation
- (d) IASB ED of Limited Amendments to IFRS 9 – Classification and Measurement
- (e) IVSC ED of Valuation Uncertainty
- (f) IVSC ED of the Valuation of Forests
- (g) IVSC ED of Investment Property

For items (a) – (c), given the topic of each ED is not complex, the Committee agreed that a working group should be set up to deal with the exposure drafts together.

For item (d), the Committee agreed that the ED should be considered by the financial instruments working group. Since the ED is related to the insurance industry, the Committee requested the Standard Setting Department to invite insurance experts to join the working group.

For items (e) – (g), the Committee agreed that the financial reporting valuation working group should be invited to develop the Institute's submission.

**6. Matters related to the rewrite of Companies Ordinance**

The Committee considered and discussed a request received from the Companies Registry related to the consultation draft Companies (Summary Financial Reports) Regulation and the draft regulation on Companies (Disclosure of Information about Benefits of Directors) Regulation under the Second Phase Consultation on the Subsidiary Legislation for Implementation of the new Companies Ordinance.

A member raised concerns over the practical implications for the audit arising from certain disclosures proposed in the draft regulation about directors' interests in transactions, arrangements and contracts. The Committee requested the Standard Setting Department to prepare a response based on the comments received at the meeting for the consideration of the Committee by circulation.

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7. **IASB Presentation on Insurance Contracts Project**

The Standard Setting Director advised that a presentation on Insurance Contracts Project will be given by IASB technical manager, Ms Joanna Yeoh, on 27 December 2012 at the Board Room of the Institute.

8. **Proposed Revisions to Main Board Listing Rules – Appendix 16**

Mr. Steve Ong, representative of the HKEx advised the Committee that the Exchange proposed to make revisions to the Main Board Listing Rules – Appendix 16 *Disclosure of Financial Information* and its GEM Rules equivalent, to provide clarity to preparers and auditors of financial statements of listed companies. Mr. Ong invited members with an interest in this revision to provide comments to the HKEx.

9. **Any other business**

The Chairman advised that Ms. Elsa Ho had resigned from the Committee as a result of her appointment as the HKICPA Director of Quality Assurance.

The Chairman also reported that the meeting would be the last meeting for the extant Committee and thanked members who contributed their services to the Committee during the year.

There being no further business, the meeting closed at 11:15 a.m.

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CHAIRMAN

19 December 2012