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本署編號 Our Ref.: (5) in UG/ASN/HKI/0 VOL 4

來函編號 Your Ref.:

21 October 2009

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Hong Kong Institute of Certified Public Accountants  
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(Fax: 2865 6776)

Dear Mr Ong,

**Invitation to Comment on  
IASB Exposure Draft of Rate-regulated Activities**

Thank you for your letter of 11 August 2009, inviting the Audit Commission to comment on the captioned subject.

We support the proposals mentioned in the Exposure Draft. The failure to recognise regulatory assets and regulatory liabilities when they exist would make unlike situations look alike. We welcome the proposed disclosure requirements, in particular, the reconciliation, from the beginning to the end of the period, of the carrying amounts of the various categories of regulatory items. The proposals improve financial reporting and consequently economic decision-making.

Yours sincerely,

(John Chu)  
for Director of Audit