



Amendments to HKAS 1 (Revised) *Presentation of Financial Statements* – Presentation of Items of Other Comprehensive Income

HKICPA Standard Setting Department Staff Summary (July 2011)

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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. Amendments to HKAS 1 (Revised) *Presentation of Financial Statements* – Presentation of Items of Other Comprehensive Income improves and aligns the presentation of items of other comprehensive income (OCI) in financial statements prepared in accordance with HKFRSs/IFRSs and those prepared in accordance with US generally accepted accounting principles (US GAAP).
2. Entities are required to apply the amendments for annual periods beginning on or after 1 July 2012. Earlier application is permitted.

Reasons for issuing amendments to HKAS 1 (Revised)

3. The objective of the Hong Kong Institute of Certified Public Accountants (HKICPA) in issuing amendments to HKAS 1 (Revised) is to maintain international convergence arising from the issuance of amendments to IAS 1 by the International Accounting Standards Board's (IASB).
4. Amendments to HKAS 1 (Revised) address a perceived lack of distinction between different items in OCI, as well as enhancing comparability for financial statements prepared in accordance with US GAAP with those prepared in accordance with HKFRSs/IFRSs.

Main features of amendments

5. The amendments require companies preparing financial statements in accordance with HKFRSs to group items presented in OCI on the basis of whether they might at some point be reclassified ('recycled') from OCI to profit. The amendments do not address which items should be presented in OCI or which and when items should be recycled through profit or loss.



6. The amendments do not change the existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.
7. The amendments change the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'. However, an entity may use other titles.

Other references on Amendments to HKAS 1 (Revised)/IAS 1

1. Deloitte IFRS in Focus on amendments to IAS 1
<http://www.iasplus.com/iasplus/1106ifrs01.pdf>
2. Ernst & Young "IFRS developments" on amendments to IAS 1
[http://www.ey.com/Publication/vwLUAssets/IFRS_Developments_Issue_7/\\$File/IFRS_Developments_Issue_7_GL_IFRS.pdf](http://www.ey.com/Publication/vwLUAssets/IFRS_Developments_Issue_7/$File/IFRS_Developments_Issue_7_GL_IFRS.pdf)
3. KPMG 'Financial reporting update' on amendments to HKAS 1 – Presentation of items of other comprehensive income
<http://www.kpmg.com/CN/en/IssuesAndInsights/ArticlesPublications/Newsletters/Financial-Reporting-Update/Documents/Financial-Reporting-Update-1107-67.html>
4. KPMG 'In the headlines' on amendments to IAS 1
<http://www.kpmg.com/CN/en/IssuesAndInsights/ArticlesPublications/Newsletters/In-the-headlines/Documents/In-the-headlines-O-201106-19.pdf>
5. PricewaterhouseCoopers IFRS/HKFRS News
http://www.pwchk.com/webmedia/doc/634447656475601398_hkfrs_news_jun2011.pdf
6. IASB Project Summary on Amendments to IAS 1
<http://www.ifrs.org/NR/rdonlyres/2FAB55C8-8B01-4078-94F5-1DA95D6C92FB/0/OCIFeedbackStatement16June.pdf>

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