



BY E-MAIL AND BY POST

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20 May 2004

The International Financial Reporting Interpretations Committee,
International Accounting Standards Board,
30 Cannon Street,
London EC4M 6XH,
United Kingdom.

Dear Sirs,

**International Financial Reporting Interpretations Committee
- IFRIC Draft Interpretation D5**

We support the IFRIC's initiative in issuing D5 Applying IAS 29 *Financial Reporting in Hyperinflationary Economies* for the first time, to provide practical guidance on the initial application of hyperinflation accounting, including how to restate comparatives and how to calculate opening deferred tax balance. We believe that it would assist in clarifying some of the anomalies currently existed in IAS 29.

We however find the illustrative example in the draft interpretation difficult to follow. We consider that it could be improved by giving more details about the calculation for each of the balance appearing in the restated balance sheet and income statement.

If you have any questions on our comments, please do not hesitate to contact Mr. Simon Riley, Technical Director (Financial Reporting) at the Society, in the first instance.

Yours faithfully,

WINNIE C.W. CHEUNG
CHIEF EXECUTIVE & REGISTRAR
HONG KONG SOCIETY OF ACCOUNTANTS

WCC/SR/al