



Our Ref.: C/FRSC

**Sent electronically through the IASB Website ([www.ifrs.org](http://www.ifrs.org))**

24 February 2021

Mr Hans Hoogervorst  
International Accounting Standards Board  
Columbus Building  
7 Westferry Circus  
Canary Wharf  
London E14 4HD  
United Kingdom

Dear Hans,

**IASB Exposure Draft ED/2021/2  
*Covid-19-Related Rent Concessions beyond 30 June 2021*  
– Proposed amendment to IFRS16**

The Hong Kong Institute of Certified Public Accountants (HKICPA) is the only body authorised by law to set and promulgate standards relating to financial reporting, auditing, and ethics for professional accountants, in Hong Kong. We are grateful for the opportunity to provide you with our comments on this Exposure Draft (ED).

The HKICPA appreciates the IASB's responsive action to address the practical challenges lessees continue to face during the Covid-19 pandemic, and supports the IASB's proposed amendment to IFRS 16 *Leases*.

Our responses to the questions raised in the ED are set out below:

**Question 1 – Extended scope of the practical expedient**

The HKICPA supports the proposed amendment to paragraph 46B(b) of IFRS 16 and agrees this will help provide practical relief to lessees during the height of the Covid-19 pandemic, while enabling them to continue providing useful information about their leases to users of financial statements.

**Question 2 – Effective date and transition**

The HKICPA supports the proposed effective date and transition requirements for the reasons stated in the basis for conclusions.

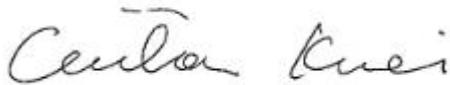
**Work undertaken by HKICPA in forming its views:**

The HKICPA:

- (a) issued an Invitation to Comment on the ED on 16 February 2021 to our stakeholders;
- (b) sought input from its Leases Advisory Panel comprising technical and industry experts and auditors from accounting firms; and
- (c) developed its views through its Financial Reporting Standards Committee, having reflected on its stakeholders' feedback. The Committee comprises academics, preparer representatives from various industry sectors, investors, regulators, and technical and industry experts from small, medium and large accounting firms.

If you have any questions regarding the matters raised in this letter, please contact me ([ceciliakwei@hki CPA.org.hk](mailto:ceciliakwei@hki CPA.org.hk)) or Joni Kan, Associate Director of the Standard Setting Department ([jonikan@hki CPA.org.hk](mailto:jonikan@hki CPA.org.hk)).

Yours sincerely,



Cecilia Kwei  
Director, Standard Setting Department