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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.: C/FRSC

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IN ANY COMMUNICATION PLEASE QUOTE OUR FILE NO.

檔案號碼：

File No.: HQ 502/141 Pt.24

Mr. Simon Riley
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Hong Kong Institute of
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3 January 2014

Dear Mr. Riley,

**IASB Exposure Draft of
Equity Method in Separate Financial Statements
Proposed amendments to IAS 27**

I refer to your letter dated 16 December 2013 inviting for comments.

In the Exposure Draft, IASB is proposing to permit the equity method as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The equity method option was removed in 2003. The Exposure Draft proposing restoration is issued in response to strong requests for inclusion of the method as an option. The IASB expects the proposed restoration will reduce compliance costs for many entities, while providing information helpful to an assessment of the investor's net assets and profit or loss.

In far as tax administration is concerned, we are largely neutral and have no specific comments to make to the questions raised in the Exposure Draft. In general, we support the restoration of equity method option to facilitate entities which are subject to regulatory requirements to prepare separate financial statements and account for their investments in subsidiaries, joint ventures and associates using the equity method.

In all events, I would appreciate it very much if you could keep me informed of the development of the matter.

Yours sincerely,

Jan Choi Wah

(Mrs WU LAM Choi-wah)
for Commissioner of Inland Revenue