



**Ethics Committee**  
**Meeting Summary – April 2007**

The Ethics Committee (Committee) met on 16 April 2007.

Members of the Committee present were: Keith Pogson (Chairman), Albert Au (Deputy Chairman), Chew Fook Aun (Deputy Chairman), Wilson Chan, Barbara Chan, Paul Cheng, Eric Fok, Alex Lai, Kenneth Lam, Lucia Li, Ken Morrison, Raymond Ng and Kenny Tam.

Secretariat staff present were: Patricia McBride (Executive Director), Steve Ong (Deputy Director, Standard Setting), Elaine Chan (Assistant Director, Standard Setting), Selene Ho (Assistant Director, Standard Setting) and Winnie Chan (Manager).

The following agenda items were discussed:

1. Draft submission on the IESBA Exposure Draft on sections 290 and 291 of the IFAC Code of Ethics on Independence
2. Proposed HKICPA Consultation Paper on Identifying Entities of Significant Public Interest
3. Consultation Paper on the Rewrite of the Accounting and Auditing Provisions of the Companies Ordinance
4. IESBA Strategic Review Questionnaire

1. **Draft submission on the IESBA Exposure Draft on sections 290 and 291 of the IFAC Code of Ethics on Independence**

The Committee considered the working draft prepared by the secretariat and suggested certain changes.

The Institute's submission was forwarded to the IESBA on 3 May 2007 and can be viewed at:

[http://www.hkicpa.org.hk/professionaltechnical/ethics/submission/IFAC\\_ED\\_290\\_291.pdf](http://www.hkicpa.org.hk/professionaltechnical/ethics/submission/IFAC_ED_290_291.pdf).

2. **Proposed HKICPA Consultation Paper on Identifying Entities of Significant Public Interest**

The Committee noted that one of the major issues arising from the IESBA Exposure Draft was the definition of Entities of Significant Public Interest (ESPIs). The Committee agreed that a Working Group be set up to consider developing a Consultation Paper to seek the views of the various stakeholders regarding the determination of what should be an ESPI.

3. **Consultation Paper on the Rewrite of the Accounting and Auditing Provisions of the Companies Ordinance**

Members of the Committee were requested to provide their comments to the secretariat by the 30 May 2007. The secretariat would be coordinating a HKICPA response to the Financial Services and the Treasury Bureau.

#### **4. IESBA Strategic Review Questionnaire**

The Committee considered the draft questionnaire completed by the secretariat which recommended that the IESBA:

- Develop more guidance on fraud and illegal acts
- Develop more guidance on independence in respect of legal protection clauses
- Develop more guidance on independence in respect of compilation and agreed upon procedures engagements
- Develop more guidance on conflicts of interest for professional accountants in business
- Review the status of the project on *Ethical Guidance for Professional Accountants in Business when encountering Fraud or Illegal Acts*.

The Committee endorsed the draft questionnaire and its issuance to Council for approval and submission to IESBA. The Institute's submission was forwarded to the IESBA on 3 May 2007 and can be view at:

[http://www.hkicpa.org.hk/professionaltechnical/ethics/submission/IESBA\\_Strategic\\_Review.pdf](http://www.hkicpa.org.hk/professionaltechnical/ethics/submission/IESBA_Strategic_Review.pdf).

**Copyright 2007 The Hong Kong Institute of Certified Public Accountants. All rights reserved.**

**Permission is granted to make copies of this Meeting Summary provided that such copies are for use in academic classrooms or for personal use and are not sold or disseminated, and provided further that each copy bears the following credit line: "Copyright by the Hong Kong Institute of Certified Public Accountants. All rights reserved. Used by permission". Otherwise, written permission from the Hong Kong Institute of Certified Public Accountants is required to reproduce, store or transmit this document, except as permitted by law.**

**Meeting Summaries are provided for the information and convenience of those who wish to follow the Committee's deliberations. Decisions reported are tentative and may be changed or modified by the Committee at a later date. Decisions become final only after completion of the formal due process required to finalize and release documents. No responsibility is taken for the results of actions or omissions to act on the basis of any information contained in this Meeting Summary, or for any errors or omissions in it.**