



Our Ref.: C/FRSC

Sent electronically through email (improvementscriteria@ifrs.org)

30 November 2010

IFRS Foundation
To the Trustees
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sirs,

[IFRS Foundation Consultation Document on *The annual improvements process: Proposals to amend the Due Process Handbook for the IASB*](#)

The Hong Kong Institute of Certified Public Accountants is the only body authorised by law to promulgate financial reporting, auditing and ethical standards for professional accountants in Hong Kong. We welcome the opportunity to provide you with our comments on the captioned Consultation Document.

We welcome the initiative of the Trustees to formalise the detailed criteria in the IASB Due Process Handbook for assessing the appropriateness of amendments to IFRSs for inclusion in the Annual Improvements. In the past, we have expressed our concerns in our submissions that some issues included in the Annual Improvement projects were significant and may pre-empt changes that may be made to current IASB projects.

In general, we support the proposals and agree that the enhanced criteria can assist the IASB and interested parties to assess the appropriateness of amendments to IFRSs for inclusion in annual improvements. We support the principle that is proposed in paragraph 65A(a) for Annual Improvements, i.e. an amendment should not introduce a new principle. We believe that changes in principle should be addressed as separate projects to enable constituents have sufficient time to respond to proposals and provide comments.

If you have any questions on our comments, please do not hesitate to contact me at ong@hkcipa.org.hk.

Yours faithfully,

Steve Ong, FCPA, FCA
Director, Standard Setting Department

SO/WC/jn