



Minutes of the 191<sup>st</sup> meeting of the Financial Reporting Standards Committee held on Tuesday, 8 March 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. James Fawls  
Mr. Paul Hebditch  
Ms. Elsa Ho  
Ms. Kelly Kong  
Mr. William Lim  
Mr. Paul Phenix  
Ms. Shelley So

In attendance: Mr. PM Kam, Institute's representative on IFRS Advisory Council (for Item 1 only)  
Mr. Steve Ong, Director, Standard Setting  
Ms. Winnie Chan, Manager, Standard Setting  
Mr. Ambrose Wong, Manager, Standard Setting

Apologies for absence were received from Ms. Caron Hughes, Ms. Susanna Lau, Mr. Allen Leung and Ms. Florence Wong.

1. **Report on IFRS Advisory Council Meeting on 21st and 22nd February 2011**

Action

Mr. PM Kam provided a verbal report on the major items discussed as follows:

(i) Meeting with the Trustees

The meeting discussed the paper "Status of Trustees' Strategy Review" issued for public consultation in November 2010. The paper will be redrafted after the public consultation and is targeted for adoption in July 2011. The Trustees are aware that the review of the Monitoring Board on the IFRS Foundation's governance is being conducted in parallel and will ensure that there is maximum coordination between the two reviews.

(ii) Overview of IASB's activities

The IASB remains committed to the target completing revenue recognition, leases, insurance contracts and the impairment, hedge accounting and offsetting phases of the financial instrument project by 30 June 2011. However, the Board will not put the 30 June 2011 target ahead of the need to ensure that high quality IFRSs are produced.

## (iii) Post-implementation Reviews

IFRS Advisory Council suggested that the length of time that a post-implementation review should take should be approximately 12 months from the commencement of the project and no longer than 24 months. Consultation with users, preparers, and other interested parties should best be carried out in partnership with local standard setters.

## (iv) Advisory Council performance review

IFRS Advisory Council agreed that it should strike a balance between giving strategic advice on the IASB's longer-term agenda and giving advice on its technical agenda. Given the different background of Advisory Council members, they could provide view and advice on significant "peripheral issues" such as implementation issues, timing of implementation and issues around outreach and communication activities.

## (v) Effective dates and transition

The IASB published a document in October 2010 requesting views on the overall time and effort that will be needed to adapt to the new IFRSs and views on when those IFRs should become effective. The IFRS Advisory Council generally preferred the single-date approach and the effective date should be no earlier than 1 January 2015. Early adoption should be encouraged.

2. **Minutes of the 190<sup>th</sup> meeting**

The minutes of the 190<sup>th</sup> meeting were approved by the Committee and signed by the Chairman.

3. **IFRS Foundation Monitoring Board Consultative Report on the Review of the IFRS Foundation's Governance**

The Committee noted that Executive Director of the Institute is responsible for preparing the submission to the IFRS Foundation Monitoring Board.

SS Dept.

The Committee had a number of comments on the Consultative Report and requested the Standard Setting Department to prepare the comment letter based on the comments received at the meeting for the consideration of the Committee by circulation.

4. **IASB draft work plan for post-implementation review of IFRS**

The Committee noted that the IASB developed a draft general work plan for a post-implementation review of an IFRS, The first two IFRSs for which the IASB has scheduled to begin post-implementation review are IFRS 8 *Operating Segments* and Business Combination Phase II (the revised IFRS 3 and the amended IAS 27). The Committee had a number of comments on the draft work plan and requested the Standard Setting Department to prepare the comment letter based on the comments received at the meeting for the consideration of the Committee by circulation.

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5. **IASB Outreach on Exposure Draft of Offsetting of Financial Assets and Financial Liabilities**

The Committee noted that the IASB had planned for a conference call with constituents in Hong Kong to hear their views on its exposure draft. The Committee suggested that two session conference call for group of financial institutions and non-financial institutions should be carried out. Members were asked to identify interested parties to attend the relevant conference call.

SS Dept.

6. **SME Implementation Group Draft Question and Answer on Use of IFRS for SMEs in Parent's Separate Financial Statements (Q&A)**

The Committee considered the draft Q&A which is in relation to whether the parent entity can present its separate financial statements in accordance with IFRS for SMEs if a group is required to present consolidated financial statements in accordance with full IFRSs. The Committee requested the Standard Setting Department to write to the IASB for examples on how the scenario as described in the draft Q&A would happen in practice for their further consideration.

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7. **AOSSG Vision Paper**

The Committee considered the Vision Paper prepared by the Asian-Oceanian Standard Setters Group (AOSSG) about its current and future positioning. The Committee agreed with the changes proposed at the meeting and requested the Standard Setting Department to revise the paper for further consideration by the AOSSG. The final paper should be finalized for publication later in 2011.

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8. **EFRAG Discussion Paper - Considering the Effects of Accounting Standards**

The Committee noted that the European Financial Reporting Advisory Group (EFRAG) had issued the Discussion Paper on Considering the Effects of Accounting Standards and understood that the AOSSG will submit its comment on the Discussion Paper by August 2011. The Standard Setting Department was requested to find out more about the objective of the Discussion Paper and keep the Committee posted of developments.

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There being no further business, the meeting closed at 10:30 a.m.

CLEMENT CHAN  
CHAIRMAN

24 March 2011