

Hong Kong Financial Reporting Standards Update

Section I. New and amended Standards issued that are applicable to December 2023 year-end

| Standards affected | New standard and amendments relate to | Members' Handbook |
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| HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies (amendments) | Update No. 259 |
| HKAS 8 | Definition of Accounting Estimates (amendments) | Update No. 259 |
| HKAS 12 | Deferred tax related to assets and liabilities arising from a single transaction (amendments) | Update No. 262 |
| HKAS 12 | International Tax Reform— Pillar Two Model Rules (amendments)* | Update No. 297 |
| HKFRS 17 | Insurance Contracts (new standard) | Update No. 211 |
| HKFRS 17 | Amendments to HKFRS 17 | Update No. 247 |
| HKFRS 17 | Initial Application of HKFRS 17 and HKFRS 9— Comparative Information | Update No. 271 |

* Entities are required to apply the temporary exception to account for deferred taxes related to Pillar Two income taxes immediately upon the issuance of the Amendments, and to provide the new disclosures as set out in the Amendments for annual reporting periods beginning on or after 1 January 2023.

Section II. Amended Standards and Interpretations issued that are not yet effective, but may be adopted early

| Standards affected | Amendments relate to | Members' Handbook | Effective date |
|--|--|---|--|
| HKAS 1 | Classification of Liabilities as Current or Non-current (amendments) [#] | Update No. 243 and Update No. 283 | Accounting periods beginning on or after 1 January 2024 |
| HKAS 1 | Non-current Liabilities with Covenants (amendments) [#] | Update No. 283 | Accounting periods beginning on or after 1 January 2024 |
| HKFRS 16 | Lease Liability in a Sale and Leaseback (amendments) | Update No. 281 | Accounting periods beginning on or after 1 January 2024 |
| HK Int 5 (Revised) | Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – <i>Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i> (HK Int 5 (Revised)) | Update No. 248 and Update No. 283 | HK Int 5 (Revised) has incorporated the references to Amendments to HKAS 1 <i>Classification of Liabilities as Current or Non-current</i> and Amendments to HKAS 1 <i>Non-current Liabilities with Covenants</i> . Both amendments are to be applied as a package and are effective for annual reporting periods beginning on or after 1 January 2024. |
| HKAS 7 and HKFRS 7 | Supplier Finance Arrangements (amendments) | Update No. 297 | Accounting periods beginning on or after 1 January 2024 |
| HKAS 21 | Lack of Exchangeability (amendments) | Update No. 300 | Accounting periods beginning on or after 1 January 2025 |
| HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments) | Update No. 159 | A date to be determined by the IASB |

[#] Both amendments are to be applied as a package.