



10 November 2005

**To: Members of the Hong Kong Institute of CPAs
All other interested parties**

IASB Discussion Paper On Management Commentary

The International Accounting Standards Board (IASB) has issued a Discussion Paper on Management Commentary for consultation.

The IASB's discussion paper and press release have been posted on the website of the Hong Kong Institute of CPAs (Institute) at www.hkicpa.org.hk/professionaltechnical/accounting/exposedraft/content.php which can also be found on-line at: www.iasb.org.

The Discussion Paper is a first step in the possible development by the IASB of a standard or guidance covering Management Commentary (known as Management's Discussion & Analysis (MD&A) in the USA and Canada and Operating and Financial Review in the UK). The Discussion Paper proposes that Management Commentary should supplement and complement financial statement information, provide an analysis of the entity through the eyes of management, and have an orientation to the future. The Discussion Paper seeks views as to whether such information should be provided within the financial statements or as an adjunction to the financial statements.

The Institute's Financial Reporting Standards Committee invites comments on the IASB's Discussion Paper from any interested party and would like to hear from both those who do agree and those who do not agree with the proposals contained in it. Comments should be supported by specific reasoning and should preferably be submitted in written form.

To allow your comments on the IASB's Discussion Paper to be considered and included in the Institute's response to the IASB, comments are invited by **12 April 2006**.

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.