



## **Improvements to Hong Kong Financial Reporting Standards (2009)**

### **HKICPA Standard Setting Department Staff Summary (May 2009)**

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The HKICPA Standard Setting Department welcomes your comments and feedback, which should be sent to [commentletters@hkicpa.org.hk](mailto:commentletters@hkicpa.org.hk).

### **Introduction**

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1. *Improvements to HKFRSs 2009* is effective for annual periods beginning on or after 1 January 2010 (unless otherwise specified), the same effective date as *Improvements to IFRSs 2009*. Earlier application is permitted.

### **Reasons for issuing *Improvements to HKFRSs***

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2. The objective of the Hong Kong Institute of Certified Public Accountants (HKICPA) in issuing *Improvements to HKFRSs 2009* is to maintain international convergence arising from the issuance of *Improvements to IFRSs 2009* by the International Accounting Standards Board (IASB).

The IASB uses the annual improvements project to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project.

The IASB's objective is to ease the burden for all concerned by presenting the amendments in a single document rather than as a series of piecemeal changes.

**Main features of *Improvements to HKFRSs 2009***

The following table lists the HKFRSs and topics addressed by the amendments.

<b>HKFRS</b>	<b>Subject of amendment</b>
HKFRS 2 <i>Share-based Payment</i>	Scope of HKFRS 2 and revised HKFRS 3
HKFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations
HKFRS 8 <i>Operating Segments</i>	Disclosure of information about segment assets
HKAS 1 <i>Presentation of Financial Statements</i>	Current/non-current classification of convertible instruments
HKAS 7 <i>Statement of Cash Flows</i>	Classification of expenditures on unrecognised assets
HKAS 17 <i>Leases</i>	Classification of leases of land and buildings
HKAS 18 <i>Revenue</i>	Determining whether an entity is acting as a principal or as an agent
HKAS 36 <i>Impairment of Assets</i>	Unit of accounting for goodwill impairment test
HKAS 38 <i>Intangible Assets</i>	Additional consequential amendments arising from revised HKFRS 3
	Measuring the fair value of an intangible asset acquired in a business combination
HKAS 39 <i>Financial Instruments: Recognition and Measurement</i>	Treating loan prepayment penalties as closely related embedded derivatives
	Scope exemption for business combination contracts
	Cash flow hedge accounting
HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i>	Scope of HK(IFRIC)-Int 9 and revised HKFRS 3
HK(IFRIC)-Int 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	Amendment to the restriction on the entity that can hold hedging instruments



**Other references on *Improvements to IFRSs 2009***

1. Deloitte IAS Plus on Improvements to IFRSs 2009  
<http://www.iasplus.com/iasplus/0904improvements.pdf>
2. Ernst & Young “Supplement to IFRS outlook” on Improvements to IFRSs  
[http://www.ey.com/Publication/vwLUAssets/Supplement\\_to\\_IFRS\\_outlook\\_40/\\$File/Supplement\\_40.pdf](http://www.ey.com/Publication/vwLUAssets/Supplement_to_IFRS_outlook_40/$File/Supplement_40.pdf)
3. KPMG IFRS Briefing Sheet on *Improvements to IFRSs 2009*  
[http://www.kpmg.com.hk/en/virtual\\_library/Audit/IFRS\\_briefingsheet/IFRSBS09134.pdf](http://www.kpmg.com.hk/en/virtual_library/Audit/IFRS_briefingsheet/IFRSBS09134.pdf) >

**(May 2009)**