



Your Ref : C/FRSC  
Our Ref : Lv031/20

**By Email only** ([commentletters@hkiipa.org.hk](mailto:commentletters@hkiipa.org.hk))

25 May 2020

Mr Chris Joy  
Executive Director, Standards and Regulation  
Hong Kong Institute of Certified Public Accountants

Dear Mr Joy

**Invitation to Comment on IASB Exposure Draft ED/2020/3 Classification of Liabilities as Current or Non-current—Deferral of Effective Date (Proposed amendment to IAS 1)**

Thank you for your letter dated 6 May 2020 inviting us to comment on the subject matter.

We have received the following comments from one of our member companies:

**Question**

The Board proposes to defer the effective date of amendments to IAS 1, Classification of Liabilities as Current or Non-current, to annual reporting periods beginning on or after 1 January 2023. Do you agree with the proposal? Why or why not?

**Comments**

We agreed with the proposal, the deferral of the effective date will provide more time for us to prepare for the financial statements presentation and reassess the impacts of the reclassification of current and non-current of liabilities. The deferral will allow entity to reassess the terms of the liabilities especially for debt covenants though not material for our company.

The above opinions were provided for your reference. Should you need further information, please let us know.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Maggie Leung', written in a cursive style.

Maggie Leung  
Senior Manager - Communications & Committee

ML/sw