



Minutes of the 238th meeting of the Financial Reporting Standards Committee held on Tuesday, 5 September 2017 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.

Members present: Ms. Shelley So (Chairman), PricewaterhouseCoopers  
Mr. Ernest Lee (Deputy Chairman), Deloitte Touche Tohmatsu  
Mr. James Fawls, HSBC  
Ms. Candy Fong, Foremost Advisers Ltd  
Mr. Joe Ng, Ernst & Young  
Mr. Steve Ong, Stock Exchange of Hong Kong Limited  
Mr. Simon Riley, BDO Limited  
Mr. Gary Stevenson, RSM Hong Kong  
Ms. Sanel Tomlinson, KPMG  
Ms. Florence Wong, Financial Reporting Council  
Mr. Guochang Zhang, The University of Hong Kong

Guest present: Mr. Fred Nieto, IASB (for items 4 and 5)

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. Daisy Xia, Manager, Standard Setting  
Ms. Iris Lin, Associate Manager, Standard Setting

Apologies: Ms. Kelly Kong, Jardine Matheson & Co., Limited  
Ms. Susanna Lau, Securities and Futures Commission  
Mr. Gary Poon, Poon & Co.

Action

The Committee noted that Ms. Eros Lau had resigned from the Committee as Mr. Ernest Lee, Deputy Chair, joined Deloitte Touche Tohmatsu. The Committee expressed its gratitude to Ms Lau for her contributions on the FRSC since February 2017.

**1. Minutes, work program and liaison log**

A few comments were noted on the minutes of the 237th meeting. Revised minutes will be circulated and approved out-of-session.

SSD

The Committee noted the developments outlined in the FRSC and SSD work program and liaison log.

**2. IFRS 13 Fair Value Measurement**

The Committee considered stakeholders' feedback on the post-implementation review of IFRS 13 and provided input on SSD's feedback analysis.

The Committee agreed to finalise its response on the IASB's Request for Information on the post-implementation review of IFRS 13 out-of-session.

SSD

**3. Property, Plant and Equipment – Proceeds before Intended Use**

The Committee noted SSD's additional targeted outreach and feedback on ED/2017/4 *Property, Plant and Equipment – Proceeds before Intended Use* (Proposed amendments to IAS 16). No significant issue nor impact was raised by constituents. The Committee decided not to comment on ED/2017/4.

**4. IFRS 17 Insurance Contracts**

The Committee noted SSD's targeted outreach to Hong Kong insurers on IFRS 17 and that implementation of the standard have begun. The Committee also noted that Australia, Canada, Malaysia and New Zealand have adopted IFRS 17, and Korea is in the process of translating IFRS 17.

The Committee continued discussions from its July meeting regarding a concern raised by a major insurance company on the adoption of IFRS 17 in Hong Kong soon after it is issued. The Committee noted that this stakeholder met with the Chair, Deputy Chair and SSD separately to explain its concerns, in particular, on the possibility of an inconsistent adoption or application of the standard globally, and therefore the possible unlevel playing field for Hong Kong insurers with global operations. This Hong Kong insurer requested that the Committee consider whether, and how, it would respond to divergence from the standard in other jurisdictions, if any, including UK and EU.

The Committee also noted that the investor community, including analysts from Hong Kong, is supportive of IFRS 17.

The Chairman and SSD plan to meet with other national standard setters at the end of September and will discuss:

- the IASB's plans for supporting the implementation and adoption of IFRS 17; and
- the current endorsement status of IFRS 17 in other major jurisdictions.

**5. Principles of Disclosure**

The Committee received and considered feedback from SSD's outreach activities with regulators, accounting and auditing practitioners, and preparers on the IASB DP/2017/1 *Disclosure Initiative – Principles of Disclosure*. The Committee also considered the staff preliminary views on DP/2017/1.

The Committee provided initial direction on the draft submission, which was subject to additional feedback SSD receives from a roundtable discussion with investors and analysts following the FRSC meeting. The Committee agreed to finalise its submission out-of-session.

There being no further business, the meeting closed at 11:00 a.m.

SHELLEY SO  
CHAIR

8 September 2017