



Hong Kong Institute of  
Certified Public Accountants  
香港會計師公會



# TechWatch

News at a glance

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TechWatch updates you on technical developments in financial reporting, auditing, ethics, regulation and business. The Institute welcomes your comments, emailed to < [commentletters@hkicpa.org.hk](mailto:commentletters@hkicpa.org.hk) >. Click [here](#) for past issues.

## Contents

### Financial Reporting, Auditing and Ethics

#### New!

1. [New Technical Update Evenings and Seminar in January 2013](#)

#### Members' Handbook

2. [Handbook Update No. 122](#)

#### Financial Reporting

3. [Invitations to Comment on Consultation Documents](#)
4. [Institute Comments on IFRS Interpretations Committee ED](#)

#### Audit & Assurance

5. [HKICPA Auditing and Assurance Standards Committee](#)
6. [Invitations to Comment on Consultation Documents](#)

#### Ethics

7. [Institute Comments on IESBA ED](#)

#### International Meetings

8. [IASB](#)
9. [IFRS Interpretations Committee](#)
10. [IAASB](#)
11. [IESBA](#)

#### Useful Resources

12. [Publications](#)

#### Comment Due Dates

### Specialist Practices, Business Members and Advocacy

#### Professional Accountants in Business

13. [Results of the 2012 Best Corporate Governance Disclosure Awards](#)
14. [Proposed International Guidance on Project and Investment Appraisal for Sustainable Value Creation](#)

#### Corporate Finance

15. [Consultation Conclusions on Listing Rule Changes Consequential to the Statutory Inside Information Disclosure Regime](#)
16. [SFC's Consultation Service on Statutory Inside Information Disclosure](#)
17. [Proposals to Enhance Regulation of Non-corporate Listed Entities](#)
18. [Launch of Investor Education Centre](#)

#### Corporate Governance

19. [Institute's Submission on Board Diversity](#)

#### Taxation

20. [Taxability of Granting Rights to Exhibit Television Programmes Outside Hong Kong](#)
21. [Advance Ruling on the Change of Accounting Date](#)
22. [LegCo Questions](#)
23. [Tax Treaty Signed with Canada](#)

#### Legislation & Other Initiatives

24. [Institute Submits Views on Subsidiary Legislation to Implement the New Companies Ordinance](#)
25. [Latest Notices on AML/CFT](#)

#### Useful Resources

26. [Library Resources](#)
27. [Other Publications](#)

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## Financial Reporting, Auditing and Ethics

### New!

#### 1. New Technical Update Evenings and Seminar in January 2013

The Institute will run a series of technical update evenings ("TUE") and a seminar for accounting and ethics in January 2013, as follows:

- [TUE – Application issues on HKAS 12 Income Taxes](#)
- [TUE – Leaseholds revisited \(latest developments in the IASB's quest to revise IAS 17\)](#)
- [Seminar on the revised Code of Ethics](#)

Information on each course, including registration details, can be found by clicking on the above event titles.

### Members' Handbook

#### 2. Handbook Update No. 122

**Update No. 122** includes new HKSAE 3410 *Assurance Engagements on Greenhouse Gas Statements*, which addresses practitioners' responsibilities in identifying, assessing, and responding to risks of material misstatement when engaged to report on greenhouse gas statements. It sets out requirements and guidance on the work and reporting responsibilities of practitioners for both reasonable and limited assurance engagements.

HKSAE 3410 is applicable to a broad range of situations, from emissions from electricity used at a single office, to emissions from complex physical or chemical processes at several facilities across a supply chain. It is effective for assurance reports covering periods ending on or after 30 September 2013.

### Financial Reporting

#### 3. Invitations to Comment on Consultation Documents

- (i) *IVSC ED The Valuation of Forests*

The Institute has issued an [Invitation to Comment](#) on IVSC ED *The Valuation of Forests*, with comments requested by **11 January 2013**.

The ED deals with valuation guidance for commercial forests. As stated in the IVSC's press release, accompanying the ED, over recent years there has been increasing interest in forestry as an investment class not only because of the enduring demand for timber but also because it meets the ethical and sustainability criteria of many investors. Governments have also been keen to ensure investment in forests and many have encouraged this through tax incentives.

However, unlike other asset classes that have long been traded across borders until comparatively recently most forestry investment was localized. This has led to a wide variation in valuation practices being developed in different countries and sectors. Concerns have also been expressed by some financial regulators about the lack of recognized standards for valuation in the sector and the risk this represents to investors.

Another consideration indicating the need for international valuation guidance has been the adoption of the IFRS around the world. An ever increasing number of entities involved in forestry are required to account for their interest under IAS 41 *Agriculture*, which requires the 'fair value' of the 'biological asset', represented by the tree crop, to be estimated. Because the trees cannot exist without the land on which they are growing this can create some conceptual difficulties in allocating the value of the complete forest to its different components.

(ii) *IVSC ED Valuation Uncertainty*

The Institute has issued an **Invitation to Comment** on *IVSC ED Valuation Uncertainty*, with comments requested by **11 January 2013**.

The proposed guidance looks at how valuation uncertainty can be identified, explained and disclosed in a way that is informative to those relying on valuations. As stated in the IVSC's press release, accompanying the ED, the ED has been produced in answer to calls from the G20 and financial regulators around the world for improved standards of transparency and disclosure of valuation uncertainty factors. This is in recognition that too many institutions were placing wholly inappropriate confidence in valuations in the period leading up to the 2008 financial crisis, and that the sudden evaporation of that confidence was a major contributor to the subsequent crash.

The ED makes a clear distinction between market risk, which is both generally understood and acknowledged by investors and reflected in the pricing, and uncertainty caused by disruption or dislocation in the market place. It also gives guidance to valuation providers on the principles that should be observed in measuring and disclosing uncertainty.

(iii) *IASB ED of Annual Improvements to IFRSs 2011-2013 Cycle*

The Institute has issued an **Invitation to Comment** on IASB ED of *Annual Improvements to IFRSs 2011-2013 Cycle*, with comments requested by **16 January 2013**.

As stated in the IASB's press release, accompanying the ED, the proposed amendments reflect issues discussed by the IASB in the project cycle that began in 2011. These amendments meet the criteria for the annual improvements process set out in the *Due Process Handbook for the IASB*. The criteria help in deciding whether

a matter relating to the clarification or correction of IFRSs should be addressed using the annual improvements process.

The proposed effective date for the amendments is for annual periods beginning on or after 1 January 2014, although entities would be permitted to adopt them earlier.

The topics addressed by these proposed amendments are as follows:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* (Meaning of "effective IFRSs")
- IFRS 3 *Business Combinations* (Scope exceptions for joint ventures)
- IFRS 13 *Fair Value Measurement* (Scope of paragraph 52 (portfolio exception))
- IAS 40 *Investment Property* (Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property)

(iv) *IASB ED of Equity Method: Share of Other Net Asset Changes*

The Institute has issued an **Invitation to Comment** on IASB ED of *Equity Method: Share of Other Net Asset Changes*, with comments requested by **22 February 2013**.

As stated in the IASB's press release, accompanying the ED, the objective of the proposed amendments is to provide additional guidance to IAS 28 *Investments in Associates and Joint Ventures* on the application of the equity method. Specifically, it aims to provide guidance on how investors should recognize their share of the changes in the net assets of an investee that are not recognized in profit or loss or other comprehensive income of the investee, and that are not distributions received ("other net asset changes"). The

IASB proposes that investors should recognize in the investors' equity their share of the investee's other net asset changes.

#### 4. Institute Comments on IFRS Interpretations Committee ED

The Institute made a [submission](#) to the IFRS Interpretations Committee on its ED of *Put Options Written on Non-Controlling Interests* ("NCI"). The Interpretations Committee proposed that all changes in the measurement of a put option written on NCI ("NCI put") should be recognized in profit or loss in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 9 *Financial Instruments*. The Institute agreed that diversity in practice existed in accounting for the subsequent measurement of the financial liability that was recognized in a parent entity's consolidated financial statements. However, the Institute was concerned with the narrow focus of this project which did not address the broad range of issues arising from the accounting for derivatives written over NCI.

In addition, the Institute was concerned that the proposal may not reflect the commercial substance of some NCI put transactions and that the proposed accounting may result in counter-intuitive outcomes.

The Institute had significant concerns regarding the IASB's proposed approach in dealing with NCI puts and in the proposed scope of the draft Interpretation. The Institute encouraged the IASB to reconsider its previous decision not to proceed with the limited amendment to the scope of IAS 32 *Financial Instruments: Presentation* as proposed by the IFRS Interpretations Committee in September 2011; or, as an alternative, for the IFRIC to consider whether the basis for the conclusion reached in IFRIC 17 *Distributions of Non-cash Assets to Owners* concerning the re-measurement of a dividend is equally valid by analogy for the re-measurement of an NCI put.

Rather than proceeding with an Interpretation, the Institute believed the IASB should address the accounting for NCI puts on a more comprehensive basis and urged the IASB to

consider the broader issues in the Financial Instruments with the Characteristics of Equity project, which the IASB had expressed support to be added to its research programme with the aim of developing more principle-based guidance.

### Audit & Assurance

#### 5. HKICPA Auditing and Assurance Standards Committee

The [AASC minutes](#) of the meeting on 16 October 2012 cover the following items:

- AASC Work Plan 2012 – Status Report
- HKSAE 3410 "Assurance Engagements on Greenhouse Gas Statements"
- HKSRE 2400 (Revised) "Engagements to Review Historical Financial Statements"
- CICA's Discussion Paper *Enhancing Audit Quality: Canadian Perspectives – The Auditor Reporting Model*
- IAASB Roundtable: Improving the Auditor's Report
- Working Group on Section 408 of the new Companies Ordinance (formerly clause 399)
- Convergence Process with the IAASB
- Annual Auditing Update Conference 2012

#### 6. Invitations to Comment on Consultation Documents

- (i) IFAC's IAASB ED ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon*

The Institute has issued an [Invitation to Comment](#) on IAASB's ED ISA 720 (Revised), with comments requested by **15 February 2013**.

The proposed standard clarifies and enhances the scope and focus of auditor efforts on "other information" – that is, information included in documents containing or accompanying the entity's audited financial statements. The proposals recognize that significant changes in financial reporting have occurred over the last two decades regarding the information issued in connection with an entity's financial statements and the manner in which it is shared with users.

Under the proposed standard, the auditor is required to read and consider the other information in light of the understanding of the entity and its environment the auditor has acquired during the course of the audit, and to respond appropriately when the auditor identifies a potential material inconsistency in the other information or a material misstatement in the audited financial statements. The proposed ISA 720 expands the documents considered as "other information," and clarifies and enhances the nature of the auditor's responsibilities with respect to reading and considering other information. In addition, it includes guidance to assist auditors in determining the nature and extent of their work in considering the other information.

Proposed ISA 720 (Revised) also introduces reporting obligations to explain in the auditor's report the nature of the auditor's responsibilities relating to the other information and the findings from the auditor's work, to enhance transparency. The proposals do not extend the scope of the auditor's opinion on the financial statements to cover the other information.

- (ii) ED Revised HKSIR 400 *Comfort Letters and Due Diligence Meetings*

The Institute has issued an [Invitation to Comment](#) on ED Revised HKSIR 400, with comments requested by **17 December 2012**.

HKSIR 400 was last revised in October 2011 to be more closely in line with

international practices. The current revision is mainly improvement changes to the wording in the example letters.

- (iii) ED PN 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal*

The Institute has issued an [Invitation to Comment](#) on ED Practice Note ("PN") 750, with comments requested by **23 January 2013**.

The purpose of the PN is to provide guidance to practitioners as to their responsibilities when they are engaged to review the financial information included in a circular issued in relation to a very substantial disposal ("VSD") under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited Chapter 14.68(2)(a)(i) or the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited Chapter 19.68(2)(a)(i) issued by The Stock Exchange of Hong Kong Limited and on the form and content of the report.

The PN addresses the significant issues that may be encountered by practitioners when undertaking such an engagement and summarizes the principal matters which should be taken into consideration by the practitioners.

Once finalized and issued, the PN should help to ensure consistency in the scope of work done by auditors when reporting on VSD.

## Ethics

### 7. Institute Comments on IESBA ED

The Institute made a [submission](#) to the IESBA ED on Proposed Change to the Definition of "Those Charged with Governance" and was supportive of the changes proposed by the IESBA to more closely align the definition of "those charged with governance" in the IESBA *Code of Ethics for Professional Accountants* ("the Code") with that in ISA 260

*Communication with Those Charged with Governance.*

The Institute agreed with the IESBA's analysis that the communications required under the Code should be to the same group of people as the communications to "those charged with governance" under ISA 260.

The Institute also agreed with the IESBA's proposed changes to incorporate within the Code the requirements on the determination by an auditor with whom within the entity's governance structure the auditor should communicate.

In addition, the Institute recommended the IESBA to consider providing practitioners with non-authoritative guidance to assist in their implementation of the proposed changes to the Code.

### International Meetings

#### 8. International Accounting Standards Board

The IASB met on 19-21 November 2012, and discussed the following topics:

- Levies charged by public authorities on entities that operate in a specific market
- Financial Instruments: Impairment
- Revenue Recognition
- Conceptual Framework
- Insurance Contracts
- Offsetting Disclosures – Amendments to IFRS 7 (Update)
- Due Process Documents
- Enhanced Disclosure Task Force Report

Click to view the IASB Update on the meeting of [19-21 November](#). The IASB next meets in December 2012.

#### 9. IFRS Interpretations Committee

The IFRS Interpretations Committee met on 13-14 November 2012 and discussed the following topics:

- IAS 1 *Presentation of Financial Statements* - Disclosures about going concern
- IAS 16 *Property, Plant and Equipment*, IAS 38 *Intangible Assets* and IFRIC 12 *Service Concession Arrangements* - Variable payments for the separate acquisition of property, plant and equipment and intangible assets
- IAS 19 *Employee Benefits* - Employee benefit plans with a guaranteed return on contributions or notional contributions
- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* —Interpretation on Levies
- Interpretations Committee agenda decisions
- Interpretations Committee tentative agenda decisions
- Issues considered for Annual Improvements
- Interpretations Committee work in progress

Click to view the IFRIC Update on the meeting of [13-14 November](#). The IFRS Interpretations Committee next meets in January 2013.

#### 10. International Auditing and Assurance Standards Board

The IAASB next meets in December 2012. Click [here](#) for details and previous meeting summary.

#### 11. International Ethics Standards Board for Accountants

The IESBA next meets in December 2012. Click [here](#) for details and previous meeting summary.

## Useful Resources

### 12. Publications

The following are recent publications on various topics:

- (i) **HKFRS news** on hedge accounting and joint arrangements by PwC
- (ii) **Comparison** between IFRS and US GAAP by KPMG
- (iii) Illustrative financial statements:
  - **Illustrative financial statements** by Deloitte
  - **Illustrative financial statements and disclosure checklist** by Ernst & Young
  - **IFRS illustrative financial statements, HKFRS illustrative financial statements and HKFRS illustrative financial statements for authorized institutions** by KPMG
  - **Illustrative financial statements** by PwC
- (iv) Memorandum of Understanding between IFAC, IIRC and IVSC:
  - **Press release:** MoU between IFAC and IIRC
  - **Press release:** MoU between IFAC and IVSC
- (v) **Staff analysis** of SEC final staff report on IFRS by IFRS Foundation
- (vi) **Communiqué** of China-Japan-Korea meeting by standard setters from China, Japan and Korea
- (vii) **Speech** by IASB Chairman on leases and global adoption of IFRS

(viii) Overview of IFRS:

- **IFRS update** by Ernst & Young
- **Overview** by KPMG
- (ix) **HKFRS Update** on annual improvements 2009-2011 Cycle by RSM Nelson Wheeler
- (x) **Report** "Enhancing the Risk Disclosures of Banks" by the Financial Stability Board's Enhanced Disclosure Task Force

## Comment Due Dates

**17 December 2012:** ED Revised HKSIR 400 *Comfort Letters and Due Diligence Meetings*

**11 January 2013:** IVSC ED *The Valuation of Forests*

**11 January 2013:** IVSC ED *Valuation Uncertainty*

**16 January 2013:** IASB ED of *Annual Improvements to IFRSs 2011-2013 Cycle*

**23 January 2013:** ED PN 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal*

**15 February 2013:** IFAC's IAASB ED ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and The Auditor's Report Thereon*

**22 February 2013:** IASB ED *Equity Method: Share of Other Net Asset Changes*

## Specialist Practices, Business Members and Advocacy

### Professional Accountants in Business

#### 13. Results of the 2012 Best Corporate Governance Disclosure Awards

The Best Corporate Governance Disclosure Awards 2012 ("Awards") was successfully concluded with the presentation ceremony held at a luncheon on 23 November. The guest of honour was chairman of Hong Kong Exchanges and Clearing, Sir CK Chow.

The results of the 2012 Awards were announced at a [media briefing](#) held on 22 November. This year, the H-share category was expanded to include other Mainland enterprises. In addition, the marking criteria for both listed companies and public sector organizations were reviewed and updated. The sustainability and social responsibility reporting award, introduced last year, continued to be a focus of the Awards. Top awards were not given out in all categories once again this year, as the judges were of the view that companies and organizations in those categories still had a way to go to achieve the highest standard of corporate governance.

The winners of the 2012 Awards are:

##### Hang Seng Index Category

Diamond – CLP Holdings Limited ("CLP")  
Platinum – Hong Kong Exchanges and Clearing Limited  
Gold – MTR Corporation Limited

##### Non-Hang Seng Index (Large Market Capitalization) Category

Diamond – Prudential plc  
Platinum – The Link Real Estate Investment Trust ("The Link")  
Gold – Hysan Development Company Limited  
Special Mention – Pacific Basin Shipping Limited  
Significant Improvement – The Link

##### Non-Hang Seng Index (Mid-to-small Market Capitalization) Category

Platinum – COSCO International Holdings Limited  
Platinum – SOCAM Development Limited

##### H-share Companies and Other Mainland Enterprises Category

Platinum – Industrial and Commercial Bank of China Limited  
Gold – Ping An Insurance (Group) Company of China, Ltd.  
Special Mention – Jiangsu Expressway Company Limited

##### Public Sector/Not-for-profit Category

Platinum – Airport Authority Hong Kong  
Gold – Securities and Futures Commission

##### Sustainability and Social Responsibility Reporting Award

Winner – CLP

The [judges' report](#) contains the judges' commentaries on the winners' corporate governance practices and disclosures, general observations of the judges and reviewers on standards of corporate governance in Hong Kong, as well as other background information.

#### 14. Proposed International Guidance on Project and Investment Appraisal for Sustainable Value Creation

The Professional Accountants in Business Committee of International Federation of Accountants has released an exposure draft of a proposed additional International Good Practice Guidance, [Project and Investment Appraisal for Sustainable Value Creation](#). This exposure draft provides principles-based guidance to help the accountancy profession facilitate sustainable organizations, financial markets, and economies by taking into account economic, environmental, and social considerations for project appraisal and investment decisions. Deadline for comments is **28 February 2013**.



## Corporate Finance

### 15. Consultation Conclusions on Listing Rule Changes Consequential to the Statutory Inside Information Disclosure Regime

On 30 November, Hong Kong Exchanges and Clearing ("HKEx") published [consultation conclusions](#) on listing rule changes to complement the introduction of the statutory obligation to disclose inside information. [TechWatch no.118 \(item 19\)](#) and [no.121 \(item 12\)](#) contain further details about the HKEx consultation and the Institute's submission, respectively.

Given that the majority of the respondents supported most of the consultation proposals, HKEx has decided to adopt the proposed listing rule changes contained in the consultation paper, subject to amendments based on the comments received.

The revised rules will take effect from 1 January 2013.

Senior vice president of HKEx, Christine Kan, will speak at a Corporate Finance Interest Group seminar, on the evening of 18 December, on the listing rule changes and the respective roles of the HKEx and the Securities and Futures Commission ("SFC") following the introduction of the statutory regime. Click to the [flyer](#) for details about the seminar and for enrolment.

### 16. SFC's Consultation Service on Statutory Inside Information Disclosure

From 1 December, the SFC started to provide a consultation service to assist listed corporations in understanding and complying with the statutory requirement to disclose inside information, which will come into operation on 1 January 2013. The SFC's [Guidelines on Disclosure of Inside Information](#) will also take effect on 1 January 2013.

[Contact details](#) on the consultation service are on the SFC's website.

### 17. Proposals to Enhance Regulation of Non-corporate Listed Entities

The SFC has started a one-month [consultation](#) on proposals to enhance the regulatory regime for non-corporate entities that are listed on the Stock Exchange of Hong Kong, with comments requested by **24 December 2012**.

The proposals are aimed at promoting consistency of regulation and enhancing market transparency for all listed entities, whether they are companies or other types of business organization, such as listed collected investment schemes and business trusts and partnerships.

### 18. Launch of Investor Education Centre

On 20 November, the SFC announced the launch of the Investor Education Centre ("IEC"). The IEC will develop a wide range of public investor education programmes to improve financial literacy.

Professor Leonard Cheng Kwok-hon, a SFC non-executive director, has been appointed as chairman of the IEC. An executive committee has been set up as the governing body of the IEC to provide strategic advice and oversight. It comprises seven members from the financial regulators, the financial industry and the Education Bureau.

The [IEC's website](#) has replaced the SFC's InvestEd website.

## Corporate Governance

### 19. Institute's Submission on Board Diversity

In September 2012, HKEx published a [consultation paper](#) on board diversity. In its [submission](#) to HKEx, the Institute, in principle, supported the objective of bringing diversity into boardroom. The direction to adopt a broad concept of diversity was also welcomed. However, it was also recommended that HKEx provide more information and guidance for listed companies to help them understand what this means in terms of the practical application.

## Taxation

### 20. Taxability of Granting Rights to Exhibit Television Programmes Outside Hong Kong

The Court of First Instance has published the judgment in **Turner Entertainment Networks Asia, Inc. ("TENA") for Muse Communication Co., Ltd ("MCC") (collectively "the taxpayer") v CIR**.

It was ruled that the sums derived from granting rights from MCC to TENA to exhibit certain television programs in Taiwan were taxable under section 15(1)(ba) of the Inland Revenue Ordinance ("IRO") in the name of TENA. The taxpayer, however, argued that the sums did not represent the use of or right to use of any copyright materials, as mentioned in the relevant section, that the exhibition of the television programmes should be governed by section 15(1)(a) and therefore the sums should not be taxable.

On the other hand, the technical costs received by MCC from TENA were ruled to be not taxable as they represented services, rather than the use of copyright material rendered by MCC.

It should be noted that this case may be subject to further appeal at the Court of Appeal.

### 21. Advance Ruling on the Change of Accounting Date

The Inland Revenue Department ("IRD") has published an **advance ruling** relating to section 18E of the IRO.

The applicants are members of a group of companies. They all have accounting dates falling on 30 June, except one company, which has 31 March as its accounting date. Pursuant to the group's arrangement, the accounting dates would be changed to 31 December in 2011/12, for commercial reasons. The IRD gave its views in respect of some companies but declined to rule on the other companies and the applicability of section 61A, because the correctness of the ruling was subject to assumptions.

## 22. LegCo Questions

- (i) Further Measures to Address Overheated Property Market

In response to a LegCo **question** regarding an assessment of capital inflows or outflows following the introduction of the Buyer's Stamp Duty ("BSD") and the Special Stamp Duty ("SSD") amendment, the secretary for transport and housing stated that it was not possible to ascertain the amounts, as there was no restriction on capital flows into and out of Hong Kong.

- (ii) Stamp Duty Ordinance

In response to a LegCo **question** on arrangements to evade stamp duty and SSD via share transfers in offshore property holding companies, the acting secretary for financial services and the treasury explained that acquisitions of local residential properties by overseas companies were very limited. In addition, the general public would not disregard the risks of purchasing residential properties via overseas companies given uncertainties about such companies' assets and liabilities.

- (iii) Buyer's Stamp Duty

In response to a LegCo **question** about exemptions on the BSD, the acting secretary for transport and housing explained that existing exemption arrangements under the SSD would be taken into account for BSD. In addition, Hong Kong-registered companies, whose shareholders were all Hong Kong permanent residents, would still be subject to BSD, despite the arguments advanced that the shareholders could make a statutory declaration that they held full beneficial interest in the companies' shares and that they could give an undertaking to not transfer the companies' shares within a period of a certain number of years. This is because the proposed declaration mechanism could not prevent interests in residential properties being transferred by the issue of new shares, which was not subject to stamp duty.

## 23. Tax Treaty Signed with Canada

Hong Kong signed a double tax treaty with Canada in November. Click to read the [announcement](#) and the [treaty's details](#).

### Legislation & Other Initiatives

## 24. Institute Submits Views on Subsidiary Legislation to Implement the New Companies Ordinance

As reported in [TechWatch no.120](#) (item 13), on 28 September, the government launched the [first phase](#) of a two-phase public consultation on the subsidiary legislation to facilitate implementation of provisions in the [new Companies Ordinance](#) ("CO"). The draft regulations are primarily procedural and technical and, in some instances, they mainly replicate existing procedures contained either in the CO or in subsidiary legislation.

The Institute's [submission](#) to the government draws attention to a number of drafting issues and seeks additional information in order to improve clarity and understanding.

## 25. Latest Notices on AML/CFT

Members may wish to note that the following notices and publications in relation to combating money laundering/terrorist financing:

- [Government notice 6940](#): An updated list of terrorists and terrorist associates specified under the United Nations (anti-terrorism measures) Ordinance.
- [US executive order 13224](#): The list relating to "Blocking property and prohibiting transactions with persons who commit, threaten to commit or support terrorism".

For more AML-related circulars from the office of the commissioner of insurance, click [here](#).

For more background information on the current law in Hong Kong relating to anti-money laundering, see the Institute's [Anti-money Laundering Bulletin 1](#), "Requirements on anti-money laundering, anti-terrorist financing and

related matters", and the [supplement](#) on suspicious transaction reporting.

### Useful Resources

## 26. Library Resources

[Featured titles](#) and [new books](#) of high reference value for members are now available. In addition, members can [login](#) to the [e-Library](#) and access e-journals and e-books on a wide range of business subjects.

## 27. Other Publications

The following articles/publications on topical issues may be of interest to members:

- (i) HKEx has published:
  - a guidance letter in relation to trading record requirements ([HKEx-GL45-12](#))
  - [Derivatives Market Transaction Survey 2011/12](#) indicates that overseas investors' participation in HKEx's futures and options market reached the highest level since 2005, which reflects Hong Kong's role as an international finance centre. Click [here](#) for a summary of the findings
  - [report](#) on IPO applications, delisting and suspensions (as at 30 November)
- (ii) HKEx has withdrawn a listing decision in relation to whether existing financial assistance from the controlling shareholders of a GEM listing applicant, in the form of guarantees or security in support of borrowings, should be permitted to continue on and after the date of listing ([HKEx-LD42-2](#)). The factors that will be considered in determining a GEM listing applicant's financial independence of its controlling shareholder are set out in [HKEx-LD69-1](#).
- (iii) SFC has published:
  - [Speech](#) by Chief Executive Officer, Ashley Alder, at 3rd Pan Asian Regulatory Summit (27 November)



- **Speech** on Compliance and Corruption Across Asia by Executive Director of Enforcement, Mark Steward, at Compliance Summit Asia (8 November)

(iv) Articles on corporate governance by Deloitte:

- **Improving board effectiveness: oversight of strategy**
- **Audit committee brief – top issues for audit committees in 2013**
- **Global economic outlook (4th quarter 2012) – will 2013 be a turning point?**
- **Asia Pacific Economic Outlook – China, India, Singapore, Vietnam**