



4 February 2009

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

**INVITATION TO COMMENT ON IASB EXPOSURE DRAFT *POST-IMPLEMENTATION REVISIONS TO IFRIC INTERPRETATIONS - PROPOSED AMENDMENTS TO IFRIC 9 and IFRIC 16 (ED/2009/1)***

***Comments to be received by 23 February 2009***

The Hong Kong Institute of Certified Public Accountants' (Institute) Financial Reporting Standards Committee (FRSC) is seeking comments on the IASB Exposure Draft which has been posted on the Institute's website at:

[www.hkicpa.org.hk/professionaltechnical/accounting/exposedraft/content.php](http://www.hkicpa.org.hk/professionaltechnical/accounting/exposedraft/content.php).

The Exposure Draft would amend IFRIC 9 *Reassessment of Embedded Derivatives* and IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* as follows:

- **IFRIC 9:** Exclude from the scope of IFRIC 9 embedded derivatives in contracts acquired in combinations of entities or businesses under common control and in the formation of a joint venture. The proposed amendment is a consequential amendment that became necessary as a result of the changed definition of a business combination in IFRS 3 (revised 2008). The proposed effective date is annual periods beginning on or after 1 July 2009 – in time for the effective date of IFRS 3 (revised 2008).
- **IFRIC 16:** Remove the restriction on the entity that can hold hedging instruments by allowing entities to designate as a hedging instrument in a hedge of a net investment in a foreign operation an instrument that is held by the foreign operation that is being hedged. The proposed effective date is annual periods beginning on or after 1 October 2008.

In accordance with the Institute's Convergence Due Process, comments are invited from any interested party. The FRSC would like to hear from both those who do agree and those who do not agree with the proposals contained in the IASB Exposure Draft.

Comments should be supported by specific reasoning and should be submitted in written form.

To allow your comments on the IASB Exposure Draft to be considered, they are requested to be received by the Institute on or before **23 February 2009**.

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.