



14 August 2015

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

**INVITATION TO COMMENT ON IASB EXPOSURE DRAFT
ED/2015/7 *Effective Date of Amendments to IFRS 10 and IAS 28***

Comments to be received by 11 September 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 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 Exposure Draft contains a proposal to postpone the date when entities must change some aspects of how they account for transactions between investors and associates or joint ventures.

In September 2014, the International Accounting Standards Board (IASB) issued Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*. Those changes affect how an entity should determine any gain or loss it recognizes when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures.

The proposed postponement would remove the current requirement to make these particular changes by 2016. Instead, entities could wait until after the IASB has carried out a planned broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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 **11 September 2015**.

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 respondent.