



Minutes of the 238<sup>th</sup> meeting of the Ethics Committee held on Tuesday, 27 March 2018 at 9:30 a.m. in 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: Ms. Virginia You (Chairman)  
Mr. Patrick Law (Deputy Chairman) (Dial-in)  
Ms. Piera Ho (Deputy Chairman)  
Mr. Denis Brock (Dial-in)  
Mr. Alex Cheng (Dial-in)  
Ms. Lily Chung  
Mr. Dennis Fullgrabe  
Mr. Johnson Kong  
Ms. Lai Wai Shan  
Ms. Susanna Lau  
Mr. Horace Ma (Dial-in)
- In attendance: Mr. Chris Joy, Executive Director  
Ms. Christina Ng, Director, Standard Setting  
Ms. Selene Ho, Deputy Director, Standard Setting  
Ms. Phoebe To, Manager, Standard Setting

Apologies for absence were received from Mr. Andrew Fan and Mr. Kelvin Kwong.

Action

**1637. Welcome new members and Committee composition for 2018**

The Chairman welcomed Mr. Denis Brock, Mr. Dennis Fullgrabe and Mr. Horace Ma as new members of the Committee. The Committee recorded a vote of thanks to retiring members, Mr. Amirali Nasir and Dr. Ka Lok Wong for their contributions to the Committee during the tenure of their services.

**1638. Guidance note on the general confidentiality rules**

The Committee noted the general confidentiality rules in relation to minutes and agenda papers of the Council and Committees appointed by the Council.

**1639. Terms of Reference**

The Committee considered and agreed that the existing terms of reference are still appropriate.

**1640. Meeting Schedule for 2018**

The Committee noted the meeting dates for 2018.

**1641. Minutes of the 237<sup>th</sup> Meeting**

The Committee approved and the Chairman signed the minutes of the 237<sup>th</sup> meeting.

**1642. Strategic Planning for 2018 - 2019**

The Committee considered the Institute's proposed strategic planning for 2018 - 2019 and the proposed workplan for 2018.

One of the key projects is the restructured Code of Ethics for Professional Accountants ("IESBA Code") which is expected to be released by the IESBA in April 2018. Standard Setting Department ("SSD") would prepare a proposal on how to adopt the restructured Code locally in Hong Kong (including local guidance on Part D, E and F of the existing Code) and submit for the Committee's comments at the next meeting.

SSD

The IESBA would hold roundtables in Washington (11 June 2018), Paris (15 June 2018) and Tokyo (12 July 2018) to obtain stakeholder feedback on significant public interest topics including non-insurance services and the exercise of professional skepticism. The Committee was requested to provide feedback and nominate representatives to attend the Tokyo roundtable.

The Committee agreed that in general the plan is appropriate.

**1643. Update on IESBA meeting – 12-14 March 2018**

Staff of SSD, Ms. Selene Ho, had attended the IESBA meeting as technical advisor to Mr. Alden Leung, a member on IESBA. The Committee was updated on the key topics discussed at the IESBA meeting.

**1644. Other business**

The Chairman enquired about the new anti-money laundering guidelines which had been included in the HKICPA's Code of Ethics for Professional Accountants ("Code") and the role of the Committee. The Executive Director explained the inclusion of these guidelines in the Code was considered appropriate and would advise this Committee on any matters of relevance, if necessary.

The Chairman also suggested engaging with the Chinese Institute of Certified Public Accountants to understand their status of convergence with the IESBA Code.

The Committee was requested to weigh more in views from PAIBs as they are encountering various and specific difficulties in the compliance of the newly promulgated rules or rules that are being exposed for comments. In particular, PAIBs are resource-constrained when approached with ethics compliance issues as they are usually the lone-fighter in the organization.

It has been reported that representatives from the Institute would attend the National Standard Setters ("NSS") meeting to be held in May 2018. The NSS meeting provides an opportunity for the Committee to give comments on topical matters and to exchange views with other national standard setters. SSD would circulate the agenda papers to the Committee when they are available.

The Committee was updated on the recent consultation paper issued by the Monitoring Group ("MG"). The consultation paper was issued in November 2017 and proposed radical changes to the global standard-setting process for audit and ethics standards. The Institute made a submission to the consultation paper in February 2018 and also attended a roundtable held in Singapore. The MG is expected to arrange more outreach activities in Asia in the coming months.

There being no further business, the meeting closed at 10:30 a.m.

10 April 2018

VIRGINIA YOU  
CHAIRMAN