



Minutes of the 223rd meeting of the Financial Reporting Standards Committee held on Tuesday, 7 July 2015 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. Catherine Morley (Chairman), KPMG  
 Ms. Shelley So (Deputy Chairman), PricewaterhouseCoopers (represented by Mr. Nigel Dealy)  
 Mr. Gary Biddle, University of Hong Kong  
 Mr. Vincent Ching, The Hong Kong Polytechnic University  
 Mr. James Fawls, HSBC  
 Ms. Kelly Kong, Jardine Matheson & Co., Limited  
 Ms. Susanna Lau, Securities and Futures Commission  
 Mr. Ernest Lee, Ernst & Young  
 Mr. Eugene Liu, RSM Nelson Wheeler (Dial-in)  
 Mr. Steve Ong, Stock Exchange of Hong Kong Limited  
 Mr. Paul Phenix, Baker Tilly Hong Kong Limited  
 Mr. Gary Stevenson, BDO Limited  
 Ms. Florence Wong, Financial Reporting Council  
 Mr. Davis Yu, HLB

Staff in attendance: Ms. Christina Ng, Head of Financial Reporting, Standard Setting  
 Ms. Winnie Chan, Associate Director, Standard Setting  
 Ms. Eky Liu, Associate Director, Standard Setting  
 Mr. Ben Lo, Associate Director, Standard Setting  
 Ms. Katherine Leung, Manager, Standard Setting

Apologies: Ms. Candy Fong, Deloitte Touche Tohmatsu  
 Ms. Fanny Leung, Government of HKSAR, Treasury

	<u>Action</u>
<p>1. <b><u>Minutes of the 222nd meeting</u></b></p> <p>The Committee approved and the Chairman signed the minutes of the 222nd meeting.</p>	
<p>2. <b><u>IASB's narrow-scope proposal on pension accounting</u></b></p> <p>The Committee noted that:</p> <ul style="list-style-type: none"> <li>the IASB issued ED/2015/5 <i>Remeasurement on a Plan Amendment Curtailment or Settlement/Availability of a Refund from a Defined Benefit Plan</i>; and</li> <li>the IASB plans to commence a research project on post-employment benefits (including pensions) soon.</li> </ul> <p>Because these topics are specialised, the Committee decided that a Working Group should be established to deal with IAS 19 <i>Employee Benefits</i> more broadly, and more immediately, this ED.</p>	SSD & WG
<p>3. <b><u>IAS 37 Provisions, Contingent Liabilities and Contingent Assets</u></b></p> <p>The Committee discussed the practical issues arising from the application of IAS 37 for the AOSSG's input at the July IASB Accounting Standards Advisory Forum (ASAF) discussion. The Committee agreed that the ASAF Agenda paper 14B highlighted many practical issues which arose from applying IAS 37 and that additional issues have been noted relating to</p>	SSD

discounting in business combinations, and inconsistencies in relation to how contingencies are dealt with under IAS 37 compared to IAS 39. The Committee considered that there is a need for the IASB to conduct a comprehensive review of IAS 37 but there is no urgent need to amend IAS 37 on a piecemeal basis. Instead, fundamental questions re liabilities should be considered in the Conceptual Framework project and the debt/equity project.

**4. IASB Conceptual Framework EDs**

The Committee noted that a Working Group has been established to deal with IASB ED/2015/3 *Conceptual Framework for Financial Reporting* and IASB ED/2015/4 *Updating References to the Conceptual Framework* and the staff proposed project timetable.

SSD & WG

**5. Business Combinations under Common Control Working Group**

The Committee noted that the Working Group met on 17 June and discussed the existing accounting practice for business combinations and entity combinations under common control. Staff will share the preliminary findings from the Working Group discussion with the IASB research staff at the July ASAF meeting and determine what would be the next steps for the Working Group following the meeting with IASB staff.

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**6. IFRS 15 Revenue from Contracts with Customers**

The Committee noted that the HKICPA comment letter on IASB ED/2015/2 *Effective date of IFRS 15* has been submitted to the IASB.

The Committee also noted the forthcoming activities of the Revenue Working Group.

**7. Companies Ordinance (CO) Application Issues Working Group**

The Committee noted that the Institute has issued Accounting Bulletin 6 *Guidance on the Requirements of Section 436 of the Hong Kong Companies Ordinance Cap. 622 "Requirement in connection with Publication of 'Specified Financial Statements' and 'Non-statutory Accounts'"* (AB 6) and a new batch of frequently asked questions (FAQs) on the application of Part 9 of the new CO.

The Committee also noted that a seminar covering guidance on the implementation of Part 9 of the new CO and AB 6 was held on 23 June 2015, and the seminar was webcasted and will be available for subscription in July 2015.

**8. IFRS Conference 2015**

The Committee noted the progress of the IFRS Conference that will be jointly hosted by the Institute and the IFRS Foundation on 12-13 October 2015.

**9. Revised 2015 FRSC work plan and activities**

The Committee noted the developments outlined in the revised 2015 FRSC work plan and activities.

There being no further business, the meeting closed at 10:15 a.m.

CATHERINE MORLEY  
CHAIR

9 July 2015