



**Minutes of the 430<sup>th</sup> Meeting of the Auditing and Assurance Standards Committee**

Date: Tuesday, 16 December 2025 at 8:30 a.m.

Location: Board Room of the Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong (and via videoconference)

Present: Mr. Paul Hebditch (Chairman) (dial-in)  
Mr. Louis Lau (Deputy Chairman) (dial-in)  
Mr. Ivan Au (dial-in)  
Prof. Koon-Hung Chan (dial-in)  
Ms. Elaine Chang (dial-in)  
Mr. Tony Ching (dial-in)  
Ms. Caroline Chiu (dial-in)  
Mr. Deric Chiu (dial-in)  
Mr. Tony Leung (dial-in)  
Mr. Charbon Lo (dial-in)  
Ms. Joan Ng (dial-in)  
Mr. William Wong (dial-in)

In attendance: Ms. Cecilia Kwei, Director, Standard Setting (SS)  
Ms. Selene Ho, Deputy Director, SS  
Ms. Grace Lau, Associate Director, SS  
Ms. Cherry Yau, Associate Director, SS  
Ms. Phoebe To, Manager, SS

Apologies: Mr. Ivan Chan  
Ms. Winnie Yau

Observer: Ms. Lily Rui, Accounting and Financial Reporting Council (AFRC) (dial-in)  
Mr. Cyrus Chan, AFRC  
Ms. Tammy Lai, AFRC (dial-in)

**3319. Minutes of the 429<sup>th</sup> meeting**

The Committee approved the minutes of the 429th meeting.

**3320. Work plan status report and update from working groups**

The Committee considered the report and noted the progress of various projects.

**3321. Narrow Scope Amendments to the HKSQMs, HKSAAs and HKSRE 2400 (Revised) as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code (Narrow Scope Amendments)**

Action

The Committee considered the proposed Narrow Scope Amendments, converged from the International Auditing and Assurance Standards Board (IAASB) pronouncement. These amendments adopt the same definition of a publicly traded entity (PTE) in the HKSQMs and HKSAs as adopted in Chapter A of the HKICPA *Code of Ethics for Professional Accountants* (Code). Additionally, they extend the applicability of existing differential auditing requirements for listed entities to audits of PTEs.

In converging the IAASB pronouncement, localized guidance was incorporated on the Code's definition of a PIE within the Hong Kong context. No impact analysis had been prepared as the Narrow Scope Amendments was classified as medium priority.

The Committee noted that, as part of the Ethics Committee's initiative, FAQs were being developed to clarify the revised PIE definition in the Code and the differential auditing requirements for PTEs. The Committee also noted the timing differences between the effective dates of the revised PIE definition in the Code and the Narrow Scope Amendments.

The Committee approved the Narrow Scope Amendments and recommended developing technical articles to explain the implications of the amendments and strengthen stakeholder understanding.

*[Post-meeting note: The Narrow Scope Amendments were issued on 23 December in Members' Handbook Update [No. 338](#) and are available [here](#).]*

**3322. IESBA-IAASB Jurisdictional Standard Setters (JSS) Joint Session**

SSD staff attended the IESBA-IAASB JSS joint session virtual meeting on 4 November. The Committee received an update from the meeting which covered the forthcoming joint strategy and work plan consultations to be released in January 2026 for 2028-2031.

**3323. Update on PN 830 (Revised), Reports by the Auditor under the Banking Ordinance**

SSD reported to the Committee that the comments on the proposed draft of PN 830 (Revised) received from the regulators were considered by the Banking Regulatory Advisory Panel (BRAP) at its meeting on 30 October. BRAP had a conference call with one of the regulators on 5 December to discuss the comments. Both BRAP and the regulator will discuss internally on various matters and revert. Subject to the internal discussions, BRAP will consider the next steps and revise the timeline accordingly at its next meeting in 2026.

**3324. Auditor Reporting for VATP Pre-Licensing Requirements**

SSD provided an update on the tripartite discussion with the Securities and Futures Commission and the AFRC regarding the auditor reporting for the Virtual Assets Trading Platform (VATP) pre-licensing requirements. Following careful consideration and discussions, the Committee determined that there was no immediate need to develop guidance for auditor pre-licensing assessments of VATPs. SSD would continue to monitor market and regulatory developments, including any issues arising in relation to the compliance reporting of VATP

licensees, to ensure that the need for additional guidance was considered and auditors were adequately supported.

**3325. Update from the HKSA for LCE Advisory Panel and Proposed FAQs for HKSA for LCE**

SSD provided an update on implementation support for the *Hong Kong Standard on Auditing for Audits of Financial Statements of Less Complex Entities* (HKSA for LCE), including proposed updates to Practice Notes 600.1 and 900. These updates were in progress to develop illustrative auditor's reports and templates for audits of financial statements prepared under the Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard using the HKSA for LCE and were targeted for issuance before mid-June 2026.

SSD also proposed additional FAQs addressing:

- Eligibility of using the HKSA for LCE for audits of financial statements prepared under different financial reporting frameworks
- Application of the HKSA for LCE in group audit engagements
- Reporting on other information under the HKSA for LCE

The Committee reviewed the FAQs, provided drafting comments, and approved them subject to the suggested amendments.

*[Post-meeting note: The revised FAQs were circulated to the Committee for review on 30 December.]*

**3326. Project Categorization of Audit Manual for HKSA for LCE**

SSD presented the project plan for developing an audit manual for the HKSA for LCE. After evaluating the project based on its level of public interest, relevance, urgency and achievability, the project was assessed as a high priority for inclusion in the Committee's workplan. SSD proposed that the HKSA for LCE Advisory Panel and the Audit Practice Manual Advisory Panel perform a technical review of the manual.

The Committee agreed with SSD's proposal regarding the project category and endorsed the involvement of the panels in the development.

**3327. Update on the evaluation exercise for the Framework for Adding Local Projects to AASC's Work Plan**

The Committee received an update from SSD on the evaluation of local projects under the revamped framework approved in Q4 2025. Under the framework, there are three sources of input for identifying local projects:

- (i) Outcomes of local post-implementation reviews (PIR) – The review is under progress. Findings and recommendations will be presented to the Committee in Q1 2026.

- (ii) Stakeholders' requests – No formal requests have been received in 2025. Nonetheless, SSD has considered comments from practitioners raised at different occasions, including the Institute's forums and the panel meetings.
- (iii) Requests from regulators and government departments – the AFRC's enquiry on VATP matters has been addressed under paragraph 3324.

In addition, SSD reported to the Committee that there are no projects on the watchlists, and the Committee also noted the summary of local projects and guidance under development or recently approved by the Committee.

**3328. Report from HKICPA's representative on the MPFA Guidelines Committee**

The Committee noted the report from the Institute's representative on the MPFA Guidelines Committee as required by the Institute's Guidelines on Handling Invitation for External Appointments. The Committee noted the written report by the Institute's representative and did not have any comments.

**3329. Report from the representative of Sustainability Assurance Advisory Panel (SAAP) on the IAASB-JSS Collaboration Project**

The Committee received a report from the SAAP representative summarizing the project team's key activities in 2025. The Committee noted the written report by the Institute's representative and did not have any comments.

**3330. Any other business**

- In response to the AFRC's oversight comments, SSD was developing audit-related curricula tailored to different career stages which would be presented to the Committee for review in due course.
- SSD expressed appreciation to Committee members and their firms for their support in delivering technical training sessions and workshops throughout the year.
- The Committee noted the Chairman's retirement and expressed appreciation for his leadership and contributions. The Chairman also thanked members and SSD for their dedication and support.

There being no further business, the meeting closed at 9:36 a.m.

PAUL HEBDITCH  
CHAIRMAN

30 December 2025