



2 August 2019

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

**INVITATION TO COMMENT ON IASB EXPOSURE DRAFT
ED/2019/6 *Disclosure of Accounting Policies***

Comments to be received by 11 October 2019

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the IASB Exposure Draft ED/2019/6. The Exposure Draft is available on the Institute's website:
<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/fred>

The International Accounting Standards Board (IASB) proposes narrow-scope amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* to help companies provide accounting policy disclosures that are more useful to users of financial statements.

IAS 1 requires companies to disclose their 'significant' accounting policies. The IASB proposes to replace the reference to 'significant' with a requirement to disclose 'material' accounting policies to clarify the threshold for disclosing information.

In addition, the IASB proposes to add guidance to IAS 1 to help companies understand what makes an accounting policy material and to update IFRS Practice Statement 2 by adding further explanations and examples to help companies apply the concept of materiality in making decisions about accounting policy disclosures.

The FRSC invites your comments on the proposal as set out in the ED by **11 October 2019** 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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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.