



27 August 2014

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

**INVITATION TO COMMENT ON IASB EXPOSURE DRAFT OF *RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALISED LOSSES (PROPOSED AMENDMENTS TO IAS 12)***

***Comments to be received by 14 November 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-2014/ed\\_ias12.pdf](http://www.hkicpa.org.hk/file/media/section6_standards/standards/FinancialReporting/ed-pdf-2014/ed_ias12.pdf)

As stated in the IASB's press release, accompanying the Exposure Draft, IAS 12 *Income Taxes* addresses the accounting for income taxes, including deferred tax assets. The amendments propose guidance that clarifies how to account for deferred tax assets related to debt instruments measured at fair value.

The draft amendments are proposed in response to diversity in practice and are relevant in circumstances in which the entity reports tax losses.

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 **14 November 2014**.

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

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Hong Kong Institute of Certified Public Accountants  
37<sup>th</sup> Floor, Wu Chung House  
213 Queen's Road East  
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Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.