



Minutes of the 218th meeting of the Financial Reporting Standards Committee held on Wednesday, 17 December 2014 at 8:30 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: Mrs. Catherine Morley (Chairman)
Mr. Gary Biddle
Mr. Vincent Ching
Ms. Kelly Kong
Ms. Susanna Lau
Mr. Ernest Lee
Mr. Eugene Liu
Mr. Raymond Ng
Mr. Steve Ong
Ms. Shelley So
Mr. Gary Stevenson
Ms. Florence Wong
Mr. Davis Yu

In attendance: Mr. Chris Joy, Executive Director
Ms. Winnie Chan, Associate Director, Standard Setting
Mr. Ben Lo, Associate Director, Standard Setting
Mr. Ambrose Wong, Associate Director, Standard Setting

Apologies for absence were received from Mr. Nelson Lam, Mr. James Fawls, Mr. William Lim and Mr. Paul Phenix.

Action

1. Minutes of the 217th meeting

The Committee approved and the Chairman signed the minutes of the 217th meeting.

2. Work plan status report

The Committee considered the report and noted progress.

The Chairman appreciated the hard work and tireless effort that the members of the Committee and the staff of the Standard Setting Department (SSD) have put in this year.

3. Report on the IASB Accounting Standards Advisory Forum

The AOSSG Chair, Mr. Clement Chan participated at the meeting of IASB Accounting Standards Advisory Forum (ASAF) on 4 – 5 December in London.

Mr. Chan briefed the Committee on the key topics that had been discussed at the meeting included ASAF Membership, Leases, Statement of Cash Flows, Rate-regulated Activities, Emission Trading scheme, Dynamic Risk Accounting, Insurance Contracts and 2015 Agenda Consultation.

Mr. Chan also announced that the Institute will host the Joint HKICPA-IFRS Conference on 12 – 13 October 2015. The conference is timed to coincide with the IASB Research Forum, which will be held on 11 October in Hong Kong.

4. Report on various financial reporting events in Hong Kong

The Chairman briefed the Committee on the key topics that has been discussed at the following events:

- Informal meeting between FRSC and the IASB members (25 Nov);
- AOSSG Annual Meeting (26 – 27 Nov) and
- HKICPA-IASB Financial Reporting Forum (28 Nov)

The Committee agreed that a working group meeting should be organized to follow up with the implementation issues related to the application of IFRS 15.

5. Draft HKICPA submissions on various IASB Consultation Documents

The SSD reported the progress on preparing the comment letters for the following IASB consultation documents:

- (a) Exposure Draft of *Recognition of Deferred Tax Assets for Unrealized Losses (Proposed Amendments to IAS 12)*;
- (b) Discussion Paper of *Reporting the Financial Effects of Rate Regulation* and
- (c) Exposure Draft of *Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value (Proposed Amendments to IFRS 10, IFRS 12, IAS 27, IAS 28 and IAS 36 and Illustrative Examples for IFRS 13)*

A number of members expressed concerns on the IASB's proposal in item (c) and the Committee agreed that a working group should be set up for the preparation of the Institute's comment letter.

6. Report from the Working Group on Companies Ordinance application issues on financial reporting

The Committee noted the draft information on the potential issues relating to interaction of HKFRS 10 and Companies Ordinance prepared by the Working Group. The Chairman (as Chair of the Working Group) reported that the Working Group will continue to discuss the consolidation issues at its December meeting.

In addition, the Chairman reported that the Council at its November meeting endorsed the Committee's recommendation to confirm the status of HKFRS as the sole body of applicable accounting standards for companies reporting under the full "true and fair" financial reporting regime. The Committee was requested to provide their comments on the draft invitation to comment and the proposed amendments to Preface of Hong Kong Financial Reporting Standards by 22 December.

7. Vote of thanks

The Chairman reported that the meeting would be the last meeting for the extant Committee and noted that Mr. William Lim and Mr. Raymond Ng were retiring from the Committee. The Chairman thanked Mr. Lim and Mr. Ng for their valuable contributions and gave a vote of thanks to all members of the Committee for their contributions and participation in 2014.

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Working Group

Committee

There being no further business, the meeting closed at 10:45 a.m.

CATHERINE MORLEY
CHAIR

17 December 2014