



Ethics Committee
Meeting Summary – November 2007

The Ethics Committee (Committee) met on 21 November 2007.

Members of the Committee present were: Keith Pogson (Chairman), Albert Au (Deputy Chairman), Barbara Chan, Paul Cheng, Eric Fok, Charles Grieve, Alex Lai, Quinn Law, Lucia Li, Raymond Ng and Kenny Tam.

Secretariat staff present were: Patricia McBride, Steve Ong, Selene Ho and Winnie Chan.

The following agenda items were discussed:

1. Submissions made by the HKICPA to IESBA in 2007
2. Proposed HKICPA Consultation Paper on the definition of “Entities of Significant Public Interest” for incorporation into the HKICPA Code of Ethics for Professional Accountants
3. Section 250 “Marketing Professional Services”

1. **Submissions made by the HKICPA to IESBA in 2007**

The Committee noted that the Committee had prepared four submissions to IESBA in 2007, on the following areas:

- Proposed additional requirements in relation to internal audit services, relative size of fees and contingent fees
- Strategic and Operation plan for 2008-2009
- Sections 290 and 291 of the IFAC Code of Ethics on Independence – Audit and Review Engagements, and Other Assurance Engagement.
- IESBA Strategic Review Questionnaire

The Institute’s submissions can be viewed at:

http://www.hkicpa.org.hk/professionaltechnical/ethics/submission/2007/Submission_IFAC_IESBA.pdf

http://www.hkicpa.org.hk/professionaltechnical/ethics/submission/IESBA_ED_Strategic_Plan.pdf

http://www.hkicpa.org.hk/professionaltechnical/ethics/submission/IFAC_ED_290_291.pdf

http://www.hkicpa.org.hk/professionaltechnical/ethics/submission/IESBA_Strategic_Review.pdf

2. **Proposed HKICPA Consultation Paper on the definition of “Entities of Significant Public Interest” for incorporation into the HKICPA Code of Ethics for Professional Accountants**

The Committee noted that the secretariat would commence to develop the proposed HKICPA Consultation Paper on identifying what should be classified as “Entities of Significant Public Interest” (ESPI) in relation to proposed amendments to be made to the IFAC Code of Ethics for Professional Accountants. A Working Group was set up at the last meeting in April 2007 to develop the Consultation Paper. Mrs. Lucia Li was appointed

the Convenor of the Working Group. Committee members were requested to informally sound out with their contacts on what the community would consider to be an ESPI for the purposes of the HKICPA Code of Ethics for Professional Accountants, in particular from the perspective of government and regulators.

3. Section 250 “Marketing Professional Services”

The Committee considered a 3rd draft of the proposed revised section 250 of the HKICPA Code of Ethics for Professional Accountants incorporating the local guidance currently in Part D. The Committee endorsed the proposed draft, subject to one editorial change.

The Committee reinforced the decision taken in 2006 that the proposed revised section 250 would be issued for consultation together with other proposed revised sections incorporating the local guidance currently in Part D.

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