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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

來函請敘明本局檔案號碼
IN ANY COMMUNICATION PLEASE QUOTE OUR FILE NO.

檔案號碼：HQ 502/141 Pt. 28
File No.:

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Dear Ms Ng,

**Exposure Draft (ED/2015/10)
Annual Improvements for 2014 – 2016 Cycle**

I refer to your letter dated 7 December 2015 inviting our comments on the exposure draft (“the Exposure Draft”) issued by the International Accounting Standards Board (“IASB”) in respect of the proposed amendments to three International Financial Reporting Standards (“IFRS”) and International Accounting Standard (“IAS”) as part of its Annual Improvements project.

2. In the Exposure Draft, IASB proposes to:

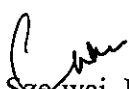
- (a) delete the exemptions and requirement in paragraphs E3 to E7 of IFRS 1;
- (b) amend IFRS 12 to clarify that the disclosure requirements therein, except for those in paragraphs B10 to B16, apply to an entity's interests that are classified as held for sale, as held for distribution to owners or as discontinued operations in accordance with IFRS 5; and
- (c) amend IAS 28 to clarify that a venture capital organization or other qualifying entity may elect to measure each investment in an associate or joint venture at fair value through profit or loss on an investment-by-investment basis upon initial recognition.

3. We generally support the proposed amendments as they are meant to remove the outdated or unnecessary provisions, and enhance clarity of the relevant standards. As regards the transition provisions, we consider that the proposed amendment in paragraph 2(a) above should take effect only after the expiry of the exemptions concerned. Since the proposed amendments in paragraph 2(b) and (c) above are aimed

at clarifying certain treatments in IFRS 12 and IAS 28, we are of the view that they should be applied as soon as possible.

4. We are grateful for the opportunity to provide our comments on the Exposure Draft.

Yours sincerely,


(CHAN Sze-wai, Benjamin)
for Commissioner of Inland Revenue