



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.

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Financial Reporting, Auditing and Ethics

New!

1. Second Asian-Oceanian Standard Setters Group Meeting

The second meeting of the Asian-Oceanian Standard Setters Group (“AOSSG”) was held in Japan on 29 and 30 September 2010. The meeting, hosted by the Accounting Standards Board of Japan, was attended by 24 accounting standard setting bodies from countries or jurisdictions in the Asian-Oceanian region, representatives of the International Accounting Standards Board (“IASB”) and a Trustee of the International Financial Reporting Standards Foundation.

During the technical sessions, AOSSG members provided feedback and comments on the IASB existing projects. The IASB representative thanked AOSSG members for their insightful comments, and acknowledged that the IASB would give due consideration to the suggestions.

The AOSSG also had a discussion about its future projects, taking into account the results of the survey, which was conducted to collect the members’ situation regarding convergence with or application of IFRSs as well as to identify possible future issues of the group. Based on the discussion, the AOSSG decided to establish a new working group on IAS 41 *Agriculture*, which would be led by the Accounting Standards Board of India.

Click [here](#) for the post event press communiqué, which summarizes details of the discussion.

The third AOSSG meeting will be held in Australia in autumn next year.

2. A Guide through IFRS 2010

A Guide through IFRS 2010 provides a complete and up-to-date consolidated text, with extensive cross-references and other annotations of IFRSs, including IASs and IFRIC

and SIC Interpretations, and IASB-issued supporting documents – illustrative examples, implementation guidance, basis for conclusions and dissenting opinions, which were approved by the IASB at 1 July 2010.

Click [here](#) to order now for bulk purchase discounts.

3. Joint Seminar on The Audit of Licensed Corporations

The Institute and Securities and Futures Commission (“SFC”) will jointly hold a seminar on The Audit of Licensed Corporations on 23 November 2010. The seminar will cover:

- Highlight of the key reporting responsibilities of the auditors
- Discussion of topical issues and areas of concern over applying PN 820 *The Audit of Licensed Corporations and Associated Entities of Intermediaries*
- Impact of the key Auditing Standards issued
- Consultation Conclusions on Proposals to Enhance Protection for the Investing Public – Conduct of Intermediaries

To secure seats, please register early by completing the [registration form](#).

Members’ Handbook

4. Handbook Updates No. 94 to 96

- (i) **Update No. 94** relates to the issuance of *Conceptual Framework for Financial Reporting 2010*, which represents the completion of the first phase of the IASB and the US Financial Accounting Standards Board (“FASB”)’s joint project to develop an improved conceptual framework for IFRSs and US Generally Accepted Accounting Practices (“US GAAP”).

The objective of the conceptual framework project is to create a sound foundation for future accounting standards that are principles-based, internally consistent and

internationally converged. The new framework builds on existing IASB and FASB frameworks. This first phase of the conceptual framework deals with the objective and qualitative characteristics of financial reporting.

- (ii) **Update No. 95** relates to changes to illustrative examples in HKSAs.

Appendix 1 of HKSA 210 (Clarified) *Agreeing the Terms of Audit Engagements* is revised to align with the example in ISA 210. Accordingly, the Chinese translated engagement letter has been amended.

Illustrations 5 and 6 have been included in HKSA 700 (Clarified) *Forming an Opinion and Reporting on Financial Statements* as a result of the issuance of the Hong Kong Financial Reporting Standard for Private Entities.

- (iii) **Update No. 96** relates to the issuance of Amendments to HKFRS 7 *Disclosures – Transfers of Financial Assets*.

The amendments allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understand the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements contained in US GAAP.

The amendments to HKFRS 7 apply for annual periods beginning on or after 1 July 2011. Earlier application is permitted.

In the first year of application, an entity does not need to provide comparative information for the disclosures required by the amendments for periods beginning before 1 July 2011.

Financial Reporting

5. FRSC Minutes

This **FRSC minutes** on 7 September 2010 covers:

- 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*
- Consultation Paper on Companies Ordinance Rewrite relating to Accounts and Audit
- IASB Consultation Documents
- IASB ED of *Measurement Uncertainty Analysis Disclosure for Fair Value Measurements*
- IASB ED of Proposed Amendments to IAS 19 – *Defined Benefit Plans*
- Summary of IFRS Advisory Council Meeting in June 2010

6. Invitation to Comment on Consultation Documents

- (i) IASB ED of *Severe Hyperinflation (Proposed Amendment to IFRS 1)*

The Institute has issued an **Invitation to Comment** on IASB ED of *Severe Hyperinflation (Proposed Amendment to IFRS 1)*, with comments requested by **16 November 2010**.

The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

(ii) IASB Request for Views on Effective Dates and Transition Methods

The Institute has issued an **Invitation to Comment** on IASB Request for Views on Effective Dates and Transition Methods, with comments requested by **17 January 2011**.

When finalizing an IFRS, the IASB will identify a date from which entities will be required to start applying the new requirements (known as the effective date). This date is often 12-18 months after the date the IFRS is published, allowing time for entities to prepare for the change and for jurisdictions to implement the IFRS into their legal or regulatory regime.

With a number of major projects planned to be completed in 2011, the IASB and the FASB are seeking views on whether or how to sequence effective dates in order to reduce the burden to interested parties. In deciding how to proceed, the IASB will consider the needs of jurisdictions already using IFRSs and those planning to do so. Feedback from the consultation will inform the boards, as they jointly develop an implementation plan for the new standards that helps stakeholders to manage both the pace and cost of change.

The projects covered by the request for views include the second and third phases of *Financial Instruments*, *Revenue from contracts with customers*, *Insurance contracts* and *Leases*.

(iii) IVSB Discussion Paper on *Valuation Uncertainty*

The Institute has issued an **Invitation to Comment** on IVSB Discussion Paper (“DP”) on *Valuation Uncertainty*, with comments requested by **3 December 2010**.

The document has been issued in the light of growing calls from politicians and financial regulators, including the Financial Stability Forum and the Basel Committee on Banking Supervision for the degree of valuation

uncertainty in financial statements to be better communicated. A lack of transparency in the valuations of banks’ assets and liabilities under mark to market accounting requirements is seen as a particular area of concern.

Various studies into the causes of the financial crisis in 2007 and 2008 have concluded that many investors in financial instruments were placing unwarranted confidence in valuations that were being produced against a background of an inactive or dysfunctional market.

The DP examines the nature and causes of valuation uncertainty and some of the solutions that have been suggested. It also highlights the IVSB’s disquiet that not all of these will be operable in practice, and some may simply highlight uncertainty without explaining its causes.

The DP concludes for a disclosure of material uncertainty to be useful it will normally require a commentary on the nature and causes of that uncertainty, and that attempts to rely solely on numeric expressions are at best unhelpful and at worst counterproductive if they imply a false precision.

7. Institute Comments on EDs

(i) FASB Proposed Accounting Standards Update

The Institute made a **submission** to FASB on the Proposed Accounting Standards Update *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities*.

The Institute supports the development of a single set of high-quality globally accepted financial reporting standards that will enhance the efficiency of the capital markets around the world and increase the quality of information reported by entities in many jurisdictions.

It is noted the calls for international convergence in financial reporting standards made by the G20 and the Institute understands that the FASB and the IASB jointly affirmed their commitment to achieve convergence of IFRSs and US GAAP. However, it is noted that the FASB ED marks a significantly different approach to financial instruments accounting than that taken by the IASB. The Institute is concerned that it would increase the difficulties of the two boards to reconcile differing views and work towards converged standards on this project.

Moreover, the Institute has comments on the following topics:

- Mixed Measurement Model
- Reclassification
- Financial Liabilities
- Hybrid Financial Instruments
- Credit Impairment
- Hedge Accounting

Please see the [submission](#) for details of the comments.

(ii) IASB ED of *Presentation of Items of Other Comprehensive Income (Proposed Amendments to IAS 1)*

The Institute made a [submission](#) to IASB ED of *Presentation of Items of Other Comprehensive Income (Proposed Amendments to IAS 1)*.

The Institute is supportive of the IASB's objective of bringing greater clarity and consistency to financial statement presentation. However, it is believed that the IASB should develop a set of consistent principles which address the more fundamental conceptual issues concerning profit or loss and other comprehensive income. These include the following inter-related questions:

- Should all gains/losses that relate to financial performance be recognized in "profit or loss"?
- If not, what type of gains/losses should be included in "other comprehensive income ("OCI")"?
- What is the purpose of labeling these items under "OCI"?
- What is the basic principle that supports "recycling" some or all of these items from "OCI" to "profit or loss"?

The Institute agrees with the dissenting view set out in paragraphs AV3 and AV4, and believes that the IASB should address the purpose of the different elements of the performance statements. It is essential that the IASB establishes a clear conceptual basis for presentation in either profit or loss and OCI. It is believed that it is premature to eliminate the two-statement option before a thorough conceptual consideration of the purpose of OCI.

The basis for conclusions states that the ED is presented separately from the main proposals on financial statement presentation, mainly to align more closely the effective date of these amendments with those of the proposed amendments to IAS 19 *Employee Benefits* and IFRS 9 *Financial Instruments*. It is noted that the proposed changes to IAS 19 and IFRS 9 will add additional items to OCI and believed that this is a compelling reason to address the fundamental conceptual issues mentioned above.

If the IASB decides to finalize this ED before dealing with the more fundamental issues, it is believed that the IASB should make it clear in the basis for conclusions that the outcome of this ED would not, in any way, pre-empt the outcome of the more fundamental issues.

(iii) IASB ED of *Revenue from Contracts with Customers*

The Institute made a **submission** to IASB ED of *Revenue from Contracts with Customers*.

Overall, the Institute supports many of the broad principles in the ED. However, it is believed that some principles, especially transfer of control for services and continuous transfer, need to be clarified to make them operational across all types of revenue contracts with customers and to ensure that the resultant pattern of revenue recognition properly reflects the economic substance of each arrangement.

Much of the application guidance is found to be useful. However, the Institute considers that further work is needed on some of the examples to set out realistic or more challenging fact patterns and explain the implications of those fact patterns for the accounting treatment. Furthermore, it is believed to be important that the IASB considers whether there is sufficient guidance in the ED on transactions covered by interpretative guidance that is to be withdrawn (e.g. sales of real estate, customer loyalty programmes and barter transactions). It is believed that these areas for improvement must be addressed before issuing the final standard because sufficiently developed application guidance is critical in ensuring the effectiveness of a principles-based revenue standard.

The Institute is aware that this project is an important part of the MOU with the FASB and that for this reason it is being progressed ahead of conceptual discussions surrounding revenue and the broader concept of income. Whilst the Institute understands the importance of achieving a common standard with US GAAP, the Institute continues to believe that the conceptual debate is important and that this standard should not have the effect of pre-empting that debate. Also it is noted that the

IASB and the FASB continue to work on a number of projects that have transactions that are similar to those addressed in the ED, or are based around a concept of control or expected values (including leases and insurance contracts). It is believed that it is important to ensure consistency in application to economically similar transactions across all of these projects.

(iv) IASB ED of *Removal of Fixed Dates for First-time Adopters (Proposed Amendments to IFRS 1)*

The Institute made a **submission** to IASB ED of *Removal of Fixed Dates for First-time Adopters (Proposed Amendments to IFRS 1)* to support the proposals in the ED. It is believed that the amendment is desirable, pragmatic and consistent with the principles of IFRS 1.

Audit & Assurance

8. AASC Minutes

This **AASC minutes** on 21 September 2010 mainly covers:

- HKSA 210 (Clarified) *Agreeing the Terms of Audit Engagement*
- Draft Chinese Translation of the Example Audit Engagement Letter attached to HKSA 210 (Clarified)
- Draft Chinese Translation of the Unqualified Auditors' Reports based on HKSA 700 (Clarified) *Forming an Opinion and Reporting on Financial Statements*
- Revised Practice Note 600.1 *Reports by Auditor under the Hong Kong Companies Ordinance*
- ED on revised HKSIR 400 *Comfort Letters and Due Diligence Meetings on Financial and Non-financial Information*

9. Invitation to Comment on EDs

(i) ED of Proposed Revised HKSIR 400

The Institute has issued an **Invitation to Comment** on ED of Proposed Revised Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 400 *Comfort Letters and Due Diligence Meetings on Financial and Non-financial Information*, with comments requested by **30 November 2010**.

With increasing internationalization of capital markets, it is common for all or a part of a securities offering to be made overseas and for Hong Kong reporting accountants to be requested to perform procedures and provide a comfort letter for the purposes of such overseas tranches. It has become clear that market practice for such comfort letters on international tranches is that they should provide limited assurance (also commonly referred to as "negative assurance") in respect of subsequent changes to historical financial information; as compared with the factual findings HKSIR 400 currently provides.

In response to this, a key change in the proposed revised HKSIR 400 is as follows. As established in revised paragraph 9, the scope of work in an engagement under this HKSIR has been amended to clarify that:

- (a) When performing procedures in respect of selected financial and non-financial information, reporting accountants should refer to the principles in HKSRS 4400 *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*; whereas
- (b) When performing procedures in respect of subsequent changes in historical financial information, the reporting accountants should refer to the principles in HKSAS 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In so doing the reporting accountants should also refer to the

guidance contained in revised paragraph 55, which explains the circumstances in which it is appropriate for the reporting accountants to provide limited assurance.

So as regards the provision of "negative assurance" in respect of subsequent changes to historical financial information proposed, the proposed revised HKSIR 400 aligns Hong Kong comfort letters standards with market practice for comfort letters on overseas tranches on international offerings. Accordingly, on its release, Hong Kong reporting accountants will also be able to refer to the revised HKSIR 400 when providing comfort letters on overseas tranches of international offerings.

(ii) ED of Proposed International Auditing Practice Statement and Related Proposals

The Institute has issued an **Invitation to Comment** on ED of Proposed International Auditing Practice Statement ("IAPS") and Related Proposals, including the followings:

- Withdrawal of six Existing IAPSs
- Clarification of the Status and Authority of New IAPSs
- Proposed Amendments to the *Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements*
- Proposed IAPS 1000 *Special Considerations in Auditing Complex Financial Instruments*

Comments on the ED are requested by **11 January 2011**.

10. Institute Comments on IAASB ED of ISAE 3420

The Institute made a **submission** to IAASB on ED of ISAE 3420 *Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus*.

The Institute supports the ED and considers that the proposed ISAE sets out sufficient and appropriate work procedures to enable the practitioner to express an opinion as to whether the process to compile the pro forma financial information, in all material respects, has been applied in accordance with the applicable criteria.

The aim of the draft guidance is to set out the principles for applying the current Hong Kong Listing Rules and to provide guidance on how to present pro forma financial information under specific scenarios. The IAASB may wish to consider the draft guidance and, where deemed appropriate, incorporate some relevant elements of the guidance that will have more general application in the ED.

Moreover, to enhance the adoption and implementation of the proposed ISAE, it is desirable for the IAASB to also consider providing guidance on reporting on the pro forma financial information itself. However, it is also the Institute's concern that having two separate standards may be confusing to users.

11. SFC Audit Questionnaire

The SFC has informed that question 2(a) of the audit questionnaire has been updated. The updated version of the [audit questionnaire](#) has been posted on the SFC website. The new form is effective with immediate effect.

International Meetings

12. International Accounting Standards Board

The IASB met on 5 October, 19-22 October and 27 October 2010, and discussed the following topics:

- Fair value option for financial liabilities
- Hedge accounting
- Impairment

- Amendments to IFRS 7 *Financial Instruments: Disclosures*: Transition requirements – Amendment to IFRS 1
- Annual improvements
- Conceptual framework
- Effective dates
- Emission trading schemes
- Extractive activities
- Fair value measurement
- Financial instruments: amortized cost and impairment
- Financial statement presentation
- Financial instruments with characteristics of equity
- Offsetting
- Other comprehensive income
- Leases
- Post-employment benefits

Click to view the IASB Update on the meetings on [5 October](#), [19-22 October](#) and [27 October](#). The IASB next meets in November 2010.

13. IFRS Interpretations Committee

The IFRS Interpretations Committee next meets in January 2011. Click [here](#) for the next meeting's details.

14. 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.

15. International Ethics Standards Board for Accountants

The IESBA next meets in February 2011. Click [here](#) for the next meeting's details and previous meeting summary.

Useful Resources

16. Publications

The following are publications on various topics:

- (i) [Comparison](#) between HKFRS for PE and SME-FRF & FRS prepared by the Institute
- (ii) [Activity report](#) by Committee of European Securities Regulators on IFRS enforcement 2009
- (iii) Summary of requirements of IFRSs:
 - [IFRS pocket guide 2010](#) by PwC
- (iv) [Illustrative financial statements](#) by Ernst & Young
- (v) HKFRS for Private Entities:
 - [HKFRSs/IFRSs update](#) by BDO
- (vi) Conceptual framework for financial reporting 2010:
 - [IFRS in focus](#) by Deloitte
 - [Supplement to IFRS outlook](#) by Ernst & Young
 - [Briefing sheet](#) by KPMG

Comment Due Dates

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*

16 November 2010: IASB ED of *Severe Hyperinflation (Proposed Amendment to IFRS 1)*

30 November 2010: IASB ED of *Leases*

30 November 2010: ED on Proposed Revised HKSIR 400 *Comfort Letters and Due Diligence Meetings on Financial and Non-financial Information*

3 December 2010: IVSB Discussion Paper *Valuation Uncertainty*

11 January 2011: ED on Proposed International Auditing Practice Statement and Related Proposals

17 January 2011: IASB Request for Views on Effective Dates and Transition Methods

Specialist Practices, Business Members and Advocacy

Professional Accountants in Business

17. IFAC Article for Smaller Organizations and Their Accountants

As reported in [TechWatch no. 95](#), the Professional Accountants in Business Committee of the International Federation of Accountants ("IFAC PAIBC") recently released for comment a consultation paper: *Competent and Versatile: How Professional Accountants in Business Drive Sustainable Organizational Success*, that highlights how employer expectations of professional accountants in business are expected to change in light of global trends and evolving organizational needs.

A [question & answer article](#) has been prepared to help PAIBs who work in the smaller organizations to apply the principles in the above consultation paper. Although the size and complexity of an organization affect the required mix of competences for PAIBs, the general principles of the consultation paper can be applied in all cases. The Q&A article considers what sustainable success specifically means for a smaller organization, and how the drivers of sustainable value supply in their context.

Submit comments on the [consultation paper](#) to IFAC before **30 November 2010** or via the Institute <commentletters@hki CPA.org.hk> by **19 November 2010**.

Taxation

18. 2011 Annual Meeting with Inland Revenue Department – Call for Agenda Items

The next regular annual meeting between the Institute and Inland Revenue Department ("IRD") will be held in early 2011 to discuss matters of common interest or concern in relation to tax practice and procedure.

If you wish to suggest items for the Institute to raise at the meeting, please use this [form](#) to provide a brief and clear explanation of the issue, and return the form to the Institute via e-mail <elena@hki CPA.org.hk>, by **26 November 2010**.

The annual meeting focuses on matters of general concern, rather than discussing specific cases. Agenda items discussed in the **2010 annual meeting** are contained in the minutes of that meeting.

19. Extension for Internet Filing of 'M' Code Returns

Taxpayers with 'M' code profits tax returns filed under the block extension scheme can apply for a further extension of the due date to 29 November 2010, if their returns are to be filed through the Internet. Click [IRD's circular](#) for more details.

20. New Double Taxation Agreements and Revised Exchange of Information Article with the Mainland

The [Hong Kong/France double taxation agreement](#) ("DTA") was signed on 21 October 2010, which was the 15th DTA concluded by Hong Kong. Click [here](#) for more details.

Orders were gazetted on 15 October 2010 to implement the DTAs with Hungary, Austria, United Kingdom, and Ireland. Click [here](#) for highlights of these DTAs. In addition, the third protocol to the double taxation arrangement with Mainland China was also gazetted, which revised the exchange of information article to the 2004 version of the Organization for Economic Co-operation and Development. Click the [press release](#) for details.

21. List of Qualifying Debt Instruments

The IRD has issued a [list of qualifying debt instruments](#) as at 30 September 2010.

22. Issue of Depreciation Allowances for Plant and Machinery Again Raised in LegCo

Another question in the recent series of questions relating to depreciation allowances on plant and machinery used in the Mainland, and section 39E of the Inland Revenue Ordinance, was asked at the Legislative Council ("LegCo") on 27 October 2010 and responded to by the government.

Click to view the [question and reply](#).

Corporate Finance

23. Institute Submits Views on Proposed Changes to Trading Hours

As reported in [TechWatch no. 96](#), Hong Kong Exchanges and Clearing ("HKEx") consulted the market on proposed changes to the trading hours of the securities and derivative markets.

In view of the benefits of aligning the opening times of the Hong Kong securities and derivatives markets with those of the Mainland, and improving Hong Kong's competitive position, as set out in the HKEx consultation paper, the Institute's [submission](#) supports (i) advancing the start of the morning trading session by half an hour, and (ii) advancing the opening time of the afternoon trading to 1:00 pm, with a one-hour lunch break from 12:00 noon to 1:00 pm.

Legislation & Other Initiatives

24. Companies Bill Second Phase Consultation Conclusions

Consultation conclusions from the second phase consultation on the draft Companies Bill, under the Companies Ordinance rewrite project, were published by the government on 25 October 2010. See [TechWatch no. 95](#) for the Institute's submission.

Comments received and the government's responses, including the proposals to be implemented, are summarized in the [conclusions paper](#). Proposals in relation to accounts and audits include:

- Remove the option for large private companies to prepare simplified financial reports.
- Exempt the financial statements of the companies preparing simplified financial reports from the "true and fair" requirement.
- Not to require directors' declaration as to whether the financial statements give a true and fair view of the financial position and financial performance of the company.
- Existing disclosure requirements in relation to auditor's remuneration will be retained.
- All public companies and large private and guarantee companies (i.e., other than those qualified to apply the simplified accounting and reporting requirements) will be required to prepare an analytical business review in the directors' report. Large private companies may opt out if approved by a special resolution. A "safe harbour" provision will be added to limit directors' liability.
- Not to require preparation of separate directors' remuneration reports for listed and unlisted companies incorporated in Hong Kong. Meanwhile the Securities and Futures Commission and HKEx are invited to keep under review the compliance with, and effectiveness of, the listing rules on disclosure of directors' remuneration.
- Extend auditors' power to require information and explanations that they reasonably require for the performance of their duties as auditors from a wider range of persons, including officers of a company's Hong Kong subsidiary undertakings, and any person holding or accountable for any of the company's or the subsidiary undertaking's accounting records. Failure to comply with the requirement to provide information, etc. to auditors will be subject to criminal sanctions.

Other proposals include:

- Require a solvency test and compliance with specified procedures for financial assistance to be given by a company to a third party for acquisition of its own shares.
- Enhance the investigatory powers of inspectors appointed by the Financial Secretary to investigate into the affairs of a company, and provide better safeguards for confidentiality of information and protection of informers in relation to the investigations.
- Empower the Registrar of Companies to obtain documents and explanations to ascertain whether false or misleading information may have been provided to the Companies Registry.
- Require a company to explain, upon request, its refusal to register a transfer of shares.

The government aims to introduce the Companies Bill into LegCo in early 2011.

25. Commencement of Companies (Amendment) Ordinance 2010

Parts 1, 3, 4, 6 and 8 of **Companies (Amendment) Ordinance 2010** will come into operation on 10 December 2010, as announced in a **commencement notice** published in the gazette on 15 October 2010. See **TechWatch no. 94** for brief highlights of the amendments.

Useful Resources

26. 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.

27. Other Publications

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

- (i) In October 2010, HKEx published:
- revised **presentation materials** on amendments to the connected transaction rules, from issuer seminars held in Hong Kong in June & July 2010
 - **presentation materials** from issuer seminars held in Beijing in July & August 2010 (simplified Chinese version only)
 - five **listing decisions** – two on Initial Public Offering ("IPO") matters (LD106-1 and LD107-1) and three on overseas jurisdictions (LD108-1, LD109-1 and LD110-1)
 - two **guidance letters** on IPO matters (GL21-10 and GL22-10)
 - **Status Report** on new product and market development initiatives (status as of 15 October 2010)
 - 38th edition of HKEx quarterly publication - **Exchange**
 - **Report** on IPO Applications, Delisting and Suspensions (as at 29 October 2010)
- (ii) Articles on corporate governance by Deloitte:
- **The Why, What, and How of Privacy and Security**
 - **Risk Intelligent proxy disclosures: Transparency into board-level risk oversight**
- (iii) **Global Economic Outlook Q4 2010: Multi-speed recovery and Asia Pacific Economic Outlook: China, Indonesia, Japan, Thailand** by Deloitte