



審計署
香港灣仔
告士打道七號
入境事務大樓
二十六樓

Audit Commission
26th Floor
Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

圖文傳真 Facsimile : 2824 2087
電話 Telephone : 2829 4204
電郵 E-mail : andrew_jc_chang@aud.gov.hk
網址 Website : http://www.aud.gov.hk

本署編號 Our Ref.: (43) in UG/ASN/HKI/0 VOL 5

來函編號 Your Ref.:

25 October 2010

Mr Steve Ong
Director, Standard Setting
Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

(Fax: 2865 6776)

Dear Mr Ong,

**Invitation to comment on Exposure Draft of Hong Kong Interpretation 5
Presentation of Financial Statements -
Classification by the Borrower of a Term Loan
that contains a Repayment on Demand Clause**

Thank you for your letter of 15 September 2010 inviting the Audit Commission to comment on the captioned subject.

We agree that a loan repayable under an agreement which includes a clause that gives the lender the unconditional right to call the loan at any time shall be classified by the borrower as current in its statement of financial position in accordance with paragraph 69(d) of HKAS 1. We consider that the Interpretation will provide useful guidance to entities on the classification of loans that contain a repayment on demand clause.

Yours sincerely,

(Andrew Chang)
for Director of Audit