



Our Ref.: C/FRSC

Sent electronically through the IASB Website (www.ifrs.org)

22 February 2016

Mr Hans Hoogervorst
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Hans,

IASB Exposure Draft ED/2015/10 *Annual Improvements to IFRS 2014-2016 Cycle*

The Hong Kong Institute of Certified Public Accountants is the only body authorised by law to set and promulgate standards relating to financial reporting, auditing, and ethics for professional accountants, in Hong Kong. We are grateful for the opportunity to provide you with our comments on this Exposure Draft.

We welcome the IASB's annual improvements to make necessary, but non-urgent, amendments to IFRSs that address inconsistencies in the application of Standards and clarify the wording in a Standard.

We support the proposed amendments in ED/2015/10. Our responses to the questions raised in ED/2015/10 are explained in more detail in the Appendix.

If you have any questions regarding the matters raised in this letter, please contact me or Katherine Leung, Manager in the Standard Setting Department (katherineleung@hkicpa.org.hk).

Yours sincerely,

Christina Ng
Head of Financial Reporting

CN/KL
Encl.

Detailed comments on IASB Exposure Draft ED/2015/10 *Annual Improvements to IFRS 2014-2016 Cycle*

Question 1—Proposed amendment

Do you agree with the IASB's proposal to amend the Standards as described in the Exposure Draft?

If not, why and what alternative do you propose?

Question 2—Transition provisions

Do you agree with the proposed transition provisions as described in the Exposure Draft?

If not, why and what alternative do you propose?

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

We support the IASB's proposed amendments to IFRS 1 as the reliefs for the respective reporting periods have now passed.

We consider that the effective date of the proposed amendments to IFRS 1 should be no earlier than 1 January 2018.

IFRS 12 *Disclosure of Interests in other Entities*

We support the IASB's proposed amendments to IFRS 12 to clarify the scope of the Standard and the rationale stated in paragraph BC4 of the proposed amendments to IFRS 12.

We consider that the proposed amendments to IFRS 12 should be applied retrospectively because an entity is likely to have the necessary information for disclosure with respect to the interests that are classified as held for sale or discontinued operations in the comparative period to enhance the comparability of financial information. We suggest that the IASB explicitly states this in paragraph C1D of IFRS 12. Since the proposed amendments to IFRS 12 are clarification in nature, we suggest that the effective date should be as soon as possible.

IAS 28 *Investments in Associates and Joint Venture*

We support the IASB's proposed amendments to IAS 28 to clarify that the election in paragraphs 18 and 36A of IAS 28 is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition of each investment.

We consider that the proposed amendments to IAS 28 should be applied retrospectively in accordance with paragraph 19(b) of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. We suggest that the IASB explicitly states this in paragraph 45E of IAS 28.

~ End ~