



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

電話號碼 Tel No. :2292 1127
傳真號碼 Fax No. :2259 8808
本局檔號 Our Ref. :MPFA/S/IO/58/1
來函檔號 Your Ref. :

23 February 2005

Circular Letter: SU/COT/2005/001

To: All Individual trustees/designated persons of ORSO schemes

Dear Sirs,

Hong Kong Accounting Standards (the “HKAS”)

As you are aware, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new/revised HKAS. The Authority would like to draw your attention to three of the new/revised HKAS as they are of particular relevance to ORSO schemes:

HKAS 21 – The Effects of Changes in Foreign Exchange Rates
HKAS 32 – Financial Instruments: Disclosure and Presentation
HKAS 39 – Financial Instruments: Recognition and Measurement

Please note that HKAS 21, 32 and 39 are to be applied for accounting periods beginning on or after **1 January 2005**. For HKAS 21 and HKAS 32, they shall be applied on a retrospective basis whereas HKAS 39 shall be applied on a prospective basis only.

The Authority understands that you may be in the process of assessing the impact of the HKAS on your ORSO schemes. We would like to take the opportunity to

remind you to take note of the following in your assessment/review process:

- (a) determine whether the “presentation currency” would be different from the “functional currency”;
- (b) evaluate the impact of the HKAS on the existing valuation methods, such as the implication of the classification of financial instruments and the basis for calculation of net asset value;
- (c) assess your system capability in adopting the HKAS;
- (d) review the relevant constitutive and other documents, such as the cash flow statement, to see if amendments would be necessary; and
- (e) communicate with your appointed service provider(s) and the employers regarding the changes and their implications, where necessary.

In addition, you may wish to further discuss with your auditor and legal adviser for any queries in connection with the above.

Yours faithfully,

(Hendena Yu)
Chief Operating Officer (Compliance)



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- (d) review the relevant constitutive and other documents, such as the cash flow statement, to see if amendments would be necessary; and
- (e) discuss/communicate with your appointed service providers, legal advisers, auditors and the employers regarding the changes and their implications, where necessary.

In addition to the above, you may also wish to assess the impact of the new/revised HKAS on the accounting records and operations of your company itself.

Should you have any queries in connection with the above, please feel free to contact Mr. Craig So at 2292 1127 or Ms. Michelle Leung at 2292 1128.

Yours faithfully,

(Hendena Yu)
Chief Operating Officer (Compliance)