Hong Kong Institute of Certified Public Accountants
香港會計師公會

TechWatch News at a glance

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TechWatch updates you on technical developments in financial reporting, auditing, regulation and business. The Institute welcomes your comment, emailed to < commentletters@hkicpa.org.hk >. Click here for past issues.

Contents

Financial Reporting, Auditing and Ethics by:
Steve Ong (Editor), Selene Ho, Winnie Chan, Katherine Leung, Ben Lo

Specialist Practices, Business Members and Advocacy by:
Peter Tisman (Editor), Elena Chai, Mary Lam, Sharon Yeung

Financial Reporting, Auditing and Ethics

New!

1. HKICPA/ICAEW Financial Reporting Forum 2010

The Institute and the Institute of Chartered Accountants in England and Wales ("ICAEW") will jointly hold a Financial Reporting Forum on 15 November 2010. The forum will cover:

- New requirements for 2010 IFRS reporting
- Changes in the IASB pipeline
- Challenges ahead for global accounting standards
- ED of HK Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause*
- ED of *Deferred Taxation: Recovery of Underlying Assets*

Register early to secure seats. Click **here** for more information and enrolment details.

2. Audit Practice Manual Application Workshops

The Institute's revised Audit Practice Manual ("APM") is planned to be issued in early November 2010. The revised APM is updated to address the recently released Clarified Hong Kong Standards on Auditing, which will be effective for audits of financial statements for periods beginning on or after 15 December 2009 (same as the international effective date).

APM Application Workshops will be held in late November and December 2010 to introduce the revised APM and the new requirements under the Clarified Hong Kong Standards on Auditing and how they affect audit engagements. Also, the workshops are planned to refresh audit skills in audit risk assessments, and cover how to navigate the excel-based audit programmes contained in the revised APM.

Click **here** for more information.

3. New TUE Programme

The New TUE programme covering the period from October to December 2010 features a number of important and popular auditing topics, which include:

- Update to Clarified Auditing Standards
- Practice Note 740 *Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules*
- Fraud and Going Concern Considerations with reference to HKSA 240 *The Auditor's Responsibilities to Consider Fraud in an Audit of Financial Statements* and HKSA 570 *Going Concern*

To secure seats, please register early by completing the **registration form**.

4. Financial Reporting and Auditing Alert – Issue 10

The Institute has issued **Financial Reporting and Auditing Alert – Issue 10** to summarise common issues noted on application of HKFRS 8, *Operating Segments*, which became effective for annual periods beginning on or after 1 January 2009. This issue helps members apply HKFRS 8 and enhances the quality of financial statements disclosures on operating segments.

HKFRS 8 supersedes HKAS 14 *Segment Reporting*. It sets out requirements for segment disclosures by entities whose debt or equity instruments are publicly traded. It also applies to entities that file or are in the process of filing financial statements with a regulatory body for the purpose of issuing any instrument in a public market.

The main change from HKAS 14 is the adoption of the management approach to report on the financial performance of operating segments. The information reported will be what management uses internally in deciding how to allocate resources to segments and evaluating segment performance. This enables users to review an entity's operations from the same perspective as management.

In contrast, HKAS 14 required disclosures of two sets of segments (business and geographical) under a risks and returns approach.

Members' Handbook

5. Handbook Update No. 93

Update No. 93 contains consequential amendments to the *Preface*, HK(SIC) Interpretations and *Glossary* which were previously set out in the appendix as they were not yet effective. The Institute has taken this opportunity to incorporate amendments applicable on 1 January 2010 in the relevant affected documents for greater clarity.

Financial Reporting

6. FRSC Minutes

This **FRSC minutes** on 3 August 2010 covers:

- Accounting Application Issue
- Consultation Paper on Companies Ordinance Rewrite relating to Accounts and Audit
- Update on deferred taxation issue related to revaluation of investment properties
- IASB Consultation Documents
- IASB Outreach Activities in Hong Kong on 2 September 2010
- Comparison between HKFRSs and IFRSs as at 1 July 2010

7. Invitation to Comment on Consultation Documents

(i) IFRS Foundation Consultation Document – *The Annual Improvements Process: Proposals to amend the Due Process Handbook for the IASB*

The Institute has issued an **Invitation to Comment** on the above IFRS Foundation Consultation Document, with comments requested by 16 November 2010.

The annual improvements process provides a mechanism for non-urgent but necessary amendments to IFRSs to be grouped together and issued in one package. Such amendments may clarify guidance and wording, or make relatively minor amendments to the standards that address unintended consequences, conflicts or oversights.

The proposals recommend modifications to the IASB's Due Process Handbook by enhancing the criteria for determining whether a matter relating to the clarification or correction of IFRSs should be addressed using the annual improvements process.

The IFRS Foundation welcomes responses on whether the proposed criteria provide a sufficient and appropriate basis for assessing whether matters relating to the clarification or correction of IFRSs should be addressed using the annual improvements process.

(ii) Institute's ED of Hong Kong Interpretation 5

The Institute has issued an **Invitation to Comment** on ED of Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause*, with comments requested by 29 October 2010.

"Term loans" are loans which are repayable on a specified date or in instalments over a period of time, usually in excess of one year. Loan facility agreements for such term loans will set out the basic terms, such as the scheduled re-payment date(s), interest rates and additional charges for early repayment, and may also include specific clauses which define default events that would give the lender the right to accelerate the repayment terms if those events occur.

In addition to defining events of default and the consequences of their occurrence, some term loan agreements include an overriding repayment on demand clause, which gives the lender the right to demand repayment at any time, at their sole discretion and irrespective of whether a default event has occurred. In such cases, the question arises as to whether the term loan should be presented in the statement of financial position in accordance with the scheduled repayment dates, or whether the entire loan should be presented as current, given the lender's overriding right to demand repayment at any time.

The purpose of draft Hong Kong Interpretation 5 is to address this question with reference to the criteria for classification of liabilities as current or non-current as set out in paragraph 69 of HKAS 1, *Presentation of Financial Statements*. In particular, the FRSC noted the requirement of paragraph 69(d) of HKAS 1, which requires an entity to classify a liability as current when "it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period".

The draft Interpretation sets out the FRSC's conclusion that the classification of a term loan as a current or non-current liability in accordance with paragraph 69(d) of HKAS 1 should be determined by reference to the rights and obligations of the lender and the borrower, as contractually agreed between the two parties. Therefore, in cases where a repayment on demand clause provides the lender with a clear and unambiguous unconditional right to demand repayment at any time at its sole discretion, the entire loan should be classified as current, as the existence of this right means that the borrower does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The likelihood of the lender exercising this clause may be relevant to certain disclosures required under HKFRS 7, *Financial Instruments: Disclosures*, in respect of the entity's approach to managing its liquidity risk, but it is not a relevant consideration for the classification of the loan in the statement of financial position in accordance with paragraph 69(d) of HKAS 1.

This conclusion is consistent with the tentative agenda decision reached by the IASB's IFRS Interpretations Committee at its meeting on 2 and 3 September 2010. Click **here** for the details of the IFRIC Update.

The FRSC intends to issue the draft Interpretation in November 2010 to be effective immediately upon release subject to issues identified during the commentary period on this ED.

(iii) IASB ED of *Deferred Tax: Recovery of Underlying Assets (Proposed Amendments to IAS 12)*

Based on the recognition criteria under the current IAS 12 *Income Taxes* and SIC-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets*, deferred taxes have to be provided on revaluation surpluses for leasehold investment properties calculated using income tax rates, even though there is no capital gains tax in Hong Kong.

Before full convergence to IFRS in 2005, revaluations of investment properties in excess of historical cost generally did not have any material deferred tax implications. This was because the previous Hong Kong Interpretation, whilst being based on SIC-Int 21, specifically included investment properties within its scope, and as a result, deferred tax was generally limited to the tax effect of the amount of tax depreciation previously claimed. In 2005, this difference between the HK version of SIC-Int 21 and the International version was removed in order to achieve full convergence with IFRSs. Therefore from 2005 onwards, investment properties in Hong Kong have been regarded as being outside the scope of SIC-Int 21 as the properties are situated on land which is not freehold land with an unlimited life and which is therefore a depreciable asset. Consequently, in accordance with IAS 12, deferred tax on any temporary differences arising from carrying the properties at fair value is recognised using the profits tax rate, unless the entity has the intention to sell the property.

Since the deferred tax provided on the revaluation surpluses would never crystallise in the event of a sale of the investment properties, this has given rise to much adverse comment from the local business community and market analysts. The Institute has been in regular communication with the IASB on this matter since 2006.

The IASB has considered this issue and issued ED of *Deferred Tax: Recovery of Underlying Assets (Proposed Amendments to IAS 12).* The Institute has issued a corresponding **Invitation to Comment** on this IASB ED, with comments requested by 26 October 2010.

The proposal would amend one aspect of IAS 12. Under IAS 12, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using the asset or by selling the asset. In some cases, it is difficult and subjective to assess whether recovery will be through use or through sale.

To provide a practical approach in such cases, the proposed amendment would introduce a presumption that an asset is recovered entirely through sale unless the entity has clear evidence that recovery will occur in another manner. The presumption would apply when investment properties, property, plant and equipment or intangible assets are remeasured at fair value or revalued at fair value.

8. Institute Comments on EDs

(i) IVSC ED of *Proposed New International Valuation Standards*

The Institute made a **submission** to International Valuation Standards Council (IVSC) for the comprehensive body of work that it has prepared on this important project. The Institute supports the work that the IVSC is undertaking in its effort to develop clear internationally recognised and accepted valuation standards.

The Institute generally agrees with the principle-based approach adopted in the proposed standards. It is considered that valuation standards need to be principle-based in order that they can be applied by practitioners with a proper consideration of all the relevant factors. It is believed that additional deliberation and details in applying the valuation principles for financial reporting may more appropriately be included in the implementation guidance rather than be incorporated in the body of a standard. The Institute encourages the IVSC to work with the IASB to bring together the accounting standard-setting and valuation professions to address valuation issues in an IFRS context.

While the Institute welcomes references to IFRS in the valuation standards as a way to increase the familiarity of valuers with accounting guidance that applies when performing valuations for financial reporting purposes, the Institute does not agree with the current approach by paraphrasing the IFRS requirements in the standards. It is considered that where the standards require to relate to IFRS should be cross referred to the appropriate IFRS requirements so as to prevent an unnecessarily risk of diversity in application.

Moreover, accounting standards are in state of change and will likely continue to evolve. To the extent that matters in the ED, and hence the valuation standards to which they would eventually relate, are based on the requirements of accounting standards, they would need to continue to change as well. The IVSC will need to ensure that it has a mechanism in place that will achieve this.

Finally, the Institute is concerned that the different meaning and application scope of "fair value" in accounting and asset valuation would create misunderstanding and confusion. It was noted that the proposed International Valuation Standards (IVS) definition of fair value reflects a price that is fair to two identified parties, while fair value under IFRSs reflects the value to market participants generally.

Given the significant role of the accounting profession in fair value measurement, the Institute recommends that the IVS uses identical definition of fair value under IFRS and adopt an alternative name for fair value used for purposes other than financial reporting.

(ii) IASB ED of Proposed Amendments to IAS 19 – *Defined Benefit Plans*

The Institute made a **submission** to IASB on ED of Proposed Amendments to IAS 19 – *Defined Benefit Plans*. The Institute generally supports the following proposals in the ED:

- Elimination of the corridor approach. Immediate recognition of changes in the estimation of the defined benefit obligation and in the fair value of the plan assets.

- Recognition of unvested plan costs in the year when an amendment to the plan is made.

- Disaggregation of the plan costs into three components: service costs, finance costs and remeasurement. Service and finance costs should be recognised in profit and loss. Remeasurements should be recognised in other comprehensive income. Changes in the estimate of service costs and in demographic assumptions should be included in the remeasurement component.

However, the Institute does not agree with the IASB's proposal to combine post-employment benefits and other long-term employee benefits into a single category, long-term employee benefits, and to apply the disclosures proposed in paragraphs 126A -126K to benefits previously classified as "other long-term employee benefits" such as long service leave, long term incentives and long service payment. It is believed that the amount involved and associated risk exposures of these benefits are generally much lower than those for defined benefit obligations. It is recommended that the IASB should retain the current requirement under IAS 19.

While the Institute broadly welcomes the short-term proposals in the ED, the Institute wishes to emphasise that a comprehensive review of employee benefit accounting is needed in order to meet today's challenges.

(iii) IASB ED of *Measurement Uncertainty Analysis Disclosure for Fair Value Measurements*

The Institute made a **submission** to IASB ED of *Measurement Uncertainty Analysis Disclosure for Fair Value Measurements.*

While the Institute generally supports the IASB's effort to improve the fair value disclosure requirements for Level 3 measurements, it has concerns about whether the proposed measurement uncertainty disclosure in the ED is operational. It is believed the requirement as articulated in the ED is not clear and the level of analysis the IASB had intended in the ED and the objective of the proposed correlation assessment will not be well understood.

Moreover, it is unclear whether the IASB expects an entity in practice to compute some statistical analysis in order to identify the correlations that should be "taken into account" as required in paragraph 2(b) and it is skeptical as to whether a meaningful calculation of statistical correlation between unobservable inputs is even possible.

The Institute is also concerned about the proposed format for the disclosure, as illustrated in the illustrative example attached to the ED. Based on this illustrative example, it appears that the IASB expects the disclosure to provide the upper and lower limits of a range of possible outcomes at an aggregated level for each class of assets or liabilities. It is questionable whether such a table, as illustrated in the example, would provide meaningful information to users.

The Institute recognises that significant inputs for fair value measurements made under Level 3 of the hierarchy are based on assumptions and are inherently subjective. It is believed that a clear description of the valuation methodology used in arriving at the fair value and disclosure of identified relationships between key variables, together with information concerning key assumptions/inputs used and how these assumptions/inputs were arrived at, would provide useful information for the user to understand how the fair value was determined and would enable the user to obtain an appreciation of the uncertainty associated with that valuation.

Audit & Assurance

9. AASC Minutes

This **AASC minutes** on 20 July 2010 covers:

- HKSA 210 *Agreeing the Terms of Audit Engagement*
- Circular on *Audit of Financial Statements of Owners' Corporations of Buildings – Audit Issues*
- Revised Practice Note 600.1 *Reports by Auditor under the Hong Kong Companies Ordinance*
- Report on Declared Election Expenses – Legislative/District Council Election Financial Assistance Scheme
- Notes for Auditors of Recipient Organisations for the Innovation and Technology Fund
- HKEx Consultation Conclusions on Proposed Changes to Requirements for Circulars and Listing Documents of Listed Issuers
- Consultation Paper on Companies Ordinance Rewrite relating to Accounts and Audit
- Request for contribution from Hong Kong Monetary Authority on Financial Stability Board's Thematic review on Risk Disclosure by Market Participants

International Meetings

10. International Accounting Standards Board

The IASB met on 14-16 and 24 September 2010 and discussed the following topics:

- Annual improvements
- Asset and liability offsetting
- Emissions trading schemes
- Fair value measurement
- Fair value option for financial liabilities
- Financial instruments: hedge accounting
- Financial instruments: impairment
- Financial instruments with characteristics of equity
- IFRS 1 *First-time Adoption of International Financial Reporting Standards* – severe hyperinflation
- IFRS Interpretations Committee – IFRS 2 *Share-based Payment* – Vesting and non-vesting conditions
- IFRS Interpretations Committee – Put on non-controlling interests
- IFRS Interpretations Committee – update from last meeting
- Liabilities – IFRS to replace IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*
- Management commentary
- Post-employment benefits
- Rate-regulated activities

- Disclosures – Transfers of financial assets: Effective date and transition requirements

Click to view the IASB Update on the meetings on **14-16 September** and **24 September**. The IASB next meets in October 2010.

11. IFRS Interpretations Committee

The IFRS Interpretations Committee met on 2-3 September 2010 and discussed the following topics:

- Vesting and non-vesting conditions
- IFRS Interpretations Committee agenda decisions
- IFRS Interpretations Committee tentative agenda decisions
- Issues considered for *Annual Improvements*
- IFRS Interpretations Committee work in progress

Click to view the IFRIC Update on the meeting on **2-3 September**. The IFRS Interpretations Committee next meets in November 2010.

12. International Auditing and Assurance Standards Board

The IAASB next meets in December 2010. Click **here** for the next meeting's details and previous meeting summary.

13. International Ethics Standards Board for Accountants

The IESBA next meets in November 2010. Click **here** for the next meeting's details and previous meeting summary.

Useful Resources

14. Publications

The following are publications on various topics:

(i) Financial reporting update: **Quarterly update issue 12** by Grant Thornton

(ii) IASB modified work programme and timetable: **HKFRS news** by PwC

(iii) Practical guide to accounting for property under the cost model: **Guide** by PwC

(iv) Illustrative corporate consolidated financial statements 2010: **Illustrative financial statements** by PwC

(v) Effective dates of IFRSs: **Briefing sheet** by KPMG

Comment Due Dates

15 October 2010: IAASB ED on Proposed ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment* and ISA 610 (Revised), *Using the Work of Internal Auditors*

26 October 2010: IASB ED of *Deferred Tax: Recovery of Underlying Assets (Proposed Amendments to IAS 12)*

29 October 2010: Institute's ED of Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause*

15 November 2010: IASB ED of *Insurance Contracts*

15 November 2010: IFRS Interpretations Committee ED of *Stripping Costs in the Production Phase of a Surface Mine*

16 November 2010: IFRS Foundation Consultation Document of *The Annual Improvements Process: Proposals to amend the Due Process Handbook for the IASB*

30 November 2010: IASB ED of *Leases*

Specialist Practices, Business Members and Advocacy

Corporate Finance

15. HKEx Consultation Papers

In September 2010, Hong Kong Exchanges and Clearing ("HKEx") published the following consultation papers:

(i) Proposed Change to the Minimum Number of Shareholders for the Market Capitalisation/Revenue Test

This **consultation paper** seeks views on a proposal to change the minimum shareholder requirement for main board listing under the market capitalisation/ revenue test, from 1,000 to 300 shareholders. The proposal, if adopted, will bring the market capitalisation/revenue test in line with the minimum shareholder requirements for listing under the other two tests, namely, profit test and the market capitalisation/revenue/cash flow test.

(ii) Proposed Changes to Requirements for Qualified Property Acquisitions and Formation of Joint Ventures

This **consultation paper** seeks views on proposals to relax the listing rules on notifiable and connected transactions where property developers acquire government land through public auctions or tenders, in the ordinary and usual course of business.

The proposals include:

- Expanding the scope of the qualified property acquisition exemption to cover government land acquisitions in the mainland through auctions or tenders.
- Removing the exemption conditions that restrict the joint venture ("JV")'s financing and profit distribution arrangements when the qualified property acquisition is undertaken on a joint basis. Instead, the issuer's directors would be required to confirm that the terms of the JV are fair and reasonable and in the interests of the shareholders as a whole.
- Removing the exemption condition that requires an issuer to obtain an annual general mandate from shareholders before it engages in any qualified property acquisition(s) on a joint basis with a qualified connected person in the coming year.
- Requiring certain information relating to qualified property acquisitions and JVs to be disclosed in the issuer's announcement and circular regarding the acquisition.
- Introducing an exemption from the property valuation requirement for qualified property acquisitions.

The paper also seek views on a proposal to exempt the formation of a JV from being treated as a transaction under the rules on notifiable transactions if it is engaging in a single-purpose project of a revenue nature to the issuer. This exemption would be available to all issuers that use JVs for revenue transactions in their ordinary course of business.

(iii) Proposed Changes to the Trading Hours of the Securities and Derivatives Markets

This **consultation paper** invites views on proposed changes to the trading hours of the securities and derivative markets.

- Advancing the start of morning trading by half an hour, so trading in the securities, stock futures and stock options markets would open at 9:30 am and close at 12:00 noon, and trading in the index futures and index options markets would open at 9:15 am and close at 12:00 noon.
- Advancing the start of afternoon trading. Two options are put forward, namely, commencing trading either at 1:00 pm

or at 1:30 pm, with a one-hour lunch break from 12:00 noon to 1:00 pm, or a one-and-a-half-hour lunch break from 12:00 noon to 1:30 pm, respectively.

- Closing times of the securities and derivatives markets remain unchanged.

The pre-opening session in the securities market would continue to begin 30 minutes before the start of morning trading, and the pre-market opening periods in the Hang Seng Index, Mini-Hang Seng Index and H-shares Index futures markets would continue to begin 30 minutes before the start of morning and afternoon trading.

The consultation periods for (i) and (ii) above will end on 12 November 2010. The consultation period for (iii) above will end on 29 October 2010. Members are welcome to reflect their views to the Institute, by email sent to <**commentletters@hkicpa.org.hk**>, under the heading “HKEx Consultations”, on or before 22 October 2010.

16. SFC Proposes Extending Conflicts Requirements on Research Reports

To enhance the integrity and objectivity of pre-deal research reports, the Securities and Futures Commission ("SFC") issued a **consultation paper** on 30 September 2010 to expand the scope of the present requirements governing conflicts of interest for analysts.

The current conflicts-of-interest requirements apply when analysts prepare research reports on listed securities. The SFC believes that these requirements also should apply to research reports on initial public offerings. It also proposes to promote equal access to information by requiring that only information included in the prospectus or listing document may be disclosed to analysts.

In addition, the SFC proposes to apply these conflicts-of-interest requirements to analysts preparing research reports on real estate investment trusts that are applying for listing and that are listed.

The consultation period will end on 30 November 2010. Members are welcome to reflect their views to the Institute, by email sent to <**commentletters@hkicpa.org.hk**>, under the heading “SFC Consultation”, on or before 12 November 2010.

17. Consultation Conclusions on Proposal to Introduce Scripless Securities Market in Hong Kong

The SFC, HKEx and the Federation of Share Registrars Limited ("FSR") jointly released a set of **consultation conclusions** on 21 September 2010, announcing the plan to introduce a scripless securities market in Hong Kong.

The proposed operational model is based largely on that described in the **joint consultation paper** issued on 30 December 2009. The new paperless option will enable investors to hold securities in their own names as registered holders, thus offering more opportunities for straight-through-processing to enhance market efficiency.

The scripless regime will be implemented in phases to provide investors with the flexibility of holding securities in physical certificates or in paperless form. The first phase is expected to be implemented in late 2013, once the necessary legislative changes and market preparations have been effected.

The SFC will consult in early 2011 on new subsidiary legislation, setting out in more detail how the scripless arrangements and the key players in the new environment will be regulated.

Corporate Governance

18. HKEx Reports on Implementation of Code on Corporate Governance Practices

HKEx has published a **report** on the findings of its fourth review of listed issuers' corporate governance practices. Findings include:

- 99% of the issuers reviewed (up from 98% in the third review of 2007) complied with at least 41 of the 45 code provisions;

- 39% of issuers reviewed complied with all code provisions (the same statistic as in the third review);

- as in the 2007 review, larger issuers complied with more code provisions than smaller issuers (based on market capitalisation);

- 98% of issuers reviewed had established a remuneration committee and 37% had established a nomination committee. Both were composed mostly of independent non-executive directors, with an average of four members.

Taxation

19. Practical Hints for Stamping of Agreements and Notification of Change of Address

The IRD has issued a **circular** to assist in completing the applications, under e-stamping or conventional paper stamping, for initial stamping of agreement/assignment of property.

The IRD issued a **newspaper notice** on 7 October 2010, reminding taxpayers of their legal obligation to notify the IRD promptly of a change of address.

Legislation & Other Initiatives

20. Specification Published on IT Interface with Integrated CR Information System

The Companies Registry ("CR") will launch Phase II of the Integrated Companies Registry Information System ("ICRIS II") by stages early next year. The first stage will cover a one-stop electronic service for company incorporation and business registration and an electronic service for change of names of local companies.

Customers can register as users of ICRIS II to form companies and file company documents electronically.

To facilitate IT staff and software developers to develop new software or enhance existing software to interface with ICRIS II, a specification for external systems to interface with ICRIS II has been released. Please refer to the "**Third Party Software Interface with Phase II of ICRIS**" section, under the "Development Programme" section of the CR website.

Useful Resources

21. Library Resources

Featured titles and **new books** of high reference value for members are now available.

In addition, members can **login** to the **e-Library** and access e-journals and e-books on a wide range of business subjects.

22. Other Publications

The following articles/publications on topical issues may be of interest to members:

(i) In September 2010, HKEx published

- seven **revised Listing Decisions** (LD21-3, LD33-1, LD39-3, LD48-4, LD55-3, LD56-1 and LD59-5) and one revised Guidance Letter (GL7-09) to reflect current rule reference.

- three **listing decisions** on amendments to pre-IPO share option scheme (LD103-1), qualification of independent non executive director (LD104-1) and application of PN15 (LD105-1)

- revised **FAQ Series 10** on amendments to connected transaction rules effective on 3 June 2010.

- a new **Guide on General Meetings**

- a **letter** to issuers regarding directors' compliance with the Model Code

(ii) On 20 September 2010, SFC launched **InvestEd Intelligence**, a bimonthly e-newsletter with a diverse range of educational information about investing, as a further step to enhance investor protection.

(iii) Articles on corporate governance by Deloitte:

- **Asia pacific economic outlook: Australia, China, India, South Korea**
- **Proxy access – coming soon to a public company near you**