



Minutes of the 259<sup>th</sup> meeting of the Ethics Committee held on Friday, 20 September 2023 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. Mary Xuereb (Chair)  
Mr. Horace Ma (Deputy Chair)(Dial-in)  
Mr. Stephen Chan (Dial-in)  
Ms. Elly Chui (Dial-in)  
Mr. Eric Hung (Dial-in)  
Ms. Mary Lau (Dial-in)  
Mr. Rudolf Leung (Dial-in)
- In attendance: Ms. Cecilia Kwei, Director of Standard Setting  
Ms. Selene Ho, Deputy Director of Standard Setting  
Ms. Grace Lau, Associate Director of Standard Setting  
Ms. Cherry Yau, Associate Director of Standard Setting  
Ms. Phoebe To, Manager of Standard Setting
- Apologies: Mr. Paul Chan  
Ms. Elaine Kwong  
Mr. Dacky Leung  
Ms. Careen Wong
- Observer: Ms. Tracy Chan, Accounting and Financial Reporting Council (Dial-in)  
Ms. Kristin Ko, Accounting and Financial Reporting Council (Dial-in)

**1912. Minutes of the 258<sup>th</sup> meeting**

The Committee approved the minutes of the 258<sup>th</sup> meeting.

**1913. Work plan status report**

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

**1914. Composition of the Sustainability Ethics Advisory Panel (“SEAP”)**

SSD thanked the Committee for the nominations to participate on the SEAP. The Committee considered the competency and expertise of all eleven nominees were appropriate. The Committee also discussed the nomination attributes of the nominees and approved to expand the SEAP membership from eight members to eleven members, with an aim to incorporate diverse perspectives and expertise to provide support in ethics and independence related matters on sustainability reporting and assurance (“sustainability-related provisions of the Code”). The Committee also noted the overall time line relating to the development and implementation of the sustainability-related provisions of the Code.

Subject to the revision of the SEAP’s composition to eleven members, the Committee approved the composition and the terms of reference of the SEAP.

*[Post meeting note: The revised composition and terms of reference were circulated to the Committee on 27 September.]*

Action

**1915. Proposed ethics educational materials to the Code**

The Committee noted that the Ethics Educational Materials Advisory Panel (“AP”) had developed a poster to draw awareness on common workplace scenarios that might result in a breach of the fundamental principles of the *Code of Ethics for Professional Accountants* (“Code”). The Committee considered the poster and approved to publish it.

To strengthen the awareness, SSD would develop a video mirroring the contents of the poster and would present it to the Committee in due course.

*[Post meeting note: The poster was published on 22 September and is available [here](#).]*

**1916. Approach and timeline of the next ethics survey**

The Committee agreed that the next ethics survey would focus on a new theme which would be distinct from previous surveys. One potential theme discussed was professional accountants’ awareness of data privacy in workplace. Furthermore, the Committee agreed that key fundamental ethics questions from the 2021 survey would be incorporated in the next ethics survey for comparison purposes.

The Committee also agreed to reschedule the next ethics survey to the second half of 2024.

**1917. Approach for Phase 2 of the local refinement of the public interest entity definition in the Code**

The Committee noted that the revised draft explanatory memorandum and provisions in the Code for the local refinement to the definition of public interest entity (“PIE refinement”) in Part 4A of Chapter A of the Code, i.e., Phase 1 of the PIE refinement as approved by the Committee on 15 September, would be submitted to the Accounting and Financial Reporting Council for their comments after obtaining Council’s approval at its meeting on 21 September.

Phase 2 of the PIE refinement would involve an expanded research scope on entities beyond those covered in Phase 1. The Committee deliberated on the additional types of entities that might fall within the PIE definition in Part 4A of Chapter A of the Code and agreed that researches in Phase 2 would focus on the attributes and characteristics of the following entities in a Hong Kong context:

- Public utility providers of electricity, town gas and public transport
- Charitable organizations
- Corporations licensed by the Securities and Futures Commission
- Insurance broker companies licensed by the Insurance Authority
- Other private entities identified by the Committee that might be of systematic significance to the Hong Kong economy, for example, Hong Kong Interbank Clearing Limited.

The Phase 2 findings would be assessed to determine whether to incorporate additional entities as PIEs in Part 4A of Chapter A of the Code. The Committee also agreed on the proposed timetable for Phase 2.

*[Post meeting note: The revised draft explanatory memorandum and provisions in the Code for Phase 1 were submitted to the Accounting and Financial Reporting Council on 22 September. The research scope for Phase 2 was approved by the*

*Committee through circulation on 19 October and submitted to the Accounting and Financial Reporting Council on 1 November.]*

**1918. Any other business**

The Committee did not have any local implementation issues on ethical requirements for discussion.

The Committee noted that the next meeting would be held on 23 November and was requested to suggest agenda items by 2 November.

There being no further business, the meeting closed at 2:30 p.m.

MARY XUEREB  
CHAIR

28 November 2023