



Minutes of the 249th meeting of the Ethics Committee held on Thursday, 25 November 2021 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: Mr. Horace Ma (Chairman)(Dial-in)
 Mr. Stephen Chan (Dial-in)
 Mr. Allan Hepburn
 Ms. Anna Lam
 Ms. Clara Ng (Dial-in)
 Mr. Jerry Poon (Dial-in)
 Ms. Helen Tang (Dial-in)
 Mr. Alec Tong (Dial-in)
 Ms. Careen Wong (Dial-in)
 Ms. Mary Xuereb
- In attendance: Ms. Cecilia Kwei, Director, Standard Setting
 Ms. Selene Ho, Deputy Director, Standard Setting
 Mr. Norman Chan, Associate Director, Standard Setting
 Ms. Grace Lau, Associate Director, Standard Setting
 Ms. Cherry Yau, Senior Manager, Standard Setting
 Ms. Phoebe To, Manager, Standard Setting
- Observer: Mr. Ambrose Wong, Financial Reporting Council (Dial-in)
- Apologies: Mr. Alan Au (Deputy Chairman)
 Mr. Alex Cheng

	<u>Action</u>
<p>1720. <u>Minutes of the 248th meeting</u></p> <p>The Committee approved the minutes of the 247th meeting.</p>	
<p>1721. <u>Work Plan Status Report</u></p> <p>The Committee considered the report and noted most of the current year’s projects had been completed. A member suggested conducting the ICAC workshop and webinar in English to cater for the needs of non-Cantonese speaking members. SSD would further communicate the request to the Institute’s CPD Team for further arrangement.</p>	SSD
<p>1722. <u>Approval for members’ survey on ethics issues (“Survey”)</u></p> <p>SSD walked the Committee through the revisions made to the Survey based on the comments received at the last meeting. The Committee provided the following comments for SSD’s consideration:</p> <ul style="list-style-type: none"> • To consider shortening the introduction on page 1 or relocating some paragraphs to the alert e-mail to members when releasing the survey. • To revisit Question 12 and its options as there could be multiple reasons to explain the change in the ethics culture of the working environment. <p>In order to better arouse members’ attention of the Survey, the Chairman sought</p>	

the Committee's comments on rescheduling the Survey's release date from December 2021 to January 2022. As members might be distracted by other emails from the Institute in early December (e.g. emails relating to AGM, council election, etc.) and might not be willing to complete the Survey during Christmas and New Year holidays. A member replied that it would be subject to when the Survey would be ready for release. The member also raised a concern that members would be too busy with annual audit engagements from January 2022 and the Survey's response rate might also be affected.

SSD further informed the Committee that the Survey would be sent in a smart-form format (i.e. the survey would show the question(s) based on the answers selected by the surveyees).

SSD would circulate the revised Survey to the Committee for final review and update the Committee on a suitable date for releasing the Survey after liaising with the Institute's Communication Team.

SSD

[Post meeting note: The revised Survey was sent to the Committee for review on 10 December 2021 and was released to members on 17 December 2021.]

1723. Approval for the proposed publication of the educational materials

SSD provided the Committee with the progress update of the work plan and presented the newly developed video in the meeting. The Committee remarked that the video was a good visual aids for reminding members of the fundamental principles of ethics and provided the following comments for the Working Group for Education Materials (the "WG") and SSD's consideration:

- It would be more effective to have voice over slide 11. However, it might be a challenge to fit in the voice over with the messages on the slide as the video was designed to be around 2 minutes aiming at just arousing members' awareness.
- It would be better to allocate a few more seconds to slides 4 and 8 in order to allow audience to complete reading the messages on the slides.

A member commented that slide 2 might confuse the audience as mixed mindsets (both positive and negative) were shown on the slide. SSD explained that slide 2 was prepared from members' perspective and both mindsets were included to keep them engaged with the video.

The WG and SSD would consider the comments and further edit the video. The video would be finalized and sent to the Committee for review prior to rolling it out to members.

SSD

[Post meeting note: The video was sent to the Committee for review on 17 December 2021 and was publicized on 30 December 2021 at the Institute's Facebook and Instagram, and the Institute's website at https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Code-of-Ethics?_cldee=dmlja3l5dUBoa2ljcGEub3JnLmhr&recipientid=contact-5edfd2b54537ea11b8100050568d1b3e-61bca711783441398d959c64c9d71fe8&esid=b526ba6d-0d6d-ec11-b81b-0050568d4f85]

1724. Endorsement on the issuance of the updates to the Institute’s Code of Ethics for Professional Accountants (the “Code”) to align with the 2021 IESBA Handbook

The Committee noted SSD’s proposals to:

- (a) Update the Code for the corresponding changes to align with the 2021 IESBA Handbook.
- (b) Re-number the pages of the Code with reference to the corresponding chapters and section numbers, and re-locate the sections of Glossary and Effective Date, aiming at facilitating the management and print-out of the revised pages if there would be any revisions to the Code.

The Committee considered that the changes in proposal (a) were mainly editorial in nature and proposal (b) would facilitate effective management of the Code. It endorsed the proposals to issue the updated Code to members.

[Post meeting note: The updated Code were issued on 18 January 2022 in Members’ Handbook Update No. 270 and is available at <https://www.hkicpa.org.hk/-/media/HKICPA-Website/Members-Handbook/updates/update270.pdf>]

1725. Update on IESBA NSS meetings

The Committee noted that the Chairman and staff of SSD attended the IESBA NSS virtual meetings and joint IAASB-IESBA NSS virtual meeting (with the Chair of AASC) from 26 to 28 October 2021. The topics discussed including the latest developments on the technology workstreams and the potential revisions to the IESBA Code, the proposal to develop a principle-based framework for tax planning engagements, the proposed revision to the definition of the listed entity and public interest entity, etc.

The Committee also noted that the Institute’s comments in respect of the above topics. SSD would keep the Committee posted of the developments on the projects.

1726. A.O.B.

- The meeting was the last scheduled meeting of the Committee in year 2021. The Chairman thanked the Committee Members for their commitment and contributions to the profession. The Chairman also thanked SSD for its effort on completing the projects according to the work plan.
- The Committee was reminded that the submission deadline of the 2022 Committee’s nominations would be on 26 November 2021.

There being no further business, the meeting closed at 1:50 p.m.

HORACE MA
CHAIRMAN