



31 July 2024

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

**INVITATION TO COMMENT ON THE IASB EXPOSURE DRAFT
Amendments to IFRS 19
Subsidiaries without Public Accountability: Disclosures**

Comments to be received by 16 October 2024

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the International Accounting Standards Board (IASB) Exposure Draft *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*. The Exposure Draft is available on the Institute's website:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/fred>

IFRS 19 simplifies financial reporting for eligible subsidiaries, enabling them to apply IFRS Accounting Standards with reduced disclosure requirements¹. To expedite the issuance of IFRS 19, the IASB decided that IFRS 19 would initially include full disclosure requirements from new IFRS Accounting Standards and amendments issued after the cut-off date of February 2021.

As IFRS Accounting Standards are developed and amended, IFRS 19 will be amended alongside them. The IASB is consulting on whether and how to reduce disclosure requirements from new IFRS Accounting Standards and amendments issued between February 2021 and May 2024, so that any amendments to the requirements are effective at the same time as IFRS 19.

The proposals would reduce or simplify the disclosure requirements related to:

- Lack of Exchangeability (Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*);
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12 *Income Taxes*);
- Supplier Finance Arrangements (Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*);
- IFRS 18 *Presentation and Disclosure in Financial Statements*; and
- Non-current Liabilities with Covenants (Amendments to IAS 1 *Presentation of Financial Statements*).

The ED also includes indicative disclosure requirements from the prospective Accounting Standard *Regulatory Assets and Regulatory Liabilities* and asks for feedback on whether these requirements would be practical for eligible subsidiaries.

The FRSC invites your comments on the Exposure Draft by **16 October 2024** to allow your comments to be considered in developing its response to the IASB. Comments should be supported by specific reasoning and should be submitted in written form.

¹ *Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in preparing their consolidated financial statements.*

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

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37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Fax number (+852) 2865 6603

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