



8 May 2012

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 (FIFTH SET)*

Comments to be received by 1 August 2012

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/>.

The IASB Exposure Draft reflects issues discussed by the IASB in the project cycle that began in 2010. These amendments meet the criteria for the annual improvements process that were approved by the IFRS Foundation Trustees in February 2011 as part of a revision to the Due Process Handbook for the IASB.

The proposed effective date for the amendments is for annual periods beginning on or after 1 January 2014, while the amendment to IFRS 3 *Business Combinations* and the proposed consequential amendment to IFRS 9 *Financial Instruments* are for annual periods beginning on or after 1 January 2015. Early adoption is permitted for all the proposed amendments.

Lists of the topics addressed by these amendments

IFRS	Subject of amendment
IFRS 2 <i>Share-based Payment</i>	Definition of 'vesting condition'
IFRS 3 <i>Business Combinations</i>	Accounting for contingent consideration in a business combination
IFRS 8 <i>Operating Segments</i>	Aggregation of operating segments
	Reconciliation of the total of the reportable segments' assets to the entity's assets
IFRS 13 <i>Fair Value Measurement</i>	Short-term receivables and payables
IAS 1 <i>Presentation of Financial Statements</i>	Current/non-current classification of liabilities
IAS 7 <i>Statement of Cash Flows</i>	Interest paid that is capitalised
IAS 12 <i>Income Taxes</i>	Recognition of deferred tax assets for unrealised losses
IAS 16 <i>Property, Plant and Equipment</i> IAS 38 <i>Intangible Assets</i>	Revaluation method – proportionate restatement of accumulated depreciation
IAS 24 <i>Related Party Disclosures</i>	Key management personnel
IAS 36 <i>Impairment of Assets</i>	Harmonisation of disclosures for value in use and fair value less costs of disposal

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 **1 August 2012**.

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

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37th Floor, Wu Chung House
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Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.