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BY FAX (2865 6776) & BY Mail

3 March 2011

Mr Steve Ong, FCA, FCPA
Director, Standard Setting
Hong Kong Institute of Certified Public Accountants
37/F Wu Chung House
213 Queen's Road East
Wanchai
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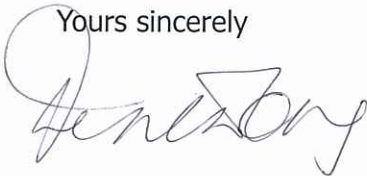
Dear Mr Ong

Invitation to comment on IASB Supplement to Exposure Draft of Financial Instruments: Impairment ("Supplement")

Further to our letter to you dated 1 March 2011 wherein we advised that we do not have any comments, we have since received comments from a member company as follows for your consideration:

1. How to derive "expected credit losses" is not clearly spelled out in the Supplement. It is subject to interpretation of the credit risk management committee, if any, of the reporting entity;
2. Although the Supplement suggests when the collectability of a financial asset becomes uncertain to a level that it changes from receiving regular payment to recovery, it is also subject to the justification of the credit risk management committee;
3. The Supplement applies to "open portfolio", the impact to solvency requirement of any insurance entity has to be evaluated were the approach extended to "held to maturity" or other portfolios.

Yours sincerely



Irene Wong
General Manager

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