



Our Ref.: C/FRSC

**Sent electronically through the IASB Website ([www.iasb.org](http://www.iasb.org))**

21 January 2009

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

Dear Sirs,

**[IASB Exposure Draft of Proposed amendments to IFRIC 9 and IAS 39 - Embedded Derivatives](#)**

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 Exposure Draft.

We are supportive of the IASB's proposal in clarifying the uncertainty regarding the interaction between the October 2008 amendments to IAS 39 and IFRIC 9 regarding the assessment of embedded derivatives. We believe that the proposed amendments will provide much needed clarification on what the IASB intended in the first place and result in more consistent application of the accounting for embedded derivatives in the case of reclassification of a financial asset out of the fair value through profit or loss category.

Whilst we generally do not support retroactive application dates, we agree that an accelerated implementation of these particular amendments is appropriate, for the reasons set out by the IASB at BC9.

If you have any questions on our comments, please do not hesitate to contact me at [ong@hkcipa.org.hk](mailto:ong@hkcipa.org.hk).

Yours faithfully,

Steve Ong, FCA, FCPA  
Director, Standard Setting Department

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