

MEMBERS' HANDBOOK

Update No. 311

(Issued 9 July 2024)

This Update relates to the issuance of HKFRS 18 *Presentation and Disclosure in Financial Statements*.

To respond to investors' demands for better information about entities' financial performance, the International Accounting Standards Board (IASB) undertook a project to improve the reporting of financial performance. The IASB completed the project by issuing IFRS 18 *Presentation and Disclosure in Financial Statements* together with the consequential amendments to other IFRS Accounting Standards.

The Institute's Financial Reporting Standards Committee supported the reasons for the IASB issuing IFRS 18 and therefore, in May 2024, approved the issuance of HKFRS 18, equivalent of IFRS 18, together with the consequential amendments to other HKFRSs to maintain international convergence. HKFRS 18 is effective for annual periods beginning on or after 1 January 2027 with earlier application permitted.

HKFRS 18 introduces the following three sets of new requirements to improve entities' reporting of financial performance and give investors a better basis for analysing and comparing entities:

- Presentation of new defined subtotals in the statement of profit or loss;
- Disclosures about management-defined performance measures; and
- Enhanced requirements for grouping (aggregation and disaggregation) of information.

HKFRS 18 supersedes HKAS 1 *Presentation of Financial Statements*. Requirements in HKAS 1 that are unchanged have been transferred to HKFRS 18, HKAS 8 *Basis of Preparation of Financial Statements* (formerly known as HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*) and HKFRS 7 *Financial Instruments: Disclosures*.

Following the issuance of HKFRS 18, the references in Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* have been updated to reflect the requirements in HKFRS 18.

Document Reference and Title

Instructions

VOLUME II

[Contents of Volume II](#)

Discard existing pages i to v and replace with the revised pages i to v.

(Continued next page)

Document Reference and Title

Instructions

Section 2: Standards issued but not yet effective

HONG KONG FINANCIAL REPORTING STANDARDS (HKFRS)

[HKFRS 18 *Presentation and Disclosure in Financial Statements*](#)

Insert HKFRS 18 after HKFRS 1.

HONG KONG INTERPRETATIONS (HK-Int)

[HK-Int 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*](#)

Insert HK-Int 5.