



15 December 2023

To: **Preparers, investors, practitioners and other interested parties**

**Virtual Roundtable Discussion: 22 January 2024**  
**IASB EXPOSURE DRAFT**  
***Financial Instruments with Characteristics of Equity***  
***– Proposed amendments to IAS 32, IFRS 7 and IAS 1***

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) [Exposure Draft \*Financial Instruments with Characteristics of Equity – Proposed amendments to IAS 32 Financial Instruments: Presentation, IFRS 7 Financial Instruments: Disclosures and IAS 1 Presentation of Financial Statements\*](#).

### **Background of the roundtable**

Financial instruments have evolved to be more complex since IAS 32 was initially issued and present new reporting challenges for companies, particularly regarding the classification of financial instruments as either debt or equity. Companies' solutions to the reporting challenges differ, resulting in diverse accounting practices that make it difficult for investors to assess and compare companies' financial position and performance. Investors are also calling for better information, especially about equity instruments.

To respond to these challenges, the IASB has published the Exposure Draft which sets out its proposals to:

- clarify the underlying classification principles of IAS 32 to help companies distinguish between debt and equity;
- require companies to provide disclosures that further explain the complexities of instruments that have both debt and equity characteristics; and
- add new presentation requirements for amounts – including profit and total comprehensive income – attributable to ordinary shareholders separately from the amounts attributable to other holders of equity instruments

### **Why you should attend this roundtable**

The proposals in the Exposure Draft may change the existing classification, presentation and disclosures of some financial instruments which could, in turn, affect a company's financial position and performance. They may also change how a company structures its financial products for future fund raising.

If you would like to understand the effect of the proposals and have a say in how complex financial instruments should be reported, you should join us in this virtual roundtable discussion to share your views. Representatives from the IASB will be joining the roundtable to take you through the Exposure Draft and interact directly with the participants.

### **Details of the virtual roundtable**

Date: 22 January 2024  
Time: 5:00 pm – 7:00 pm  
Format: Zoom videoconferencing

To register, please click the [link](#) and reserve by **12 January 2024**.

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