



Minutes of the 254th meeting of the Ethics Committee held on Monday, 12 December 2022 at 12:30p.m. in 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 video conference)

Present: Ms. Helen Tang (Chair)
Ms. Mary Xuereb (Deputy Chair)
Mr. Paul Chan (Dial-in)
Mr. Stephen Chan (Dial-in)
Mr. Eric Hung (Dial-in)
Ms. Elaine Kwong (Dial-in)
Ms. Mary Lau
Mr. Dacky Leung (Dial-in)
Ms. Annie Li (Dial-in)
Mr. Horace Ma (Dial-in)
Ms. Shelley So (Dial-in)
Mr. Alec Tong

In attendance: Ms. Cecilia Kwei, Director, Standard Setting
Ms. Selene Ho, Deputy Director, Standard Setting
Mr. George Au, Associate Director, Standard Setting
Ms. Grace Lau, Associate Director, Standard Setting (Dial-in)
Ms. Cherry Yau, Senior Manager, Standard Setting
Ms. Phoebe To, Manager, Standard Setting (Dial-in)

Apologies: Ms. Careen Wong

Observer: Mr. Ambrose Wong, Accounting and Financial Reporting Council

1766. Minutes of the 253rd meeting

The Committee approved the minutes of the 253rd meeting.

1767. Work Plan Status Report

The Committee considered the report and noted the progress of various projects. A vote of thanks was given to ICAC for facilitating various ethical workshops and open day visit for Institute members.

1768. Update from the Ethics Educational Materials Advisory Panel

SSD thanked the Advisory Panel for its contribution in providing direction and advices in developing the ethics educational materials. The Committee was informed of the Advisory Panel's proposed work plan for 2023 and considered it was appropriate.

1769. Draft data analysis and approach for identification of implementation issues of the HKICPA Code of Ethics for Professional Accountants

SSD explained to the Committee the methodology and findings of the data analysis and the revised framework for identifying implementation issues. The Committee also noted that the Request for Information document setting out the details such as

Action

the background would be sent to the Committee and the Small and Medium Practices Committee after the meeting to obtain input on implementation issues they identified.

The Committee considered and approved the data analysis and the proposed revision to the local post-implementation review framework in principle, and provided the following comments for SSD's further consideration:

- To consider preparing and posting frequently asked matters related to HKICPA *Code of Ethics for Professional Accountants* on the Institute's website from the technical enquiries received by SSD for members' easy access when faced with similar enquiries.
- The data analysis conducted and the proposed revised framework had incorporated specific responses to address the Accounting and Financial Reporting Council's findings on the Institute's post-implementation review framework. Proposed new initiative to provide advisory services to members who may encounter ethical issues might be further considered by the Institute as part of the member services.

[Post meeting note: The Request for Information document was sent on 14 December 2022 with comment period due on 20 January 2023.]

1770. Local approach to refine the definitions of listed entity and public interest entity for adoption in the Code

The Committee received an update on outreach activities carried out by SSD with respective regulators and regulatory advisory panels on the refinement approach for entities defined as public interest entities under the Code in the local context.

The Committee discussed the factors set out in paragraph 400.9 in the Final Pronouncement for Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code and the application of those factors to determine the refinement approach for banks, insurance companies and collective investment vehicles. To facilitate the Committee's consideration and approval, SSD has been requested to develop an analysis summarizing the information considered in the previous Committee's meetings and outreach activities, as well as the basis for the proposed refinement approach with reference to the factors set out in paragraph 400.9.

SSD

(Mr. Stephen Chan left the meeting at this juncture.)

The Committee also suggested SSD to seek further views from the Banking Regulatory Advisory Panel on whether the thresholds used in the Banking (Disclosure) Rules under section 60A of the Banking Ordinance should also be considered in the refinement approach for banks.

SSD

In addition, the Committee recommended SSD to revisit the timeline for the project, in particular, the length of the public consultation period, given that comprehensive researches and outreach activities had been conducted by SSD and a robust assessment should have been considered by the Committee at the time when releasing the exposure draft.

SSD

(Mr. Paul Chan left the meeting at this juncture.)

1771. **Any other business**

The Committee did not have any local implementation issues on ethical requirements to discuss.

The meeting was the last scheduled meeting of the Committee in year 2022. The Chair informed the Committee members that she would retire from the Committee at the end of this appointment period. She thanked the Committee members for their contributions and support. The meeting recorded a vote of thanks to the Chair for her services during the year.

There being no further business, the meeting closed at 2:15 p.m.

HELEN TANG
CHAIR

19 December 2022