



TechWatch

News at a glance

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TechWatch updates you on technical developments in financial reporting, auditing, regulation and business. The Institute welcomes your comment, emailed to < commentletters@hkicpa.org.hk >. Click [here](#) for past issues.

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Financial Reporting, Auditing and Ethics by:
Steve Ong (Editor), Selene Ho, Winnie Chan, Katherine Leung, Ben Lo

Specialist Practices, Business Members and Advocacy by:
Peter Tisman (Editor), Elena Chai, Mary Lam, Sharon Yeung

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Financial Reporting, Auditing and Ethics

New!

1. Illustrative Financial Statements for HKFRS for Private Entities

The Institute has published an **illustrative financial statements** for HKFRS for Private Entities, in accordance with the requirements contained in the Hong Kong Companies Ordinance, with examples of Directors' Report and Auditor's Report.

2. Seminar on the Revised Code of Ethics

The revised IFAC Code of Ethics ("IFAC Code") was issued in 2009. The Institute's Ethics Committee has considered the IFAC Code and will be issuing the Hong Kong equivalent Code of Ethics for Professional Accountants soon with an effective date of 1 January 2011 (same as the international effective date).

The revised Hong Kong Code maintains the principles-based approach supplemented by detailed requirements where necessary, resulting in a Hong Kong Code that is robust but also sufficiently flexible to address the wide-ranging circumstances encountered by professional accountants. Provisions on independence requirements are strengthened.

Additional guidance on the provisions governing acceptance of any payment in an agent-principal relationship under the Prevention of Bribery Ordinance is also covered.

The Institute will hold a seminar on 27 July 2010 to discuss the key changes in the Code of Ethics and three re-run sessions will be held on 7 September, 5 October and 2 November 2010.

Click [here](#) for enrolment details.

3. Financial Reporting and Auditing Alert – Issue 9

The Institute issued **Financial Reporting and Auditing Alert – Issue 9** to summarise common issues noted on accounting for properties under

HKAS 40 *Investment Property* and HKAS 16 *Property, Plant and Equipment*. In addition, it summarised observations on insufficient disclosures of HKAS 40 and HKAS 16.

Members' Handbook

4. Handbook Updates No. 83, 84 & 85

- (i) **Update no. 83** relates to issuance of HKSAC 3402 *Assurance Reports on Controls at a Service Organisation*.

HKSAC 3402 deals with assurance engagements undertaken by a professional accountant in public practice to provide a report for use by user entities and their auditors on the controls at a service organisation that provides a service to user entities that is likely to be relevant to user entities' internal control as it relates to financial reporting. This HKSAC is effective for service auditors' assurance reports covering periods ending on or after 15 June 2011 with early adoption permissible.

PN 860.2 *Reports on internal controls of investment custodians made available to third parties* is updated to reflect that it will be superseded by HKSAC 3402 for reports covering periods ending on or after 15 June 2011.

- (ii) **Update no. 84** relates to issuance of Accounting Bulletin 4 *Guidance on the Determination of Realised Profits and Losses in the Context of Distributions under the Hong Kong Companies Ordinance*.

This Accounting Bulletin provides guidance on the determination of distributable profits under the Hong Kong Companies Ordinance. It is for general guidance only and does not introduce additional accounting, disclosure or legal requirements. Its purpose is to identify, interpret and apply the principles relating to the determination of realised profits and losses for the purposes of making distributions under sections 79A to 79P of the Hong Kong Companies Ordinance. The most common form of a distribution is a cash dividend paid pro rata to ordinary shareholders.

(iii) **Update no. 85** relates to issuance of *Improvements to HKFRSs 2010*, which is issued in response to the IASB's annual improvements project to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project. By presenting the amendments in a single document rather than as a series of piecemeal changes, the IASB aims to ease the burden of change for all concerned.

In particular, the IASB extended the scope of paragraph D8 of IFRS 1 *First-time Adoption of International Financial Reporting Standards* for the use of the deemed cost exemption for an event-driven fair value.

Unless otherwise specified, the amendments contained in *Improvements to HKFRSs 2010* are effective for annual periods beginning on or after 1 January 2011, although entities are permitted to adopt them earlier.

Financial Reporting

5. General Principle of Applicability of HKFRS for Private Entities

Further to the highlights of the HKFRS for Private Entities in **TechWatch no. 91**, the general principle of applicability of HKFRS for Private Entities is discussed below.

Entities should go through the thought process described below in determining whether or not they are eligible to use HKFRS for Private Entities.

Statutory financial reporting requirement

There may be statutory requirements for an entity to prepare its accounts in accordance with specific accounting requirements. For example, the Education Bureau requires the accounts of schools (including both Incorporated Management Committee ("IMC") schools and non-IMC schools) to be prepared in accordance with its Code of Aid and other related accounting instructions.

The entity should identify whether any specific statutory financial reporting requirements applies. The entity can use HKFRS for Private Entities to prepare its accounts for statutory purpose, provided it has no public accountability after considering the entity-specific facts and circumstances. However, the entity should also follow the relevant statutory requirement in preparing its accounts for statutory purposes.

Statutory requirements may require an entity to prepare financial statements which give a true and fair view. For example, the Building Management Ordinance requires the Management Committee ("MC"), or a professional property manager employed by the Owners' Corporation ("OC") or its MC, to prepare the annual financial statements which give a true and fair view of the financial transactions and financial position of the OC.

As stated in paragraph 3.2 of HKFRS for Private Entities, the application of HKFRS for Private Entities, with additional disclosure when necessary, is presumed to result in financial statements that achieve a true and fair view of the financial position, financial performance and cash flows of Private Entities. An eligible entity can therefore use HKFRS for Private Entities to prepare its general purpose financial statements, for the purposes of a relevant statute which requires the entity to prepare general purpose financial statements which are true and fair.

Other arrangements

There may be other arrangements in place, apart from statutory requirements, which require an entity to prepare financial statements in accordance with a specific set of accounting standards (for example, full HKFRSs). There may be specific provisions in an entity's memorandum and articles of association, in business or shareholder agreements or other documents requiring the entity to apply a specific set of accounting standards to prepare its financial statements. Eligible entities should consider such other arrangements in determining whether or not to use HKFRS for Private Entities to prepare their general purpose financial statements.

The Institute has published **Questions and Answers** on applicability of HKFRS for Private Entities for further guidance.

6. FRSC Minutes

This **FRSC minutes** on 13 April 2010 covers:

- HKFRS for Private Entities
- Accounting Bulletin 4 – Guidance on the Determination of Realised Profits and Losses in the Context of Distributions under the Hong Kong Companies Ordinance
- Update on deferred taxation issue related to revaluation of investment properties
- Visit of Sir David Tweedie on 16 April 2010
- IASB ED of Measurement of Liabilities in IAS 37
- Classification of bank loans

7. Invitation to Comment on IASB ED

- (i) IASB ED of Proposed Amendments to IAS 19 – *Defined Benefit Plans*

The Institute has issued an **Invitation to Comment** on IASB ED of Proposed Amendments to IAS 19 – *Defined Benefit Plans*, with comments requested by 23 August 2010.

The proposals would amend the accounting for defined benefit plans contained in IAS 19 through which some employers provide long-term employee benefits, such as pensions and post-employment medical care. In defined benefit plans, employers bear the risk of increases in costs and of possible poor investment performance.

The amendments would address deficiencies in IAS 19 by requiring entities:

- to account immediately for all estimated changes in the cost of providing these benefits and all changes in the value of plan assets (often referred to as removal of the ‘corridor’ method);

- to use a new presentation approach that would clearly distinguish between different components of the cost of these benefits; and
- to disclose clearer information about the risks arising from defined benefit plans.

A summary prepared by the IASB on the ED is set out in the Appendix of the Invitation to Comment.

- (ii) IASB ED of *Fair Value Option for Financial Liabilities*

The Institute has issued an **Invitation to Comment** on IASB ED of *Fair Value Option for Financial Liabilities*, with comments requested by 2 July 2010.

The IASB is proposing limited changes to the accounting for liabilities, with changes to the fair value option. The proposals respond to the view expressed by many investors and others in the extensive consultations that the IASB has undertaken—that volatility in profit or loss resulting from changes in the credit risk of liabilities that an entity chooses to measure at fair value is counter-intuitive and does not provide useful information to investors. When the IASB introduced IFRS 9 many stakeholders around the world advised the IASB that the existing requirements for financial liabilities work well, except for the effects of changes in the credit risk of a financial liability (‘own credit’) that an entity chooses to measure at fair value.

Building on that global consultation on IFRS 9, the IASB sought the views of investors, preparers, audit firms, regulators and others on the ‘own credit’ issue. The views received were consistent with the earlier consultations—that volatility in profit or loss resulting from changes in ‘own credit’ does not provide useful information except for derivatives and liabilities that are held for trading.

The IASB is therefore proposing that all gains and losses resulting from changes in ‘own credit’ for financial liabilities that an

entity chooses to measure at fair value should be transferred to 'other comprehensive income'. Changes in 'own credit' will therefore not affect reported profit or loss.

No other changes are proposed for financial liabilities. Therefore, the proposals will affect only those entities that choose to apply the fair value option to their financial liabilities.

Importantly, those who prefer to bifurcate financial liabilities when relevant may continue to do so. That is consistent with the widespread view that the existing requirements for financial liabilities work well, other than the 'own credit' issue that these proposals cover.

A summary prepared by the IASB on the ED is set out in the Appendix of the Invitation to Comment.

(iii) IASB ED of *Presentation of Items of Other Comprehensive Income (Proposed amendments to IAS 1)*

The Institute has issued an **Invitation to Comment** on IASB ED of *Presentation of Items of Other Comprehensive Income (Proposed amendments to IAS 1)*, with comments requested by 13 September 2010.

The IASB is proposing to require that entities present profit or loss and other comprehensive income in separate sections of a continuous statement. The IASB is also proposing to group items in Other Comprehensive Income on the basis of whether they will eventually be 'recycled' into the profit or loss section of the income statement. The IASB has developed the proposals having considered responses to its discussion paper *Preliminary Views on Financial Statement Presentation*, published in October 2008. The IASB's objective is to make targeted improvements to the presentation of profit or loss and of other items of comprehensive income by the end of 2010.

The IASB and the US Financial Accounting Standards Board ("FASB") are working

jointly on the proposed amendments. However, the boards will publish their proposed amendments separately. With these proposals the FASB will be eliminating options for the presentation of Other Comprehensive Income that the IASB eliminated in 2007.

The IASB also proposes to change the title of the statement of comprehensive income to the 'statement of profit or loss and other comprehensive income' when it refers to it in IFRSs and other publications. IAS 1 already permits entities to use other titles and that flexibility will remain.

A summary by the IASB on the ED is set out in the Appendix of the Invitation to Comment.

8. Institute Comments on IASB ED on *Measurement of Liabilities in IAS 37*

The Institute's **submission** indicated that it is not supportive of the IASB's decision of not re-exposing in full the original 2005 ED of proposed amendments to IAS 37 but requires comments only on the expanded measurement requirements. Taking into consideration the IASB's divided views (as is evident with six IASB members offering an alternative view), it is considered a debate on changes to the concept of a liability would be more appropriate as part of the Conceptual Framework Project, rather than this piecemeal approach. Although the IASB released a working draft of the entire Standard in late February 2010, it did not invite comments on this document. In light of the significant period of time that has elapsed since the original ED was issued, and the significant debate around the changes in recognition criteria arising from the earlier ED, the Institute is not supportive of condensing due process in what appears to be an attempt to complete these amendments prior to June 2011. Instead, it is believed that a full re-exposure of the document would have been more appropriate, particularly since it is considered difficult to comment separately on the measurement components without considering the recognition proposal in the draft Standard.

In addition, it is agreed that there are several areas in IAS 37 where the application of

principles may be unclear. However, it is not persuaded that the application of the current measurement guidance creates significant problems for preparers and users of financial statements. Also, the Institute does not think that the IASB's proposal of using a probability-weighted average of the cash outflows for all possible outcomes for all provisions will improve financial reporting. This will be most notable for provisions for items which are unique in their characteristics or occur infrequently. In particular, it is not believed that the resulting measurement is meaningful when an entity faces an obligation where the outcomes are at extremes (for example, one of the possible outcomes is a low-probability, high-outflow scenario) or where the outcomes are binary. A probability-weighted expected value approach in such circumstances will lead to a measurement that does not reflect the best estimate of the amount that management expects to pay to settle the obligation. It is concerned that the proposals could be interpreted as including those outcomes that are inconsistent with the assertion that a present obligation exists, for example the outcome that would arise if a company were to unexpectedly win a law suit in which it is the defendant.

Furthermore, in respect of the ED, the Institute disagrees with the proposals to include:

- a risk adjustment in the measurement of a liability; and
- a profit margin in the measurement of a liability when the company intends to fulfill a service obligation from its own resources

Audit & Assurance

9. AASC Minutes

This [AASC minutes](#) on 20 April 2010 mainly covers:

- To endorse Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the HK Listing Rules*

- To endorse the revised *Preface to Hong Kong Standards on Quality Control, Auditing, Assurance and Related Services*
- To endorse the revised Practice Note 900 *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard*
- To endorse the revised *Circular on Audit of Financial Statements of Owners' Corporations of Buildings – Audit issues*
- Progress report on HKSIR Project
- Progress report on proposed amendments by the Law Society
- Annual Auditing Update Conference 2010
- Forum on 20 May 2010 with IAASB Chairman

10. Invitation to Comment on IAASB ED on Proposed ISAE 3420 Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus

The Institute has issued an [Invitation to Comment](#) on IAASB ED on Proposed ISAE 3420 *Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus*, with comments requested by 31 August 2010.

The newly proposed ISAE is designed to enhance public confidence in how such financial information is produced, recognising the increasingly integrated nature of global capital markets and the importance of pro forma financial information in the public's investment decisions.

The proposed ISAE deals with information necessary in many forms of domestic and cross-border securities offerings that illustrates the impact of an event or transaction on an issuer's financial information. It provides

comprehensive guidance on the nature and extent of a practitioner's work when reporting on whether the process of compiling pro forma financial information has been properly followed.

It also covers related engagement acceptance and reporting considerations, and provides an illustrative report arising from such an engagement.

Ethics

11. Ethics Committee Minutes

This [EC minutes](#) on 10 March 2010 mainly covers:

- Guidance note on general confidentiality rules
- Minutes of the 213th meeting
- Revised HKICPA Code of Ethics for Professional Accountants
- Training and Promotion on Revised HKICPA Code

International Meetings

12. International Accounting Standards Board

The IASB met on 4 and 17-21 May 2010, and discussed the following topics:

- Conceptual framework – measurement
- Consolidation
- Other comprehensive income
- Annual improvements
- Conceptual framework – Qualitative characteristics
- Emissions trading schemes
- Financial instruments: hedge accounting
- IFRS Interpretation Committee update
- Insurance contracts

- Joint arrangements
- Leases
- Management commentary
- Revenue recognition

Click to view the IASB Update on the meetings on [4 May](#) and [17-21 May](#). The IASB next meets in June 2010.

13. International Financial Reporting Interpretations Committee

The IFRIC met on 6-7 May 2010, and discussed the following topics:

- Accounting for production stripping costs
- Vesting and non-vesting conditions
- Put options written over non-controlling interests
- IFRS Interpretations Committee agenda decisions
- IFRS Interpretations Committee tentative agenda decisions
- Annual improvements
- IFRS Interpretations Committee work in progress

Click to view the IFRIC Update on the meeting on [6-7 May](#). The IFRIC next meets in July 2010.

14. International Auditing and Assurance Standards Board

The IAASB next meets in June 2010. Click [here](#) for the next meeting's details and previous meeting summary.

15. International Ethics Standards Board for Accountants

The IESBA next meets in June 2010. Click [here](#) for the next meeting's details and previous meeting summary.

Useful Resources

16. Publications

The following are publications on various topics:

- (i) Guidance on applying HKFRS for Private Entities:
 - [Sample reports by auditors](#) by the Institute
 - [Questions and answers on applicability](#) by the Institute
 - [Illustrative financial statements](#) by the Institute
 - [Financial reporting news issue 11 2010](#) by Grant Thornton
- (ii) Impact of revised standard on business combinations:
 - [HKFRS news](#) by PwC
- (iii) Improvements to IFRSs 2010:
 - [Briefing sheet](#) by KPMG
 - [IAS plus update](#) by Deloitte
- (iv) IFRS update:
 - [IFRS update for financial years ending 30 June 2010](#) by Ernst & Young

Comment Due Dates

2 July 2010: IASB ED of *Conceptual Framework for Financial Reporting: The Reporting Entity*

2 July 2010: IASB ED of *Fair Value Option for Financial Liabilities*

16 July 2010: IASB Discussion Paper on *Extractive Activities*

23 August 2010: IASB ED of Proposed Amendments to IAS 19 – *Defined Benefit Plans*

31 August 2010: IAASB ED on Proposed ISAE 3420 *Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus*

13 September 2010: IASB ED of *Presentation of Items of Other Comprehensive Income (Proposed amendments to IAS 1)*

Specialist Practices, Business Members and Advocacy

Corporate Finance

17. HKEx Publishes Consultation Conclusions

The Hong Kong Exchanges and Clearing ("HKEx") published the following consultation conclusions.

(i) New listing rules for mineral companies:

The [consultation conclusions on new listing rules for mineral companies](#) present the outcome of the consultation held from September to November 2009.

The new main board and GEM listing rules for mineral companies affect listing applicants whose major activity is the exploration for and/or extraction of natural resources, and existing listed companies that engage in major acquisitions (i.e. 25% or greater of existing activities) of mineral or petroleum assets.

The new rules will become effective on 3 June 2010. See the [HKEx news release](#) for the new rules.

(ii) Changes to connected transaction rules:

The [consultation conclusions on proposed changes to connected transaction rules](#) present the results of the consultation on the proposals to address specific issues in the regulation of connected transactions under the listing rules, set out in the consultation paper of 2 October 2009 (see [TechWatch no. 87](#) for the [Institute's submission](#)).

HKEx will implement the proposals with minor modifications based on respondents' suggestions, except for the following two proposals, which will not be adopted:

- exclude persons connected at the subsidiary level from the definition of connected person;
- introduce a general exemption for revenue transactions with connected persons.

See the [HKEx news release](#) for the proposals adopted.

(iii) Changes to requirements for circulars and listing documents:

The [consultation conclusions on proposed changes to requirements for circulars and listing documents of listed issuers](#) present the results of the consultation on the proposals to streamline the requirements and codify existing practices regarding notifiable and/or connected transaction circulars and listing documents, set out in the consultation paper of 18 September 2009 (see [TechWatch no. 86](#) for the [Institute's submission](#)).

HKEx implements the proposals with minor modifications based on respondents' suggestions, except that the current requirement for including an indebtedness statement in a notifiable transaction circular has been retained as the respondents view that such information is useful to shareholders.

See the [HKEx news release](#) for the proposals adopted.

18. Statutory Backing of Price Sensitive Information Disclosure Requirements

As reported in [TechWatch no. 90](#), the government released a consultation paper to seek views on the proposed statutory codification of certain requirements for listed companies to disclose price sensitive information ("PSI"). The [Corporate Finance Interest Group](#) held a discussion forum on 24 May 2010 to enable market practitioners and the regulators to exchange views.

The speakers were Cheng Yan Chee, deputy secretary (financial services) and Brian Ho, executive director of SFC. Richard Winter, chairman of the corporate finance committee moderated the forum.

The forum was attended by 130 participants and the discussion covered a number of issues including:

- the policy and legislative intent of statutory codification of PSI disclosure requirements
- division of respective roles and responsibilities between the SFC and the HKEx in the monitoring and the enforcement of the statutory disclosure obligation
- interpretation of certain relevant concepts including "market expectation", "rumours", "regulatory fine", etc.
- clarification of whether there was any settlement framework under the proposed disclosure regime
- how to distinguish between day-to-day market fluctuations and transaction-specific, disclosable changes
- clarification of whether a disclosure obligation arose under different situations, including:
 - where a listed company provided its management accounts to its holding company or a substantial shareholder, subject to confidentiality undertakings, for accounting purposes
 - material changes in the "mark-to-market" value of investment assets due to fluctuations in market prices
 - where rumours in the press about a contemplated fund-raising exercise were accurate
 - where analysts made an incorrect estimation/forecast of a company's performance due to errors in their basic assumptions/observations

- where there was fundamental misconception and misinterpretation of the company's business in the analysts' report

- the rationale for proposing to empower the SFC to institute proceedings before the Market Misconduct Tribunal direct, without having to first submit the case to the Financial Secretary

The Institute is preparing a response to the consultation paper. The consultation period ends on 28 June 2010.

19. SFC Adopts Measures to Enhance Investor Protection

On 28 May 2010, the SFC announced a package of measures to strengthen the regulatory regime governing the sale of investment products. The aim is to enhance investor protection and address issues identified in its [report](#), "Issues raised by the Lehmans minibonds crisis", which was submitted to the Financial Secretary in December 2008.

The measures, outlined in a set of [consultation conclusions](#), include:

- producing a consolidated product handbook with revised product codes for unit trusts and mutual funds and for investment-linked assurance schemes;
- producing a new product code for unlisted structured investment products;
- introducing requirements for product key facts statements to summarise the key features and risks of investment products;
- introducing requirements for issuers to provide a post-sale "cooling-off" or "unwind" right for certain unlisted structured investment products to give investors a window to exit these investments; and
- introducing conduct requirements for intermediaries to enhance selling practices relating to the sale of investment products.

These measures will either take effect

immediately after the revised codes are published in the government gazette, or be implemented with transitional arrangements to enable the industry to make the necessary adjustments.

Corporate Governance

20. Corporate Governance Guide for Subvented Organisations

The Efficiency Unit of the HKSAR Government has recently published a guide for subvented organisations, which sets out corporate governance principles and best practices for this sector. Click to see [full version](#) or [executive summary](#). The drafting team for this project included an Institute nominee. [The Institute's corporate governance guidance](#) for audit committees and public sector bodies are cited amongst the references/useful reading materials in this new guide.

Taxation

21. Hong Kong – Mainland Transfer Pricing Seminar

The Inland Revenue Department ("IRD") and the Mainland State Administration of Taxation held a forum on transfer pricing on 13 May, at which the two tax authorities shared their views on transfer pricing. This is an increasingly important issue for taxpayers in Hong Kong and the Mainland. The seminar presentation slides are listed on the IRD's website under [「內地和香港的轉讓定價法規和執行指引」研討會](#). A summary of the seminar is contained in the article, ["More collaboration on transfer pricing between Mainland China and Hong Kong"](#) by PwC.

22. IRD News

Recent updates on double tax agreements, LegCo questions and other tax matters are available on [IRD's website](#).

Legislation & Other Initiatives

23. Second Phase Consultation on Draft Companies Bill

The government launched a three-month [second phase public consultation](#) on the draft provisions of the [Companies Bill](#), as part of the Companies Ordinance rewrite exercise, on 7 May 2010.

The first phase consultation which concluded on 16 March 2010, covered part of the bill that dealt with corporate governance-related and other matters (see [TechWatch no. 90](#) for the [Institute's submission](#)). The second phase consultation, covering the remaining part of the bill, deals with areas such as share capital, accounting and auditing provisions, and company investigations.

Key proposals in the second phase, include:

- improving company information disclosure by requiring public companies and larger private companies to furnish a more analytical and forward-looking business review as part of the director's reports
- strengthening auditors' rights to obtain information to perform their duties
- allowing more private companies and small guarantee companies to take advantage of simplified accounting and reporting requirements
- streamlining and updating of the regime of registration of charges

Issues highlighted for consultation include:

- revisit the option of abolishing the rules governing private companies giving financial assistance to acquire their own shares
- drop the proposed requirement for preparation of a director's remuneration report in addition to the annual accounts
- minor changes to the provisions concerning the Financial Secretary's powers to investigate or enquire into a company's affairs, and new provisions empowering the Registrar of Companies to obtain documents, records and information in certain circumstances

- whether a company should be required to give reasons explaining its refusal to register a transfer of shares

The second phase consultation will last for three months, ending on 6 August 2010. Members are welcome to submit views to the Institute by email, under the heading “Companies Bill 2nd Phase”, to <commentletters@hkicpa.org.hk>, on or before **5 July 2010**.

24. Consultation on Class Actions

The Institute made a **submission** on the **consultation paper on class actions** issued by the Law Reform Commission (“LRC”). In addition, the Institute and the Hong Kong Coalition of Professional Services co-hosted a lively **discussion forum** on this subject on 10 May 2010, with speakers from the LRC’s Class Actions Subcommittee, the Law Society, the Institute, and a US law firm. Click for the **presentation slides**.

25. Recent Anti-money Laundering/Terrorist Financing Notices

Members may wish to note that the following updated lists have been published in the government gazette or other publications:

- **Government notice 2530**: A list of relevant persons and entities specified under the United Nations Sanctions (Côte d'Ivoire) Regulation. The regulation was made under the United Nations Sanctions Ordinance and was published as **legal notice 46 of 2010** in the gazette.
- **Government notice 2531**: A list of relevant persons and entities specified under the United Nations Sanctions (Democratic Republic of the Congo) Regulation. The regulation was made under the United Nations Sanctions Ordinance and was published as **legal notice 47 of 2010** in the gazette.
- **Government notice 2532**: A list of relevant persons and entities specified under the United Nations Sanctions (Liberia) Regulation. The regulation was made under the United Nations Sanctions Ordinance and was published as **legal notice 48 of 2010** in the gazette.

- **Government notice 2228**: Updated list of terrorists and terrorist associates specified under the United Nations (Anti-Terrorism Measures) Ordinance.
- **US executive order 13224**: Changes to the list relating to “Blocking property and prohibiting transactions with persons who commit, threaten to commit or support terrorism”.

For more background information on the current law in Hong Kong relating to anti-money laundering, see the Institute’s **Legal Bulletin 1**, “Requirements on anti-money laundering, anti-terrorist financing and related matters”.

26. Companies Registry Provides Weekly Lists of New Companies

Weekly lists of newly registered companies are posted on the **“Statistics”** page of the Companies Registry’s website to facilitate search of these companies. Updates are available every Wednesday.

Useful Resources

27. Library Resources

Featured titles and **new books** of high reference value for members are now available.

In addition, members can **login** to the **e-Library** and access e-journals and e-books on a wide range of business subjects.

28. Other Publications

The following articles/publications on topical issues may be of interest to members:

- The latest article posted under Dr. Wise’s column of the SFC’s InvesEd website, **“Know your rights to a rights issue”**, explains to investors how a rights issue works and what they should note.
- Audit committee brief – tidal wave of accounting and financial reporting change** by Deloitte
- Accounting roundup** by Deloitte