



Minutes of the 192nd meeting of the Financial Reporting Standards Committee held on Tuesday, 12 April 2011 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)
Mr. Stephen Chan
Mr. Colin Chau
Mr. Raphael Ding
Mr. Paul Hebditch
Ms. Elsa Ho
Ms. Caron Hughes
Ms. Susanna Lau
Mr. Allen Leung
Mr. William Lim
Mr. Paul Phenix
Ms. Shelley So

In attendance: 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, Ms. Kelly Kong and Ms. Florence Wong.

- | | <u>Action</u> |
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| <p>1. <u>Minutes of the 191st meeting</u></p> <p>The minutes of the 191st meeting were approved by the Committee and signed by the Chairman.</p> | |
| <p>2. <u>Work plan for 2011 – status report</u></p> <p>The Committee considered the status report of the Work Plan for 2011 and noted the progress made on the various projects.</p> | |
| <p>3. <u>Companies Ordinance Rewrite – Update of SME-FRF&FRS</u></p> <p>The Committee considered a summary of the comment letters of the previous exposure draft on the proposed amendments to SME-FRF&FRS issued by the Institute in mid-2008. Given that the last consultation was conducted before the issuance of HKFRS for Private Entities in Hong Kong, the Committee agreed that a working group should be set up together with the Standard Setting Department to revisit the comments received and update the proposed draft to ensure that it is consistent with the Companies Bill that is expected to be enacted in mid-2012 and the recent developments of new IASB pronouncements. Two Committee members volunteered to join the working group. Members were requested to forward their nominations, if any, to the Standard Setting Department.</p> | |

4. Companies Ordinance Rewrite – Companies Bill

The Committee noted that the Specialist Practice Department of the Institute is collating the comments from various stakeholders on the Companies Bill that was gazetted on 14 January 2011 in relation to the Companies Ordinance Rewrite.

SS Dept.

The Committee had a number of comments on the Companies Bill and requested the Standard Setting Department to prepare a summary based on the comments received at the meeting for the consideration of the Committee by circulation.

5. Report on the National Standard Setters Meeting

The Chairman and the Director of Standard Setting attended the National Standards Setters (NSS) Meeting held on 24 and 25 March in New York.

The Committee received a report of the meeting and the Chairman and the Director of Standard Setting briefed the Committee on the progress of various key IASB projects such as leases, revenue recognition, financial instruments and insurance contracts as well as the discussion summary of NSS topical issues.

6. Participation in standard-setters activities

(a) IAS 41 Agriculture

The Committee noted that the Malaysian Accounting Standards Board has started the project to amend IAS 41. Given that it is one of the projects undertaken by the Asian-Oceanian Standard-Setter Group, the Committee agreed that a working group should be set up to support this project. Two Committee members volunteered to join the working group. Members were requested to forward their nominations, if any, to the Standard Setting Department.

(b) AASB Online Questionnaire

The Committee noted that the Australian Accounting Standards Board (AASB) developed an online questionnaire for preparers, advisors, auditors and regulators on the initial accounting for intangible assets acquired under IFRS 3 and IAS 38 and a link to the questionnaire was placed on the Institute's website to facilitate interested parties to participate in the online questionnaire.

(c) Conceptual Framework Development – The Unit of Account

Given the importance of the development of the conceptual framework to the ongoing accounting standard setting, the Institute expressed interest to the NSS project on the unit of account headed by Canada. Four Committee members agreed to join the working group. Members were encouraged to nominate members of their firm to participate in this project.

7. **Outstanding issues list of the IFRS Interpretations Committee**

The Committee noted that the IASB staff invited the NSS to comment on the outstanding issues list of the IFRS Interpretations Committee. The Committee expressed interest in topics related to business combinations and group accounting and requested the Standard Setting Department to ask the IASB staff responsible for this project how the Committee could be involved in this project at an early stage.

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8. **IVSC ED of Technical Information Paper 2 Depreciated Replacement Cost**

The Committee noted that the International Valuation Standards Council (IVSC) released for comment an exposure draft (ED) of a Technical Information Paper on the application of depreciated replacement cost. The Committee agreed that the Financial Reporting Valuation Working Group should be invited to prepare the Institute's submission, including whether the proposals in the ED are consistent with the requirements of the financial reporting standards.

There being no further business, the meeting closed at 10:20 a.m.

19 April 2011

CLEMET CHAN
CHAIRMAN

Hong Kong Institute of
Certified Public Accountants
香港會計師公會