



27 April 2017

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

INVITATION TO COMMENT ON IASB EXPOSURE DRAFT
ED/2017/3 Proposed Amendments to IFRS 9 -
Prepayment Features with Negative Compensation

Comments to be received by 16 May 2017

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

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

The IASB proposed minor amendments to IFRS 9 *Financial Instruments*, to enable companies to measure at amortised cost certain prepayable financial assets with so-called negative compensation.

The amendments respond to comments received by the IFRS Interpretations Committee and are intended to improve the usefulness of information about these financial assets that the new Standard requires.

The IASB considers that the proposals in the Exposure Draft are both narrow in scope and urgent because they affect only those entities that hold particular prepayable financial assets and there would be significant benefits if any amendments to IFRS 9 resulting from the proposals were finalised before the effective date of IFRS 9. Therefore, the IASB has published this Exposure Draft with a short (30-day) comment period.

The FRSC invites your comments on the proposals by **16 May 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:

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