



Minutes of the 236th meeting of the Ethics Committee held on Thursday, 9 March 2017 at 9:00 a.m. in Room 10 and 11 of the Hong Kong Institute of Certified Public Accountants, 27/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.

Present: Ms. Virginia You (Chairman)
Mr. Patrick Law (Deputy Chairman)
Mr. Alex Cheng
Mr. Andrew Fan
Ms. Piera Ho
Mr. Johnson Kong
Mr. Kelvin Kwong
Ms. Lai Wai Shan
Ms. Li Sze Ming (represented by Susanna Lau)
Dr. Wong Ka Lok
Ms. Monica Yu

In attendance: Mr. Chris Joy, Executive Director
Ms. Christina Ng, Director, Standard Setting
Ms. Eky Liu, Associate Director, Standard Setting
Ms. Daisy Xia, Manager, Standard Setting

Apologies for absence were received from Mr. Amirali Nasir.

Action

1624. Welcome new members and Committee composition for 2017

The Chairman welcomed Mr. Patrick Law, Mr. Andrew Fan, Mr. Kelvin Kwong and Ms. Li Sze Ming as new members of the Committee.

1625. Guidance note on the general confidentiality rules

The Committee noted the general confidentiality rules in relation to minutes and agenda papers of the Council and Committees appointed by the Council.

1626. Terms of Reference

The Committee considered and agreed that the existing terms of reference are still appropriate.

1627. Meeting Schedule for 2017

The Committee noted the meeting dates for 2017.

1628. Minutes of the 235th meeting

The Committee approved and the Chairman signed the minutes of the 235th meeting.

1629. Strategic Planning 2017-2019: Ethics Committee

The Committee considered the Institute's proposed strategic planning for 2017-2019 and the proposed workplan for 2017. The Committee agreed that in general the plan is appropriate.

1630. IESBA Exposure Drafts

The Committee noted the release of the following IESBA Exposure Drafts:

- *Improving the Structure of the Code of Ethics for Professional Accountants – Phase 2*
- *Proposed Revisions Pertaining to Safeguards in the Code – Phase 2*
- *Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice*

The Committee noted an invitation to comment on all Exposure Drafts was issued. The Committee suggested that the Standard Setting Department (SSD) also seeks comments from the SMP Committee.

SSD

The Committee deliberated all three Exposure Drafts and provided directions to SSD. SSD will develop comment letters based on the Committee's agreed directions and will circulate the comment letters for Committee's approval out-of-session.

SSD

1631. IESBA Close-off Documents

The Committee considered the following IESBA Close-off Documents:

- *Changes to the Code Addressing the Long Association of Personnel with an Audit or Assurance Client*
- *Changes to Part C of the Code Addressing Preparation and Presentation of Information and Pressure to Breach the Fundamental Principles*

The Committee noted that IESBA completed these projects but is still in the process of completing the Structure of the Code project. The Close-off Documents contain the final provisions drafted under the extant structure of the Code. IESBA will formally issue the final standard under the revised structure of the Code when it completes the Structure of the Code project, which is targeted to be in March next year.

The Committee considered and agreed with SSD's recommendation to communicate to members about the revised provisions set out in the close-off document that addresses long association of personnel with an audit or assurance client. SSD will also inform the SMPs about the revised provisions via the SMP Committee. The Committee considered the revised provisions to be appropriate for adoption in Hong Kong. Pending any change in the final standard, the Committee will issue it when IESBA formally issues the standard next year.

SSD

The Committee also commented on a draft members' circular regarding the long association project. SSD will circulate a revised circular to the Committee for approval out-of-session.

SSD

There being no further business, the meeting closed at 10:20 a.m.

VIRGINIA YOU
CHAIRMAN

14 March 2017