



27 October 2011

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

**INVITATION TO COMMENT ON IASB EXPOSURE DRAFT OF GOVERNMENT  
LOANS (PROPOSED AMENDMENTS TO IFRS 1)**

***Comments to be received by 15 December 2011***

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:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/>.

The proposed amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards* sets out how a first-time adopter would account for a government loan with a below-market rate of interest when they transition to IFRSs. If adopted, this amendment would provide the same relief to first-time adopters as is granted to existing preparers of IFRS financial statements when applying IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

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 **15 December 2011**.

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.