



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

RECEIVED
HKICPA

2010 MAR 31 AM 11:15

電話號碼 Tel. No. : 2292 1370

傳真號碼 Fax. No. : 2259 8800

本局檔號 Our Ref. :

來函檔號 Your Ref. :

29 March 2010

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

By Post

Dear Mr Ong,

**Invitation to Comment on IASB Exposure Draft –
Measurement of Liabilities in IAS 37**


Thank you for your letter dated 12 January 2010 to Mr Darren McShane inviting the comments of the Mandatory Provident Fund Schemes Authority on the IASB Exposure Draft – Measurement of Liabilities in IAS 37. We are pleased to set out below our comments on the Exposure Draft for your consideration.

We understand that the Exposure Draft aims to align the criteria in IAS37 for recognizing a liability with those in other IFRSs, eliminate difference between IAS 37 and US GAAP in recognizing the costs of restructuring a business and improve measurement of liabilities in IAS37. Whilst the proposed changes will bring about consistencies, it is envisaged that they may cause fluctuations in liabilities when it turns out that the obligations do not exist. Moreover, although the requirement of re-measurement of provisions using an expected value model rather than the current best estimate approach makes comparison between reporting entities more feasible, it is expected that a lot of judgments and assumptions will need to be made under the expected value model and third party advice on valuation may also be required. As a result, it is likely that more efforts will be needed and costs will be incurred in

recognizing liabilities.

If you have any question on the above, please contact us.

Yours sincerely,



(Gabriella YEE)

Chief Manager

Policy Development & Research