



24 June 2013

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

INVITATION TO COMMENT ON IASB EXPOSURE DRAFT OF *INSURANCE CONTRACTS*

Comments to be received by 25 September 2013

The Hong Kong Institute of Certified Public Accountants' (HKICPA) 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/ed_ic.pdf

As stated in the IASB's press release, the Exposure Draft builds upon proposals published in 2010, and reflects feedback received during the extensive public consultation period that followed the publication of those proposals. The revised proposals aim to provide a consistent basis for accounting for insurance contracts and to make it easier for users of financial statements to understand how insurance contracts affect an entity's financial position, financial performance and cash flows. While the model presented in the 2010 Exposure Draft was broadly supported, some specific issues were raised that the IASB has sought to address. The revised proposals respond to those issues by introducing enhancements to the presentation and measurement of insurance contracts while seeking to minimise artificial accounting volatility.

The revised Exposure Draft sets out in full the proposals for the accounting for insurance contracts. However, respondents are asked to comment on the key areas that the IASB has changed as a result of the responses received on the 2010 Exposure Draft.

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 HKICPA on or before **25 September 2013**.

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

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