



Minutes of the 224<sup>th</sup> meeting of the Ethics Committee held on Monday, 11 March 2013 at 9:00 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. Alden Leung (Chairman)  
Mr. Raymond Cheng (Deputy Chairman)  
Mr. Edmand Cheung  
Mr. Philip Fung  
Mr. Raymond Kong  
Mr. Jonathan Russell Leong  
Mr. Amirali Nasir  
Dr. Artie Ng  
Dr. Wong Ka Lok  
Ms. Jacqueline Wong  
Ms. Virginia You  
Ms. Monica Yu

In attendance: Mr. Simon Riley, Director, Standard Setting  
Ms. Alison Wilde, Director, Professional Development (For item 1543 only)  
Mr. Ambrose Wong, Manager, Standard Setting

Apology for absence was received from Ms. Grace Ma.

**1538. Welcome to new members and Committee composition for 2013**

The Chairman welcomed Dr. Wong Ka Lok as new member to the Committee. The Committee recorded a vote of thanks to past members, Mr. Raphael Ding and Ms. Susanna Cheung for their contributions.

**1539. Guidance note on general confidentiality rules**

The Chairman drew members attention to the guidance note on the general confidentiality rules in relation to minutes and agenda papers of the Council and Committees appointed by the Council.

**1540. Minutes of the 223<sup>rd</sup> Meeting**

The minutes of the 223<sup>rd</sup> meeting were approved by the Committee and signed by the Chairman.

**1541. Proposed meeting schedule for 2013**

The Committee noted the tentative dates of the meetings as proposed and agreed to arrange additional meetings as and when required in line with the work plan.

Action

	<u>Action</u>
<p><b>1542. <u>Terms of Reference and Proposed Work Plan for 2013</u></b></p> <p>The Committee considered and endorsed the Terms of Reference and Work Plan for 2013.</p> <p>The key projects under the Work Plan are:</p> <p>(i) To maintain full convergence with International Ethics Standards Board for Accountants (IESBA) pronouncements by following the Institute's ethics standard-setting due process in issuing revisions to the Code of Ethics for Professional Accountants, exposure drafts and discussion papers based on IESBA's Work Plan.</p> <p>(ii) To consider local guidance from adapting the UK Code of Ethics for Reporting Accountants in Hong Kong, which is part of the Institute's project on Hong Kong Standard on Investment Circular Reporting Engagements.</p>	<p></p> <p>SSD</p> <p>SSD</p>
<p><b>1543. <u>Statement 1.500 "Continuing Professional Development" (Redraft)</u></b></p> <p>The Committee considered the Statement 1.500 (Redrafted), which was redrafted based on the International Education Standard (IES) 7 Continuing Professional Development (Redrafted) issued by the International Accounting Education Standards Board (IAESB) in July 2012 and effective on 1 January 2014.</p> <p>The Committee noted that the Statement 1.500 (Redrafted) aims to facilitate the Institute's compliance to IES 7, as part of its obligation as a member body of the International Federation of Accountants (IFAC).</p> <p>The Committee noted the due process applied, following the release of the IAESB's Exposure Draft of IES 7 in December 2010, consisted of the following:</p> <ul style="list-style-type: none"> <li>• comments sought from members via E-Circular (CPD Online Issue 54 – 6 January 2011);</li> <li>• comments sought from members of the Institute's CPD Advisory Panel; and</li> <li>• comment letter submitted to IAESB on 7 March 2011.</li> </ul> <p>The Committee approved the issuance of Statement 1.500 (Redrafted). Institute members' attention to the redrafted statement will be drawn via various avenues of Institute correspondence.</p> <p>The Committee noted and concurred with the capping of recognising non-verifiable continuing professional development activities on "networking" and "observation, feedback and reflection" at 5 hours per annum in total for these categories."</p>	<p></p> <p>PDD</p>

**1544. IESBA survey on project priorities**

The Committee considered the response to the IESBA survey on strategy and work plan for the period 2014-16 and noted that the input received from the Professional Accountants in Business (PAIB) Leadership Panel had been taken into account.

The Committee approved the response, subject to the consideration and incorporation of input from the Small and Medium Practitioners (SMP) Leadership Panel.

[Post meeting note: The revised response to the IESBA survey was approved by circulation on 13 March 2013 and was submitted to the IESBA on 14 March 2013]

SSD

**1545. Submission on the identification of public interest entities by HKICPA Small and Medium Practitioners Leadership Panel**

The Committee considered the submission by the Institute's SMP Leadership Panel on the identification of public interest entities. The Committee agreed the Standard Setting Department will contact IESBA staff for additional background information to facilitate further consideration by the Committee.

SSD

**1546. Presentation to IESBA**

The Committee noted the Institute's representative on the SMP Committee of IFAC will make a presentation to the IESBA September 2013 meeting on the topic of practical implementation issues on the Code of Ethics by practitioners in Hong Kong. The Standard Setting Department will provide support for the presentation and will solicit input from, in addition to the Committee, the Institute's SMP Leadership Panel and PAIB Leadership Panel.

SSD

There being no further business, the meeting closed at 11:05 a.m.

ALDEN LEUNG  
CHAIRMAN

28 March 2013