



Room 525, 5/F., Prince's Building, Central, Hong Kong  
Telephone: 2521 1160, 2521 1169 Facsimile: 2868 5035  
Email: info@hkab.org.hk Web: www.hkab.org.hk

香港中環太子大廈5樓525室  
電話：2521 1160, 2521 1169 圖文傳真：2868 5035  
電郵：info@hkab.org.hk 網址：www.hkab.org.hk

3 October 2011

By email: [commentletters@hkicpa.org.hk](mailto:commentletters@hkicpa.org.hk) & post

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

Dear Steve

**International Accounting Standards Board's Exposure Draft on Proposed Improvements to IFRSs (Fourth Set)**

We refer to your letter dated 2 August 2011 inviting our comments on the International Accounting Standards Board's Exposure Draft on Proposed Improvements to IFRSs (Fourth Set) issued in June 2011.

Our response to the specific questions raised in the exposure draft is attached. We would be pleased to further clarify or discuss any of our comments should you so wish.

Yours sincerely



Eva Wong  
Secretary

Enc.

*Chairman* Bank of China (Hong Kong) Ltd  
*Vice Chairmen* The Hongkong and Shanghai Banking Corporation Ltd  
Standard Chartered Bank (Hong Kong) Ltd  
*Secretary* Eva Wong Mei Seong

主席 中國銀行(香港)有限公司  
副主席 香港上海匯豐銀行有限公司  
渣打銀行(香港)有限公司  
秘書 黃美嫦

1



**Responses of the Hong Kong Association of Banks (“HKAB”) to the Specific Questions in the Exposure Draft of International Accounting Standards Board (“IASB”) - Proposed Improvements to IFRSs (Fourth Set)**

**IFRS 1 First-time Adoption of International Financial Reporting Standards – Repeated application of IFRS 1**

**Question 1:**

**Do you agree with the Board’s proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Question 2:**

**Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**IFRS 1 First-time Adoption of International Financial Reporting Standards – Borrowing costs relating to qualifying assets for which the commencement date for capitalization is before transition date**

**Question 1:**

**Do you agree with the Board’s proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Question 2:**

**Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Proposed amendments to IAS 1 Presentation of Financial Statements – Clarification of requirements for comparative information**

**Question 1:**

**Do you agree with the Board’s proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?**

We welcome the Board's clarification on the earliest required comparative period, and the proposal not to present related notes to the statement of financial position at the beginning of the earliest required comparative period on the basis that entities voluntarily providing additional information should not be discouraged from doing so by a requirement for full comparative disclosures. However, in order to enhance further clarity and for the avoidance of doubt, it would be sensible to include a definition of "required comparative period" in the "Definitions" section of the standard. This is because many entities comply not only with IFRSs, but also with standards set by other regulatory bodies, and the definition would inevitably aid the preparers' and users' understanding.

**Question 2:**

**Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Proposed amendments to IAS 1 Presentation of Financial Statements –  
Changes to reflect the Conceptual Framework for Financial Reporting 2010**

**Question 1:**

**Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Question 2:**

**Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Proposed amendments to IAS 16 Property, Plant and Equipment –  
Classification of servicing equipment**

**Question 1:**

**Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Question 2:**

**Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?**

Agree. However, the Exposure Draft should specify the amendment would be applied prospectively.

**Proposed amendments to IAS 32 Financial Instruments: Presentation – Income tax consequences of distributions to holders of an equity instrument, and of transaction costs of an equity transaction**

**Question 1:**

**Do you agree with the Board’s proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Question 2:**

**Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Proposed amendments to IAS 34 Interim Financial Reporting – Interim financial reporting and segment information for total assets**

**Question 1:**

**Do you agree with the Board’s proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.

**Question 2:**

**Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?**

Agree.