



4 December 2013

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

INVITATION TO COMMENT ON IASB EXPOSURE DRAFT OF *EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS (PROPOSED AMENDMENTS TO IAS 27)*

Comments to be received by 3 January 2014

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/file/media/section6_standards/standards/FinancialReporting/ed-pdf-2013/eqmethod.pdf

As stated in the IASB's press release, accompanying the Exposure Draft, the proposed amendments to IAS 27 *Separate Financial Statements* would allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate (parent only) financial statements.

The IASB expects the proposed change will reduce compliance costs for many entities, while providing information helpful to an assessment of the investor's net assets and profit or loss.

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 **3 January 2014**.

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

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