



Minutes of the 269th meeting of the Ethics Committee held on Monday, 2 June 2025 at 12:30 p.m. in Board Room of the Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong (and via video conference)

- Present: Ms. Mary Xuereb (Chair)
Mr. Dacky Leung (Deputy Chair) (Dial-in)
Mr. Horace Ma (Deputy Chair) (Dial-in)
Mr. Dennis Chan (Dial-in)
Mr. Eric Hung (Dial-in)
Mr. Rudolf Leung (Dial-in)
Ms. Winnie Leung (Dial-in)
Mr. Charbon Lo (Dial-in)
Mr. Hubert Wong (Dial-in)
Mr. Ricky Wong
Ms. Cecilia Yam
- In attendance: Mr. Chris Joy, Director
Ms. Cecilia Kwei, Director, Standard Setting (SS)
Ms. Selene Ho, Deputy Director, SS
Ms. Grace Lau, Associate Director, SS
Ms. Cherry Yau, Associate Director, SS
- Observer: Ms. Lily Rui, Accounting and Financial Reporting Council (AFRC)
Ms. Tammy Lai, AFRC
- Apologies: Ms. Elly Chui
Ms. Elaine Kwong

Action

2001. Minutes of the 268th meeting

The Committee approved the minutes of the 268th meeting.

2002. Work Plan Status Report

The Committee considered the report and noted the progress of various projects.

2003. Update on Phase 2 of the public interest entity (PIE) definition project

The Committee noted that, following the last meeting, SS revised the Discussion Paper (DP) on Phase 2 of the PIE definition project to incorporate comments from the Committee. The DP was approved by the Committee via circulation, subsequently endorsed by the HKICPA Council, and submitted to the AFRC for review. Although not intended for public consultation, the DP was circulated to selected stakeholders for comment. Feedback received will be considered in finalizing the Phase 2 PIE Proposal and in developing the final consultation documents.

The Committee also noted the following:

- The revised project timetable and the rescheduling of Committee meetings to accommodate anticipated comments from the AFRC in September.
- Updates on the roundtable discussion scheduled for 12 June regarding the proposed PIE classification of funds authorized by the Securities and Futures Commission (SFC). Participation has been confirmed from industry representatives, regulators and auditors. The objective of the roundtable is to bring together all stakeholders to exchange views and perspectives on the proposed PIE classification of SFC-authorized funds.

[Post meeting note: The roundtable discussion was held on 12 June. Participants exchanged views on the proposed PIE classification of SFC-authorized funds.]

2004. Update from the Ethics Educational Materials Advisory Panel

The Committee noted the proposal from the Ethics Educational Materials Advisory Panel to develop a two-hour ethics conference focused exclusively on ethics-related topics. The objective of the conference is to raise awareness of and emphasize the importance of ethics for professional accountants. Proposed content includes general ethics topics, a regulator-led presentation and a panel discussion featuring real-life ethics case studies. The Committee welcomed the proposal, and members were invited to contribute to the event, including volunteering as speakers or panelists.

Committee

2005. IESBA Consultation Paper on Collective Investment Vehicles and Pension Funds – Auditor Independence

SS reported that the Institute's local consultation period for the IESBA Consultation Paper (CP) on Collective Investment Vehicles and Pension Funds closed on 30 May. A proposed comment letter in response to the CP was prepared for the Committee's consideration. The Committee reviewed the proposed response, including revisions made to the draft letter based on stakeholder comments received after the initial draft was circulated.

Following discussion, the Committee approved the revised draft letter, subject to the inclusion of a suggestion raised during the meeting. SS will finalize the draft letter for submission to the IESBA.

SS

[Post meeting note: The final draft of the comment letter was circulated to the Committee on 13 June 2025. The letter was submitted to the IESBA on 24 June 2025.]

2006. IESBA Firm Culture and Governance Roundtable

The Committee noted the participation of SS staff in the IESBA Firm Culture and Governance (FCG) Roundtable held in April and also noted that the feedback from participants aligned with the comments provided by the Committee and the FCG Advisory Panel. SSD remarked that the IESBA project team proposed in its June meeting papers to focus on developing FCG-related supporting materials over the next 18 to 24 months. SS will keep the Committee updated on the progress of this project.

SS

2007. IESBA Joint Jurisdictional Standard Setters (JSS) meeting

The Committee noted the participation of SS staff at the IESBA JSS meeting held in May and received an update on key topics discussed. These included the adoption and implementation of the sustainability and using the work of an external expert standards, tax planning, and accounting firm culture and governance.

Additionally, as part of the monitoring mechanism for the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* (IESSA), the IESBA has established the IESSA Implementation Monitoring Advisory Group (IIMAG). A member of the Sustainability Ethics Advisory Panel, whose nomination was approved by the Committee and submitted to the IESBA, has been selected as a member on the IIMAG. SSD will follow up with the member on matters discussed at the IIMAG and provide updates to the Committee as appropriate.

SS

2008. Any other business

The Committee did not identify any local implementation issues regarding ethical requirements for discussion.

The Committee noted that the next meeting is scheduled for 10 July and members were requested to suggest agenda items by 18 June.

There being no further business, the meeting closed at 1:30 p.m.

MARY XUEREB
CHAIR

3 July 2025