



Minutes of the 210th meeting of the Financial Reporting Standards Committee held on Tuesday, 28 January 2014 at 8:30 a.m. in the Board Room of the Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.

Present: Mr. Clement Chan (Chair)
Mrs. Catherine Morley (Deputy Chair)
Mr. Colin Chau
Mr. Vincent Ching
Mr. John Chong
Mr. James Fawls
Ms. Kelly Kong
Mr. Ernest Lee
Mr. William Lim
Mr. Eugene Liu
Mr. Raymond Ng
Mr. Steve Ong
Mr. Paul Phenix
Ms. Shelley So
Mr. Gary Stevenson
Ms. Florence Wong
Mr. Davis Yu

In attendance: Mr. Simon Riley, Acting Director, Standard Setting
Ms. Winnie Chan, Associate Director, Standard Setting
Mr. Ben Lo, Associate Director, Standard Setting
Mr. Ambrose Wong, Associate Director, Standard Setting

Apologies for absence were received from Ms. Susanna Lau.

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| <p>1. <u>Minutes of the 209th meeting</u></p> <p>Subject to certain changes, the minutes of the 208th meeting were approved by the Committee and will be signed by the Chair at the next meeting.</p> | |
| <p>2. <u>IASB Discussion Paper on Conceptual Framework</u></p> <p>Mr. Joel Chan and Ms. Zhina Huang, members of the Conceptual Framework Working Group attended this section of the meeting. The Committee considered the revised draft submission. The Standard Setting Department (SSD) was requested to revise the draft submission in light of the Committee's review and to circulate to the Committee for consideration.</p> <p><i>[Post meeting note: The submission was submitted to the IASB and is available on the HKICPA website.]</i></p> | SSD |
| <p>3. <u>IASB Leases Project</u></p> <p>The Committee noted that ASAF has been asked to discuss the possible ways forward for lessor accounting, lessee accounting and any possible ways of providing relief for small ticket leases at its March 2014 Meeting. The Committee was requested to study the IASB agenda papers on leases project and to discuss at the coming meeting in February for the purposes of developing views to be expressed at the ASAF meeting.</p> | |

4. IASB ED/2013/11 Annual Improvements to IFRSs 2012 – 2014 Cycle

The Committee noted that the IASB had issued the exposure draft in late December 2013. Given the short IASB comment period, the Committee agreed that no working group would be set up for the preparation of the draft comment letter and requested the SSD to prepare the draft letter and circulated to the Committee for consideration.

5. Revised Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard (SME-FRF & SME-FRS)

The Committee considered the revised draft of the SME-FRF & SME-FRS prepared by the SSD which had included additional disclosures agreed with the Inland Revenue Department (IRD) to address their concerns on the possible loss of useful information if a subsidiary was excluded from a small group's set of consolidated financial statements. The Chairman reported that the IRD was also invited to provide their feedback for an informal post-implementation review at a later date. The Committee approved the issuance of the Revised SME-FRF & SME-FRS.

6. Exposure Draft of Accounting Bulletin 5 Guidance for the Preparation of a Business Review under the Hong Kong Companies Ordinance (CO)

Under the new CO, companies unless otherwise exempted are required to prepare a business review which complies with Schedule 5. At the invitation of the Companies Registry, the CO Application Issues (Financial Reporting) Working Group has developed draft guidance, with reference to UK Reporting Statement: Operating and Financial Review, setting out the key elements for the contents of a business review. The Deputy Chair (as Chair of the Working Group) reported that compared to the UK Statement, the draft guidance had been tailored to correspondence closely to the disclosure requirements set out in Schedule 5. The Committee considered the exposure draft and approved the issuance with a 2-month comment period.

7. Any other business

The Chairman advised that he would retire from the Committee by the end of January and would be succeeded by Ms. Catherine Morley. The Chairman thanked members and the Standard Setting Department for their dedicated work and support during the year. The Committee expressed a vote of thanks to the Chairman for his leadership and support provided to the Committee during his term of services.

There being no further business, the meeting closed at 11:45 a.m.

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CHAIRMAN

12 February 2014