



Minutes of the 233rd meeting of the Ethics Committee held on Wednesday, 15 December 2015 at 9:00 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. Alden Leung (Chairman)  
Mr. Raymond Cheng (Deputy Chairman)  
Ms. Sylvia Cheng  
Ms. Piera Ho  
Mr. Johnson Kong  
Ms. Lai Wai Shan  
Mr. Amirali Nasir  
Mr. Keith Ng  
Dr. Wong Ka Lok  
Ms. Monica Yu

In attendance: Mr. Chris Joy, Executive Director  
Mr. Peter Tisman, Director, Advocacy and Practice Development  
Ms. Eky Liu, Associate Director, Standard Setting

Apologies for absence were received from Ms. Virginia You (Deputy Chairman), Mr. Guy Look, Mr. Alfred Lum and Mr. Philip Fung.

Action

**1607. Minutes of the 232nd Meeting**

The Committee approved and the Chairman signed the minutes of the 232nd meeting.

**1608. Update on enforceable anti-money laundering guidelines**

The Committee received a report from Mr. Peter Tisman, Director of Advocacy and Practice Development, about the enforceable guidelines on anti-money laundering ('AML') and counter-terrorist financing for professional accountants in respect of the following areas:

- Membership of AML guidelines working group
- Development of the draft guidelines
- Scope and applicability of the document
- Enforceability
- Timetable

The Institute's management proposed that the guidelines would be made enforceable by issuing it as a local addition to the HKICPA Code of Ethics. This is similar to the approach adopted in Singapore, where AML guidelines were issued as an Ethics Pronouncement, which has the same standing as the Code of Ethics of Institute of Singapore Chartered Accountants.

The Committee members provided comments on the suggested approach and on the draft guidelines at the meeting.

APD

**1609. Report by the Committee Deputy Chairman for his attendance to the IESBA SMP Committee Ethics Task Force Meeting**

The Committee received a verbal report from Mr. Raymond Cheng, Deputy Chairman of the Committee, of his participation at the IFAC SMP Committee Ethics Task Force meeting in November, and the subsequent teleconference with Gary Hannaford, IESBA Board Member and Diane Jules, IESBA Staff. The major items discussed at the meeting included the following projects:

- Structure of the Code
- Review of safeguards
- Long association of personnel with an audit or assurance client
- Responding to non-compliance with laws and regulations

**1610. Report status of the Ethics Committee work plan for 2015**

The Committee considered the status of its work plan and noted the progress made on the various projects.

**1611. Consider the revisions to Ethics Circular 1**

The Committee approved the proposed consequential amendments to Ethics Circular 1 in response to the updates of the HKICPA Code of Ethics on addressing certain non-assurance services provisions for audit and assurance clients.

The Standard Setting Department will pass the proposed amendments to the Member Support Department for circulation to the SMP Committee for their information.

SSD

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

ALDEN LEUNG  
CHAIRMAN

18 December 2015