



CUSCS

香港中文大學專業進修學院
School of Continuing and Professional Studies
The Chinese University of Hong Kong

14 February 2014

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

Dear Mr. Riley,

Comment on IASB Exposure Draft of Annual Improvements to IFRSs 2012-2014 Cycle

In response to your letter as of 2 January 2014, we are pleased to provide our views on the captioned Exposure Draft as shown in the attached document.

If you need further information, please feel free to contact our Programme Leader, Ms. Maggie Tsong at 3943-9123 or by email at mtsong@cuhk.edu.hk. Thank you.

Yours faithfully,

Ella Chan
Director

Encl.

cc: Maggie Tsong
Programme Leader, Business & Management Division

Comment on IASB Exposure Draft of Annual Improvements to IFRSs 2012-2014 Cycle

In response to the questions proposed in the Exposure Draft, the following comments are given for the Committee's consideration:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Question 1—Proposed amendment

To echo the need of clarification from the community, we agree that changes in methods of disposal by including those assets being held for distribution should be dealt with in the revised IFRS 5. Given the similar nature and effects of the assets being held for sale or for distribution, we agree at the proposal that the classification, presentation and measurement requirements in IFRS 5 that are applicable for an asset (or disposal group) being classified as held for sale also apply to an asset that is classified as held for distribution.

Question 2—Transition provisions and effective date

We agree at the IASB proposal that the change should be applied prospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* for annual periods beginning on or after 1 January 2016.

IAS 19 Employee Benefits

Question 1—Proposed amendment

We agree at the IASB proposal that the rate used to discount post-employment benefit obligations shall be determined by reference to market yields on high quality corporate bonds and in the same currency with the post-employment benefit obligations. The proposed discount rate is reasonable and could reflect the potential risk and benefit of the liabilities.

Question 2—Transition provisions and effective date

The proposed retrospective treatment for the changes with effect on or after 1 January 2016 is appropriate.

IAS 34 *Interim Financial Reporting*

Question 1—Proposed amendment

It is good to see that “elsewhere in the interim financial report” for the disclosure of information is clarified in the revised IAS 34 and the inclusion of a cross-reference from the interim financial statements to the location of this information is required in the proposal. It definitely helps the readers of financial reports better understand the entities’ financial performance.

Question 2—Transition provisions and effective date

The proposed retrospective treatment for the changes with effect on or after 1 January 2016 is appropriate.