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來函編號 Your Ref:

7 June 2010

Mr Steve Ong
Director, Standard Setting
Hong Kong Institute of Certified Public Accountants
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Wanchai, Hong Kong

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Dear Mr Ong,

**Invitation to Comment on IASB Exposure Draft:
Financial Instruments: Amortised Cost and Impairment**

Thank you for your letter of 30 November 2009, inviting the Audit Commission to comment on the captioned subject.

We support the proposed move from the current incurred loss model for the impairment of financial assets to one based on expected losses. The proposed presentation and disclosure enhance transparency regarding interest revenue, credit losses and the credit quality of financial assets.

Yours sincerely,

(John Chu)
for Director of Audit