



31 December 2008

To: **Members of the Hong Kong Institute of CPAs**  
**All other interested parties**

**INVITATION TO COMMENT ON IASB EXPOSURE DRAFT OF PROPOSED  
AMENDMENTS TO IFRS 7 – INVESTMENTS IN DEBT INSTRUMENTS**

***Comments to be received by 13 January 2009***

The Hong Kong Institute of Certified Public Accountants' (Institute) Financial Reporting Standards Committee (FRSC) is seeking comments on the IASB Exposure Draft which has been posted on the Institute's website at:

[www.hkicpa.org.hk/professionaltechnical/accounting/exposedraft/content.php](http://www.hkicpa.org.hk/professionaltechnical/accounting/exposedraft/content.php).

In response to the global financial crisis and discussions in a series of public round-table meetings on this issue, the IASB proposes additional disclosure requirements for all investments in debt instruments other than those classified as at fair value through profit or loss. The proposals are to require:

- (a) information in tabular format about the effect on pre-tax profit or loss as if these instruments were accounted for (i) at fair value and (ii) at amortised cost.
- (b) a summary of the different measurement bases of these instruments in tabular format that sets out (i) the measurement as in the statement of financial position, (ii) fair value and (iii) amortised cost.

The IASB believes that the proposed disclosures would allow greater comparability between investments in debt instruments held with and by different entities, and so enhance investors' confidence in the financial markets. The US Financial Accounting Standards Board (FASB) is making similar disclosure proposals.

The IASB proposes an effective date of annual periods ending on or after 15 December 2008. Comparative information relating to periods before the date of initial adoption is not required.

In accordance with the Institute's Convergence Due Process, comments are invited from any interested party. The FRSC would like to hear from both those who do agree and those who do not agree with the proposals contained in the IASB Exposure Draft.

Comments should be supported by specific reasoning and should be submitted in written form.

To allow your comments on the IASB Exposure Draft to be considered, they are requested to be received by the Institute on or before **13 January 2009**.



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.