

From: [info](#) on behalf of [HKAB](#)
To: [P.T. Comment Letter](#)
Cc: [HKAB](#)
Subject: Re: Invitation To Comment On IFRS Interpretations Committee Tentative Agenda Decisions
Date: Friday, 5 January 2024 3:04:11 pm
Attachments: [HKAB Submission_20240105.pdf](#)

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Dear Ms. Kwei

Thank you for your email dated 11 December 2023 inviting the Association's comments on the IFRS Interpretations Committee Tentative Agenda Decisions. After consulting members of HKAB's Financial Reporting Committee, our consolidated comments are enclosed below for your consideration.

We hope you would find our comments useful. If you have any questions, please contact the Secretariat (info@hkab.org.hk / Mr. Brian Lau at 2526 8877).

Best Regards

Queenie Wong
Secretary

Enc.

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From: "P.T. Comment Letter"
To: Undisclosed recipients;;
Date: 12/11/2023 10:09 AM
Subject: Invitation To Comment On IFRS Interpretations Committee Tentative Agenda Decisions

Dear Sir/Madam,

Invitation To Comment On IFRS Interpretations Committee Tentative Agenda Decisions

We are writing to seek your organization's comments on the following IFRS IC Tentative Agenda Decisions.

1) [Climate-related Commitments \(IAS 37 Provisions, Contingent Liabilities and Contingent Assets\)](#)

2) [Disclosure of Revenues and Expenses for Reportable Segments \(IFRS 8 Operating Segments\)](#)

Click [here](#) for the Invitation to Comment for details.

We would be grateful for your comments on the above Tentative Agenda Decisions by **5 January 2024**.

Thank you.

Yours faithfully,

Standard Setting Department

Hong Kong Institute of Certified Public Accountants

CPA: *The Success Ingredient*

Comments on IFRS Interpretations Committee Tentative Agenda Decisions

Items	HKAB Comments
<p>1. Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets) – clarify i) whether an entity’s commitment to reduce or offset its greenhouse gas emissions creates a constructive obligation for the entity; ii) whether a constructive obligation created by such a commitment meets the criteria in IAS 37 for recognising a provision; and iii) if a provision is recognised, whether the expenditure required to settle it is recognised as an expense or as an asset when the provision is recognised.</p>	<p>We have no further comment</p>
<p>2. Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments) – how an entity applies the requirements in paragraph 23 of IFRS 8 to disclose for each reportable segment specified amounts related to segment profit or loss.</p>	<p>We agree that standard-setting project should not be added for this matter. Separately, we consider that it would be more practical if the agenda decision can highlight the principle that the judgement of materiality does not require undue costs and efforts of preparers. In this regard, we suggest the following revision:</p> <p><i>“The Committee observed that, in applying paragraph 23(f) of IFRS 8, without undue costs and efforts, an entity:</i></p> <p><i>(a) applies paragraph 7 of IAS 1 and ...paragraph 97 of IAS 1.”</i></p>