



Banking Policy Department

Our Ref. : B1/7C

26 August 2004

Mr Simon Riley
Technical Director (Financial Reporting)
Hong Kong Society of Accountants
4th Floor, Tower Two
Lippo Centre
89 Queensway
Hong Kong

Dear Simon,

Consultation Paper – Proposed Implementation of a Small and Medium-Sized Entity Financial Reporting Framework and Financial Reporting Standard

Thank you for allowing us to comment on the captioned paper.

We are pleased to note that the Society has taken up, substantially, the suggestions raised in our response letter of 30 October 2002 to your first consultation paper. We would, nonetheless, like to request the Society to re-consider requiring the reporting of information relating to construction contracts as such information is desired by our banks for a complete and proper credit assessment.

We trust that the Society will monitor developments on the IASB front to ensure consistency if a similar reporting framework is developed for the international community.

If you have any queries, please feel free to contact Mr Eric Wong on 2878-8279 or Ms Kennis Hui on 2878-8228.

Yours sincerely,

Michelle Quock
Head, Banking Policy