



# Technical Update Evening 2006

## Programme 1 : May to July 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



**Steve Ong**  
Assistant Director  
Standard Setting

**Elaine Chan**  
Assistant Director  
Standard Setting

**Elsa Ho**  
Assistant Director  
Standard Setting

**Patricia McBride**  
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 May to July 2006 addresses issues relating to financial reporting, auditing and investment circulars.

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:**

May Hung / Yvonne Chew  
Member Services Department  
Tel: 2287 7009 / 2287 7057  
e-mail: may@hkcipa.org.hk  
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
611 (Re-run)	Tuesday 2 May 2006	<b>Introduction to Financial Instruments</b>  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: <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> <b>Application deadline: 27 April 2006</b>	Patricia McBride
610 (Re-run)	Tuesday 2 May 2006	<b>Improving Audit Documentation</b>  This session will cover the new Hong Kong Standard on Auditing (HKSA) 230, <i>Audit Documentation</i> , adopting the equivalent International Auditing Standard. HKSA 230: <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> <b>Application deadline: 4 May 2006</b>	Steve Ong
617 (Re-run)	Tuesday 13 June 2006		

TUE No.	Date	Topic	Speakers
612 (Re-run)	Tuesday 16 May 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 Framework for the Preparation and Presentation of Financial Statements in selecting and applying accounting policies</li> <li>• The impact of materiality on financial reporting</li> </ul> <p><b>Application deadline: 11 May 2006</b></p>	Patricia McBride
613	Tuesday 23 May 2006	<p><b>Proposed changes to HKAS 1</b></p> <p>HKAS 1 <i>Presentation of Financial Statements</i> is the standard that governs the appearance and layout of financial statements (the presentation and disclosure requirements). The IASB is now proposing some radical changes to the way the income statement looks and is seeking comments. This session will review the major changes proposed to HKAS 1, including:</p> <ul style="list-style-type: none"> <li>• renaming the income statement and balance sheet</li> <li>• changing the income statement to a "statement of recognised income and expense" and permitting this statement to be presented in one of two formats</li> <li>• removing one of the existing options for the statement of changes in equity</li> <li>• presenting a balance sheet at the start of each period</li> </ul> <p>The session will also address the preparation of comment letters on Exposure Drafts, to assist members in expressing their views about proposed changes to the Institute's Financial Reporting Standards Committee and Auditing and Assurance Standards Committee</p> <p><b>Application deadline: 18 May 2006</b></p>	Patricia McBride

TUE No.	Date	Topic	Speakers
614	Tuesday 6 June 2006	<p><b>New Standards on Pro Forma Financial Information</b></p> <p>This session will introduce the new Hong Kong Standard on Investment Circular Reporting Engagements 300 <i>Accountants' Reports on Pro Forma Financial Information in Investment Circulars</i> and Accounting Guideline 7 <i>Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars</i>.</p> <p>For preparers of pro forma financial information, it will cover the presentation of the information and the types of adjustments that are commonly made to the unadjusted financial information. For reporting accountants, it will cover the matters that are to be considered when reporting on pro forma financial information in investment circulars and the format of reports to be issued.</p> <p>This session will also give a brief update of the latest development of the Accountants' Report Project which seeks to develop standards and guidance for reporting accountants in the conduct of engagements involving investment circulars to be issued in connection with securities transactions.</p> <p><b>Application deadline: 1 June 2006</b></p>	Elaine Chan
615	Tuesday 27 June 2006	<p><b>Discussion Paper on "Requests for Special Purpose Reports"</b></p> <p>This session will introduce the key features of the discussion paper developed by the Auditing and Assurance Standards Committee on Special Purpose Reports. The aim of the discussion paper is to help clarify to practising members and users of their reports the principal types of special purpose engagements and the form and content of the related reports.</p> <p>This session will:</p> <ul style="list-style-type: none"> <li>• explain in general terms the nature of assurance, agreed-upon procedures and compilation engagements;</li> <li>• explain the two categories of assurance engagements that may be undertaken; and</li> <li>• discuss the nature of agreed-upon procedures engagements and compilation engagements.</li> </ul> <p>This session will also highlight some of the practical issues that may arise when undertaking such engagements and guidance on how to address them.</p> <p><b>Application deadline: 22 June 2006</b></p>	Steve Ong
616	Tuesday 11 July 2006	<p><b>Commonly asked financial reporting questions</b></p> <p>From time to time, the HKICPA receives technical queries on the application of Hong Kong Financial Reporting Standards and the Financial Reporting Framework and Financial Reporting Standard for Small and Medium sized Entities. The HKICPA staff will respond to such technical queries in accordance with the HKICPA staff policy on handling technical queries, a copy of which can be found in <a href="http://www.hkicpa.org.hk/professionaltechnical/policy/techqs.pdf">http://www.hkicpa.org.hk/professionaltechnical/policy/techqs.pdf</a>. This session will go through a number of commonly asked financial reporting questions, especially those received in the first half of 2006, and the staff responses to those questions.</p> <p><b>Application deadline: 6 July 2006</b></p>	Elsa Ho

# TUE Registration Form

## Programme 1: May to July 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

- 611 (2 May 06)       612 (16 May 06)       613 (23 May 06)       614 (6 June 06)
- 615 (27 June 06)       616 (11 July 06)       617 (13 June 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

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

Date \_\_\_\_\_