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來函請寄「香港郵政總局郵箱 132 號稅務局局長收」

ALL CORRESPONDENCE SHOULD BE ADDRESSED TO:—
COMMISSIONER OF INLAND REVENUE,
G.P.O. BOX 132, HONG KONG.

來函編號:

Your Ref.:

來函請敘明本局檔案號碼

IN ANY COMMUNICATION PLEASE QUOTE OUR FILE NO.

檔案號碼: HQ 502/141 Pt.16

File No.:

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Date of Issue:

Dear Mr. Ong,

Re: Invitation to Comment on IASB Consultation Documents

I refer to your letter dated 15 November 2011 inviting for comments.

(I) IASB Exposure Draft of Investment Entities

The exposure draft proposes that investment entities should be exempt from the consolidation requirements, and instead be required to measure their controlled investments at fair value through profit and loss. It is also proposed in the exposure draft the criteria an entity has to meet to qualify as an investment entity.

In general, I agree to the proposed criteria for determining whether an entity is an investment entity.

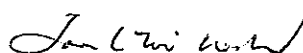
However, in terms of provision of better information to users of the financial statements, I agree to the alternative views of the dissenting members of the Board that consolidated financial statements present the financial position, results of operations and cash flows of the controlling and controlled entities in combination, this information is useful to users (i.e.AV6).

I also agree that without having to introduce exceptions to the consolidation principle, the needs of users would be better served by consolidating controlled investees, and either disclosing the fair value information in the notes to the financial statements or providing separate financial statements for the parent entity showing all controlled investees at fair value. In this way, users would be provided with information not only about the fair value of the reporting entity's investments in controlled investees but also about the activities of controlled investees (i.e. AV5).

(II) IASB Exposure Draft of Government Loans (Proposed amendments to IFRS 1)

I support the Board's proposal that a first-time adopter would be required to apply paragraph 10A of IAS 20 prospectively to loans entered into on or after the date of transition to IFRSs, unless the information needed to apply these requirements to a government loan as a result of a past transaction was obtained at the time of initially accounting for that loan.

Yours sincerely,



(Mrs WU LAM Choi-wah)

for Commissioner of Inland Revenue