



# MEMBERS' HANDBOOK

## Update No. 340

(Issued 27 January 2026)

### VOLUME III

#### Document Reference and Title

#### Explanations

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Revised content pages

#### **Section 1: Pronouncements currently effective (Note: To apply appropriate pronouncements in accordance with the respective effective dates as indicated)**

*Preface to the Hong Kong Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements (“Preface (Revised)”)*

Note 1

#### **HONG KONG STANDARDS ON QUALITY MANAGEMENT**

*HKSQM 1 (Revised), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

Note 1

*HKSQM 2 (Revised), Engagement Quality Reviews*

Note 1

#### **HONG KONG FRAMEWORK FOR ASSURANCE ENGAGEMENTS**

*Hong Kong Framework for Assurance Engagements*

Note 2

*Hong Kong Framework for Assurance Engagements (Revised)*

Notes 1 and 2

#### **HONG KONG STANDARDS ON AUDITING**

*HKSA 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing*

Note 2

*HKSA 260 (Revised), Communication with Those Charged with Governance*

Note 2

*HKSA 315 (Revised 2019), Identifying and Assessing the Risks of Material Misstatement*

Note 2

*HKSA 320, Materiality in Planning and Performing an Audit*

Note 2

HKSA 505, *External Confirmations* Note 2

HKSA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* Note 2

## **THE HONG KONG STANDARD ON AUDITING FOR AUDITS OF FINANCIAL STATEMENTS OF LESS COMPLEX ENTITIES**

*The Hong Kong Standard on Auditing for Audits of Financial Statements of Less Complex Entities* Notes 1 and 3

## **HONG KONG STANDARDS ON REVIEW ENGAGEMENTS**

HKSRE 2400 (Revised 2026), *Engagements to Review Historical Financial Statements* Note 1

## **HONG KONG STANDARDS ON ASSURANCE ENGAGEMENTS**

HKSAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* Note 2

HKSAE 3000 (Revised 2026), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* Notes 1 and 2

HKSAE 3402, *Assurance Reports on Controls at a Service Organization* Note 2

## **PRACTICE NOTES**

PN 600.1 (Revised 2026), *Reports by the Auditor under the Companies Ordinance (Cap. 622)* Notes 4 and 5

PN 900 (Revised 2026), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* Note 5

## **HONG KONG AUDITING PRACTICE GUIDANCE**

HKAPG 1000 (Revised), *Special Considerations in Auditing Financial Instruments* Note 1

Notes:

1. Pronouncements have been updated for the Conforming Amendments to Other Hong Kong Standards Arising from the Hong Kong Standard on Auditing for Audits of Financial Statements of Less Complex Entities (“HKSA for LCE”). These amendments became effective at the same time as the HKSA for LCE for audits of financial statements of less complex entities for periods beginning on or after 15 December 2025.
2. Revisions to the Hong Kong Standards on Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements to align with the 2025 IAASB Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements and other housekeeping changes.

3. Addition of an illustrative example in Part 9 for an auditor's report on consolidated financial statements of an entity incorporated in Hong Kong prepared in accordance with a fair presentation framework.
4. Expansion of the guidance to address audits performed in accordance with the HKSA for LCE.
5. Revision to the templates and illustrative auditor's reports to address audits of financial statements prepared under the Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard using the HKSA for LCE.

In order for readers to easily identify all the changes, a marked-up version is posted at: <https://www.hkicpa.org.hk/-/media/Document/SSD/handbookupdate/340mk.pdf>