



MEMBERS' HANDBOOK

Update No. 316

(Issued 12 September 2024)

This Update relates to the following publications in Volume II of Members' Handbook:

1. Issuance of *Annual Improvements to HKFRS Accounting Standards — Volume 11*. The following table lists the amended accounting standards and accompanying guidance, as well as the topics addressed by the Annual Improvements.

Accounting Standard	Subject of amendments
HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards</i>	Hedge accounting by a first-time adopter
HKFRS 7 <i>Financial Instruments: Disclosures</i>	Gain or loss on derecognition
Guidance on Implementing HKFRS 7 <i>Financial Instruments: Disclosures</i>	Introduction
	Disclosure of deferred difference between fair value and transaction price
	Credit risk disclosures
HKFRS 9 <i>Financial Instruments</i>	Derecognition of lease liabilities
	Transaction price
HKFRS 10 <i>Consolidated Financial Statements</i>	Determination of a 'de facto agent'
HKAS 7 <i>Statement of Cash Flows</i>	Cost method

The amendments will become effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

2. *AG 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* has been revised to align the references and terminologies in AG 7 with the Hong Kong Financial Reporting Standards and the Hong Kong Listing Rules. The revised AG 7 is effective upon issuance.
3. HKFRS 18 *Presentation and Disclosure in Financial Statements* and its accompanying Illustrative Examples have been revised for housekeeping updates.

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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.

Section 1: Effective for accounting periods beginning on or after 1 January 2024

ACCOUNTING GUIDELINES (AG)

[AG 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars](#)

Discard existing AG 7 and replace with revised AG 7.

Section 2: Standards issued but not yet effective

HONG KONG FINANCIAL REPORTING STANDARDS (HKFRS)

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

Discard existing cover page, pages 67 and 69 of HKFRS 18 and replace with revised cover page and revised pages 67 and 69.

[HKFRS 18 Presentation and Disclosure in Financial Statements \(Illustrative Examples\)](#)

Discard existing cover page, pages 3, 38 and 67-80 of HKFRS 18 (Illustrative Examples) and replace with revised cover page and revised pages 3, 38 and 67-80.

AMENDMENTS TO HKFRS/HKAS

[Annual Improvements to HKFRS Accounting Standards — Volume 11](#)

Insert the Annual Improvements before *Amendments to the Classification and Measurement of Financial Instruments*.