

Consultation on Exposure Drafts of HKFRS S1 and S2 (The Bank of East Asia, Limited)

| No. | Questions | Comments / Recommendations |
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| 1. | <p>Question 1— Do you agree with the proposal to issue HKFRS S1 and S2 on a fully converged basis with IFRS S1 and S2 with an effective date of 1 August 2025?</p> | <p>Agree, fully aligning HKFRS S1 and S2 with IFRS S1 and S2 would ensure consistency and comparability in sustainability reporting across different jurisdictions.</p> <p>However, there is some confusion surrounding HKFRS S2 and the HKEX’s enhanced climate disclosure under HKEX ESG Reporting Code. To aid companies in their preparation, it would be beneficial to establish a clear timeline for transitioning from the existing HKEX climate disclosure regulations to HKFRS S2.</p> <p>Furthermore, the difference between the effective date and the implementation date has caused confusion among companies as well.</p> |
| 2. | <p>Question 2— Do you have any other comments on the HK EDs?</p> | <p>Recommend clarifying that HKFRS S1 and S2 are not included within the scope of HKFRS accounting standards, as the term 'HKFRS' can lead to some confusion.</p> <p>Additionally, it would be helpful if the Standards offer implementation guidance, complete with illustrative examples, to assist companies in adhering to the disclosure requirements.</p> <p>Application guidance on how company to assess insufficient skills, capabilities or resources for quantitative anticipated financial effects is suggested.</p> <p>Clarification and interaction on materiality assessment between HKFRS S1, S2 and other sustainability reporting framework (e.g. GRI) is suggested.</p> |