



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  
26<sup>th</sup> 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

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來函編號 Your Ref.:

11 January 2011

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

(Fax: 2865 6776)

Dear Mr Ong,

**Invitation to comment on  
IASB Request for Views on Effective Dates and Transition Methods**

Thank you for your letter of 3 November 2010 inviting the Audit Commission to comment on the captioned subject.

The Audit Commission is responsible for the audit of the financial statements of the Government of the Hong Kong Special Administrative Region and those of funds of a public or quasi-public nature. The Commission has about 50 staff members who are engaged in the audit of financial information prepared in accordance with applicable Hong Kong Financial Reporting Standards.

Our comments on the proposals are as follows:

- (a) the proposed new IFRSs, especially those relating to fair value measurement and financial instruments, are likely to have a significant effect on our audit work. We expect that significant changes may have to be made to the financial statements of government funds and accounts upon implementation of the new proposals;
- (b) it is likely that there will be an increase in the audit and training costs, especially in the initial implementation period, to cater for changes arising from the new requirements;

- (c) it would be helpful if a sequential or phased approach is adopted for implementing the changes as it would allow more time for preparers of financial statements to plan and implement the changes; and
- (d) the IASB should also consider encouraging entities to adopt, as and when practicable, some or all of the new IFRSs before their effective dates.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Chang', with a long, sweeping horizontal stroke extending to the right.

(Andrew Chang)  
for Director of Audit