

Jenny Ng

Subject: FW: Comment on Consultation Draft of SME-FRF and SME-FRS

From: Raymond Yuen [<mailto:>]
Sent: Tuesday, August 27, 2013 6:18 PM
To: P.T. Comment Letter
Subject: Comment on Consultation Draft of SME-FRF and SME-FRS

Dear Sir,

Agree with the exemptions of small companies from preparing consolidation is good initiatives as this is a big administrative cost to them. However, would like to propose that, for some companies, this exemption should not apply:

For instance, the subsidiary is important and significant part of the group, especially, the subsidiary is incorporated and operates elsewhere and not subject to the Company Registry annual return requirements.

Secondly, if the subsidiary is having huge portion of the liabilities of the group, then, this exemption should not apply.

Otherwise, this is good help to the small companies. In fact, during the glamorous 1950-1980, Japanese GAAP did not have consolidation requirements but did not hinder the fast growth of the Japan economy.

Thanks for inviting me to comment.

Best wishes for Hong Kong and the accounting professions.

Warmest regards,

Raymond YUEN