



Minutes of the 231st meeting of the Financial Reporting Standards Committee held on Tuesday, 12 July 2016 at 8:40 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.

Members present: Ms. Shelley So (Chairman), PricewaterhouseCoopers  
 Mr. Ernest Lee (Deputy Chairman), Ernst & Young  
 Mr. Gary Biddle, The University of Hong Kong  
 Ms. Candy Chu, Government of HKSAR, Treasury  
 Ms. Candy Fong, Deloitte Touche Tohmatsu  
 Ms. Susanna Lau, Securities and Futures Commission  
 Mr. Steve Ong, Stock Exchange of Hong Kong Limited  
 Mr. Paul Phenix, Baker Tilly Hong Kong Limited  
 Mr. Gary Stevenson, RSM Nelson Wheeler  
 Ms. Sanel Tomlinson, KPMG  
 Ms. Florence Wong, Financial Reporting Council  
 Mr. Guochang Zhang, The Hong Kong University of Science and Technology

Staff in attendance: Ms. Christina Ng, Director, Standard Setting  
 Ms. Winnie Chan, Associate Director, Standard Setting  
 Ms. Kam Leung, Associate Director, Standard Setting  
 Ms. Katherine Leung, Associate Director, Standard Setting  
 Ms. Eky Liu, Associate Director, Standard Setting  
 Mr. Anthony Wong, Associate Director, Standard Setting  
 Ms. Winnie Chan, Associate Director, Technical and Learning Support

Apologies: Mr. James Fawls, HSBC  
 Ms. Kelly Kong, Jardine Matheson & Co., Limited  
 Mr. Gary Poon, Poon & Co.  
 Mr. Simon Riley, BDO Limited

	<u>Action</u>
<p><b>1. <u>Minutes, work program and approvals out of session</u></b></p> <p>The Committee approved and the Chairman signed the minutes of the 230th meeting.</p> <p>The Committee noted the developments outlined in the FRSC and staff work program and liaison log.</p>	
<p><b>2. <u>Common Control Combinations</u></b></p> <p>The Committee considered and provided comments on the draft Request for Information (RfI) on Post-implementation Review of AG 5 <i>Merger Accounting for Common Control Combinations</i>. The Committee requested the SSD to finalise the RfI out-of-session for the Committee's approval.</p>	SSD
<p><b>3. <u>International Valuation Standards Council (IVSC) Exposure Drafts (ED)</u></b></p> <p>The Committee considered the staff and Valuation Advisory Panel's comments on the following IVSC EDs:</p> <ul style="list-style-type: none"> <li>➤ IVSC ED on IVS 2017 <i>Introduction and Framework</i>;</li> <li>➤ IVSC ED on IVS 104 <i>Bases of Value</i>;</li> </ul>	SSD

- IVSC ED on IVS 105 *Valuation Approaches and Methods*; and
- IVSC ED on IVS 210 *Intangible Assets*.

The Committee requested that the focus of the submission to the IVSC should be on any inconsistent valuation requirements or guidance between IVS and IFRS.

The submission could also request that valuers be required to disclose their rationale for choosing particular methods, inputs and assumptions; and request for clarification on aspects of the proposed IVS through examples or further guidance.

The Committee also requested SSD to finalise the submission out-of-session for the Committee's approval.

4. **IASB ED/2016/1 Definition of a Business and Accounting for Previously Held Interests**

The Committee noted the IASB's ED/2016/1 and agreed that the SSD should deal with the ED through its Advisory Panel.

The Committee also decided that all matters relating to the accounting of a group, combinations, subsidiaries and investment in associates should be dealt by the same Advisory Panel.

SSD &  
Advisory  
Panel

5. **China convergence project**

The Committee requested SSD to first informally communicate its views on the convergence project to management before deciding its next steps.

SSD

There being no further business, the meeting closed at 11:20 a.m.

SHELLEY SO  
CHAIR

15 July 2016