



Update on Standard Convergence (20 October 2023)

The MoF has been working on the revision of China Accounting Standards for Business Enterprises (CASBE) to maintain its convergence policy with IFRS Accounting Standards/HKFRS.

During October 2022 to September 2023, the MoF issued the following three exposure drafts which are aligned in principle with the corresponding IFRS Accounting Standards/HKFRS:

- 1) CASBE Interpretation No. 16 on:
 - a. Deferred tax related to assets and liabilities arising from a single transaction;
 - b. Income tax consequences of payments on financial instruments classified as equity; and
 - c. Classification and measurement of share-based payment transactions.
- 2) Accounting guidance for an enterprise's database resources.
- 3) CASBE Interpretation No. 17 on:
 - a. Classification of liabilities as current or non-current;
 - b. Supplier finance arrangements; and
 - c. Lease liability in a sale and leaseback.

The MoF finalized the CASBE Interpretation No.16 and the accounting guidance for an enterprise's database resources in November 2022 and August 2023, respectively.

The Institute will continue to work with the MoF on the ongoing convergence between CASBE and HKFRS.