Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Minutes of the 434th Meeting of the Auditing and Assurance Standards Committee

Date: Tuesday, 19 May 2026 at 9:00 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. Louis Lau (Chairman)
Mr. Ivan Au (Deputy Chairman) (dial-in)
Ms. Elaine Chang (dial-in)
Ms. Caroline Chiu (dial-in)
Mr. Deric Chiu (dial-in)
Mr. Tony Leung (dial-in)
Mr. Michael Li (dial-in)
Mr. Charbon Lo (dial-in)
Ms. Joan Ng (dial-in)
Ms. Wing Tam (dial-in)
Ms. Angela Tsang (dial-in)
Ms. Carrie Lau (dial-in)
Ms. Winnie Yau (dial-in)

In attendance:
Mr. Arthur Lee, Chief Executive & Registrar
Ms. Elaine Chung, Executive Director
Ms. Cecilia Kwei, Director, Standard Setting Department (SSD)
Ms. Selene Ho, Deputy Director, SSD
Mr. Selwyn Wong, Deputy Director, SSD
Ms. Grace Lau, Associate Director, SSD
Mr. Anthony Wong, Associate Director, SSD
Ms. Cherry Yau, Associate Director, SSD
Ms. Phoebe To, Manager, SSD

Observers:
Ms. Tammy Lai, Accounting and Financial Reporting Council (AFRC)
Mr. Logos Lee, AFRC

Action

3370. Welcome a new member

The Committee welcomed a new member to the Committee.

3371. Minutes of the 433rd meeting

The Committee approved the minutes of the 433rd meeting.

3372. Work plan status report and update from working groups

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

3373. Exposure Draft on Proposed ISRE 2410 (Revised), *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*

The Committee received an update on the International Auditing and Assurance Standards Board's (IAASB) Exposure Draft (ED) on Proposed ISRE 2410 (Revised), including the Institute's outreach activities to date, such as the issuance of the local Invitation to Comment, the request for comments from Committee members, and targeted outreach to the Ethics Committee. The Committee also noted the timeline and next steps, and members were invited to provide written comments on the ED by 26 June 2026.

3374. Update on the outreach activities for the Public Consultation Survey (Survey) on IAASB's post-implementation review (PIR) of ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*

The Committee noted the update on the outreach activities relating to the Survey conducted by the IAASB, as part of its PIR of ISA 540 (Revised). Survey feedback will inform the IAASB's next steps.

The Committee noted that SSD had issued a local invitation to comment and that, as of the meeting date, one response had been received from an AASC member. Two public submissions were also received from external stakeholders, neither of which raised any specific comments. In addition, SSD had obtained input from the SMPC Technical Issues Working Group and the Audit Evidence and Risk Response Advisory Panel. The draft responses had been prepared taking into account all comments received to date. The Committee reviewed and approved the draft responses to the Survey.

[Post-meeting note: Response to the Survey was submitted to the IAASB on 8 June 2026.]

3375. IAASB-Jurisdictional Standard Setters (JSS) Meeting

The Committee noted the participation of SSD staff at the IAASB JSS meeting held in April and received an update on key topics discussed. SSD will keep the Committee posted on any significant developments in the key projects of the IAASB.

3376. Updates on the HKSA for LCE Audit Manual

The Committee received an update on the development of the audit methodology manual for the *Hong Kong Standard on Auditing for Audits of Financial Statements of Less Complex Entities* (HKSA for LCE). It noted that the review panel has completed its review of the vendor's first draft, with comments focusing on ensuring that the manual is appropriately scaled to the nature and requirements of the HKSA for LCE and adequately reflects the differences between the HKSAs and the HKSA for LCE.

The Committee also noted that training sessions on the HKSA for LCE are scheduled for June 2026, with a focus on eligibility criteria and application of the

standard.

3377. Updates from the Virtual Assets Reporting Advisory Panel

The Committee considered the draft Practice Note (PN) 831, *Reporting on Reserve Assets of Licensed Stablecoin Issuers under the Stablecoins Ordinance*, as finalized by the Virtual Assets Reporting Advisory Panel, which incorporated revisions made in response to comments received from stakeholders and relevant regulators during the public consultation.

The Committee approved the issuance of PN 831, with an effective date for engagements beginning on or after 1 April 2027 with early application permitted. In determining the effective date, the Committee considered that a shorter implementation period (i.e., less than 12 months from publication) was appropriate, taking into account the anticipated commencement of stablecoin attestation reporting in 2026, the absence of stakeholder concerns regarding the proposed effective date, and the flexibility provided through permitting early application.

[Post-meeting note: PN 831 was issued on 20 May in Members' Handbook Update No. 344 and is available here.]

3378. Proposed agenda for Annual Auditing Update Conference 2026

The Committee noted that the Annual Auditing Update Conference (AAU) is scheduled for the morning of 24 October and will be held in a virtual format. A member noted that sessions on HKSA 240 (Revised) and HKSA 570 (Revised) had already been covered in 2025 AAU, but agreed that these were key standards coming into effect in the following year. It was therefore considered appropriate to include them again in this year's AAU, using a different approach to highlight their key requirements. The Committee considered the proposed topics and agreed that they are appropriate for the 2026 conference. SSD invited the Committee members to nominate suitable speakers for the conference.

3379. Any other business

The next meeting will be held on 16 June and the Committee was requested to suggest any agenda items by 26 May.

There being no further business, the meeting closed at 9:50 a.m.

LOUIS LAU
CHAIRMAN

16 June 2026