



3 April 2024

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

**INVITATION TO COMMENT ON THE IASB EXPOSURE DRAFT**  
***Addendum to the Exposure Draft Third edition***  
***of the IFRS for SMEs Accounting Standard***

***Comments to be received by 25 June 2024***

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the International Accounting Standards Board (IASB) Exposure Draft *Addendum to the Exposure Draft Third edition of the IFRS for SMEs Accounting Standard*. The Exposure Draft is available on the Institute's website: <https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/fred>

The IASB's proposals respond to feedback from users of SMEs' (*Note 1*) financial statements and from the IASB's SME Implementation Group. Both groups said the amendments made to full IFRS Accounting Standards relating to lack of exchangeability between two currencies and disclosure requirements for supplier finance arrangements are relevant to SMEs and should be included in the third edition of the *IFRS for SMEs Accounting Standard*.

The proposals in the Exposure Draft would update the *IFRS for SMEs Accounting Standard* and reflect improvements made to the full IFRS Accounting Standards. The proposals balance the needs of users of SMEs' financial statements, while maintaining the IASB's commitment to only update the *IFRS for SMEs Accounting Standard* periodically.

The FRSC invites your comments on the Exposure Draft by **25 June 2024** to allow your comments to be considered in developing its response to the IASB. Comments should be supported by specific reasoning and should be submitted in written form.

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

Standard Setting Department  
Hong Kong Institute of Certified Public Accountants  
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213 Queen's Road East  
Wanchai, Hong Kong

Fax number (+852) 2865 6603  
E-mail: [commentletters@hkicpa.org.hk](mailto:commentletters@hkicpa.org.hk)

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

Note 1: SMEs are entities that are eligible to apply the IFRS for SMEs Accounting Standard - that is, entities that do not have public accountability and that publish general purpose financial statements for external users.