



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

HKICPA

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10 October 2008

By Fax & By Post

Mr Steve Ong, FCA, FCPA
Deputy Director, Standard Setting
Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Dear Mr Ong,

**HKICPA Consultation Paper on Financial Reporting by Private Companies
&
HKICPA Exposure Draft of Proposed Amendments to Small and
Medium-sized Entity Financial Reporting Framework and Standards
(SME-FRF & SME-FRS) to cover Group Accounts and Cash Flow Statements**

Thank you for your letters of 16 and 12 June 2008 addressed to our Chairman, Mr Henry Fan, inviting the Mandatory Provident Fund Schemes Authority's comments on the captioned papers.

HKICPA Consultation Paper on Financial Reporting by Private Companies

We consider that approved trustees of MPF schemes, which are private companies, should neither be provided with an option to choose a simpler reporting framework than the Hong Kong Financial Reporting Standards (HKFRSs) nor be granted relief from applying full HKFRSs.

Currently, all MPF trustees are required to follow HKFRSs because section 141D of the Companies Ordinance prohibits group companies from preparing simplified accounts. MPF trustees are responsible for operating MPF schemes covering over 2 million scheme members and should be accountable to the public. Financial reports are an important tool for the MPFA to monitor the financial soundness of MPF trustees. Hence, for public interest / regulatory

reasons, MPF trustees should not be granted relief from applying full HKFRSs. Nor should they be provided with an option to choose a simpler reporting framework than HKFRSs.

HKICPA Exposure Draft of Proposed Amendments to Small and Medium-sized Entity Financial Reporting Framework and Standards (SME-FRF & SME-FRS) to cover Group Accounts and Cash Flow Statements

We do not have comments on the Exposure Draft.

Yours sincerely,

Alice Tang.

(Alice Tang)

Manager

Corporate Affairs Department