



12 February 2015

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

**INVITATION TO COMMENT ON IASB EXPOSURE DRAFT ED/2015/1
CLASSIFICATION OF LIABILITIES (PROPOSED AMENDMENTS TO IAS 1)**

Comments to be received by 8 May 2015

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the IASB Exposure Draft ED/2015/1 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 amendments to IAS 1 *Presentation of Financial Statements* aim to improve presentation in financial statements by clarifying the criteria for the classification of a liability as either current or non-current, particularly when it is coming up for renewal. The proposed amendments aim to:

- (a) clarify that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period; and
- (b) make clear the link between the settlement of the liability and the outflow of resources from the entity.

The FRSC invites your comments on the proposals. Comments should be supported by specific reasoning and should be submitted in written form. To allow your comments to be considered in developing its response to the IASB, the FRSC requests for your comments by **8 May 2015**.

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

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Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.