



Minutes of the 182nd meeting of the Financial Reporting Standards Committee held on Tuesday, 1 June 2010 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) – via teleconference
Mr. Stephen Chan
Mr. Colin Chau
Mr. Raphael Ding
Mr. Ian Farrar
Mr. Paul Hebditch
Miss Fanny Hsiang
Ms. Caron Hughes
Ms. Susanna Lau
Mr. Allen Leung
Mr. William Lim
Mr. Paul Phenix

In attendance: Mr. Chris Joy, Executive Director
Mr. Steve Ong, Director, Standard Setting
Ms. Winnie Chan, Manager, Standard Setting
Mr. Ambrose Wong, Manager, Standard Setting

Apologies for absence were received from Mr. James Fawls and Ms. Kelly Kong.

	<u>Action</u>
<p>1. <u>Minutes of the 181st meeting</u></p> <p>Subject to certain changes, the minutes of the 181st meeting were approved by the Committee and will be signed by the Chairman at the next meeting.</p>	
<p>2. <u>Work plan for 2010 – status report</u></p> <p>The Committee considered the status report of the Work Plan for 2010 and noted the progress made on the various projects.</p>	
<p>3. <u>Accounting Application Issues</u></p> <p>The Standard Setting Director updated the Committee the progress made on the two accounting application issues identified at the last meeting:</p> <p>(i) Classification of bank loans</p> <p>It was noted that a meeting with the Hong Kong Association of Banks was arranged for 18 June 2010.</p> <p>(ii) Classification of the conversion option of certain convertible bonds</p> <p>The Committee requested the Standard Setting Department to carry out further research and keep the Committee posted of developments.</p>	SS Dept.

4. **Consultation Paper on Companies Ordinance Rewrite relating to Accounts and Audit**

The Committee noted that the Financial Services and Treasury Bureau had issued the second phase consultation of its Companies Ordinance Rewrite Project.

The Standard Setting Department identified that Section 9 – "Accounts and Audit" was of relevance to the existing financial reporting framework. The Committee requested the Standard Setting Department to prepare an information paper on the key areas for the Committee's consideration at its next meeting.

5. **National Standard Setters proposed involvement in the IASB Conceptual Framework Projects**

The Committee noted that the National Standard Setters group (NSS) proposed to assist the IASB and the FASB in their development of the conceptual framework through developing research papers on topics that the IASB and FASB may not themselves be undertaking. In order to show our support to the NSS activities, the Committee agreed to participate in the development of the paper with other NSS members on the topic on the boundaries of financial reporting. Mr. Colin Chau and Mr. Paul Phenix volunteered to join the working group.

6. **Consideration of IASB Consultation Documents**

SS Dept.

The Committee agreed that the Institute should prepare a submission on the IASB Exposure Draft on *Fair Value Option for Financial Liabilities*. As the IASB user questionnaire is more relevant to analysts, the Committee requested the Standard Setting Department to send an invitation to the relevant association for comment.

In addition, the Committee decided not to make a submission on the IASB Exposure Draft on *Proposed Amendments to IAS 19 – Defined Benefit Plans* given that defined benefit plans are not common in Hong Kong.

[Post meeting note: An invitation to comment was sent to the Hong Kong Society of Financial Analysts on 3 June 2010.]

There being no further business, the meeting closed at 10:00 a.m.

CLEMENT CHAN
CHAIRMAN

14 June 2010