



Minutes of the 279th meeting of the Financial Reporting Standards Committee held on Wednesday, 12 July 2023 at 8:30 a.m. via videoconference.

Members present: Mr. Gary Stevenson (Chairman), RSM Hong Kong
Mr. Jim Tang (Deputy Chairman), KPMG
Mr. Joe Ng (Deputy Chairman), EY
Ms. Kathryn Ashley, HSBC
Ms. Fanny Hsiang, BDO Limited
Ms. Vincyy Lai, Jardine Matheson & Co., Limited
Mr. Mateusz Lasik, Deloitte
Mr. Kenneth Lau, Crowe (HK) CPA Limited
Mr. Ghee Peh, IEEFA
Mr. Richard Poon, AIA Group
Mr. William Wong, Stock Exchange of Hong Kong Limited
Ms. Lisa Zhang, PwC

Staff in attendance: Ms. Cecilia Kwei, Director of Standard Setting
Ms. Eky Liu, Deputy Director of Standard Setting (FR)
Mr. George Au, Associate Director, Standard Setting
Ms. Carrie Lau, Associate Director, Standard Setting
Ms. Kennis Lee, Associate Director, Standard Setting
Ms. Katherine Leung, Associate Director, Standard Setting
Mr. Anthony Wong, Associate Director, Standard Setting
Mr. Sam Chan, Manager, Standard Setting

Apologies: Ms. Joan Ng, Securities and Futures Commission

Action

1. **Minutes, work program, IFRS Interpretations Committee (IC) tentative agenda decision (TAD) and liaison log**

The Committee approved the minutes of the 278th meeting.

The Committee noted the developments outlined in the FRSC and SSD work program and the liaison log.

TAD

The Committee noted the IC issued a TAD on *Merger between a Parent and Its Subsidiary in Separate Financial Statements (IAS 27)* in June 2023. The Committee considered the feedback received to date from SSD's outreach activities as well as SSD staff analysis and agreed that the Institute should not respond to the TAD unless significant issues are raised by the stakeholders.

Advisory Panel

The Committee considered and approved the updated composition of the Conceptual Framework Advisory Panel.

Accelerated sustainability roadmap

The Committee received an update on the accelerated sustainability roadmap of the Institute. In particular, the Committee noted the following two recent SSD stakeholder engagements:

- A debriefing session was conducted with Sue Lloyd, Vice Chair of the ISSB, representatives from the Accounting Financial Reporting Council as well as the Green and Sustainable Finance Cross-Agency Steering Group (CASG) on 5 July; and

- Another debriefing session was held with the principals of the CASG on 10 July.

2. **ISSB Request for Information (RFI) Consultation on Agenda Priorities**

The Committee received an update on the feedback received from SSD staff's outreach activities, which included seeking feedback from the Sustainability Advisory Panel and hosting a public roundtable discussion.

The Committee considered the feedback received to date and provided comments on the RFI. The Committee also agreed with the proposed timeline for considering and finalising the Institute's submission to the ISSB.

SSD staff will provide an update on any additional stakeholder feedback and circulate the Institute's draft submission for the Committee's consideration and approval out-of-session.

SSD

[Post-meeting note: The Institute's comment letter was approved by the Committee out-of-session and submitted to the ISSB on 22 August 2023.]

3. **IASB Exposure Draft Amendments to the Classification and Measurement of Financial Instruments**

The Committee received an update on the development of the Institute's draft submission to the IASB regarding the Exposure Draft *Amendments to the Classification and Measurement of Financial Instruments*.

The Committee received, and was invited to comment on, the Institute's draft submission. The Committee provided no additional comments and approved the draft submission. SSD staff will proceed to finalize and submit the final submission to the IASB after the meeting.

SSD

[Post-meeting note: The Institute's comment letter was submitted to the IASB on 14 July 2023.]

4. **IASB Request for Information (RFI) Post-implementation Review of IFRS 9 Financial Instruments – Impairment**

The Committee received an update on the RFI – *Post-implementation Review of IFRS 9 Financial Instruments – Impairment*. The Committee considered the initial feedback received from the Financial Instruments Advisory Panel as well as the review findings from regulators' reports.

The Committee also considered and agreed with SSD's next steps with regard to upcoming outreach activities, which include seeking feedback from the Small and Medium Practices Committee and its Technical Issues Support Group and hosting a public roundtable discussion with IASB representatives and local stakeholders.

SSD staff will provide an update on any additional stakeholder feedback along with SSD staff analysis for the Committee's consideration at its next meeting.

SSD

5. **IASB Request for Information (RFI) Post-implementation Review of IFRS 15 Revenue from Contracts with Customers**

The Committee received an overview of the RFI and SSD's planned outreach activities, which include seeking feedback from the Revenue Recognition Advisory Panel and Small and Medium Practices

Committee and its Technical Issues Working Group as well as hosting a public roundtable discussion.

SSD staff will provide an update on the feedback received from outreach activities and SSD staff's preliminary views on the RFI for the Committee's consideration at its next meeting.

SSD

6. IASB's Equity Method project

The Committee received an update on the IASB's Equity Method project. The Committee agreed that this project should be identified as high priority considering that IAS 28 *Investments in Associates and Joint Ventures* is a complex standard and there have long been application issues and diversity in practice in the application of equity method to account for investments in associates and joint ventures. In addition, this project is likely to affect many entities in Hong Kong.

The Committee also considered and agreed with the SSD's project plans and next steps for this project.

7. Update on two FRSC low priority projects

The Committee received an update on the feedback received from SSD staff's outreach activities on two FRSC low priority projects, namely IASB Exposure Draft *Amendments to the IFRS for SMEs Accounting Standard—International Tax Reform—Pillar Two Model Rules* and ISSB Exposure Draft *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates*.

Given that no significant comments were received from stakeholders, the Committee agreed with SSD's recommendation not to respond to the IASB and ISSB for these two projects.

8. Other business

Administrative matter

The Committee noted that they are welcomed to propose agenda items for the next FRSC meeting no later than 15 working days prior to the meeting date.

It was noted that the next meeting was scheduled on 7 September 2023.

There being no further business, the meeting closed at 9:15 a.m.

GARY STEVENSON
CHAIR

30 August 2023