



3 April 2017

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

INVITATION TO COMMENT ON IASB DISCUSSION PAPER
DP/2017/1 *Disclosure Initiative – Principles of Disclosure*

Comments to be received by 4 August 2017

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the IASB Discussion Paper. You may access the Discussion Paper from the Institute's website:

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

The Discussion Paper seeks public feedback on disclosure issues the IASB has identified through outreach as well as its preliminary proposals to resolve these issues. Ultimately, it is expected that the Discussion Paper could lead to amendments to IAS 1 *Presentation of Financial Statements*, the Standard covering general disclosure requirements, or the development of a new general disclosure Standard.

Stakeholders have said that financial statements sometimes include too little relevant information, too much irrelevant information and information disclosed ineffectively. The IASB believes that the development of clear principles governing what, how and where information should be disclosed in the financial statements will improve the information provided to users of financial statements. It will do so by helping companies communicate their disclosures more effectively and by assisting the IASB in improving disclosure requirements in IFRS Standards.

Some specific suggestions in the Discussion Paper include:

- seven principles of effective communication, which could be included in a general disclosure standard or described in non-mandatory guidance;
- possible approaches to improve disclosure objectives and requirements in IFRS Standards; and
- principles of fair presentation and disclosure of performance measures and non-IFRS information in financial statements, to ensure that such information is not misleading.

The FRSC invites your comments on the proposals by **4 August 2017** to allow your comments to be considered in developing its response to the IASB. Comments should be supported by specific reasoning and should be submitted in written form.

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

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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.