Professional and Technical News at a glance

Issue No. 24 May/June 2004

This is the 24th Issue of TechWatch, a publication designed to alert members to topics and issues that impact on accountants and their working environment. We welcome your comments and feedback. Comments and suggestions on TechWatch should be addressed to Stephen Chan, Technical Director (Ethics & Assurance) & Head of Standards & Technical Department Coordination by email .

TechWatch is available on the HKSA's website .

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HKSA Members' Handbook

1. Successful Re-launch Of Members' Handbook On 1 June 2004 As Scheduled

The **re-launched Members' Handbook** aims to provide members and subscribers with more options on how to obtain, update and access the Handbook. The previous Members' Handbook subscription structure has lapsed and is replaced by a new simpler structure. Details are set out in the **HKSA Circular dated 1 June 2004**.

A CD-ROM of the new Members' Handbook will be issued to all members in the week commencing 21 June 2004 for their off-line use. This CD-ROM has "Smart Update" which means that once it is installed on your computer, with Internet access, you can update all the new and revised Professional Pronouncements by accessing the "Smart Update" function. For further information, read **HKSA Circular dated 18 June 2004**.

For members and registered students who wish to subscribe to both the hard copy Foundation Set and the hard copy Update Subscription, a special concession price of HK$1,700 is now offered until 31 December 2004. The **subscription order form** is available.

2. Members' Handbook Updates No. 1 And 2

Update No. 1 contains a revision to Professional Ethics Guidance 1.308 "Independence for assurance engagements" to adopt the IFAC Code Revision, details are set out in article 14 below under "HKSA Adopts IFAC Ethics Code On Audit Partner Rotation".

Update No. 2 contains the new HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement", details are set out in article 5 below.

Technical Update Evening

3. Technical Update Evening (TUE) Programme

The latest **TUE Programme** includes:

- Auditors Beware: New Auditing Guidance (20 July 2004)
- New Hong Kong Accounting Standards (7 September 2004)
- New Audit Risk SASs (27 September 2004)

Seats are limited. To secure your seats, please register early by completing the **registration form** and returning it to the HKSA.

Financial Reporting

4. HKSA Issues A New Accounting Standard On Share-Based Payment

The HKSA has issued **HKFRS 2 *Share-based Payment*** on accounting for share-based payment transactions, including grants of share options to employees. HKFRS 2 becomes effective for accounting periods that begin on or after 1 January 2005 with earlier application encouraged. HKFRS 2 is converged with the equivalent standard issued by the International Accounting Standards Board (IASB), IFRS 2, *Share-based Payment.*

The objective of HKFRS 2 is to specify the financial reporting by an entity when it undertakes a share-based payment transaction. In particular, the HKFRS requires an entity to reflect in its profit or loss and financial position the effects of share-based payment transactions, including expenses associated with transactions in which share options are granted to employees.

Before the issue of HKFRS 2, there was no existing Standard on the recognition or measurement of share-based payments. The requirements in HKFRS 2 replace the disclosure requirements in SSAP 34 *Employee Benefits* that deal with equity compensation benefits.

HKFRS 2, and the accompanying implementation guidance and basis for conclusions, have been published in the HKSA Members' Handbook.

5. HKSA Issues New Accounting Standards On Financial Instruments: HKAS 32 & HKAS 39

The HKSA has issued two Standards dealing with financial instruments. **HKAS 32 *Financial Instruments: Disclosure and Presentation*** deals with the disclosure of financial instruments and their classification as debt or equity. **HKAS 39 *Financial Instruments: Recognition and Measurement*** deals with recognition, derecognition, measurement and hedge accounting. These two Standards are based on the international accounting standards issued by the IASB. They are to be applied prospectively for accounting periods beginning on or after 1 January 2005 with earlier application prohibited.

These two accounting standards provide comprehensive guidance on the accounting for financial instruments. The need for such guidance is crucial. Financial instruments are a large part of the assets and liabilities of virtually every company, in particular financial institutions. They also play a central role in the efficient operation of financial markets.

A brief summary of the contents of HKAS 32 and HKAS 39 is attached as a note to the **press release** that accompanied publication of the new Standards.

In April 2004, the IASB has published an exposure draft of a proposed limited amendment to IAS 39 (on which HKAS 39 is based) with a comment deadline of 21 July 2004. This exposure draft proposes to limit the financial assets and financial liabilities to which the fair value option may be applied. In Hong Kong, an invitation to comment on this exposure draft was issued concurrently. The HKSA's Financial Accounting Standards Committee (FASC) intends to recommend the adoption of a similar amendment following from the IASB's final approved amendment. In order to allow entities sufficient time to understand and implement the Standards, the HKSA decided not to delay the issue of these Standards for this one specific amendment. However, a limited amendment to HKAS 39 will be made, probably before the end of 2004, once the IASB's proposed amendment to IAS 39 in respect of the Fair Value Option is finalised.

6. HKSA Invites Comments On The Proposed Implementation Of A Financial Reporting Framework And Financial Reporting Standard For SMEs In Hong Kong

The HKSA has released proposals for the introduction of a financial reporting framework for SMEs for comment by 31 August 2004.

The proposals are intended to provide – for the first time – a comprehensive basis of accounting for qualifying SMEs: to establish requirements that are appropriate both in terms of the compliance cost borne by the entities preparing financial statements and the usefulness of the financial information provided to those often-limited parties who make use of an SME's annual financial statements.

This consultation follows on from the proposed Framework for Differential Reporting released by the HKSA for public comment in August 2002. The development of financial reporting requirements relevant for SMEs was widely supported in the first consultation. There were, however, some issues raised at this time which did necessitate a review of the proposals by the HKSA's GAAP for Small Businesses Working Group and which we now believe have been addressed in this latest consultation.

The following six issues are raised in the Consultation Paper:

✓ The need for a separate financial reporting framework for qualifying entities

✓ The principles underlying SME financial reporting

✓ Whether SME financial statements need give a true and fair view

✓ Which entities should qualify to prepare financial statements under the SME financial reporting framework

✓ Statutory requirements applicable to SME financial reporting

✓ Applicable financial reporting requirements, fully contained within a separate financial reporting standard

The Consultation Paper is accompanied by a draft SME Financial Reporting Framework and SME Financial Reporting Standard.

Of note, the Consultation Paper proposes that companies currently qualifying under section 141D of the Companies Ordinance would qualify to apply the Small GAAP Standard. Currently, these companies must be private companies, have neither a holding company nor subsidiary companies, and all owners must agree to apply that section.

For non-corporate entities, the Consultation Paper proposes that entities should qualify on the basis of size thresholds set out in the paper. Comments are also invited on whether the HKSA should lobby for a change in the Companies Ordinance to amend section 141D to become consistent with the size requirements and to permit small non-listed groups applying the SME financial reporting standard.

Public comment is invited by 31 August 2004 on the issues raised in the Consultation Paper and on the draft SME Financial Reporting Framework and Financial Reporting Standard.

7. FASC Invites Comments On IASB Exposure Draft Of A Proposed Limited Amendment To IFRS 3 *Business Combinations* – Combinations By Contract Alone Or Involving Mutual Entities

The IASB has published for public comment proposals for a limited amendment to IFRS 3 *Business Combinations*. The proposals are set out in the Exposure Draft *Combinations by Contract Alone or Involving Mutual Entities*.

The amendments being proposed to IFRS 3 are an interim solution to the issue of the accounting for combinations involving mutual entities or combinations in which separate entities are brought together by contract alone. The IASB identified the problem while finalising IFRS 3 but agreed that it could not provide an interim solution without first exposing that solution for public comment. Given that very few transactions are likely to be affected by this amendment, the IASB thought it important that the March 2004 publication of IFRS 3 should not be delayed while it addresses this issue.

The main features of the IASB's proposals are:

- To remove IFRS 3's scope exclusion for combinations involving two or more mutual entities or combinations in which separate entities are brought together to form a reporting entity by contract alone without the obtaining of an ownership interest. This includes combinations in which separate entities are brought together by contract to form a dual listed corporation.

- That an acquirer should measure the cost of such a combination as:

  (a) The net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities when the combination is one in which separate entities or businesses are brought together to form a reporting entity by contract alone without the obtaining of an ownership interest.

  (b) The aggregate of the following amounts when the combination is one in which the acquirer and acquiree are both mutual entities:

    - the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities; and
    - the fair value, at the date of exchange, of any assets given, liabilities incurred or assumed, or equity instruments issued by the acquirer in exchange for control of the acquiree.

Therefore, until guidance on applying the purchase method to such transactions is developed by the IASB as part of a later phase of its Business Combinations project, the acquirer would recognise goodwill equal to the fair value of any consideration given by the acquirer in exchange for control of the acquiree.

The IASB's intention is that the amendments will take effect at the same time as IFRS 3 (as issued in March 2004) is applied.

Under the HKSA's due process for setting accounting standards, the HKSA has issued an Invitation to Comment on the exposure draft with comments requested by 16 July 2004.

Following from the IASB's final approved changes, the FASC intends to recommend the adoption of similar changes so that the HKFRSs maintain conformity with the IASB's Standards. The FASC does not intend to issue a specific Hong Kong exposure draft on the matters covered in the IASB exposure draft.

8. FASC Invites Comments On IASB Exposure Draft Of Proposed Amendments To IAS 19 *Employee Benefits* – Actuarial Gains And Losses, Group Plans And Disclosures

The IASB has published for public comment Exposure Draft of Proposed Amendments to International Accounting Standard (IAS) 19 *Employee Benefits* – Actuarial Gains And Losses, Group Plans and Disclosures. This exposure draft includes proposals on aspects of pension cost accounting, in particular giving entities an option to show, in full, pension deficits and available surpluses. This proposal is similar to the requirements of the UK standard, FRS 17 *Retirement Benefits*. Approval of this proposed option would enable companies that already show the surplus or deficit in full under FRS 17 and are adopting IFRSs to continue with their present policy.

Entities choosing the proposed option would recognise in the balance sheet the surplus or deficit in the plan at the balance sheet date and would show the best estimate for gains and costs of the plan in the income statement. The exposure draft also includes the following proposals:

- To extend the application of multi-employer plan accounting to entities within a consolidated group that meet specified criteria; and

- For additional disclosures.

The IASB is also considering undertaking a comprehensive project on post-employment benefits, looking at fundamental aspects of measurement and recognition. Until the outcome of such a broader review of the accounting for post-employment benefits, the IASB would continue to permit the option under IAS 19 *Employee Benefits* to recognise actuarial gains and losses (i.e. unexpected changes in value of the plan) in profit or loss, either in the period in which they occur or spread over the service lives of the employees. Almost all entities currently using IAS 19 choose to spread actuarial gains and losses.

Under the HKSA's due process for setting accounting standards, the HKSA has issued an Invitation to Comment on the exposure draft with comments requested by 16 July 2004.

Following from the IASB's final approved changes, the FASC intends to recommend the adoption of similar changes so that the HKFRSs maintain conformity with the IASB's Standards. The FASC does not intend to issue a specific Hong Kong exposure draft on the matters covered in the IASB exposure draft.

9. FASC Invites Comments On IFRIC Draft Interpretation D6 *Multi-employer Plans*

The International Financial Reporting Interpretations Committee (IFRIC) has released for public comment Draft Interpretation, D6 *Multi-employer Plans* to give guidance on employee benefit plans that have more than one participating employer (multi-employer plans).

IAS 19 *Employee Benefits* allows participants in defined benefit multi-employer plans to use defined contribution accounting and provide additional disclosures if the information necessary for defined benefit accounting is not available.

The draft Interpretation proposes guidance on when a plan meets the definition of a multi-employer plan, how defined benefit accounting should be applied to such plans and, in the light of that guidance, when the necessary information might not be available.

Under the HKSA's due process for setting accounting standards, the HKSA has issued an Invitation to Comment on the exposure draft with comments requested by 25 June 2004.

Following from the IASB's final approved Interpretation, the FASC intends to recommend the adoption of a new Hong Kong Interpretation so that the HKSA interpretations maintain conformity with the IASB's interpretations. The FASC does not intend to issue a specific Hong Kong exposure draft on the matters covered in the IFRIC exposure draft.

10. FASC Meeting Summary – 22 March 2004

The FASC met on 22 March 2004 and discussed the following items:

- ✓ Proposed HKFRS 2 Share-based Payment (converged with IFRS 2)
- ✓ Financial Instruments – Proposed HKAS 32 & HKAS 39 based on the recently revised IAS 32 & IAS 39
- ✓ ED/Convergence
- ✓ Comment letter on the IASCF Trustees' Constitution review
- ✓ Accounting Guideline on Unit Trusts
- ✓ Comment letter on IFRIC D3 and D4

The FASC meeting summaries are available on the HKSA's website.

Audit & Assurance

11. HKSA Consults Members And Other Interested Parties On Proposed IPO Engagement Standards

The HKSA announced at a press conference on 6 May 2004 the release of an **Exposure Draft (ED) of Proposed Standards and Guidance for HKSA Members in Performing Listing Engagements** which proposes new requirements on the preparation of accountants' reports on financial information, and also the preparation of financial information by listing applicants/listed companies, for inclusion in investment circulars. The press release is available in **English** and **Chinese**. **Comments** on the ED have been requested by 14 August 2004.

In addition to consulting the HKSA members, the HKSA also invited comments from the Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited, the Companies Registry, over 20 professional and industry bodies, all the companies listed on the Main Board and GEM, and the sponsors.

12. Sample Audit Report On LegCo Election Return

As reported in **TechWatch Issue No. 20** (January 2004), the Legislative Council Ordinance was amended last year providing for a Financial Assistance Scheme (the "Scheme") for LegCo election candidates. The procedures for handling claims for financial assistance from LegCo election candidates are set out in the subsidiary legislation, "The Electoral Affairs Commission (Financial Assistance for Legislative Council Elections)(Application and Payment Procedure) Regulation" (**the "Regulation"**). The Regulation stipulates that a claim for financial assistance from a LegCo election candidate must be accompanied by an election return (with the accounts of the declared election expenses and the declared election donations) and an auditor's report.

The Registration & Electoral Office of the Government (REO), in consultation with the HKSA, has prepared the **REO Notes** which will be distributed to the candidates of the forthcoming 2004 Legislative Council Election when the nomination begins on 22 July 2004.

The REO Notes provide guidance to the candidate and the auditor of the candidate of the LegCo elections seeking financial assistance from the Government under the Scheme in order that:

- the candidate will establish proper internal controls in relation to the accounting requirements to ensure that his/her election return (with the accounts of the declared election expenses and the declared election donations) complies with section 37(1) and (2)(b) of the Elections (Corrupt and Illegal Conduct) Ordinance; and

- the auditor of the candidate will be able to plan and perform appropriate procedures for a high level assurance engagement.

A sample auditor's report is also provided in the REO Notes.

13. AASC Meeting Summary – 27 April 2004

The **Meeting Summary** is available on the HKSA's website.

Ethics

14. HKSA Adopts IFAC Ethics Code On Audit Partner Rotation

The HKSA issued **Members' Handbook Update No. 1** to revise its **Professional Ethics Guidance 1.308 "Independence for assurance engagements"** to clarify guidance pertaining to lead engagement partner rotation for audit clients that are listed entities with immediate effect. The revision to Guidance 1.308 is required as a result of an equivalent **revision to the IFAC Code of Ethics**.

Guidance 1.308, which was adopted from Section 8 of the IFAC Code of Ethics, specifies that the lead engagement partner for a listed audit client should be rotated after a pre-defined period, normally, no more than seven years, and after such rotation, should not resume the role of the lead engagement partner until a further period of time. The IFAC Ethics Committee recognizes that this guidance as worded might imply that the lead engagement partner would be able to assume the role of another partner on the engagement.

The IFAC Ethics Committee discussed the matter at its **May 2004 meeting**, which was attended by the Chairman of the HKSA Ethics Committee, Mr. Mark Fong. Following the discussion, the IFAC Ethics Committee approved in early June 2004 a revision to the IFAC Code of Ethics to make it clear that an individual who has completed a predefined period in the role of the lead engagement partner for an audit of a listed entity should not participate in the audit engagement until a further period, normally two years, has elapsed.

Listing & Securities

15. HKSA's Submissions On Draft Rule Amendments To The Listing Rules Relating To The Regulation Of Sponsors And Independent Financial Advisers

The HKSA made a **submission** on 8 June 2004 on the **Draft Amendments to the Listing Rules** issued by the Stock Exchange (the "Exchange").

The Draft Amendments to the Listing Rules reflect the results of extensive public consultation conducted by the Exchange and the Securities and Futures Commission (SFC) in May 2003 under their joint Consultation Paper on the Regulation of Sponsors and Independent Financial Advisers. The **HKSA's submission dated 29 August 2003** on the May 2003 Consultation Paper is available.

In the HKSA's submission dated 8 June 2004, we indicated that we are fully supportive of any plans by the Exchange and the SFC to raise standards in the market. However, there are certain proposed requirements in the Draft Proposed Amendments on independence and due diligence which are of concern to market practitioners. In view of the market practitioners' concerns, we request the Exchange to consult widely with the market practitioners and benchmark the proposals against the requirements in major overseas jurisdictions. We also commented on the proposed structure of the draft Exchange Practice Note and set out certain preliminary thoughts for the Exchange's consideration.

16. HKEx Consultation Conclusions On A Proposed Operational Model For A Scripless Securities Market

HKEx published the **Consultation Conclusions on a Proposed Operational Model for a Scripless Securities Market** which propose a way forward for the scripless initiative in Hong Kong in the light of market comments. The **HKSA's submission** on the Consultation Paper supported the HKEx's initiative.

In summary, the Consultation Conclusions propose:

- keeping a single register of members (ROM) for each listed company as at present in order to avoid fragmentation of the ROM. The ROM will continue to be maintained by share registrars as it is currently;
- a progressive approach on implementation to minimize the up-front impact on the market and allow time for market intermediaries and investors to gain familiarity with the scripless environment; and
- to make the shareholding information of HKSCC Participants (excluding Investor Participants) available to the public.

Corporate Governance

17. HKSA Issues A New Comprehensive Guidance On Corporate Governance For Public Sector Bodies

The HKSA launched its latest bilingual guide, entitled "***Corporate Governance for Public Bodies – A Basic Framework***", at a press conference held on 2 June 2004. The release of the guide, which is probably the first comprehensive corporate governance guide for the public sector in Hong Kong, confirms the HKSA's continuing commitment to improving standards of corporate governance in Hong Kong.

Given the lack of benchmarks, common standards or general guidance in respect of public sector corporate governance, this new guide responds to the increasing expectations and demands for greater accountability, transparency and openness in this sector by providing a basic framework of corporate governance principles and recommended best practices for public sector entities.

The HKSA guide is directed at governing boards of public sector bodies and at assisting governing boards to understand fully their role and responsibilities and to discharge their responsibilities efficiently and effectively. It identifies certain fundamental principles required of an organisation (Openness, Integrity and Accountability) and key personal qualities required of governing board members (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership), and applies these principles and qualities to four key aspects or dimensions of the governance of public sector organisations, namely,

(i) Standards of Behaviour
(ii) Organisational Structures and Processes
(iii) Risk Management and Control
(iv) Accountability, Reporting and Disclosure

The HKSA guide utilises concepts derived from some significant overseas studies and adapts these to suit the local environment and conditions. It is applicable to most types of organisations in the public sector and, to some extent, can be tailored to the situations of individual organisations, depending on their size, complexity and resources.

The HKSA guide can be downloaded from the HKSA's website. Members may obtain one printed copy of the guide by completing and sending the **Request Form** to the Operation and Finance Department of the HKSA. Additional printed copies can be purchased at the HKSA's counter at HK$60 each.

Legislation & Government Initiatives

18. Consultation Paper On Statutory Derivative Action In The Companies (Amendment) Bill 2003

Amongst the provisions on shareholder remedies introduced in the Companies (Amendment) Bill 2003 are provisions relating to a statutory derivative action (SDA), to enable a shareholder of a company to commence an action on behalf of the company in respect of a wrong done to the company. The SDA procedure addresses various practical obstacles associated with the common law derivative action (CDA), which have resulted in few CDAs being initiated in Hong Kong. As reported in **TechWatch Issue No. 23**, the Administration proposed a number of Committee Stage Amendments (CSAs) to the Bill to address the comments made by the Bills Committee and deputations.

The HKSA made **a submission** on the CSAs and other related issues as detailed in the *Consultation Paper on Statutory Derivative Action in the Companies (Amendment) Bill 2003* ("the Consultation Paper"). The main points of the submission were as follows:

- The HKSA supported the proposed introduction of a leave requirement and did not object to the inclusion of the additional conditions for the granting of leave referred to in paragraph 6(b) of the Consultation Paper.

- On balance, the HKSA considered it desirable to provide for the co-existence of the SDA and the CDA in the Bill. However, it was also pointed out that the proposals put forward by the Government in paragraph 12 of the Consultation Paper, which aimed to address the situation in which the same shareholder commenced both an SDA and a CDA on the same subject matter, could easily be circumvented by having two or more shareholders agreeing to initiate the actions separately. For this reason, the HKSA suggested two possible alternative approaches, as explained in the submission.

Taking into account the views of various organisations, the Government has proposed further amendments to the CSAs, which include:

- restricting the scope of the SDAs to proceedings in respect of fraud, negligence, default in compliance with any law or rule, or breach of duty against the specified corporation (section 168BAA); and

- lowering the threshold for granting leave by, for example, replacing the "best interests" condition (i.e. that it is in the best interests of the company that leave be granted) with a condition that it is "prima facie in the interests of the specified corporation" (section 168BB(3)(a)).

As regards the co-existence of action in SDA and CDA, the Administration takes the view that, in practice, a member would be unlikely to take derivative actions at the same time under common law and statute. Under the circumstances, the Administration proposes to deal with this eventuality by giving the court the discretion to:

- dismiss an application for leave to commence an SDA if a CDA has been commenced by the same member in respect of the same subject matter (section 168BCA); and

- prevent a member from commencing a CDA if leave has been granted to the same member to commence an SDA in respect of the same subject matter (section 168BCB).

A new section 168BCC has also been proposed to empower the court to make any order and give any direction it considers appropriate in relation to sections 168BCA and 168BCB.

The HKSA's Expert Panel on Legal Matters has considered the changes proposed by the Administration and is of the view that they are generally acceptable.

19. CEPA - New Flexible Arrangements For Group Of Companies To Apply For Certificate Of Hong Kong Service Supplier

In accordance with the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), Hong Kong service suppliers can obtain certain preferential treatment provided they fulfil the definition of "Hong Kong Service Supplier" (HKSS) and related requirements stipulated in the CEPA. Details relating to the application of HKSS Certificates are set out in the Trade and Industry Department (TID)'s Notice to Service Suppliers No. 2/2003 issued on 14 November 2003.

Further to the above Notice, the TID issued on 20 May 2004 Notice to Service Suppliers No. 3/2004 setting out the new flexible arrangements for group of companies to apply for the HKSS Certificates under CEPA. The TID also took the opportunity to streamline the documentation requirements for the application of HKSS Certificates.

Corporate Restructuring & Insolvency

20. HKSA's Concerns On The Clearing And Settlement Systems Bill Have Been Addressed

Since the HKSA first made **a submission** on 6 February 2004 on the Clearing and Settlement Systems Bill, which is a technical piece of legislation introducing a legal framework for supervisory oversight of clearing and settlement systems in Hong Kong (as reported in **TechWatch Issue No. 21**), a series of exchanges have taken place between the HKSA and the Administration to address the HKSA's concerns on the Bill. The main concerns in respect of the Bill have been expressed by the HKSA's Insolvency Practitioners Committee. One of the principal issues has been to clarify any ambiguity in the Bill that in the event of the insolvency of a participant in a clearing system, the finality of transfers through the system, which the Bill understandably seeks to protect, does not prevent an insolvency office-holder from challenging an underlying transaction where, for example, there has been a preference or transaction at an undervalue.

In the course of the **correspondence** (see items dated 1 April, 20 May and 28 May 2004), the Administration has proposed revisions which the IPC finds acceptable.

A revised marked-up version of the Bill may be accessed at the **Legislative Council website**.

Innovation & Technology

21. Is Your E-Business Ready For A Health Check?

Sharpen your skills to master the new wave of E-business expansion. Tune up your operations system by benchmarking it with the E-Commerce best practice standards – The New Trust Services Framework.

HKSA is offering the New Trust Services Training Workshop to update members with the latest standards in E-Commerce best practice. Click **here** for detail.

Comment Key Dates

Date	Subject
25 June 2004	**Hong Kong Invitation to Comment** on IFRIC Draft Interpretation D6, *Multi-employer Plans*, which has been posted on the **IASB's website** [IASB deadline: 9 July 2004]
7 July 2004	**Hong Kong Invitation to Comment** on IASB exposure draft of proposed limited amendments to IAS 39 *Financial Instruments: Recognition and Measurement* on the Fair Value Option, which has been posted on the **IASB's website** [IASB deadline: 21 July 2004]
16 July 2004	**Hong Kong Invitation to Comment** on IASB exposure draft of a proposed limited amendment to IFRS 3 *Business Combinations* – Combinations By Contract Alone Or Involving Mutual Entities, which has been posted on the **IASB's website** [IASB deadline: 31 July 2004]

Date	**Subject**
16 July 2004	**Hong Kong Invitation to Comment** on IASB exposure draft of proposed amendments to IAS 19 *Employee Benefits* – Actuarial Gains And Losses, Group Plans and Disclosures, which has been posted on the **IASB's website** [IASB deadline: 31 July 2004]
14 August 2004	**HKSA Exposure Draft of Proposed Standards and Guidance for HKSA Members in Performing Listing Engagements**
31 August 2004	**Consultation Paper on a Proposed Introduction of a Financial Reporting Framework and Financial Reporting Standard for Small and Medium-sized Entities in Hong Kong**
Please send comments to **commentletters@hksa.org.hk**	

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