



Minutes of the 209th meeting of the Financial Reporting Standards Committee held on Friday, 13 December 2013 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 (Chair)
Mrs. Catherine Morley (Deputy Chair)
Mr. Vincent Ching
Mr. John Chong
Mr. Ernest Lee
Mr. William Lim
Ms. Shelley So
Mr. Gary Stevenson
Ms. Florence Wong
Mr. Davis Yu

In attendance: Mr. Simon Riley, Acting Director, Standard Setting
Ms. Winnie Chan, Associate Director, Standard Setting
Mr. Ben Lo, Associate Director, Standard Setting
Mr. Ambrose Wong, Associate Director, Standard Setting

Apologies for absence were received from Mr. Colin Chau, Mr. James Fawls, Ms. Kelly Kong, Ms. Susanna Lau, Mr. Eugene Liu, Mr. Raymond Ng, Mr. Steve Ong and Mr. Paul Phenix.

	<u>Action</u>
<p>1. <u>Minutes of the 208th meeting</u></p> <p>The minutes of the 208th meeting were approved by the Committee and signed by the Chair.</p>	
<p>2. <u>IASB Discussion Paper on Conceptual Framework</u></p> <p>The Committee considered a draft comment letter. The Standard Setting Department (SSD) was requested to revise the draft comment letter in light of the Committee's review and arrange a meeting in January 2014 together with the members of the Conceptual Framework Working Group with a view to finalizing the comment letter..</p>	SSD
<p>3. <u>Limited Invitation to Comment on Consultation Draft of Small and Medium Sized Entity Financial Reporting Framework and Financial Reporting Standards (Revised)</u></p> <p>The Committee noted that the SME-FRF and SME-FRS Working Group held a meeting on 21 November 2013 to consider comments received in response to the limited consultation. It was noted that the comments received were generally supportive of the revised draft except for concerns expressed by the Inland Revenue Department (IRD) on the possible loss of useful information if a subsidiary was excluded from a small group's set of consolidated financial statements. The Working Group proposed additional note disclosure to address the concerns. The Committee requested the SSD to consult with the Auditing and Assurance Standards Committee on whether there would be any audit implications from the proposed additional disclosure requirements and to arrange a follow-up meeting with the IRD.</p>	SSD

4. **IASB ED/2013/10 Equity Method in Separate Financial Statements**

The Committee noted that the IASB had issued the exposure draft in early December and was generally supportive of the proposal to permit the equity method as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements. Given the short IASB comment period, the Committee agreed that a conference call should be arranged in early January with members to develop the Institute's response on the ED.

SSD

5. **Report on international meetings**

The Chairman and the Associate Director of Standard Setting attended the Accounting Standards Advisory Forum meeting held on 5 – 6 December 2013 in London. The Chairman reported that the meeting mainly focused on the discussion of the following topics: Conceptual Framework, Post-implementation Review of IFRS 3 and Rate-regulated activities.

The Chairman also reported that the next IFRS Regional Policy Forum would be taken place in New Delhi, India on 8 – 9 March 2014. Members were invited to provide comments on the draft agenda and nominate speakers before 17 December 2013.

There being no further business, the meeting closed at 11:30 a.m.

CLEMENT CHAN
CHAIRMAN

17 December 2013