



6 June 2012

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

**INVITATION TO COMMENT ON IFRS INTERPRETATIONS COMMITTEE
EXPOSURE DRAFT OF *LEVIES CHARGED BY PUBLIC AUTHORITIES ON
ENTITIES THAT OPERATE IN A SPECIFIC MARKET***

Comments to be received by 6 August 2012

The Hong Kong Institute of Certified Public Accountants' (Institute) Financial Reporting Standards Committee (FRSC) is seeking comments on the IFRS Interpretations Committee 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 IFRS Interpretations Committee, responsible, in co-operation with the IASB, for developing amendments and Interpretations of International Financial Reporting Standards (IFRSs), published for public comment proposed guidance on the accounting for levies charged by public authorities on entities that operate in a specific market.

A public authority may impose a levy on entities that operate in a specific market, such as a specific country, a specific region or a specific market in a specific country. The Interpretations Committee was asked to consider how an entity would account for the payment of levies, other than income taxes, in its financial statements; specifically, when the liability to pay a levy should be recognised. The proposed guidance clarifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy as identified by the legislation.

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

To allow your comments on the IFRS Interpretations Committee Exposure Draft to be considered, they are requested to be received by the Institute on or before **6 August 2012**.

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

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Fax number (+852) 2865 6776
E-mail: commentletters@hkicpa.org.hk

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