

PHP Surveyor

Browse Responses:

View Response: 1

id 1

Date Stamp 2008-08-27 11:11:00

Please write down your name
(Optional):

Please tick in the appropriate box: Professional accountant in practice [1b]

Please tick in the appropriate box:(other)

Please express your views on the following questions:

(A) Consultation Paper on Financial Reporting by Private Companies

(1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons.

Yes. It is because most private companies are family business managed by directors and owned by shareholders of family members or related parties. The size of business of private company is not as large as listed company. Full HKFRS may not be appropriate in most cases. Further, the time cost of preparing the accounts under full HKFRSs would not be justified in terms of their size, extensive manpower and more time will be needed in handling the audited accounts of these kind of companies. Many directors or shareholders do not concern the scope of reporting under the full HKFRS or not as they are more concern about the cost.

(2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons.

Yes. It is because this reporting option is more cost effective and appropriate for small to medium sized companies.

(3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view.

Yes. Depending on the size in terms of its business volume, staffing and business activity, an option should be made available for such kind of companies to adopt which kind of reporting framework for them. Judgement is required in this circumstance.

(4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not?

I agree with their view. I think clear criteria have to be set as to the definition for large private companies.

(5) Do you agree that the Institute should adopt or develop a large private company financial reporting framework? Do you have a preliminary view as to which of the above options is appropriate? Please explain your views.

Yes, I agree but clear criteria for large private companies must be set in advance. This involves the business volume and activity coverage of the company.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

I use it as an auditor. I will consider the volume and size of business and activity of the company first in adopting which option is appropriate because it will affect the time cost in auditing these type of accounts.

(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

No. Because groups may involve many entities and group accounts involve more time to prepare and audit.

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Yes.

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Yes.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes. It may be useful for some readers but it may involve more time to prepare.

(5) If a cash flow statement is Indirect method.

required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

~~~~~THANK  
YOU~~~~~



## PHP Surveyor

**Browse Responses:**

**View Response: 2**

id 2

Date Stamp 2008-08-27 11:21:00

Please write down your name  
(Optional):

Please tick in the appropriate box: Professional accountant in practice [1b]

Please tick in the appropriate box:(other)

**Please express your views on the following questions:**

**(A) Consultation Paper on Financial Reporting by Private Companies**

(1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons. No, HKFRSs give a good information for user, which may include banks. The information is useful for the management as well in particular private companies may of giant size.

(2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons. Yes, this can save the cost of preparation. In view of the hurdle to apply SME-FRF&FRS, a balance for limited presentation is justified.

(3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view. No. same as (1) above

(4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not? agree

(5) Do you agree that the Institute should adopt or develop a large private company financial reporting framework? Do you have a preliminary view as to which As long as the hurdle of SME FRF&FRS is not met, full FRSs should be applied. Otherwise, too much hierarchy will complicate the whole operation of the standard.

of the above options is appropriate? Please explain your views.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

A full FRSs is preferred as such can facilitate my understanding as a user.

**(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Yes, single company or groups should be in the same class so long as the hurdle for SME is ok

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

yes

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

No comment

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

No, this should be optional. Cash flow statements is useful but the cost of preparation for really small business is unjustified. This will in turn discourage business start up in HK.

(5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-


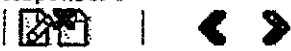
Agree

FRS? If not, why not?  
(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?  
~~~~~THANK  
YOU~~~~~

No other comment



PHP Surveyor

| | |
|--|---|
| Browse Responses:
 | |
| View Response: 3
 | |
| | id 3
Date Stamp 2008-08-27 11:51:00 |
| Please write down your name
(Optional): | |
| | Please tick in the appropriate box: Professional accountant in practice [1b] |
| | Please tick in the appropriate box:(other) |
| Please express your views on the following questions: | |
| (A) Consultation Paper on Financial Reporting by Private Companies | |
| (1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons. | yes, it can be better to allocate the resource of small and medium enterprise |
| (2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons. | it seems that there is information overload for small private company especially sole shareholder/ director |
| (3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view. | yes |
| (4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not? | |
| (5) Do you agree that the Institute should adopt or develop a large private company financial reporting framework? Do you have a preliminary view as to which | |

of the above options is appropriate? Please explain your views.

(6) Please identify whether auditor you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?





(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

(5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-

FRS? If not, why not?
(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?
~~~~~THANK  
YOU~~~~~



## PHP Surveyor

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| <b>Browse Responses:</b><br>                                                                                                                                                                                                                                |                                                                                                  |
| <b>View Response: 4</b><br>                                                               |                                                                                                  |
| id 4<br>Date Stamp 2008-08-29 10:03:00                                                                                                                                                                                                                                                                                                       |                                                                                                  |
| Please write down your name (Optional):                                                                                                                                                                                                                                                                                                      |                                                                                                  |
| Please tick in the appropriate box:                                                                                                                                                                                                                                                                                                          | Professional accountant in practice [1b]                                                         |
| Please tick in the appropriate box:(other)                                                                                                                                                                                                                                                                                                   |                                                                                                  |
| <b>Please express your views on the following questions:</b>                                                                                                                                                                                                                                                                                 |                                                                                                  |
| <b>(A) Consultation Paper on Financial Reporting by Private Companies</b>                                                                                                                                                                                                                                                                    |                                                                                                  |
| (1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons.                                                                                                                                                                                                               | Yes. It is too costly to apply full HKFRS                                                        |
| (2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons.                                                                                                                                                                                                | yes. It balances the cost and the information pass the the user of the financial statement       |
| (3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view.                                                                                                                                                               | yes. there is no public interest and thus no need to spend too much on the compliance of HKFRS   |
| (4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not? | no. there is no public interest and thus it should be of the owners choice if the prefer SME FRS |
| (5) Do you agree that the Institute should adopt or develop a large private company financial reporting framework? Do you have a preliminary view as to which                                                                                                                                                                                | no. because they already have another option of Full HKFRS                                       |

of the above options is appropriate? Please explain your views.

(6) Please identify whether auditor you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

**(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not? no. better keep the SME-FRS simple

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not? no.

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not? it is better to use equity method as it provide more relevant information.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not? it should be an option.

(5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME- yes

FRS? If not, why not?  
(6) Are there any disclosure no.  
requirements included in  
sections 18 to 22 of the SME-  
FRS that you consider are too  
onerous for SMEs and  
therefore should be excluded?  
If so, what are they and why?  
~~~~~THANK  
YOU~~~~~



PHP Surveyor

Browse Responses:



View Response: 5



id 5

Date Stamp 2008-09-01 22:35:00

Please write down your name
(Optional):

Please tick in the appropriate box: Professional accountant in practice [1b]

Please tick in the appropriate box:(other)

Please express your views on the following questions:

(A) Consultation Paper on Financial Reporting by Private Companies

- | | |
|---|---|
| <p>(1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons.</p> | <p>+Duty of HKICPA members under Cap. 50 and Sections 140 & 358 of Cap. 32 or +tort private nuisance/interference with economic advantage not to the benefit of private companies under Cap. 32. Full HKFRSs being full standard of proof conclusive on transactions or disputes in books of accounts to the benefit of private companies. Relief not to the benefit of among members of HKICPA without developments. Relief to the benefit among HKICPA members in least efforts in standard of proof to judgment or performance of private companies. Shifting burden to other legal procedures and costs to follow the event. Yes, affirmed.</p> |
| <p>(2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons.</p> | <p>Appropriate decision upon satisfaction of performance in express conditions as to contracts. Yes, affirmed.</p> |
| <p>(3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view.</p> | <p>Yes, in economic and administrative reasons. Larger private companies are subject to larger misfeasance in companies ordinance. Simple HKFRS may not help.</p> |
| <p>(4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not?</p> | <p>the allegation of jurisdiction.</p> |

(5) Do you agree that the Institute should adopt or develop a large private company financial reporting framework? Do you have a preliminary view as to which of the above options is appropriate? Please explain your views. administrative tools and device, audit and HKFRS stationery to profit costs, If not agreed. CICPA did develop such convenience.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework. users

(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not? Yes, to avoid misfeasance.

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not? Size of issued share capital at the balance sheet date or date of legal audit.

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not? financial resources disclosures and duty to exhibit group solvency position.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not? unconstitutional to increase misfeasance.

(5) If a cash flow statement is to avoid misfeasance.

required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

Section 141D(2, 3) and others of Cap. 32.

~~~~~THANK  
YOU~~~~~



### PHP Surveyor

|                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Browse Responses:</b><br>                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                     |
| <b>View Response: 6</b><br>                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                     |
| Id 6<br>Date Stamp 2008-09-05 17:24:00<br>Please write down your name<br>(Optional):<br>Please tick in the appropriate box: Professional accountant in practice [1b]<br>Please tick in the appropriate box:(other)                                                                                                                           |                                                                                                                                                                                     |
| <b>Please express your views on the following questions:</b><br><b>(A) Consultation Paper on Financial Reporting by Private Companies</b>                                                                                                                                                                                                    |                                                                                                                                                                                     |
| (1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons.                                                                                                                                                                                                               | YES. Most members of private companies do not want, or have needs for complicated and full annual reports.                                                                          |
| (2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons.                                                                                                                                                                                                | We are reporting to the members. Most members zoom in on the basic information. Most of the other items make it more difficult for them to get to the information they want.        |
| (3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view.                                                                                                                                                               | Yes. A private company should be able to choose the simpler reporting requirements. The members do not want a big report that most of the contents they do not understand nor need. |
| (4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not? | With due respect to the Council, they can easily alienated our Institute from the many small and family owned and operated businesses.                                              |
| (5) Do you agree that the Institute should adopt or develop a large private company financial reporting                                                                                                                                                                                                                                      |                                                                                                                                                                                     |



framework? Do you have a preliminary view as to which of the above options is appropriate? Please explain your views.

- (6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.
- Auditor. The simpler the reports, the easier to help the clients to understand the annual reports.

**(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

- (1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?
- Yes, to cover groups.

- (2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?
- All the 50s are too small as a criteria. A single property in a more prestigious area is over HK\$50m. HK\$50m turnover is easily attained by many family owned companies. 50 staff is not a large operating company. To plan ahead, 200 is more realistic.

- (3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

- (4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?
- Optional.

- (5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used

for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

~~~~~THANK  
YOU~~~~~

Keep things simple. We are reporting to the members. Analysts and bankers should seek information directly from the companies. This is my 3rd attempt to complete the questionnaire as I failed to save it when partly completed prior to sending it. Thus I have not addressed all the questions

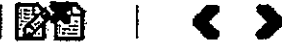


PHP Surveyor

Browse Responses:



View Response: 7



id 7

Date Stamp 2008-09-08 11:44:00

Please write down your name
(Optional):

Please tick in the appropriate box: Professional accountant in practice [1b]

Please tick in the appropriate box:(other)

Please express your views on the following questions:

(A) Consultation Paper on Financial Reporting by Private Companies

- | | |
|---|--|
| <p>(1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons.</p> | <p>Yes, the full HKFRSs are not well known by the directors or users of the private companies.</p> |
| <p>(2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons.</p> | <p>Yes, SME-FRF & FRS is appropriate for small private companies, but not suitable for groups, except some very straightforward one (e.g. wholly owned subsidiary)</p> |
| <p>(3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view.</p> | <p>Yes, I agree large private companies can have a option to choose a simpler reporting framework if it ia agreed by all shareholders and there's no public interest.</p> |
| <p>(4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not?</p> | <p>I agree with point (b) but disagree with point (a)</p> |
| <p>(5) Do you agree that the Institute should adopt or develop a large private company financial reporting</p> | <p>No,let the preparers make the choice of full HKFRSs and SME-FRSs.</p> |

framework? Do you have a preliminary view as to which of the above options is appropriate? Please explain your views.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

My identity is an auditor of the f.s. and the effect on such new framework should add our workload in explaining to the clients on selection of appropriate FRSs.

(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Yes.

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

No, I think the size should be extend for group companies, since company with small factory (in form of subsidiary) may easily exceed the size test.

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Yes, I agreed.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes, I agreed.

(5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used

I agreed either method can be used.

for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

No idea at this comment

~~~~~THANK  
YOU~~~~~



## PHP Surveyor

Browse Responses:



View Response: 8



Id 8

Date Stamp 2008-09-08 16:55:00

Please write down your name  
(Optional):

Please tick in the appropriate Professional accountant in practice [1b]  
box:

Please tick in the appropriate  
box:(other)

**Please express your views  
on the following questions:**

**(A) Consultation Paper on  
Financial Reporting by  
Private Companies**

- (1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons. Agreed. Owner managed small businesses have lesser resources in the accounting compliance requirements. They should not be burdened with sophisticated financial and technical data.
- (2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons. Yes. Certain HK small businesses engaged in PRC manufacturing are required to form a PRC subsidiary yet their overall operations are still within the context of small businesses.
- (3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view. No. If larger private companies could afford the costs of HKFRS why is it necessary for the institute to bear the development costs for another set of standards, yet making HKGAAP difficult to understand by non-HK financial professionals.
- (4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not? Agreed.
- (5) Do you agree that the Institute should adopt or develop a large private company financial reporting framework? Do you have a preliminary view as to which Not agreed. Pls see answers to Q3 above.

of the above options is appropriate? Please explain your views.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

Auditor.

**(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Yes.

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Appropriate.

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Yes/Yes.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

No comment.

(5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-

Yes.

FRS? If not, why not?  
(6) Are there any disclosure No.  
requirements included in  
sections 18 to 22 of the SME-  
FRS that you consider are too  
onerous for SMEs and  
therefore should be excluded?  
If so, what are they and why?  
~~~~~THANK  
YOU~~~~~



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Browse Responses:

View Response: 9

id 9

Date Stamp 2008-09-10 10:18:00

Please write down your name:
(Optional):

Please tick in the appropriate box: Professional accountant in practice [1b]

Please tick in the appropriate box:(other)

Please express your views on the following questions:

(A) Consultation Paper on Financial Reporting by Private Companies

(1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons. Yes. Private companies are owned by small number of individuals who do not require and would not fully understand all the information given in the financial statements applying full HKFRS

(2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons. Yes, but I do not agree that SME FRS should be the "reporting option". Accountants should respect the financial users' needs - If certain private companies require applying full HKFRS for whatever reasons, it goes without saying that they can, but accountants should assume it is sufficient for them to apply SME FRS and the public (such as government authorities) should regard such SME FRS as "ordinary" standards giving sufficient information according to the circumstances and the size of the entity.

(3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view. No. Larger companies could have opportunity and needs to raise more finance, could afford tax-avoidance schemes, could have better bargaining position, etc...As such, larger private companies should not be given an option to choose a simpler reporting albeit HKFRSs being bulky and complicated requires to follow. I think two FRS (one is full and one is for SME) is enough.

(4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not? Yes. Larger companies have more resource to afford.

(5) Do you agree that the Institute should adopt or develop a large private No. If HKICPA should develop 3rd FRSs for larger entity, then It should further 4th FRSs for those entities in-between SME and Larger....Now we call HKFRSs as full GAAP and SME FRS

company financial reporting framework? Do you have a preliminary view as to which of the above options is appropriate? Please explain your views.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not? Yes

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not? Yes

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not? Yes, I agree with the cost method treatment at the company level and equity method treatment at consolidation level.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not? Whilst I do not consider necessary to prepare it under SME-FRS, I do wish a cash flow statement to be an optional statement to include, given the sales volume do not reach a certain level.

(5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used? Yes, I agree such flexibility. I guess majority of preparer uses and prefer indirect method. But I think it is okay and informative if some preparer use indirect method.

for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

~~~~~THANK  
YOU~~~~~



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## PHP Surveyor

**Browse Responses:**



**View Response: 10**



id 10

Date Stamp 2008-09-11 22:06:00

Please write down your name  
(Optional):

Please tick in the appropriate box: Professional accountant in practice [1b]

Please tick in the appropriate box:(other)

**Please express your views on the following questions:**

**(A) Consultation Paper on Financial Reporting by Private Companies**

(1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons.

Yes. It is because (1) Full HKFRSs are more appropriate to public or international or listed companies as they need to disclose full and detailed information to their members and the public; (2) Most private companies are closely controlled by their owners; (3) It is time and cost consumed for the management of these private companies to prepare those information requested by the HKFRSs; (4) Some owners do not expect to disclose so much internal information in the accounts.

(2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons.

100% Yes. It because (1) Simple, easy, time and cost saved; (2) Most owners have closely controlled the business and operation of small private companies as well as group companies; (3) Group companies doesn't mean they are large and complicate and they maybe form subsidiaries for different business purposes only.

(3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view.

Yes. It is because they may wish to apply for a simpler reporting framework for some purposes e.g. application for banking facilities if they agree that SME-FRS&FRS is not suitable for them.

(4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not?

I do not agree because SME-FRS&FRS may add some options for the reporting needs of those large private companies e.g. cash flow statement and deferred taxation.

(5) Do you agree that the Institute should adopt or

Disagreed. It may have 3 sets of reporting standards if so. It may add some options as I explain in ans. (4).

develop a large private company financial reporting framework? Do you have a preliminary view as to which of the above options is appropriate? Please explain your views.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework. Auditor. It would be time-consuming to understand three sets of reporting standards.

**(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not? Yes.

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not? No. The size criteria is too low because some property investment companies have many investment properties in high value or some trading companies may have high turnover but they still small such as a few staff only and no high value assets.

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not? Yes.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not? No. It is because cash flow statement may not have value to the users. However, it can provide an option for them.

(5) If a cash flow statement is required, do you agree that either the direct method or Yes.

Indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?







No opinion.

~~~~~THANK  
YOU~~~~~






PHP Surveyor

Browse Responses:

View Response: 11

id 11

Date Stamp 2008-09-16 01:11:00

Please write down your name
(Optional):

Please tick in the appropriate box: Professional accountant in practice [1b]

Please tick in the appropriate box:(other)

Please express your views on the following questions:

(A) Consultation Paper on Financial Reporting by Private Companies

(1) Do you agree that relief from applying full HKFRSs should be permitted for private companies? Please explain your reasons. Reasonable causation on relief to private companies or offences in liberty, freedom, property, detrimental reliance, mismanagement, nonfeasance, or otherwise

(2) Do you agree that the SME-FRF&FRS is an appropriate reporting option for small private companies and groups? Please explain your reasons. to strike out impracticable standard or determining the rule of law of a case is a procedure, subject to legal character and procedural status of the case

(3) Do you agree that large private companies should be provided with an option to choose a simpler reporting framework than HKFRSs? Please explain the reasons for your view. Subject to type or nature of jurisdiction. e,g, UK Companies Act 2008 and private companies, unequal to HK Companies Ordinance Constitutional cost and benefits to codification by global or latest res judicata

(4) The Council is of the view that: (a) the SME-FRF&FRS does not meet the reporting needs of the users of the financial statements of large private companies; and (b) the SME-FRF&FRS should not be expanded to meet those needs. Do you agree with the view of Council stated in paragraph 34 of the Consultation Paper? If not, why not? Standard of proof in Companies Ordinance out of time and be subject to recognized res judicata and subsequent ruling, policy issues, subject to Article 25 and 28 of HKSAR Basic Law of PRC.

(5) Do you agree that the Institute should adopt or develop a large private company financial reporting framework? Do you have a preliminary view as to which Yes, relevant adjustment on civil liability and right, based on both HKSAR and Companies Ordinance. Supplemental or diversity jurisdictions.

of the above options is appropriate? Please explain your views.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

Parties and relevant frameworks be based on admission, legality, liberty, equality, proportionality, classification

(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Yes, subject to constitutional limit and revision from HKSAR Basic Law of PRC.

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Yes and no question. parties in small groups and statistical evidence and research.

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

3500 unequal to -1300, as the case may be, subject to disclosed requirements and CICPA's views.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Cash flow statement in procedure be to yes and no question, users' demand to "issues" based on order to give reasons to disposition before decision/judgment. Condition precedent based on rule of law and nature of case.

(5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-

Choice of method v. facts of events and transactions. Balancing of interest of auditors and shareholders or inter shareholders duty or inter director's duty. Agreed direction on parties or automatic directions or parties in directors' responsibility.

FRS? If not, why not?
(6) Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?
~~~~~THANK  
YOU~~~~~

Disclosure requirements v. auditors, directors and shareholders' duty.



## PHP Surveyor

**Browse Responses:**

**View Response: 15**

id 15

Date Stamp 2008-09-16 09:22:00

Please write down your name  
(Optional):

Please tick in the appropriate Professional accountant in practice [1b]  
box:

Please tick in the appropriate  
box:(other)

**Please express your views  
on the following questions:**

**(A) Consultation Paper on  
Financial Reporting by  
Private Companies**

(1) Do you agree that relief Yes, limited resource (cost and time)for the private companies  
from applying full HKFRSs  
should be permitted for  
private companies? Please  
explain your reasons.

(2) Do you agree that the Yes only for small private companies but not groups. Groups  
SME-FRF&FRS is an should use full HKFRSs because of more information available  
appropriate reporting option for users.  
for small private companies  
and groups? Please explain  
your reasons.

(3) Do you agree that large No, private companies should use SME-FRF and FRS and not  
private companies should be HKFRS. Cannot be use the size to determine the choose of the  
provided with an option to reporting framework.  
choose a simpler reporting  
framework than HKFRSs?  
Please explain the reasons for  
your view.

(4) The Council is of the view Yes.  
that: (a) the SME-FRF&FRS  
does not meet the reporting  
needs of the users of the  
financial statements of large  
private companies; and (b)  
the SME-FRF&FRS should not  
be expanded to meet those  
needs. Do you agree with the  
view of Council stated in  
paragraph 34 of the  
Consultation Paper? If not,  
why not?

(5) Do you agree that the Yes.  
Institute should adopt or  
develop a large private  
company financial reporting  
framework? Do you have a  
preliminary view as to which

of the above options is appropriate? Please explain your views.

(6) Please identify whether you use financial statements as a preparer, auditor and/or user and the effect on you in all of these cases of the proposed introduction of a large private company framework.

As auditor.

**(B) Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

(1) Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not? Yes.

(2) Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not? Yes.

(3) Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not? Yes.

(4) Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not? Yes

(5) If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME- Yes

FRS? If not, why not?  
(6) Are there any disclosure No  
requirements included in  
sections 18 to 22 of the SME-  
FRS that you consider are too  
onerous for SMEs and  
therefore should be excluded?  
If so, what are they and why?  
~~~~~THANK  
YOU~~~~~



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