



# 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](mailto:commentletters@hkicpa.org.hk) >. Click [here](#) for past issues.

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## Financial Reporting, Auditing and Ethics

**New!**

### 1. New Technical Training and Support Programme

The New Technical Training and Support Programme covering the period from January to March 2012 has continuously been developed to focus on three major areas of expertise – accounting, auditing and ethics.

- New and revised Accounting Standards/Guidance 2011/2012
- New standards on consolidation, joint ventures and disclosure – HKFRS 10, 11 and 12
- Accounting Bulletin 4 "Guidance on the Determination of Realized Profits and Losses in the Context of Distributions Under the Hong Kong Companies Ordinance"
- New standard on fair value measurement - HKFRS 13
- HKSA 600 (Clarified) Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)
- HKFRS 9 *Financial instruments* and latest updates
- Training for Audit Manager
- Audit Practice Manual Application Workshop
- The Revised Code of Ethics
- HKFRS for Private Entities Workshop
- Financial Reporting Seminar on Business Valuation

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

### 2. Financial Reporting Forum – IASB Re-expose *Revenue from Contracts with Customers*

The Institute will hold a Financial Reporting Forum – IASB Re-expose *Revenue from Contracts with Customers* on 13 February 2012 for preparers and auditors of financial statements and others interested in financial reporting.

The core principle of this revised proposed standard is the same as that of the 2010 exposure draft: that an entity would recognize revenue from contracts with customers when it transfers promised goods or services to the customer. The amount of revenue recognized would be the amount of consideration promised by the customer in exchange for the transferred goods or services. However, in response to feedback received on the 2010 exposure draft and extensive outreach activities, the boards further refined their original proposals.

#### Key impacts

- Revenue recognition may be accelerated or deferred
- Revenue may be recognized at a point in time or over time
- Contract terms and business practices may need to change
- New estimates and judgements required
- Extensive new disclosure requirements

The forum will outline the main changes to the existing practices and the potential implications of the exposure draft if they are adopted.

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

### 3. Financial Reporting and Auditing Alert – Issue 16

The Institute issued [Financial Reporting and Auditing Alert – Issue 16](#) on professional skepticism and audit of mainland companies.

In the glossary of terms to the Clarified HKSAs professional skepticism is explained as *an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of evidence*. It is an attribute that is developed through experience and nurturing within a strong professional and ethical environment.

With financial reporting requiring significant management judgment in critical areas such as impairment assessment, valuations and going concern it is important that auditors are able and prepared to challenge assumptions made and judgments reached in the preparation of a company's financial statements. Professional skepticism does not mean that the auditor should mistrust all information and representations provided by management and to take this approach would create a very difficult working relationship. However, a belief in the honesty and integrity of management does not relieve the auditor of the need to maintain professional skepticism or allow the auditor to be satisfied with less than persuasive audit evidence.

The Institute annual audit conference held in September 2011 included a session on how auditors should be alert to and react to audit issues that may be of particular significance in the audit of Mainland companies and operations. The panel members also urged auditors to make sure that they approached all audits with an appropriate degree of professional skepticism.

This alert is being issued as timely reminder of the main points highlighted at the conference and at other events for auditors to consider during the audit peak season. The issues are:

- Third party confirmations
- Existence, ownership and valuation of assets
- Reliance on local auditors for audits of components

## Members' Handbook

### 4. Handbook Updates No. 110 & No. 111

- (i) **Update No. 110** relates to the issuance of revised PN 600.1 *Reports by the Auditor under the Hong Kong Companies Ordinance* and PN 830 *Reports by the Auditor under the Banking Ordinance* and other housekeeping matters. The above-mentioned practice notes are effective upon issue.
- (ii) **Update No. 111** relates to the issuance of
  - Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
  - Amendments to HKFRS 7 *Financial Instruments: Disclosures – Disclosures - Offsetting Financial Assets and Financial Liabilities*
  - Amendments to HKFRS 9 *Financial Instruments* and HKFRS 7 – Mandatory Effective Date of HKFRS 9 and Transition Disclosures

The amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014. However, the new offsetting disclosure requirements are effective sooner – for annual periods beginning on or after 1 January 2013. The amendments need to be provided retrospectively to all comparative periods. The amendments to HKFRS 9 defer the mandatory effective date from 1 January 2013 to 1 January 2015 and that deferral will make it possible for all phases of the project to have the same mandatory effective date. Early application of HKFRS 9 is still permitted.

## Financial Reporting

### 5. FRSC Minutes

**FRSC minutes** on 1 November 2011 cover:

- Report on IFRS Advisory Council Meeting on 10<sup>th</sup> and 11<sup>th</sup> October 2011
- HK(IFRIC) Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
- IASB Request for views on Agenda Consultation
- AOSSG project on leases
- Companies Ordinance Rewrite – Proposed consultation paper on size criteria of Small and Medium-Sized Entity Financial Reporting Framework and Financial Reporting Standard
- Draft Q&A (General, Issue 2) – Interpretation of "undue cost or effort" and "impracticable"
- Draft Q&A (Section 3, Issue 1) – Jurisdiction requires fallback to full IFRSs
- Draft Q&A (Section 3, Issue 2) – Departure from a principle in the IFRS for SMEs
- Draft Q&A (Section 3, Issue 3) – Prescription of the format of financial statements by local regulation

## 6. Invitation to Comment on IASB ED of *Transition Guidance (Proposed Amendments to IFRS 10)*

The Institute has issued an [Invitation to Comment](#) on IASB ED of *Transition Guidance (Proposed Amendments to IFRS 10)*, with comments requested by **28 February 2012**.

The objective of the proposed amendments is to clarify the transition guidance in IFRS 10 *Consolidated Financial Statements* by confirming when an entity needs to apply IFRS 10 retrospectively. The proposals should allay the concerns of some who thought that the transition provisions were more burdensome than originally intended.

It is proposed that the effective date of the proposed amendments would be aligned with the effective date of IFRS 10.

## 7. Institute Comments on Consultation Documents

### (i) SME Implementation Group Question and Answer

The Institute made a [submission](#) to SME Implementation Group on the following draft Question and Answer:

- Draft Q&A (General, Issue 1) – Application of the IFRS for SMEs for financial periods ending before the IFRS for SMEs was issued

The Institute generally agrees with the content of the draft Q&As (with the exception of the response to Issue 1 of Section 3) and considers that they are helpful for the practitioners particularly in those jurisdictions with limited IFRS experience. However, the Institute is of a view that SME Implementation Group ("SMEIG") should avoid creating an extensive amount of literature (in addition to the standard itself) in order to be able to prepare financial statements in accordance with the IFRS for SMEs. The Institute therefore urges the SMEIG to continue to limit the issuance of Q&As to those that are genuinely causing difficulty in practice and to also seek to incorporate the responses into any future review of the full standard.

### (ii) IASB Request for Views on Agenda Consultation 2011

The Institute made a [submission](#) to IASB on the Request for Views on Agenda Consultation 2011.

The Institute welcomes the three-yearly public IASB agenda consultation, introduced as a result of the second Consultation Review of the IFRS Foundation in 2010. It is believed that such public consultation will help the IASB to become better aware of the financial reporting needs of the IFRS users and strengthen the transparency of the IASB's agenda setting process.

Given the increasing and diverse range of jurisdictions adopting IFRSs, the needs and priorities of users would be different. It is considered that the IASB's reasons for accepting or rejecting each project that has been proposed should be published in order to make the IASB's final decision as transparent and understandable as possible.

It is noted that the IASB's agenda over the last few years had put much emphasis on the objective to reach convergence, in particular between the IFRS and US GAAP. It is believed that in the coming years, the agenda of the IASB should focus on the needs of all IFRS users and that no single region or country should be able to have a dominant influence on the new agenda and the Board's priorities.

In terms of further developing financial reporting, it is believed that in the next three years the IASB should focus on making progress in the conceptual framework project, in particular in establishing principles for the concepts of profit, OCI and recycling. Also, the IASB should refrain from making any further substantial changes to individual standards until completion of the review of the relevant parts of the conceptual framework. Therefore, the Institute considers that consideration should be given to deferring the project on leases until after the framework concepts of present obligations and executory contracts have been resolved.

In respect of all other projects listed in Appendix C, the Institute considers that none of these projects should be progressed until the review of the relevant parts of the conceptual framework review is completed.

- (iii) IIRC Discussion Paper ("DP"): TOWARDS INTEGRATED REPORTING  
*Communicating Value in the 21<sup>st</sup> Century*

The Institute made a **submission** to International Integrated Reporting Council ("IIRC") on the Discussion Paper: TOWARDS INTEGRATED REPORTING  
*Communicating Value in the 21<sup>st</sup> Century*.

The Institute views the DP as primarily an aspirational piece of work that sets out a vision and proposes a definition of integrated reporting and starts a discussion seeking agreement on objectives and what should be the next steps. The work of IIRC is forward looking and it raises some very thought provoking issues and proposals that could have significant implications for many stakeholder groups, including the accounting profession. The ambition of the proposals is huge and there needs to be very careful management of the development process to ensure full engagement and commitment of the many stakeholder groups.

The Institute suggests that the IIRC reconsider its intention to issue an exposure draft in the second half of 2012. Moving to this stage takes the project into the realms of standard setting and the Institute feels this may be too early to take this step. All responses to the discussion paper will have to be carefully considered and analyzed and with output from the pilot programme, which the Institute understands will not be completed until 2013, may indicate the need for further consultation or communication before developing an exposure draft.

The next step to take may be to identify key questions that have been highlighted by the consultation and pilot programme and to spend some time and effort on providing answers to address the concerns of stakeholders.

## Audit & Assurance

### 8. AASC Minutes

This **AASC minutes** on 18 October 2011 mainly covers:

- Revised Practice Note 830 *Reports by Auditors Under the Banking Ordinance*
- Progress report on the Implementation of revised Bank Confirmation



- Implication of paragraph 15 of HKSA 705 (Clarified) *Modifications to the Opinion in the Independent Auditor's Report* on company and group levels financial statements
- Revised *Circular on Reporting on the Audit of Schools*
- Revised HKSIR 400 *Comfort Letters and Due Diligence Meetings*
- An enquiry on modified reports under Practice Note 840 *The Audit of Solicitors' Accounts under the Solicitors' Accounts Rules and the Accountant's Report Rules*
- Update on Companies Ordinance Rewrite

## Ethics

### 9. Ethics Committee Minutes

This [EC minutes](#) on 26 September 2011 covers:

- Joint Declaration of the Chinese Institute of Certified Public Accountants and the Institute on the converged China Code of Ethics for Professional Accountants and HKICPA Code of Ethics for Professional Accountants
- Ethics Circular 1

### 10. Invitation to Comment on IFAC's IESBA ED on Proposed Changes to the Code of Ethics for Professional Accountants to Address Conflicts of Interest

The Institute has issued an [Invitation to Comment](#) on IFAC's IESBA ED on Proposed Changes to the Code of Ethics for Professional Accountants ("Code") to address conflicts of interest, with comments requested by **29 February 2012**.

The IESBA is proposing changes to its *Code of Ethics for Professional Accountants* ("the IESBA Code") to provide additional guidance to professional accountants in business and in public practice concerning conflicts of interest, and to make revisions to provide more

comprehensive guidance in identifying, evaluating, and managing conflicts of interest.

It examined two sections of the IESBA Code that address conflicts—Section 220, for professional accountants in public practice, and Section 310, for professional accountants in business. In the IESBA's view, the approach to be taken by a professional accountant in public practice and a professional accountant in business should be broadly similar. The proposal recognizes, however, that conflicts of interest will typically arise in different circumstances for accountants in public practice, particularly because a conflict of interest may arise from professional services provided by other members of the accountant's firm.

The proposed changes will provide more specific requirements and guidance for a professional accountant in applying the conceptual framework when identifying, evaluating, and managing conflicts of interest. This includes a clearer description of what is meant under the IESBA Code by the term 'conflict of interest.' The changes should assist professional accountants in early identification of a potential conflict of interest, and prompt accountants to evaluate their ability to be objective in that situation and meet the other fundamental principles in the IESBA Code. From the perspective of the public, timely identification of potential conflicts of interest can provide affected parties with more time to engage an alternative service provider.

The proposed guidance also calls for professional accountants in business to be alert to interests and relationships that a reasonable and informed third party would be likely to conclude might compromise compliance with the fundamental principles. Further, the IESBA proposal would strengthen the guidance on threats created by compensation and incentive arrangements.

### 11. Ethics Circular 1

The Institute issued the [Ethics Circular](#) to provide guidance in order to assist small and medium practitioners ("SMPs") including sole proprietors, on their adoption of the Code on the production of certain non-assurance services

and other topical issues without modifying the requirements as set out in the Code.

## International Meetings

### 12. International Accounting Standards Board

The IASB met on 13-16 December 2011 and discussed the following topics:

- Comment period for the ED *Transition Guidance* (Proposed Amendments to IFRS 10)
- Financial instruments: Impairment
- IFRS Interpretations Committee: update from last meeting
- Insurance contracts
- Leases
- Limited modifications to IFRS 9
- Macro hedge accounting
- Work plan

Click to view the IASB Update on the meetings on [13-16 December](#). The IASB next meets in January 2012.

### 13. IFRS Interpretations Committee

The IFRS Interpretations Committee next meets in January 2012. Click [here](#) for the next meeting's details.

### 14. International Auditing and Assurance Standards Board

The IAASB next meets in January 2012. 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 2012. Click [here](#) for the next meeting's details and previous meeting summary.

## Useful Resources

### 16. Publications

The following are publications on various topics:

- (i) Asian-Oceanian Standard-Setters Group:
  - [Communiqué](#) by AOSSG of its annual meeting in Melbourne
- (ii) Publications by US Securities and Exchange Commission:
  - [Analysis of IFRS in practice](#)
  - [Comparison of US GAAP and IFRS](#)
- (iii) Development of private and public sector accounting standards:
  - [Memorandum of Understanding](#) by IASB and IFAC
- (iv) Sovereign debt accounting:
  - [Statement](#) by European Securities and Markets Authority
- (v) Challenge that impact auditing and assurance profession:
  - [Speech](#) by IAASB chairman
- (vi) Perspectives on interpretation and application of IFRS:
  - [Interview](#) with Wayne Upton, Chairman of the IFRS Interpretations Committee

## Comment Due Dates

**16 January 2012:** Consultation paper on eligibility for the use of Small- and Medium-Sized Entity Financial Reporting Framework and Financial Reporting Standard

**20 February 2012:** IASB ED of *Revenue from Contracts with Customers*

**28 February 2012:** IASB ED of *Transition Guidance (Proposed Amendments to IFRS 10)*

**29 February 2012:** IFAC's IESBA ED on Proposed Changes to the Code of Ethics for Professional Accountants to Address Conflicts of Interest

## Specialist Practices, Business Members and Advocacy

### Professional Accountants in Business

#### 17. HKEx Consults on Environmental, Social and Governance Reporting Guide

On 9 December, Hong Kong Exchanges and Clearing ("HKEx") published a [consultation paper](#) to seek views on its proposed Environmental, Social and Governance ("ESG") Reporting Guide ("the ESG Guide"). The ESG Guide, aims to raise awareness and encourage listed companies to start ESG reporting, is divided into four areas: workplace quality, environmental protection, operating practices and community involvement. Each of the areas is divided into three sections: aspect, general disclosure recommendations and key performance indicators.

The consultation paper proposes that the disclosure be recommended best practices and the HKEx may consider raising the level of obligation to "comply or explain" in the future.

Click for the relevant [press release](#). Members are welcome to reflect their views to the Institute, by email sent to heading "Consultation on ESG Guide", by **16 March 2012**.

#### 18. Proposed Internal Control Guidance from IFAC PAIB Committee

The proposed IFAC International Good Practice Guidance [Evaluating and Improving Internal Control in Organizations](#) aims to provide principles-based guidance on how PAIBs can support their organizations in evaluating and improving internal control as part of the organization's governance, risk management, and internal control systems. Deadline for comments is **29 February 2012**.



## 19. COSO Invites Comments on Updated Internal Control Framework

The Committee of Sponsoring Organizations of the Treadway Commission ("COSO") has issued for public comment its updated **Internal Control - Integrated Framework**, which aims to improve the original framework issued in 1992. The updated framework builds on what has proven useful in the original version and introduces enhancements designed to clarify concepts and ease use and application. One of the most significant enhancements is the codification of internal control concepts, introduced in the original framework, into principles and attributes. Comments are requested by **March 31, 2012**.

### Corporate Finance

## 20. Institute Submits Further Views on Bill on Disclosure of Price Sensitive Information

As reported in **TechWatch no. 105** (item 15), the **Securities and Futures (Amendment) Bill 2011** ("the Bill") was introduced to the Legislative Council ("LegCo") on 29 June to give statutory backing to price sensitive information ("PSI") disclosure requirements. The Institute submitted its comments on the Bill to the LegCo Bills Committee on 10 October. See **TechWatch no.109** (item 20) for details.

Representatives of the Institute met Bills Committee members on 14 October to explain, in more detail, the key points in its **submission**. As a follow-up to the meeting, and in light of the additional papers produced by the Administration, which provided a comparison of certain aspects of the Bill with the corresponding provisions in the United Kingdom, Australia and Singapore and which outlined the scope of "officers" under the PSI regime, the Institute submitted further comments on the Bill and the SFC draft guidelines to the Bills Committee. See the Institute's **2<sup>nd</sup> submission** on the Bill for details.

## 21. HKEx Updates Policy on Regulatory Information Disclosure and Trading Arrangements

HKEx has **updated** its policies regarding investor access to listed companies' regulatory information and trading arrangements in the unlikely event that its information dissemination system (including the **HKExnews** website) is disrupted. The new arrangements are detailed in a series of **Frequently Asked Questions**.

A **letter** has been issued to all listed companies advising them of the actions they must take to submit documents to HKEx and post documents on their own websites in the event of a system disruption.

## 22. HKEx to Start After-Hours Futures Trading in the Second Half of 2012

HKEx published **consultation conclusions** on after-hours futures trading ("AHFT") on 15 December. As a result of the market support, HKEx plans to start AHFT in the second half of 2012, subject to the approval of the necessary rule amendments by the SFC and market readiness. After considering the market responses, HKEx will proceed with a revised version of its proposal, which is summarized in the relevant **press release**.

Futures market exchange participants and clearing participants interested in participating in AHFT need to prepare their systems and be ready for market rehearsals by mid-2012.

## 23. HKEx to Introduce HSI Volatility Index Futures on 20 February 2012

HKEx will introduce trading of HSI Volatility Index ("VHSI") Futures on 20 February 2012. The VHSI measures the expected volatility of Hang Seng Index ("HSI") over the next 30 days implied by HSI options prices. It is calculated based on the Chicago Board of Options Exchange's Volatility Index (VIX) methodology with modifications, taking into account the trading characteristics of the HSI options market.

Highlights of the contract specifications that have received regulatory approval are set out in the relevant [press release](#).

## 24. Rule Changes to Refine Evidential Requirements for Proving Professional Investor Status

The [Securities and Futures \(Professional Investor\) \(Amendment\) Rules 2011](#) to implement the SFC's proposals to refine the requirements for evidencing whether a person qualifies as a high-net-worth professional investor under the Securities and Futures (Professional Investor) Rules came into effect on 16 December 2011. The existing methods for proving that investors qualify as professional investors have been preserved. See [TechWatch no. 101](#) (item 13) for details.

## 25. Streamlining of Property Valuation Requirements for Listing Applicants

The [Companies Ordinance \(Exemption of Companies and Prospectuses from Compliance with Provisions\) \(Amendment\) Notice 2011](#) and the [listing rule amendments](#) that implement the proposals to streamline requirements for property valuation disclosures in prospectuses came into effect on 1 January 2012. This should result in more focused and relevant information being disclosed in prospectuses and a more cost-effective process for listing applicants. See [TechWatch no. 109](#) (item 21) for further details.

## 26. New International Valuation Standards

The new [international valuation standards](#) ("IVS"), [published](#) by the [IVS Council](#) in July 2011 and came into effect on 1 January 2012, cover valuation of a wide range of assets – financial instruments, real property, intangible assets, and business interests (the original IVS mainly focused on real estate). The new standards aim to promote consistency and transparency throughout the valuation process and include explanations of common valuation methods and principles, as well as procedures that valuation professionals should follow during the conduct of an assignment.

## Taxation

### 27. Inland Revenue (Amendment)(No. 3) Ordinance Gazetted

[Inland Revenue \(Amendment\) \(No. 3\) Ordinance](#), which extends profits tax deductions of capital expenditure incurred on the purchase of a copyright, registered design or registered trade mark, was gazetted on 16 December. Click also to read the related [IRD news](#), which includes the conditions that need to be fulfilled in order to be eligible for the deduction.

### 28. Tax Due Date Extended for "M" Code (Current Year Loss Cases)

Click [here](#) for the announcement relating to the extended due date for lodgement of profits tax returns 2010-11 for 'M' code current year loss cases.

### 29. IRD Reminds Stock Borrowers to File Returns

The IRD has issued [Stamping Circular No. 1/2012](#), to remind stock borrowers of their filing obligations, for stock borrowing and lending agreements registered with the stamp office. Returns for the period June to December 2011 are due by the end of January 2012.

## Legislation & Other Initiatives

### 30. Government Consultation on the Qualifying Criteria to Prepare Simplified Financial and Directors' Reports

The [Companies Bill](#) ("CB") was introduced into the Legislative Council ("LegCo") in January 2011 (see [TechWatch no. 105](#) (item 24) for the Institute's submission). One of the proposals in the CB is to allow private companies and holding companies of groups of private companies meeting certain size criteria to automatically qualify to prepare simplified financial and directors' reports. In response to the request of some LegCo members that the criteria should be further relaxed, the government has issued a consultation paper on

the **Qualifying Criteria for Private Companies to prepare Simplified Financial and Directors' Reports** to seek views on whether further flexibility should be incorporated into the CB to allow larger private companies or groups of private companies exceeding the size criteria to adopt simplified reporting with their members' approval. Comments are requested by **16 January 2012**.

At the same time, the Institute also issued a consultation paper to seek views on the size criteria to establish the eligibility of small private companies and groups of small private companies to prepare simplified financial and directors' reports using the Small- and Medium-Sized Entity Financial Reporting Framework and Financial Reporting Standard ("SME FRF-FRS"). See **TechWatch no. 110** (item 3(iii)) for details.

The Institute has submitted its **response to the FSTB**, reiterating that it does not support proposals to allow adoption of SME-FRS by any private company regardless of size when 75% of shareholders consent is obtained. The Institute takes the view, supported by the widespread existence of size criteria for use of simplified accounting frameworks in other jurisdictions, that it is reasonable premise that when any entity exceeds certain size criteria it becomes economically and socially significant and therefore attracts public interest. The government's proposal also does not address the fact that many large private companies will be involved in activities and transactions as complex as listed companies, e.g., use of financial instruments and complex valuations. Such matters should be accounted for under a framework that has been developed to properly measure and disclose them, i.e., Hong Kong Financial Reporting Standards (HKFRS or HKFRS for Private Entities).

### 31. Companies Registry Launches Registration of Agents and e-Monitor Services

The Companies Registry ("CR") has issued **Companies Registry External Circular No. 6/2011** to announce the launch of registration of agents for the purpose of e-filing and e-Monitor

services at the e-Registry portal on 30 December 2011. Accordingly, the CR's website < [www.cr.gov.hk](http://www.cr.gov.hk) > has been updated as follows:

- New subsections, namely, "Registration of Registered Agents (RA) Service" and "e-Monitor", have been added under the "Electronic Services → **Electronic Services at the e-Registry**" and the "**Frequently Asked Questions**" sections.
- New information pamphlets, **Registration of Registered Agents Service @ e-Registry** and **e-Monitor Service @ e-Registry**, are available on the "Publications and Press Releases → **Information Pamphlets**" page.
- Contents of the "Development Programme → **Integrated Companies Registry Information System (ICRIS)**" section.

### 32. Latest Anti-Money Laundering Notices

Members may wish to note the following notices in relation to combating money laundering/terrorist financing:

- **Government notice 8334**: Updated list of terrorists and terrorist associates specified under the United Nations (Anti-Terrorism Measures) Ordinance.
- **Government notice 8183**: A list of relevant persons and entities specified under the United Nations Sanctions (Libya) Regulation 2011.
- **US executive order 13224**: The list relating to "Blocking property and prohibiting transactions with persons who commit, threaten to commit or support terrorism".

For more AML-related circulars from the Office of the Commissioner of Insurance, click [here](#).

For more background information on the current law in Hong Kong relating to anti-money laundering, see the Institute's **Legal Bulletin 1**, "Requirements on anti-money laundering, anti-terrorist financing and related matters".

## Useful Resources

### 33. 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.

### 34. Other Publications

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

(i) HKEx published:

- two listing decisions in relation to:
  - whether the manager (an international asset management group that managed funds and assets for institutional and private clients) was a connected person of a listed company because it held shares in the listed company for its clients (**HKEx-LD22-2011**)
  - whether HKEx would allow a listed company to resume trading when it has restored the public float to 15 per cent after a general offer (**HKEx-LD23-2011**)
- guidance on business models with significant forfeited income from prepaid packages under main board rules 8.04 and 8.05(1) and GEM rule 11.06 (**HKEx-GL26-12**)
- updated guidance on revised administrative practices on accepting early filings of listing applications to facilitate initial public offering ("IPO") filings at different times of the year (**HKEx-GL6-09**)

➤ presentation materials:

- **Other recent rule amendments and practical compliance issues for listed issuers** (Nov–Dec 2011)
- **Corporate governance code and rule amendments** (Nov–Dec 2011)
- **report** on IPO applications, delisting and suspensions (as at 30 December)
- **market statistics** for 2011 (up to 15 December), and the securities market statistics are highlighted in the relevant **press release**

(ii) SFC published:

- **Quarterly Report** (Jul–Sep 2011) summarizes major regulatory activities taken in strengthening investor protection and raising market standards during the period
- **Issue no. 19 of Takeovers Bulletin** reminds fund managers of dealing disclosure obligations under Rule 22 of the Takeovers Code

(iii) Guide/articles on corporate governance by Deloitte:

- **Audit committee resource guide**
- **2011 proxy season observations: Looking ahead to the 2012 season**
- **Asia Pacific economic outlook – Australia, China, Indonesia, Japan, and Thailand**