



28 August 2009

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

INVITATION TO COMMENT ON IASB EXPOSURE DRAFT OF *PROPOSED IMPROVEMENTS TO IFRSs* (THIRD SET)

Comments to be received by 16 November 2009

The Hong Kong Institute of Certified Public Accountants' (Institute) Financial Reporting Standards Committee (FRSC) is seeking comments on the IASB Exposure Draft which has been posted on the Institute's website at:

www.hkicpa.org.hk/professionaltechnical/accounting/exposedraft/content.php.

The IASB Exposure Draft reflects issues discussed by the IASB in the project cycle that began last year. This is the third set of proposals under the IASB's annual improvements process which is intended to deal with non-urgent but necessary amendments to Standards. The proposals range from clarification of the measurement of non-controlling interests in IFRS 3 *Business Combinations* (as revised in 2008) to changes of wording to clarify the meaning of IFRSs and remove unintended inconsistencies.

The proposed effective date for most of the amendments is for annual periods beginning on or after 1 January 2011, although entities would be permitted to adopt them earlier. The proposed effective date for the amendments arising from IFRS 3 and the consequential amendments to the transition requirements of IAS 27 *Consolidated and Separate Financial Statements* (as amended in 2008) is 1 July 2010.

In accordance with the Institute's Convergence Due Process, comments are invited from any interested party. The FRSC would like to hear from both those who do agree and those who do not agree with the proposals contained in the IASB Exposure Draft.

Comments should be supported by specific reasoning and should be submitted in written form.

To allow your comments on the IASB Exposure Draft to be considered, they are requested to be received by the Institute on or before **16 November 2009**.

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.



Lists of the proposed 11 separate amendments addressed by the Exposure Draft

IFRS	Subject of amendment
IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>	Accounting policy changes in the year of adoption
	Revaluation basis as deemed cost
IFRS 3 <i>Business Combinations</i>	Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS
	Measurement of non-controlling interests
	Un-replaced and voluntarily replaced share-based payment awards
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Application of IFRS 5 to loss of significant influence over an associate or a jointly controlled entity
IFRS 7 <i>Financial Instruments: Disclosures</i>	Clarifications of disclosures
IAS 1 <i>Presentation of Financial Statements</i>	Clarification of statement of changes in equity
IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	Change in terminology to the qualitative characteristics
IAS 27 <i>Consolidated and Separate Financial Statements</i>	Impairment of investments in associates in the separate financial statements of the investor
	Transition requirements for amendments made as a result of IAS 27 (as amended in 2008) to IAS 21, IAS 28 and IAS 31
IAS 28 <i>Investments in Associates</i>	Partial use of fair value for measurement of associates
IAS 34 <i>Interim Financial Reporting</i>	Significant events and transactions
IAS 40 <i>Investment Property</i>	Change from fair value model to cost model
IFRIC 13 <i>Customer Loyalty Programmes</i>	Fair value of award credit