



10 July 2023

To: Preparers, investors, practitioners and other interested parties

Virtual Roundtable Discussion: 14 August 2023
IASB REQUEST FOR INFORMATION
Post-implementation Review of IFRS 9 – Impairment

The Hong Kong Institute of Certified Public Accountants invites you to a virtual roundtable to share your views on the International Accounting Standards Board (IASB) [Request for Information](#) (RFI) as part of the Post-implementation Review (PIR) of the impairment requirements in IFRS 9 *Financial Instruments*.

Background of the roundtable

A PIR is part of the IASB's due process that helps the IASB assess the effects of a new Standard after it has been effective for some time. The PIR review of IFRS 9 is being conducted in three parts. The first part which covered the classification and measurement requirements was concluded in December 2022. This RFI seeks feedback on the second part which covers the impairment requirements of IFRS 9 and related disclosures. The final part on the hedge accounting requirements will follow later.

The impairment requirements in IFRS 9 was developed in response to the global financial crisis and stakeholders' calls for more timely recognition of loan losses and a forward looking impairment model. The 'expected credit loss' (ECL) model in IFRS 9 replaced the previous 'incurred credit loss' model in IAS 39 *Financial Instruments: Recognition and Measurement*, which only allowed credit losses to be recognised when a loss event occurred. Under the ECL model in IFRS 9, entities are required to recognise and update the ECL throughout the life of a financial asset, factoring in the losses they expect based on relevant available information. Disclosures of information about ECL are also required.

Why you should attend this roundtable

This is an excellent opportunity for you to express your views on the application of the impairment requirements in IFRS 9 and the related disclosures, including:

- Are there fundamental questions (fatal flaws) in the requirements?
- Are the costs of applying the requirements and auditing and enforcing their application significantly greater than expected? Are the benefits to users significantly lower than expected?
- Are the requirements able to be applied consistently?

Representatives from the IASB will be joining the roundtable to take you through the RFI. Join us in this virtual roundtable discussion to express your views. Your views are important to us in providing feedback to the IASB to improve the impairment requirements in IFRS 9.

Details of the virtual roundtable

Date: 14 August 2023
Time: 4:00 pm – 6:00 pm
Format: Zoom videoconferencing

To register, please click the <https://survey3.hkicpa.org.hk/index.php?r=survey/index&sid=475881&lang=en> and reserve by **8 August 2023**.

If you cannot attend the roundtable but would like to provide your comments, please email us at commentletters@hkicpa.org.hk.