



6 May 2020

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

INVITATION TO COMMENT ON IASB EXPOSURE DRAFT
ED/2020/3 *Classification of Liabilities as Current or Non-current—Deferral of*
Effective Date
Proposed amendment to IAS 1

Comments to be received by 25 May 2020

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/2020/3. The Exposure Draft is available on the Institute's website:

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

The International Accounting Standards Board (IASB) proposes to defer by one year the effective date of *Classification of Liabilities as Current or Non-current*, which amends IAS 1 *Presentation of Financial Statements*.

The IAS 1 amendments were issued in January 2020, effective for annual reporting periods beginning on or after 1 January 2022. However, in response to the covid-19 pandemic, the IASB is proposing to provide companies with more time to implement any classification changes resulting from the amendments by deferring the effective date by one year to annual reporting periods beginning on or after 1 January 2023. The IASB is not proposing any changes to the original amendments other than the deferral of the effective date.

The IASB has responded quickly to provide support to stakeholders at this difficult time. Accordingly, the IASB's comment period on the proposal is short—30 days.

The Institute plans to issue equivalent amendments to HKAS 1 *Presentation of Financial Statements* once the IASB issues the final amendment to IAS 1 to defer the effective date.

The FRSC invites your comments on the proposal as set out in the ED by **25 May 2020** 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
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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.