



**24 March 2006**

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

**INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB) EXPOSURE  
DRAFT OF PROPOSED AMENDMENTS TO IAS 1 *PRESENTATION OF  
FINANCIAL STATEMENTS***

The International Accounting Standards Board (IASB) has issued an exposure draft (ED) of Proposed Amendments to IAS 1 *Presentation of Financial Statements*.

The IASB's Exposure Draft and the related press release have been posted on the website of the Hong Kong Institute of CPAs (Institute) at [www.hkicpa.org.hk/professionaltechnical/accounting/exposedraft/content.php](http://www.hkicpa.org.hk/professionaltechnical/accounting/exposedraft/content.php) which can also be found on-line at: [www.iasb.org](http://www.iasb.org).

The proposed amendments to IAS 1 are aimed at enabling entities to present more clearly the financial information, in particular income and expenses, that is already required to be presented in accordance with the IASB's standards. Under the proposals an entity would present all income and expenses separately from changes in its equity that arise from transactions with its owners. Entities would have a choice of presenting income and expenses in a single statement or in two statements. An entity would also be required to include in its set of financial statements a statement showing its financial position (or balance sheet) at the beginning of the previous period.

The Institute's Financial Reporting Standards Committee (FRSC) invites comments on the IASB Exposure Draft from any interested party and would like to hear from both those who do agree and those who do not agree with the proposals contained in it. Comments should be supported by specific reasoning and should preferably be submitted in written form.

To allow your comments on the IASB Exposure Draft to be considered and included in the Institute's responses to the IASB, comments are invited by **3 July 2006**.

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.