



Minutes of the 228th meeting of the Ethics Committee held on Friday, 27 June 2014 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)
Mr. Philip Fung
Mr. Alfred Lum
Ms. Grace Ma
Mr. Simon Riley
Dr. Wong Ka Lok
Ms. Virginia You

In attendance: Mr. Chris Joy, Executive Director, Standards and Regulations
Mr. Ambrose Wong, Associate Director, Standard Setting
Ms. Tracy Wong, Director, Admission (for item 1574 only)

Apologies for absence were received from Mr. Edmand Cheung, Ms. Piera Ho, Mr. Amirali Nasir and Ms. Monica Yu.

Action

1570. Minutes of the 227th Meeting

The Committee approved and the Chairman signed the minutes of the 227th meeting.

1571. Revised Committee's Terms of Reference

The Committee noted and approved the revised Terms of Reference with an additional paragraph setting out its role in the identification of topics for CPD, research or other thought leadership projects.

1572. Revised Meeting Schedule for 2014

The Committee noted the proposed revised meeting dates for 2014.

1573. Status Report on Ethics Committee Work Plan

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

1574. Revision to Statement 1.500 Continuing Professional Development

The Committee approved the proposed revisions to Statement 1.500, as recommended by the Registration and Practising Committee, to make clear that directors of any companies do not qualify for CPD exemption by virtue of their role as a director. The Committee noted that this revision is only a clarification of the existing CPD exemption policy and there is effectively no change in CPD requirements or policies.

1575. Report on IESBA National Standard Setters Meeting held on 28 May 2014 in New York

The Committee received a report from Mr. Chris Joy, HKICPA Executive Director of Standards and Regulations, on his participation at the IESBA National Standard Setters Meeting held on 28 May 2014 in New York. The major items discussed at the meeting included:

- Significant jurisdictional developments in ethics standard setting
- Non-compliance with laws and regulations
- Structure of the Code
- Long association of senior personnel
- Part C of the Code
- Strategy and Work Plan

1576. Report on IESBA outreach to Hong Kong and roundtable on responding to non-compliance with laws and regulations

The Committee noted the Institute's participation in the IESBA Roundtable on responding to non-compliance with laws and regulations on 20 May 2014. The Committee also noted the Institute organised outreach meetings on 19 and 21 May 2014 to enable Hong Kong stakeholders, including regulators, HKICPA PAIB and SMP Leadership Panel and Ethics Committee, to exchange views with the IESBA and a visit to ICAC for the delegation to learn more about anti-corruption activities in Hong Kong.

The Committee considered and approved the draft comment letter to IESBA which contains a summary of the Institute's more significant concerns on the revised proposals.

1577. IESBA Exposure Draft on Proposed Changes to Certain Provisions of the Code Addressing Non-assurance Services for Audit Clients

The Committee noted the publication of IESBA Exposure Draft on Proposed Changes to Certain Provisions of the Code Addressing Non-assurance Services for Audit Clients. The Standard Setting Department issued an invitation to comment on 28 May 2014 with comment period ending 25 July 2014, for seeking comments from local stakeholders.

The Committee agreed to discuss the Exposure Draft at a conference call to take place in mid July.

There being no further business, the meeting closed at 10:05 a.m.

ALDEN LEUNG
CHAIRMAN

15 July 2014