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ASSOCIATION
OF
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香港銀行公會

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By email: commentletters@hkicpa.org.hk & post

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

Dear Steve

International Accounting Standards Board's Exposure Draft of Government loans (Proposed amendments to IFRS 1)

We refer to your letter dated 15 November 2011 inviting our comments on the International Accounting Standards Board's Exposure Draft of Government loans (Proposed amendments to IFRS 1) issued in October 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.

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秘書 黃美嫦



Responses of the Hong Kong Association of Banks (“HKAB”) to the Specific Questions in the Exposure Draft of Government Loans (Proposed Amendments to IFRS 1)

Question 1:

The Board proposes to amend IFRS 1 so that first-time adopters would be required to apply paragraph 10A of IAS 20 prospectively to loans entered into on or after the date of transition to IFRSs, unless the information needed to apply these requirements to a government loan as a result of a past transaction was obtained at the time of initially accounting for that loan. Do you agree? Why or why not?

We support the proposal to eradicate the inconsistencies of applying paragraph 10A of IAS 20 between first-time adopters and existing adopters under the transition provision.

Question 2:

Do you have any other comments on the proposals?

No.