



3 September 2018

To: Preparers of Financial Reports

Roundtable discussion: 30 October 2018 Distinction between debt and equity

Has your company issued convertible financial instruments? Was it difficult to classify these instruments as debt or equity?

The Hong Kong Institute of CPAs will host a roundtable discussion to share the latest thinking on how these instruments could be reported in the future. Preparers of financial reports are invited to join this roundtable to share their views or concerns on the latest ideas and the challenges today in accounting for these instruments.

Background of the roundtable

With a growing number of financial instruments that have unique debt and equity features, companies find it challenging to classify these complex instruments. At the same time, investors want to understand the consequences of these financial instruments on a company's financial position and performance, and call for better information.

In response to such feedback, [a Discussion Paper](#) has been published with ideas that aim to provide clearer principles for classifying and disclosing these financial instruments.

Why you should attend this roundtable?

The ideas in the Discussion Paper could change the existing classification and presentation of some financial instruments which could, in turn, affect your company's financial position and performance. They may also change the way you structure financial products for future fund raising.

If you would like to understand the effect of the ideas in the Discussion Paper and have a say in how complex financial instruments should be reported, you should attend this roundtable.

If you cannot attend the roundtable but would like to share and discuss the Discussion Paper, please email eky@hki CPA.org.hk.

Details of the roundtable

Date: 30 October, Tuesday
Time: 4:00 pm – 5:00 pm: briefing on the ideas
5:00 pm – 6:00 pm: discussion and Q&As
Venue: HKICPA Boardroom, 37/F, Wu Chung House,
213 Queen's Road East, Wanchai, Hong Kong

Discussion materials will be provided closer to the date.

To register, please email outreachhk@hki CPA.org.hk your name, organisation and contact number.