



Update on Standard Convergence (13 November 2024)

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

During August 2023 to August 2024, the MoF issued the following two exposure drafts which are aligned in principle with the corresponding IFRS/HKFRS Accounting Standards:

- 1) 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.

- 2) CASBE Interpretation No.18 on:
 - a. The subsequent measurement of investment properties being held as underlying items under the variable fee approach; and
 - b. The accounting treatment of warranties that do not constitute separate performance obligations.

The MoF finalized CASBE Interpretation No.17 on 25 October 2023.

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