



Minutes of the 240<sup>th</sup> meeting of the Ethics Committee held on Friday, 11 October 2018 at 9:30 a.m. in Board Room of the Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.

Present: Ms. Virginia You (Chairman)  
Mr. Patrick Law (Deputy Chairman) (Dial-in)  
Mr. Alex Cheng (Dial-in)  
Ms. Lily Chung  
Mr. Andrew Fan  
Mr. Dennis Fullgrabe  
Mr. Horace Ma

In attendance: Mr. Chris Joy, Executive Director  
Ms. Christina Ng, Director, Standard Setting  
Ms. Selene Ho, Deputy Director, Standard Setting  
Ms. Phoebe To, Manager, Standard Setting  
Ms. Grace Lau, Manager, Standard Setting

Apologies for absence were received from Ms. Piera Ho, Mr. Denis Brock, Mr. Johnson Kong, Mr. Kelvin Kwong, Ms. Lai Wai Shan and Ms. Susanna Lau.

		<u>Action</u>
<b>1652.</b>	<b><u>Minutes of the 239<sup>th</sup> Meeting</u></b>  The Committee approved and the Chairman signed the minutes of the 239 <sup>th</sup> meeting.	
<b>1653.</b>	<b><u>Update on IESBA meeting – 17 – 20 September 2018</u></b>  The Committee noted that the staff of Standard Setting Department ("SSD") attended the IESBA meeting held on 17 to 20 September in New York. The Committee was updated on major items discussed at the meeting including the fee-related matters, non-assurance services and professional skepticism projects.	

1654.	<p><b>Consider draft HKICPA revised and restructured Code</b></p> <p>The Committee noted that SSD had revised the Institute's <i>Code of Ethics for Professional Accountants</i> ("HKICPA Code") to align with IESBA restructured Code and will be applicable from the same effective date on 15 June 2019.</p> <p>In the proposed draft of HKICPA Code, the IESBA Code is the first part, i.e. Chapter A, followed by local additions in Chapter C to Chapter F. For minimal changes to extant Parts D to F, there is no Chapter "B".</p> <p>The Committee had some comments on the proposed draft of the HKICPA Code:</p> <ul style="list-style-type: none"> <li>- A member enquired the linkage between the sample code of conduct under the Prevention of Bribery Ordinance inserted as appendix to Chapter A of the HKICPA Code, and the requirements in the HKICPA Code. SSD noted the comments and would consider amending relevant provisions of the HKICPA Code if necessary.</li> <li>- A member suggested incorporating IESBA's illustrative questions and answers on the revised long association provisions ("illustration") in the HKICPA Code. SSD considered the illustration being non-authoritative and would not be appropriate for incorporation into the HKICPA Code, but reference would be made to the publication on HKICPA's technical resource centre online for HKICPA members' self-access.</li> <li>- Another member enquired whether IESBA "e-code" which is under development by IESBA with enhanced search functions and expandable supporting references would be available to HKICPA members. SSD explained that IESBA "e-code" would be made publicly available, although a free-of-charge online registration with IESBA website is required for the access. SSD would make reference to IESBA "e-code" in HKICPA technical resource center online for HKICPA members' self-access.</li> </ul> <p>Members were requested to provide further comments on the proposed HKICPA Code to SSD by 19 October 2018. SSD would revise the draft and circulate for Committee's consideration and approval by November 2018.</p> <p><i>[Post-meeting note: The revised HKICPA Code was approved by circulation and issued on 30 November. It is available at:</i>  <a href="http://app1.hkicpa.org.hk/hksaebk/HKSA_Members_Handbook_Master/volume/COErevised18.pdf">http://app1.hkicpa.org.hk/hksaebk/HKSA_Members_Handbook_Master/volume/COErevised18.pdf</a>.]</p>	
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There being no further business, the meeting closed at 10 a.m.

VIRGINIA YOU  
CHAIRMAN

18 April 2019