



Minutes of the 284<sup>th</sup> meeting of the Financial Reporting Standards Committee held on Friday, 12 July 2024 at 8:30 a.m. via videoconference.

- Members present: Mr. Gary Stevenson (Chairman), RSM Hong Kong  
Mr. Joe Ng (Deputy Chairman), EY  
Ms. Fanny Hsiang, BDO Limited  
Ms. Sin Ko, KPMG  
Mr. Mateusz Lasik, Deloitte  
Mr. Kenneth Lau, Crowe (HK) CPA Limited  
Ms. Joan Ng, Securities and Futures Commission  
Mr. Richard Poon, AIA Group  
Mr. Ghee Peh, IEEFA  
Mr. William Wong, HKEx  
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. Shiro Lam, 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
- Observer: Mr. Jason Bradley, Accounting and Financial Reporting Council
- Apologies: Ms. Kathryn Ashley, HSBC  
Ms. Loretta Fong, PwC  
Ms. Vincyy Lai, Jardine Matheson & Co., Limited

1. **Minutes, work program, tentative agenda decision and liaison log**

The Committee approved the minutes of the 283<sup>rd</sup> meeting.

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

The Committee also noted the IFRS Interpretations Committee issued the tentative agenda decision *Classification of Cash Flows related to Variation Margin Calls on 'Collateralised-to-Market' Contracts (IAS 7 Statement of Cash Flows)* in June 2024.

2. **IASB Exposure Draft Business Combinations—Disclosures, Goodwill and Impairment**

The Committee received an update on the development of the Institute's draft submission on the IASB Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment*. The Committee provided no additional comments and approved the draft submission. SSD staff will proceed to finalise and submit the final submission to the IASB after the meeting.

[Post-meeting note: The Institute's comment letter was submitted to the IASB on 12 July 2024.]

Action

SSD

3. **IASB Exposure Draft *Contracts for Renewable Electricity***

The Committee received an update on the feedback received from the SSD staff's outreach activities, which included seeking feedback from the Financial Instruments Advisory Panel and targeted stakeholders. Based on the feedback received and the SSD staff's analysis, the Committee provided comments for the Institute's submission. The Committee also agreed with the SSD staff's proposed timeline for considering and finalising the Institute's submission to the IASB.

SSD

[Post-meeting note: The Institute's comment letter was submitted to the IASB on 2 August 2024.]

4. **IASB Exposure Draft (ED) *Addendum to the Exposure Draft Third edition of the IFRS for SMEs Accounting Standard***

The Committee received an update on the comment letters received on the ED. Given that the ED is a low priority project and no significant comments were received from stakeholders, the Committee agreed with SSD's recommendation not to respond to the IASB for the ED.

5. **IFRS 19 *Subsidiaries without Public Accountability: Disclosures***

The Committee noted that the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures* together with the consequential amendments to other IFRS Accounting Standards in May 2024. The Committee considered that IFRS 19 has largely addressed stakeholders' concerns and taken up the major comments expressed in the Institute's comment letter. Accordingly, the Committee approved the issuance of HKFRS 19 *Subsidiaries without Public Accountability: Disclosures* (including the introduction to HKFRS 19) together with the consequential amendments to other HKFRSs in accordance with the Institute's international convergence policy. The Committee also considered and agreed with SSD's implementation support plan. The issuance of HKFRS 19 is expected by end of July.

SSD

[Post-meeting note: HKFRS 19 together with the consequential amendments to other HKFRSs were issued on 29 July 2024.]

6. **Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7**

The Committee noted that the IASB issued Amendments to IFRS 9 and IFRS 7 together with the consequential amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* in May 2024. The Committee considered that Amendments to IFRS 9 and IFRS 7 have substantially addressed stakeholders' concerns and taken up the major comments expressed in the Institute's comment letter. Accordingly, the Committee approved the issuance of Amendments to HKFRS 9 and HKFRS 7 together with the consequential amendments to HKFRS 19 in accordance with the Institute's international convergence policy. The Committee also considered and agreed with SSD's implementation support plan. The issuance of Amendments to HKFRS 9 and HKFRS 7 is expected in early August.

SSD

[Post-meeting note: Amendments to HKFRS 9 and HKFRS 7 together with the consequential amendments to HKFRS 19 were issued on 8 August 2024.]

7. **Priority of the IASB project *Post-implementation Review of IFRS 16 Leases***

The Committee received an update on the IASB project *Post-implementation Review of IFRS 16 Leases* and agreed that it should be a high priority project for the Institute considering that the standard has impacted many reporting entities in Hong Kong and the impact ranges from changes in the accounting policies and related accounting treatments to providing more extensive disclosures in the financial statements.

The Committee considered and agreed with SSD's project plan, which includes responding to the forthcoming IASB's Request for Information and performing outreach activities to seek stakeholders' views.

8. **Progress update of the HKICPA's sustainability standard-setting function and next steps**

The Committee received an update on the progress of the Institute's sustainability standard-setting function and next steps, which included:

- the SSD's timeline to finalise the technical feasibility study report to CASG; and
- the SSD's approach and latest timeline for developing local sustainability disclosure standards.

[Post-meeting note: A paper on the approach to developing HKFRS S1 and S2 was circulated to the FRSC on 15 July 2024 and approved on 20 July 2024.]

9. **ISSB's feedback statement on *Consultation on Agenda Priorities***

The Committee received an update on the ISSB's responses to the feedback on its agenda consultation and 2024–2026 work plan. The Committee noted the staff analysis of the ISSB's responses and considered that the Institute's comments have been considered and taken up where appropriate.

The Committee considered and agreed with SSD's implementation support activities for IFRS S1 and IFRS S2, which align with the ISSB's focus for its 2024-2026 work plan. The Committee also noted that SSD will closely monitor the ISSB's research projects on biodiversity, ecosystems, and ecosystem services and human capital, as well as their efforts to enhance SASB Standards. SSD will engage in discussions with the Committee regarding their work priorities in due course.

SSD

10. **Other business**

**Administrative matter**

The Committee noted that they are welcome 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 3 September 2024.

There being no further business, the meeting closed at 9:30 a.m.

GARY STEVENSON  
CHAIR

26 August 2024