



17 December 2012

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

**INVITATION TO COMMENT ON IASB EXPOSURE DRAFT OF ACQUISITION
OF AN INTEREST IN A JOINT OPERATION (PROPOSED AMENDMENT TO
IFRS 11)**

Comments to be received by 18 March 2013

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:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/>.

As stated in the IASB's press release, accompanying the Exposure Draft, IFRS 11 *Joint Arrangements* does not give explicit guidance on the accounting for acquisitions of interests in joint operations. The objective of the proposed amendment is to add new guidance to IFRS 11 on accounting for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3 *Business Combinations*.

The IASB proposes that acquirers of such interests shall apply the relevant principles on business combination accounting in IFRS 3 and other Standards, and disclose the relevant information specified in these Standards for business combinations.

The issue originated from a submission to the IFRS Interpretations Committee. As a result, the Interpretations Committee recommended that the IASB should amend IFRS 11.

The FRSC invites your comments on the proposals. Comments should be supported by specific reasoning and should be submitted in written form. To allow your comments to be considered, in developing its response to the IASB, the FRSC requests your comments to be received by the Institute on or before **18 March 2013**.

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

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

Fax number (+852) 2865 6776
E-mail: commentletters@hkicpa.org.hk

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