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來函請寄「香港郵政總局郵箱132號稅務局局長收」

ALL CORRESPONDENCE SHOULD BE ADDRESSED TO:—
COMMISSIONER OF INLAND REVENUE,
G.P.O. BOX 132, HONG KONG.

來函編號：
Your Ref.: **C/FRSC**

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IN ANY COMMUNICATION PLEASE QUOTE OUR FILE NO.

檔案號碼：**HQ 502/141 Pt.19**

File No.:

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Dear Mr. Riley,

**Invitation to Comment on IASB Exposure Draft
Sale or Contribution of Assets
Between an Investor and its Associate or Joint Venture:
Proposed Amendments to IFRS 10 and IAS 28**

I refer to your letter dated 8 January 2013 inviting for comments to the above IASB Exposure Draft ("ED").

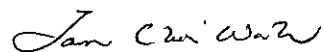
The ED aims to eliminate the inconsistency between the IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)*, i.e., the full recognition of gain or loss on loss of control of a subsidiary and the partial recognition of gain or loss for transactions involving assets between an investor and its associate or joint venture.

Specifically the ED proposes to amend IAS 28 (2011) making it clear that the current requirements for partial gain or loss recognition for transaction between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business. The gain or loss resulting from the sale or contribution of assets that constitute a business between an investor and its associate or joint venture is recognised in full.

The ED also proposes to amend IFRS 10 so that gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business between an investor and its associate or joint venture is recognised in the investor's financial statements only to the extent of the unrelated investors' interests in that associate or joint venture. In other words, gain or loss is recognised fully on the loss of control of a subsidiary that constitutes a business.

In general, I support the provision of specific guidance in the ED to eliminate existing inconsistency between the consolidation and joint arrangement standards. I would appreciate it very much if you could keep me informed of the development in the accounting and financial reporting standards in relation to the matter.

Yours sincerely,



(Mrs WU LAM Choi-wah)
for Commissioner of Inland Revenue