



Minutes of the 230th meeting of the Financial Reporting Standards Committee held on Tuesday, 7 June 2016 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.

Members present: Ms. Shelley So (Chairman), PricewaterhouseCoopers  
Mr. Ernest Lee (Deputy Chairman), Ernst & Young  
Mr. James Fawls, HSBC (represented by Elaine Chan)  
Ms. Kelly Kong, Jardine Matheson & Co., Limited  
Mr. Paul Phenix, Baker Tilly Hong Kong Limited  
Mr. Gary Poon, Poon & Co.  
Mr. Simon Riley, BDO Limited  
Mr. Gary Stevenson, RSM Nelson Wheeler  
Ms. Sanel Tomlinson, KPMG  
Ms. Florence Wong, Financial Reporting Council  
Mr. Guochang Zhang, The Hong Kong University of Science and Technology

Staff in attendance: Ms. Christina Ng, Head of Financial Reporting, Standard Setting  
Ms. Winnie Chan, Associate Director, Standard Setting  
Ms. Kam Leung, Associate Director, Standard Setting  
Ms. Eky Liu, Associate Director, Standard Setting  
Ms. Katherine Leung, Manager, Standard Setting  
Ms. Iris Lin, Research Intern, Standard Setting  
Ms. Daisy Xia, Research Intern, Standard Setting  
Ms. Winnie Chan, Associate Director, Technical and Learning Support

Apologies: Mr. Gary Biddle, The University of Hong Kong  
Ms. Candy Fong, Deloitte Touche Tohmatsu  
Ms. Susanna Lau, Securities and Futures Commission  
Mr. Steve Ong, Stock Exchange of Hong Kong Limited

Action

**1. Minutes, work program and approvals out of session**

The Committee approved and the Chairman signed the minutes of the 229th meeting.

The Committee noted the developments outlined in the FRSC and staff work program and liaison log.

**2. Consider outreach approach on Common Control Combinations**

The Committee:

- noted the SSD and Business Combinations under Common Control (BCUCC) Advisory Panel activities in January and April 2016;
- noted the latest IASB update with respect to its BCUCC research project; and
- considered four SSD proposed outreach methods as part of the SSD and FRSC's BCUCC research project.

The Committee decided that the objective of the outreach is to conduct a post-implementation review (PIR) of AG 5 *Merger Accounting for Common Control Combinations* to understand the benefits and challenges of applying the principles under AG 5.

The findings from the PIR will assist the SSD/FRSC and IASB in their respective research projects. Ten FRSC members agreed with these decisions (including three members who provided their votes via email), four members disagreed and one member abstained.

The Committee also provided comments on the draft PIR document and requested that SSD considers revising the draft PIR document through the BCUCC Advisory Panel. A revised draft PIR document will be considered at the next FRSC meeting.

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**3. Convergence project**

The Committee provided comments on its revised draft letter to Council regarding the mechanism for the maintenance of convergence between China Accounting Standards for Business Entities and IFRS/HKFRS. A revised draft letter will be considered for approval at the next FRSC meeting.

SSD

**4. Update on SSD and Panel Activities on HKFRS 15 Revenue from Contracts with Customers**

The Committee noted SSD and the Revenue Panel's activities, in particular, implementation articles and training activities.

The Committee discussed the progress of implementation in Hong Kong and SSD's proposed activities to encourage implementation.

**5. Update on the Exposure Drafts (ED) issued by the International Valuation Standards Council (IVSC)**

The Committee noted that the IVSC issued for public comment four EDs in April. SSD preliminarily considered that the EDs are broadly consistent with HKFRS 13 *Fair Value Measurement* but more guidance should be provided in the valuation standards. SSD will discuss its views with the Valuation Advisory Panel and provide a summary of comments and recommendations to the FRSC at its July meeting.

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panel

The Committee also noted that the IVSC issued eight more EDs in early June that focus on valuations of specific assets. SSD will discuss these eight EDs with the Valuation Advisory Panel at a later date.

There being no further business, the meeting closed at 11:00 a.m.

SHELLEY SO  
CHAIR

14 June 2016