



Improvements to Hong Kong Financial Reporting Standards (2009)

HKICPA Standard Setting Department Staff Summary (May 2009)

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The HKICPA Standard Setting Department welcomes your comments and feedback, which should be sent to commentletters@hkicpa.org.hk.

Introduction

1. *Improvements to HKFRSs 2009* is effective for annual periods beginning on or after 1 January 2010 (unless otherwise specified), the same effective date as *Improvements to IFRSs 2009*. Earlier application is permitted.

Reasons for issuing *Improvements to HKFRSs*

2. The objective of the Hong Kong Institute of Certified Public Accountants (HKICPA) in issuing *Improvements to HKFRSs 2009* is to maintain international convergence arising from the issuance of *Improvements to IFRSs 2009* by the International Accounting Standards Board (IASB).

The IASB uses the annual improvements project to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project.

The IASB's objective is to ease the burden for all concerned by presenting the amendments in a single document rather than as a series of piecemeal changes.

Main features of *Improvements to HKFRSs 2009*

The following table lists the HKFRSs and topics addressed by the amendments.

| HKFRS | Subject of amendment |
|---|---|
| HKFRS 2 <i>Share-based Payment</i> | Scope of HKFRS 2 and revised HKFRS 3 |
| HKFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> | Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations |
| HKFRS 8 <i>Operating Segments</i> | Disclosure of information about segment assets |
| HKAS 1 <i>Presentation of Financial Statements</i> | Current/non-current classification of convertible instruments |
| HKAS 7 <i>Statement of Cash Flows</i> | Classification of expenditures on unrecognised assets |
| HKAS 17 <i>Leases</i> | Classification of leases of land and buildings |
| HKAS 18 <i>Revenue</i> | Determining whether an entity is acting as a principal or as an agent |
| HKAS 36 <i>Impairment of Assets</i> | Unit of accounting for goodwill impairment test |
| HKAS 38 <i>Intangible Assets</i> | Additional consequential amendments arising from revised HKFRS 3 |
| | Measuring the fair value of an intangible asset acquired in a business combination |
| HKAS 39 <i>Financial Instruments: Recognition and Measurement</i> | Treating loan prepayment penalties as closely related embedded derivatives |
| | Scope exemption for business combination contracts |
| | Cash flow hedge accounting |
| HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> | Scope of HK(IFRIC)-Int 9 and revised HKFRS 3 |
| HK(IFRIC)-Int 16 <i>Hedges of a Net Investment in a Foreign Operation</i> | Amendment to the restriction on the entity that can hold hedging instruments |



Other references on *Improvements to IFRSs 2009*

1. Deloitte IAS Plus on Improvements to IFRSs 2009
<http://www.iasplus.com/iasplus/0904improvements.pdf>
2. Ernst & Young “Supplement to IFRS outlook” on Improvements to IFRSs
[http://www.ey.com/Publication/vwLUAssets/Supplement_to_IFRS_outlook_40/\\$File/Supplement_40.pdf](http://www.ey.com/Publication/vwLUAssets/Supplement_to_IFRS_outlook_40/$File/Supplement_40.pdf)
3. KPMG IFRS Briefing Sheet on *Improvements to IFRSs 2009*
http://www.kpmg.com.hk/en/virtual_library/Audit/IFRS_briefingsheet/IFRSBS09134.pdf >

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