

MEMBERS' HANDBOOK

Update No. 121

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Handbook Improvements only

<i>Document Reference and Title</i>	<i>Instructions</i>	<i>Explanations</i>
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GLOSSARY OF TERMS

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(Updated to September 2012)

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Glossary of Terms Relating to Hong Kong Financial Reporting Standards



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Glossary of Terms

This glossary is extracted from the Hong Kong Financial Reporting Standards (HKFRSs) including Hong Kong Accounting Standards (HKASs) issued by the Hong Kong Institute of Certified Public Accountants as at 31 December 2011. References are by Standard and paragraph number.

The glossary also includes extracts from the *Conceptual Framework for Financial Reporting*. References to the *Conceptual Framework* are preceded by F.

References set out below in (brackets) indicate minor variations in wording.

accounting policies	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.	HKAS 8.5
accounting profit	Profit or loss for a period before deducting tax expense.	HKAS 12.5
acquiree	The business or businesses that the acquirer obtains control of in a business combination.	HKFRS 3.A
acquirer	The entity that obtains control of the acquiree.	HKFRS 3.A
acquisition date	The date on which the acquirer obtains control of the acquiree.	HKFRS 3.A
active market	A market in which all the following conditions exist: (a) the items traded within the market are homogeneous; (b) willing buyers and sellers can normally be found at any time; and (c) prices are available to the public.	HKAS 36.6, (HKAS 38.8), HKAS 41.8
active market	A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.	HKFRS 13.A
actuarial gains and losses	(a) Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) the effects of changes in actuarial assumptions.	HKAS 19.7, HKAS 19.8 (2011)
actuarial present value of promised retirement benefits	The present value of the expected payments by a retirement benefit plan to existing and past employees, attributable to the service already rendered.	HKAS 26.8
agricultural activity	The management by an entity of the biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets.	HKAS 41.5
agricultural produce	The harvested product of the entity's biological assets.	HKAS 41.5

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amortisation (depreciation)*	The systematic allocation of the depreciable amount of an asset over its useful life.	HKAS 36.6, HKAS 38.8
amortised cost of a financial asset or financial liability	The amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.	HKAS 39.9
antidilution	An increase in earnings per share or a reduction in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions.	HKAS 33.5
asset	A resource: (a) controlled by an entity as a result of past events; and (b) from which future economic benefits are expected to flow to the entity.	HKAS 38.8, (F.4.4(a))
asset ceiling	The present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.	HKAS 19.8 (2011)
assets held by a long-term employee benefit fund	Assets (other than non-transferable financial instruments issued by the reporting entity) that: (a) are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits; and (b) are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in bankruptcy), and cannot be returned to the reporting entity, unless either: (i) the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or (ii) the assets are returned to the reporting entity to reimburse it for employee benefits already paid.	HKAS 19.7, HKAS 19.8 (2011)
associate	An entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.	HKAS 28.2
associate	An entity, over which the investor has significant influence.	HKAS 28.3 (2011)

* In the case of an intangible asset, the term 'amortisation' is generally used instead of 'depreciation'. The two terms have the same meaning.

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available-for-sale financial assets	Those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.	HKAS 39.9
biological asset	A living animal or plant.	HKAS 41.5
biological transformation	The processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.	HKAS 41.5
borrowing costs	Interest and other costs that an entity incurs in connection with the borrowing of funds.	HKAS 23.5
business	An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.	HKFRS 3.A
business combination	A transaction or other event in which an acquirer obtains control of one or more businesses. Transactions sometimes referred to as 'true mergers' or 'mergers of equals' are also business combinations as that term is used in HKFRS 3.	HKFRS 3.A
carrying amount	The amount at which an asset is recognised after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon.	HKAS 16.6, HKAS 36.6, HKAS 38.8
carrying amount	The amount at which an asset is recognised in the statement of financial position.	HKAS 40.5, HKAS 41.8
cash	Cash on hand and demand deposits.	HKAS 7.6
cash equivalents	Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.	HKAS 7.6
cash flows	Inflows and outflows of cash and cash equivalents.	HKAS 7.6
cash-generating unit	The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.	HKAS 36.6, HKFRS 5.A
cash-settled share-based payment transaction	A share-based payment transaction in which the entity acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity.	HKFRS 2.A
cedant	The policyholder under a reinsurance contract.	HKFRS 4.A

change in accounting estimate	An adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.	HKAS 8.5
close members of the family of a person	Those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: <ul style="list-style-type: none"> (a) that person's children and spouse or domestic partner; (b) children of that person's spouse or domestic partner; and (c) dependants of that person or that person's spouse or domestic partner. 	HKAS 24.9
closing rate	The spot exchange rate at the end of the reporting period.	HKAS 21.8
commencement of the lease term	The date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease (ie the recognition of the assets, liabilities, income or expenses resulting from the lease, as appropriate).	HKAS 17.4
compensation	Includes all employee benefits (as defined in HKAS 19) including employee benefits to which HKFRS 2 applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes: <ul style="list-style-type: none"> (a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees; (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care; (c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; (d) termination benefits; and (e) share-based payment. 	HKAS 24.9

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component of an entity	Operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.	HKFRS 5.A
consolidated financial statements	The financial statements of a group presented as those of a single economic entity.	HKAS 27.4, HKAS 28.2
consolidated financial statements	The financial statements of a group in which assets, liabilities, equity, income, expenses and cash flow of the parent and its subsidiaries are presented as those of a single economic entity.	HKAS 27.4 (2011), HKAS 28.3 (2011), HKFRS 10.A
construction contract	A contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.	HKAS 11.3
constructive obligation	An obligation that derives from an entity's actions where: <ul style="list-style-type: none"> (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities. 	HKAS 37.10
contingent asset	A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.	HKAS 37.10
contingent consideration	Usually, an obligation of the acquirer to transfer additional assets or equity interests to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.	HKFRS 3.A
contingent liability	<ul style="list-style-type: none"> (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognised because: <ul style="list-style-type: none"> (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. 	HKAS 37.10

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contingent rent	That portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time (eg percentage of future sales, amount of future use, future price indices, future market rates of interest).	HKAS 17.4
contingent share agreement	An agreement to issue shares that is dependent on the satisfaction of specified conditions.	HKAS 33.5
contingently issuable ordinary shares	Ordinary shares issuable for little or no cash or other consideration upon the satisfaction of specified conditions in a contingent share agreement.	HKAS 33.5
control (of an entity)	The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.	HKAS 24.9, HKAS 27.4, HKAS 28.2, (HKAS 31.3), HKFRS 3.A
control of an investee	An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.	HKFRS 10.A
corporate assets	Assets other than goodwill that contribute to the future cash flows of both the cash-generating unit under review and other cash-generating units.	HKAS 36.6
cost	The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction, or, when applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other HKFRSs, eg HKFRS 2.	HKAS 16.6, HKAS 38.8, HKAS 40.5
cost approach	A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).	HKFRS 13.A
cost plus contract	A construction contract in which the contractor is reimbursed for allowable or otherwise defined costs, plus a percentage of these costs or a fixed fee.	HKAS 11.3
costs of disposal	Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.	HKAS 36.6
costs to sell	The incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense.	HKFRS 5.A (HKAS 41.5)
credit risk	The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.	HKFRS 7.A

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currency risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	HKFRS 7.A
current asset	<p>An entity shall classify an asset as current when:</p> <ul style="list-style-type: none"> (a) it expects to realise the asset or intends to sell or consume it in its normal operating cycle; (b) it holds the asset primarily for the purpose of trading; (c) it expects to realise the asset within twelve months after the reporting period; or (d) the asset is cash or a cash equivalent (as defined in HKAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. <p>An entity shall classify all other assets as non-current.</p>	HKAS 1.66, (HKFRS 5.A)
current cost	<p>The amount of cash or cash equivalents that would have to be paid if the same or an equivalent asset was acquired currently.</p> <p>The undiscounted amount of cash or cash equivalents that would be required to settle an obligation currently.</p>	F.4.55(b)
current service cost	The increase in the present value of the defined benefit obligation resulting from employee service in the current period.	HKAS 19.7, HKAS 19.8 (2011)
current tax	The amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.	HKAS 12.5
date of transition to HKFRSs	The beginning of the earliest period for which an entity presents full comparative information under HKFRSs in its first HKFRS financial statements.	HKFRS 1.A
decision maker	An entity with decision-making rights that is either a principal or an agent for other parties.	HKFRS 10.A
deductible temporary differences	Temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.	HKAS 12.5
deemed cost	An amount used as a surrogate for cost or depreciated cost at a given date. Subsequent depreciation or amortisation assumes that the entity had initially recognised the asset or liability at the given date and that its cost was equal to the deemed cost.	HKFRS 1.A

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deferred tax assets	The amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carryforward of unused tax losses; and (c) the carryforward of unused tax credits.	HKAS 12.5
deferred tax liabilities	The amounts of income taxes payable in future periods in respect of taxable temporary differences.	HKAS 12.5
defined benefit obligation (present value of)	The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.	HKAS 19.7
deficit or surplus (of defined benefit liability (asset))	The deficit or surplus is: (a) the present value of the defined benefit obligation less (b) the fair value of the plan assets (if any).	HKAS 19.8 (2011)
defined benefit plans	Post-employment benefit plans other than defined contribution plans.	HKAS 19.7, HKAS 19.8 (2011)
defined benefit plans	Retirement benefit plans under which amounts to be paid as retirement benefits are determined by reference to a formula usually based on employees' earnings and/or years of service.	HKAS 26.8
defined contribution plans	Post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.	HKAS 19.7, HKAS 19.8 (2011)
defined contribution plans	Retirement benefit plans under which amounts to be paid as retirement benefits are determined by contributions to a fund together with investment earnings thereon.	HKAS 26.8
deposit component	A contractual component that is not accounted for as a derivative under HKAS 39 and would be within the scope of HKAS 39 if it were a separate instrument.	HKFRS 4.A
depreciable amount	The cost of an asset, or other amount substituted for cost (in the financial statements), less its residual value.	HKAS 16.6, (HKAS 36.6, HKAS 38.8)
depreciation (amortisation)*	The systematic allocation of the depreciable amount of an asset over its useful life.	HKAS 16.6, HKAS 36.6

* In the case of an intangible asset, the term 'amortisation' is generally used instead of 'depreciation'. The two terms have the same meaning.

derecognition (of a financial instrument)	The removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.	HKAS 39.9, HKFRS 9.A
derivative	<p>A financial instrument or other contract within the scope of HKAS 39 (see paragraphs 2–7)/HKFRS 9 (see paragraph 2.1) with all three of the following characteristics:</p> <p>(a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');</p> <p>(b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and</p> <p>(c) it is settled at a future date.</p>	HKAS 39.9, HKFRS 9.A
development	The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.	HKAS 38.8
dilution	A reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions.	HKAS 33.5
direct insurance contract	An insurance contract that is not a reinsurance contract.	HKFRS 4.A
discontinued operation	<p>A component of an entity that either has been disposed of or is classified as held for sale and:</p> <p>(a) represents a separate major line of business or geographical area of operations,</p> <p>(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or</p> <p>(c) is a subsidiary acquired exclusively with a view to resale.</p>	HKFRS 5.A

discretionary participation feature	<p>A contractual right to receive, as a supplement to guaranteed benefits, additional benefits:</p> <ul style="list-style-type: none"> (a) that are likely to be a significant portion of the total contractual benefits; (b) whose amount or timing is contractually at the discretion of the issuer; and (c) that are contractually based on: <ul style="list-style-type: none"> (i) the performance of a specified pool of contracts or a specified type of contract; (ii) realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or (iii) the profit or loss of the company, fund or other entity that issues the contract. 	HKFRS 4.A
disposal group	<p>A group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. The group includes goodwill acquired in a business combination if the group is a cash-generating unit to which goodwill has been allocated in accordance with the requirements of paragraphs 80–87 of HKAS 36 or if it is an operation within such a cash-generating unit.</p>	HKFRS 5.A
economic life	<p>Either:</p> <ul style="list-style-type: none"> (a) the period over which an asset is expected to be economically usable by one or more users; or (b) the number of production or similar units expected to be obtained from the asset by one or more users. 	HKAS 17.4
effective interest method	<p>A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.</p>	HKAS 39.9

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effective interest rate	The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see HKAS 18), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).	HKAS 39.9
employee benefits	All forms of consideration given by an entity in exchange for service rendered by employees.	HKAS 19.7
employee benefits	All forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.	HKAS 19.8 (2011)
employees and others providing similar services	Individuals who render personal services to the entity and either (a) the individuals are regarded as employees for legal or tax purposes, (b) the individuals work for the entity under its direction in the same way as individuals who are regarded as employees for legal or tax purposes, or (c) the services rendered are similar to those rendered by employees. For example, the term encompasses all management personnel, ie those persons having authority and responsibility for planning, directing and controlling the activities of the entity, including non-executive directors.	HKFRS 2.A
entity-specific value	The present value of the cash flows an entity expects to arise from the continuing use of an asset and from its disposal at the end of its useful life or expects to incur when settling a liability.	HKAS 16.6, HKAS 38.8
entry price	The price paid to acquire an asset or received to assume a liability in an exchange transaction.	HKFRS 13.A
equity instrument	A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.	HKAS 32.11, HKFRS 2.A
equity instrument granted	The right (conditional or unconditional) to an equity instrument of the entity conferred by the entity on another party, under a share-based payment arrangement.	HKFRS 2.A

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equity interests	In HKFRS 3 is used broadly to mean ownership interests of investor-owned entities and owner, member or participant interests of mutual entities.	HKFRS 3.A
equity method	A method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.	HKAS 28.2
equity method	A method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.	HKAS 28.3 (2011)
equity-settled share-based payment transaction	A share-based payment transaction in which the entity <ul style="list-style-type: none"> (a) receives goods or services as consideration for its own equity instruments (including shares or share options), or (b) receives goods or services but has no obligation to settle the transaction with the supplier. 	HKFRS 2.A
events after the reporting period	Those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified: <ul style="list-style-type: none"> (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and (b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period). 	HKAS 10.3
exchange difference	The difference resulting from translating a given number of units of one currency into another currency at different exchange rates.	HKAS 21.8
exchange rate	The ratio of exchange for two currencies.	HKAS 21.8
exit price	The price that would be received to sell an asset or paid to transfer a liability.	HKFRS 13.A
expected cash flows	The probability-weighted average (ie mean of the distribution) of possible future cash flows.	HKFRS 13.A
experience adjustments	The effects of differences between previous actuarial assumptions and what has actually occurred.	HKAS 19.7, HKAS 19.8 (2011)

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exploration and evaluation assets	Exploration and evaluation expenditures recognised as assets in accordance with the entity's accounting policy.	HKFRS 6.A
exploration and evaluation expenditures	Expenditures incurred by an entity in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.	HKFRS 6.A
exploration for and evaluation of mineral resources	The search for mineral resources, including minerals, oil, natural gas and similar non-regenerative resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.	HKFRS 6.A
fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.	HKAS 2.6, (HKAS 16.6), HKAS 17.4, HKAS 18.7, (HKAS 19.7), (HKAS 20.3), HKAS 21.8, HKAS 32.11, (HKAS 38.8), HKAS 39.9, (HKAS 40.5), HKAS 41.8, HKFRS 1.A, HKFRS 3.A, HKFRS 4.A, HKFRS 5.A
fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	HKFRS 13.A
fair value	The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.	HKFRS 2.A
fair value less costs to sell	The amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.	HKAS 36.6
finance lease	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.	HKAS 17.4

financial asset	Any asset that is: <ul style="list-style-type: none">(a) cash;(b) an equity instrument of another entity;(c) a contractual right:<ul style="list-style-type: none">(i) to receive cash or another financial asset from another entity; or(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or(d) a contract that will or may be settled in the entity's own equity instruments and is:<ul style="list-style-type: none">(i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments classified as equity instruments in accordance with paragraphs 16A and 16B of HKAS 32, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D of HKAS 32, or instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.	HKAS 32.11
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financial asset or financial liability at fair value through profit or loss	<p>A financial asset or financial liability that meets either of the following conditions.</p> <p>(a) It is classified as held for trading. A financial asset or financial liability is classified as held for trading if:</p> <ul style="list-style-type: none"> (i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; (ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or (iii) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). <p>(b) Upon initial recognition it is designated by the entity as at fair value through profit or loss. An entity may use this designation only when permitted by HKAS 39 paragraph 11A (embedded derivatives) or when doing so results in more relevant information, because either</p> <ul style="list-style-type: none"> (i) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or (ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel (as defined in HKAS 24). 	HKAS 39.9, HKFRS 9.A
financial guarantee contract	<p>A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.</p>	HKAS 39.9, HKFRS 4.A, HKFRS 9.A
financial instrument	<p>Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.</p>	HKAS 32.11

- financial liability** Any liability that is: HKAS 32.11
- (a) a contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
 - (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments in accordance with paragraphs 16A and 16B of HKAS 32, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D of HKAS 32, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D of HKAS 32.

financial liability at fair value through profit or loss	<p>A financial liability that meets either of the following conditions.</p> <p>(a) It meets the definition of held for trading.</p> <p>(b) Upon initial recognition it is designated by the entity as at fair value through profit or loss. An entity may use this designation only when permitted by IFRS 9 paragraph 4.3.5 (embedded derivatives) or when doing so results in more relevant information, because either</p> <p style="padding-left: 20px;">(i) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as ‘an accounting mismatch’) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or</p> <p style="padding-left: 20px;">(ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel (as defined in HKAS 24).</p>	HKFRS 9.A
financial risk	<p>The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.</p>	HKFRS 4.A
financing activities	<p>Activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.</p>	HKAS 7.6
firm commitment	<p>A binding agreement for the exchange of a specified quantity of resources at a specified price on a specified future date or dates.</p>	HKAS 39.9
firm purchase commitment	<p>An agreement with an unrelated party, binding on both parties and usually legally enforceable, that (a) specifies all significant terms, including the price and timing of the transactions, and (b) includes a disincentive for non-performance that is sufficiently large to make performance highly probable.</p>	HKFRS 5.A
first HKFRS financial statements	<p>The first annual financial statements in which an entity adopts Hong Kong Financial Reporting Standards (HKFRSs), by an explicit and unreserved statement of compliance with HKFRSs.</p>	HKFRS 1.A
first HKFRS reporting period	<p>The latest reporting period covered by an entity's first HKFRS financial statements.</p>	HKFRS 1.A

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first-time adopter	An entity that presents its first HKFRS financial statements.	HKFRS 1.A
fixed price contract	A construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.	HKAS 11.3
forecast transaction	An uncommitted but anticipated future transaction.	HKAS 39.9
foreign currency	A currency other than the functional currency of the entity.	HKAS 21.8
foreign currency transaction	A transaction that is denominated in or requires settlement in a foreign currency.	HKAS 21.20
foreign operation	An entity that is a subsidiary, associate, joint venture or branch of the reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.	HKAS 21.8
forgivable loans	Loans which the lender undertakes to waive repayment of under certain prescribed conditions.	HKAS 20.3
functional currency	The currency of the primary economic environment in which the entity operates.	HKAS 21.8
funding (of post-employment benefits)	Contributions by an entity, and sometimes its employees, into an entity, or fund, that is legally separate from the reporting entity and from which the employee benefits are paid.	HKAS 19.49
funding (of retirement benefits)	The transfer of assets to an entity (the fund) separate from the employer's entity to meet future obligations for the payment of retirement benefits.	HKAS 26.8
general purpose financial statements	Financial statements that are intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs.	HKAS 1.7
goodwill	An asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.	HKFRS 3.A
government	Government, government agencies and similar bodies whether local, national or international.	HKAS 20.3, HKAS 24.9 (Revised)
government assistance	Action by government designed to provide an economic benefit specific to an entity or range of entities qualifying under certain criteria.	HKAS 20.3

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government grants	Assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.	HKAS 20.3
government-related entity	An entity that is controlled, jointly controlled or significantly influenced by a government.	HKAS 24.9 (Revised)
grant date	The date at which the entity and another party (including an employee) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. At grant date the entity confers on the counterparty the right to cash, other assets, or equity instruments of the entity, provided the specified vesting conditions, if any, are met. If that agreement is subject to an approval process (for example, by shareholders), grant date is the date when that approval is obtained.	HKFRS 2.A
grants related to assets	Government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held.	HKAS 20.3
grants related to income	Government grants other than those related to assets.	HKAS 20.3
gross investment in the lease	The aggregate of: (a) the minimum lease payments receivable by the lessor under a finance lease, and (b) any unguaranteed residual value accruing to the lessor.	HKAS 17.4
group	A parent and all its subsidiaries.	HKAS 21.8, HKAS 27.4
group	A parent and its subsidiaries.	HKFRS 10.A
group of biological assets	An aggregation of similar living animals or plants.	HKAS 41.5
guaranteed benefits	Payments or other benefits to which a particular policyholder or investor has an unconditional right that is not subject to the contractual discretion of the issuer.	HKFRS 4.A

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guaranteed element	An obligation to pay guaranteed benefits, included in a contract that contains a discretionary participation feature.	HKFRS 4.A
guaranteed residual value	<p>(a) For a lessee, that part of the residual value that is guaranteed by the lessee or by a party related to the lessee (the amount of the guarantee being the maximum amount that could, in any event, become payable); and</p> <p>(b) for a lessor, that part of the residual value that is guaranteed by the lessee or by a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee.</p>	HKAS 17.4
harvest	The detachment of produce from a biological asset or the cessation of a biological asset's life processes.	HKAS 41.5
hedge effectiveness	The degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument (see HKAS 39 paragraphs AG105–AG113).	HKAS 39.9
hedged item	An asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that (a) exposes the entity to risk of changes in fair value or future cash flows and (b) is designated as being hedged (HKAS 39 paragraphs 78–84 and AG98–AG101 elaborate on the definition of hedged items).	HKAS 39.9
hedging instrument	A designated derivative or (for a hedge of the risk of changes in foreign currency exchange rates only) a designated non-derivative financial asset or non-derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item (IAS 39 paragraphs 72–77 and AG94–AG97 elaborate on the definition of a hedging instrument).	HKAS 39.9
held for trading	See 'financial asset or financial liability at fair value through profit or loss'.	HKAS 39.9
highest and best use	The use of a non-financial asset by market participants that would maximise the value of the asset or the group of assets and liabilities (eg a business) within which the asset would be used.	HKFRS 13.A

held-to-maturity investments	<p>Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity (see HKAS 39 paragraphs AG16-AG25) other than:</p> <ul style="list-style-type: none"> (a) those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity designates as available for sale; and (c) those that meet the definition of loans and receivables. <p>An entity shall not classify any financial assets as held to maturity if the entity has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassification that:</p> <ul style="list-style-type: none"> (i) are so close to maturity or the financial asset's call date (for example, less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; (ii) occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or (iii) are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity. 	HKAS 39.9
highly probable	Significantly more likely than probable.	HKFRS 5.A
hire purchase contract	The definition of a lease includes contracts for the hire of an asset that contain a provision giving the hirer an option to acquire title to the asset upon the fulfilment of agreed conditions. These contracts are sometimes known as hire purchase contracts.	HKAS 17.6
Hong Kong Financial Reporting Standards (HKFRSs)	<p>Standards and Interpretations adopted by the Hong Kong Institute of Certified Public Accountants (HKICPA). They comprise:</p> <ul style="list-style-type: none"> (a) Hong Kong Financial Reporting Standards; (b) Hong Kong Accounting Standards; (c) HK(IFRIC) Interpretations; and (d) HK(SIC) Interpretations. 	HKAS 1.7, HKAS 8.5, HKFRS 1.A

hyperinflation	<p>Loss of purchasing power of money at such a rate that comparison of amounts from transactions and other events that have occurred at different times, even within the same accounting period, is misleading.</p> <p>Hyperinflation is indicated by characteristics of the economic environment of a country which include, but are not limited to, the following:</p> <ul style="list-style-type: none"> (a) the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power. (b) the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency. (c) sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short. (d) interest rates, wages and prices are linked to a price index. (e) the cumulative inflation rate over three years is approaching, or exceeds, 100%. 	HKAS 29.2–3
identifiable	<p>An asset is identifiable if it either:</p> <ul style="list-style-type: none"> (a) is separable, ie capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or (b) arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations. 	HKFRS 3.A
impairment loss	<p>The amount by which the carrying amount of an asset exceeds its recoverable amount.</p>	HKAS 16.6, (HKAS 36.6), HKAS 38.8
impracticable	<p>Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.</p>	HKAS 1.7, (HKAS 8.5)
inception of a lease	<p>The earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.</p>	HKAS 17.4

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income approach	Valuation techniques that convert future amounts (eg cash flows or income and expenses) to a single current (eg discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.	HKFRS 13.A
income from a structured entity	For the purpose of HKFRS 12, income from a structured entity includes, but is not limited to, recurring and non-recurring fees, interest, dividends, gains or losses on the remeasurement or derecognition of interests in structured entities and gains or losses from the transfer of assets and liabilities to the structured entity.	HKFRS 12.A
incremental borrowing rate of interest (lessee's)	The rate of interest the lessee would have to pay on a similar lease or, if that is not determinable, the rate that, at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset.	HKAS 17.4
initial direct costs	Incremental costs that are directly attributable to negotiating and arranging a lease, except for such costs incurred by manufacturer or dealer lessors.	HKAS 17.4
inputs	<p>The assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, such as the following:</p> <ul style="list-style-type: none"> (a) the risk inherent in a particular valuation technique used to measure fair value (such as pricing model); and (b) the risk inherent in the inputs to the valuation technique. <p>Inputs may be observable or unobservable.</p>	HKFRS 13.A
insurance asset	An insurer's net contractual rights under an insurance contract.	HKFRS 4.A
insurance contract	A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. (See HKFRS 4 Appendix B for guidance on this definition.)	HKFRS 4.A
insurance liability	An insurer's net contractual obligations under an insurance contract.	HKFRS 4.A
insurance risk	Risk, other than financial risk, transferred from the holder of a contract to the issuer.	HKFRS 4.A
insured event	An uncertain future event that is covered by an insurance contract and creates insurance risk.	HKFRS 4.A

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insurer	The party that has an obligation under an insurance contract to compensate a policyholder if an insured event occurs.	HKFRS 4.A
intangible asset	An identifiable non-monetary asset without physical substance.	HKAS 38.8, HKFRS 3.A
interest cost (for an employee benefit plan)	The increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.	HKAS 19.7
interest in another entity	For the purpose of HKFRS 12, an interest in another entity refers to contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. An interest in another entity can be evidenced by, but is not limited to, the holding of equity or debt instruments as well as other forms of involvement such as the provision of funding, liquidity support, credit enhancement and guarantees. It includes the means by which an entity has control or joint control of, or significant influence over, another entity. An entity does not necessarily have an interest in another entity solely because of a typical customer supplier relationship.	HKFRS 12.A
interest rate implicit in the lease	The discount rate that, at the inception of the lease, causes the aggregate present value of (a) the minimum lease payments and (b) the unguaranteed residual value to be equal to the sum of (i) the fair value of the leased asset and (ii) any initial direct costs of the lessor.	HKAS 17.4
interest rate risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	HKFRS 7.A
interim financial report	A financial report containing either a complete set of financial statements (as described in HKAS 1) or a set of condensed financial statements (as described in HKAS 34) for an interim period.	HKAS 34.4
interim period	A financial reporting period shorter than a full financial year.	HKAS 34.4
intrinsic value	The difference between the fair value of the shares to which the counterparty has the (conditional or unconditional) right to subscribe or which it has the right to receive, and the price (if any) the counterparty is (or will be) required to pay for those shares. For example, a share option with an exercise price of CU15, [*] on a share with a fair value of CU20, has an intrinsic value of CU5.	HKFRS 2.A

* Monetary items are denominated in 'currency units (CU)'.

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inventories	<p>Assets:</p> <ul style="list-style-type: none"> (a) held for sale in the ordinary course of business; (b) in the process of production for such sale; or (c) in the form of materials or supplies to be consumed in the production process or in the rendering of services. <p>Inventories encompass goods purchased and held for resale including, for example, merchandise purchased by a retailer and held for resale, or land and other property held for resale. Inventories also encompass finished goods produced, or work in progress being produced, by the entity and include materials and supplies awaiting use in the production process. In the case of a service provider, inventories include the costs of the service, as described in HKAS 2 paragraph 19, for which the entity has not yet recognised the related revenue (see HKAS 18).</p>	HKAS 2.6, HKAS 2.8
investing activities	The acquisition and disposal of long-term assets and other investments not included in cash equivalents.	HKAS 7.6
investment property	<p>Property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:</p> <ul style="list-style-type: none"> (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. 	HKAS 40.5
investor in a joint venture	A party to a joint venture that does not have joint control over that joint venture.	HKAS 31.3
joint arrangement	An arrangement of which two or more parties have joint control.	HKAS 28.3 (2011), HKFRS 11.A
joint control	The contractually agreed sharing of control over an economic activity.	HKAS 24.9
joint control	The contractually agreed sharing of control over an economic activity; it exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).	HKAS 28.2, HKAS 31.3
joint control	The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.	HKAS 28.3 (2011), HKFRS 11.A
joint operation	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.	HKFRS 11.A

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joint operator	A party to a joint operation that has joint control of the joint operation.	HKFRS 11.A
joint venture	A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.	HKAS 31.3
joint venture	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets off the arrangement.	HKAS 28.3 (2011), HKFRS 11.A
joint venturer	A party to a joint venture that has joint control of the joint venture.	HKAS 28.3 (2011), HKFRS 11.A
key management personnel	Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.	HKAS 24.9
lease	An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.	HKAS 17.4
lease term	The non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.	HKAS 17.4
legal obligation	An obligation that derives from: (a) a contract (through its explicit or implicit terms); (b) legislation; or (c) other operation of law.	HKAS 37.10
lessee's incremental borrowing rate of interest	The rate of interest the lessee would have to pay on a similar lease or, if that is not determinable, the rate that, at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset.	HKAS 17.4
Level 1 inputs	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	HKFRS 13.A
Level 2 inputs	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	HKFRS 13.A
Level 3 inputs	Unobservable inputs for the asset or liability.	HKFRS 13.A

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liability	A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.	HKAS 37.10, F.4.4(b)
liability adequacy test	An assessment of whether the carrying amount of an insurance liability needs to be increased (or the carrying amount of related deferred acquisition costs or related intangible assets decreased), based on a review of future cash flows.	HKFRS 4.A
liquidity risk	The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	HKFRS 7.A
loans payable	Financial liabilities other than short-term trade payables on normal credit terms.	HKFRS 7.A
loans and receivables	<p>Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:</p> <ul style="list-style-type: none"> (a) those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity upon initial recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale. <p>An interest acquired in a pool of assets that are not loans or receivables (for example, an interest in a mutual fund or a similar fund) is not a loan or receivable.</p>	HKAS 39.9
market approach	A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (ie similar) assets, liabilities or a group of assets and liabilities, such as a business.	HKFRS 13.A
market condition	A condition upon which the exercise price, vesting or exercisability of an equity instrument depends that is related to the market price of the entity's equity instruments, such as attaining a specified share price or a specified amount of intrinsic value of a share option, or achieving a specified target that is based on the market price of the entity's equity instruments relative to an index of market prices of equity instruments of other entities.	HKFRS 2.A
market-corroborated inputs	Inputs that are derived principally from or corroborated by observable market data by correlation or other means.	HKFRS 13.A

market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.	HKFRS 7.A
market participant	<p>Buyers and sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:</p> <p>(a) They are independent of each other, ie they are not related parties as defined in IAS 24, although the price in a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was entered into at market terms.</p> <p>(b) They are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due diligence efforts that are usual and customary.</p> <p>(c) They are able to enter into a transaction for the asset or liability.</p> <p>(d) They are willing to enter into a transaction for the asset or liability, ie they are motivated but not forced or otherwise compelled to do so.</p>	HKFRS 13.A
material	Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.	HKAS 1.7, HKAS 8.5
measurement	The process of determining the monetary amounts at which the elements of the financial statements are to be recognised and carried in the balance sheet [statement of financial position] and income statement [statement of comprehensive income].	F.4.54
measurement date	The date at which the fair value of the equity instruments granted is measured for the purposes of HKFRS 2. For transactions with employees and others providing similar services, the measurement date is grant date. For transactions with parties other than employees (and those providing similar services), the measurement date is the date the entity obtains the goods or the counterparty renders service.	HKFRS 2.A

minimum lease payments	<p>The payments over the lease term that the lessee is or can be required to make, excluding contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor, together with:</p> <p>(a) for a lessee, any amounts guaranteed by the lessee or by a party related to the lessee; or</p> <p>(b) for a lessor, any residual value guaranteed to the lessor by:</p> <p style="margin-left: 20px;">(i) the lessee;</p> <p style="margin-left: 20px;">(ii) a party related to the lessee; or</p> <p style="margin-left: 20px;">(iii) a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee.</p>	HKAS 17.4
minority interest	See 'non-controlling interest'	
monetary assets	Money held and assets to be received in fixed or determinable amounts of money.	HKAS 38.8
monetary items	Units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.	HKAS 21.8
monetary items	Money held and items to be received or paid in money.	HKAS 29.12
most advantageous market	The market that maximises the amount that would be received to sell the asset or minimises the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs.	HKFRS 13.A
multi-employer (benefit) plans	<p>Defined contribution plans (other than state plans) or defined benefit plans (other than state plans) that:</p> <p>(a) pool the assets contributed by various entities that are not under common control; and</p> <p>(b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.</p>	HKAS 19.7, HKAS 19.8 (2011)
mutual entity	An entity, other than an investor-owned entity, that provides dividends, lower costs or other economic benefits directly to its owners, members or participants. For example, a mutual insurance company, a credit union and a co-operative entity are all mutual entities.	HKFRS 3.A
net assets available for benefits	The assets of a plan less liabilities other than the actuarial present value of promised retirement benefits.	HKAS 26.8

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net defined benefit liability (asset)	The deficit or surplus, adjusted for any effects of limiting a net defined benefit assets to the asset ceiling.	HKAS 19.8 (2011)
net interest on the net defined benefit liability (asset)	The change during the period in the net defined benefit liability (asset) that arises from the passage of time	HKAS 19.8 (2011)
net investment in a foreign operation	The amount of the reporting entity's interest in the net assets of that operation.	HKAS 21.8
net investment in the lease	The gross investment in the lease discounted at the interest rate implicit in the lease.	HKAS 17.4
net realisable value	<p>The estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>Net realisable value refers to the net amount that an entity expects to realise from the sale of inventory in the ordinary course of business. Fair value reflects the amount for which the same inventory could be exchanged between knowledgeable and willing buyers and sellers in the marketplace. The former is an entity-specific value; the latter is not. Net realisable value for inventories may not equal fair value less costs to sell.</p>	HKAS 2.6–7
non-adjusting events after the reporting period	See 'events after the reporting period'	
non-cancellable lease	<p>A lease that is cancellable only:</p> <ul style="list-style-type: none"> (a) upon the occurrence of some remote contingency; (b) with the permission of the lessor; (c) if the lessee enters into a new lease for the same or an equivalent asset with the same lessor; or (d) upon payment by the lessee of such an additional amount that, at inception of the lease, continuation of the lease is reasonably certain. 	HKAS 17.4
non-controlling interest	The equity in a subsidiary not attributable, directly or indirectly, to a parent.	HKAS 27.4, HKFRS 3.A, HKFRS 10.A
non-current asset	An asset that does not meet the definition of a current asset.	HKFRS 5.A
non-performance risk	The risk that an entity will not fulfil an obligation. Non-performance risk includes, but may not be limited to, the entity's own credit risk.	HKFRS 13.A

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notes	Notes contain information in addition to that presented in the statement of financial position, statement of comprehensive income, separate income statement (if presented), statement of changes in equity and statement of cash flows. Notes provide narrative descriptions or disaggregations of items presented in those statements and information about items that do not qualify for recognition in those statements.	HKAS 1.7
obligating event	An event that creates a legal or constructive obligation that results in an entity having no realistic alternative to settling that obligation.	HKAS 37.10
observable inputs	Inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.	HKFRS 13.A
onerous contract	A contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.	HKAS 37.10
opening HKFRS statement of financial position	An entity's statement of financial position at the date of transition to HKFRSs.	HKFRS 1.A
operating activities	The principal revenue-producing activities of an entity and other activities that are not investing or financing activities.	HKAS 7.6
operating lease	A lease other than a finance lease.	HKAS 17.4
operating segment	An operating segment is a component of an entity: <ul style="list-style-type: none"> (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available. 	HKFRS 8
options, warrants and their equivalents	Financial instruments that give the holder the right to purchase ordinary shares.	HKAS 33.5
orderly transaction	A transaction that assumes exposure to the market for a period before the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities; it is not a forced transaction (eg a forced liquidation or distress sale).	HKFRS 13.A

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ordinary equity holders	Holders of ordinary shares.	HKAS 33.5–9
ordinary share	An equity instrument that is subordinate to all other classes of equity instruments.	HKAS 33.5
other comprehensive income	Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other HKFRSs.	HKAS 1.7
other long-term employee benefits	Employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.	HKAS 19.7
other long-term employee benefits	All employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.	HKAS 19.8 (2011)
other price risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.	HKFRS 7.A
owner-occupied property	Property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes.	HKAS 40.5
owners	Holders of instruments classified as equity.	HKAS 1.7
owners	In HKFRS 3 owners is used broadly to include holders of equity interests of investor-owned entities and owners or members of, or participants in, mutual entities.	HKFRS 3.A
parent	An entity that has one or more subsidiaries.	HKAS 27.4
parent	An entity that controls one or more entities.	HKFRS 10.A
participants	The members of a retirement benefit plan and others who are entitled to benefits under the plan.	HKAS 26.8
party to a joint arrangement	An entity that participates in a joint arrangement, regardless of whether that entity has joint control of the arrangement.	HKFRS 11.A
past due	A financial asset is past due when a counterparty has failed to make a payment when contractually due.	HKFRS 7.A

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past service cost	The change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases).	HKAS 19.7
past service cost	The change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or change to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan).	HKAS 19.8 (2011)
plan assets (of an employee benefit plan)	(a) Assets held by a long-term employee benefit fund; and (b) qualifying insurance policies.	HKAS 19.7, HKAS 19.8 (2011)
policyholder	A party that has a right to compensation under an insurance contract if an insured event occurs.	HKFRS 4.A
post-employment benefits	Employee benefits (other than termination benefits) which are payable after the completion of employment.	HKAS 19.7
post-employment benefits	Employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.	HKAS 19.8 (2011)
post-employment benefit plans	Formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.	HKAS 19.7, HKAS 19.8 (2011)
potential ordinary share	A financial instrument or other contract that may entitle its holder to ordinary shares.	HKAS 33.5
power	Existing rights that give the current ability to direct the relevant activities.	HKFRS 10.A
presentation currency	The currency in which the financial statements are presented.	HKAS 21.8
present value of a defined benefit obligation	See 'defined benefit obligation (present value of)'	HKAS 19.7, HKAS 19.8 (2011)
previous GAAP	The basis of accounting that a first-time adopter used immediately before adopting HKFRSs.	HKFRS 1.A
principal market	The market with the greatest volume and level of activity for the asset or liability.	HKFRS 13.A

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primary financial instruments	Financial instruments, such as receivables, payables and equity securities, that are not derivative financial instruments.	HKAS 32.AG15
prior period errors	<p>Omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:</p> <p>(a) was available when financial statements for those periods were authorised for issue; and</p> <p>(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.</p> <p>Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.</p>	HKAS 8.5
probable	More likely than not.	HKFRS 5.A, (HKAS 37.23)
profit or loss	The total of income less expenses, excluding the components of other comprehensive income.	HKAS 1.7
property, plant and equipment	<p>Tangible items that:</p> <p>(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and</p> <p>(b) are expected to be used during more than one period.</p>	HKAS 16.6
proportionate consolidation	A method of accounting and reporting whereby a venturer's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.	HKAS 31.3
prospective application	<p>Prospective application of a change in accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are:</p> <p>(a) applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and</p> <p>(b) recognising the effect of the change in the accounting estimate in the current and future periods affected by the change.</p>	HKAS 8.5
protective rights	Rights designed to protect the interest of the party holding those rights without giving that party power over the entity to which those rights relate.	HKFRS 10.A
provision	A liability of uncertain timing or amount.	HKAS 37.10

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put options (on ordinary shares)	Contracts that give the holder the right to sell ordinary shares at a specified price for a given period.	HKAS 33.5
puttable instrument	A financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset or is automatically put back to the issuer on the occurrence of an uncertain future event or the death or retirement of the instrument holder.	HKAS 32.11
qualifying asset	An asset that necessarily takes a substantial period of time to get ready for its intended use or sale.	HKAS 23.5
qualifying insurance policy	<p>An insurance policy issued by an insurer that is not a related party (as defined in HKAS 24) of the reporting entity, if the proceeds of the policy:</p> <ul style="list-style-type: none"> (a) can be used only to pay or fund employee benefits under a defined benefit plan; (b) are not available to the reporting entity's own creditors (even in bankruptcy) and cannot be paid to the reporting entity, unless either: <ul style="list-style-type: none"> (i) the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or (ii) the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid. 	HKAS 19.7, HKAS 19.8 (2011)
realisable value	The amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.	F.4.55(c)
reclassification adjustments	Amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods.	HKAS 1.7
reclassification date	The first day of the first reporting period following the change in business model that results in an entity reclassifying financial assets.	HKFRS 9.A
recoverable amount	The higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use.	HKAS 16.6, HKAS 36.6, HKFRS 5.A
regular way purchase or sale	A purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.	HKAS 39.9, HKFRS 9.A
reinsurance assets	A cedant's net contractual rights under a reinsurance contract.	HKFRS 4.A

reinsurance contract	An insurance contract issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant.	HKFRS 4.A
reinsurer	The party that has an obligation under a reinsurance contract to compensate a cedant if an insured event occurs.	HKFRS 4.A
related party	<p>A person or entity that is related to the entity that is preparing its financial statements (in HKAS 24 referred to as the 'reporting entity').</p> <p>(a) A person or a close member of that person's family is related to a reporting entity if that person:</p> <ul style="list-style-type: none"> (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. <p>(b) An entity is related to a reporting entity if any of the following conditions applies:</p> <ul style="list-style-type: none"> (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member). (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). 	HKAS 24.9 (Revised)

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related party transaction	A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.	HKAS 24.9
relevant activities	For the purpose of HKFRS 10, relevant activities are activities of the investee that significantly affect the investee's returns.	HKFRS 10.A
reload feature	A feature that provides for an automatic grant of additional share options whenever the option holder exercises previously granted options using the entity's shares, rather than cash, to satisfy the exercise price.	HKFRS 2.A
reload option	A new share option granted when a share is used to satisfy the exercise price of a previous share option.	HKFRS 2.A
remeasurement of the net defined benefit liability (asset)	Comprises: <ul style="list-style-type: none"> (a) actuarial gains and losses; (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). 	HKAS 19.8 (2011)
removal rights	Rights to deprive the decisions maker of its decision-marking authority.	HKFRS 10.A
reportable segment	An operating segment for which HKFRS 8 requires information to be disclosed.	HKFRS 8.11
research	Original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.	HKAS 38.8
residual value (of an asset)	The estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.	HKAS 16.6, (HKAS 38.8)
restructuring	A programme that is planned and controlled by management, and materially changes either: <ul style="list-style-type: none"> (a) the scope of a business undertaken by an entity; or (b) the manner in which that business is conducted. 	HKAS 37.10

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retirement benefit plans	Arrangements whereby an entity provides benefits for its employees on or after termination of service (either in the form of an annual income or as a lump sum) when such benefits, or the employer's contributions towards them, can be determined or estimated in advance of retirement from the provisions of a document or from the entity's practices. (See also 'post-employment benefit plans'.)	HKAS 26.8
retrospective application	Applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.	HKAS 8.5
retrospective restatement	Correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.	HKAS 8.5
return on plan assets (of an employee benefit plan)	Interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.	HKAS 19.7
return on plan assets (of an employee benefit plan)	Interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less: <ul style="list-style-type: none"> (a) any cost of managing plan assets; and (b) any tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation. 	HKAS 19.8 (2011)
revenue	The gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.	HKAS 18.7
risk premium	Compensation sought by risk-averse market participants for bearing the uncertainty inherent in the cash flows of an asset or a liability. Also referred to as a 'risk adjustment'.	HKFRS 13.A
separate financial statements	Those presented by a parent, an investor in an associate or a venturer in a jointly controlled entity, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.	HKAS 27.4, HKAS 28.2, HKAS 31.3
separate vehicle	A separately identifiable financial structure, including separate legal entities or entities recognised by statute, regardless of whether those entities have a legal personality.	HKFRS 11.A

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service cost	Comprises: (a) current service cost; (b) past service cost; and (C) any gain or loss on settlement.	HKAS 19.8 (2011)
settlement (of employee benefit obligations)	A transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.	HKAS 19.8 (2011)
settlement date	The date that a financial asset is delivered to or by an entity.	HKFRS 9.B3.1.6
share-based payment arrangement	An agreement between the entity (or another group [*] entity or any shareholder of the group entity) and another party (including an employee) that entitles the other party to receive (a) cash or other assets of the entity for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity, or (b) equity instruments (including shares or share options) of the entity or another group entity, provided the specified vesting conditions, if any, are met.	HKFRS 2.A
share-based payment transaction	A transaction in which the entity (a) receives goods or services from the supplier of those goods or services (including an employee) in a share-based payment arrangement, or (b) incurs an obligation to settle the transaction with the supplier in a share-based payment arrangement when another group entity receives those goods or services.	HKFRS 2.A
share option	A contract that gives the holder the right, but not the obligation, to subscribe to the entity's shares at a fixed or determinable price for a specific period of time.	HKFRS 2.A
short seller	An entity that sells financial assets that it has borrowed and does not yet own.	HKFRS 9.BA.7(b)
short-term employee benefits	Employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.	HKAS 19.7

* A 'group' is defined in paragraph 4 of HKAS 27 *Consolidated and Separate Financial Statements* as 'a parent and its subsidiaries' from the perspective of the reporting entity's ultimate parent.

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short-term employee benefits	Employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.	HKAS 19.8 (2011)
significant influence	The power to participate in the financial and operating policy decisions of an entity, but not control over those policies. Significant influence may be gained by share ownership, statute or agreement.	HKAS 24.9, (HKAS 28.2), (HKAS 31.3)
significant influence	The power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.	HKAS 28.3 (2011)
spot exchange rate	The exchange rate for immediate delivery.	HKAS 21.8
structured entity	An entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.	HKFRS 12.A
subsidiary	An entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).	HKFRS 3.A, HKAS 27.4, HKAS 28.2
subsidiary	An entity that is controlled by another entity.	HKFRS 10.A
tax base of an asset or liability	The amount attributed to that asset or liability for tax purposes.	HKAS 12.5
tax expense (tax income)	The aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).	HKAS 12.5, HKAS 12.6
taxable profit (tax loss)	The profit (loss) for a period, determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable (recoverable).	HKAS 12.5
taxable temporary differences	Temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.	HKAS 12.5

temporary differences	Differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Temporary differences may be either: <ul style="list-style-type: none"> (a) taxable temporary differences; or (b) deductible temporary differences. 	HKAS 12.5
termination benefits	Employee benefits payable as a result of either: <ul style="list-style-type: none"> (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept voluntary redundancy in exchange for those benefits. 	HKAS 19.7
termination benefits	Employee benefits provided in exchange for the termination of an employee's employment as a result of either: <ul style="list-style-type: none"> (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment. 	HKAS 19.8 (2011)
total comprehensive income	The change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners.	HKAS 1.7
trade date	The date that an entity commits itself to purchase or sell an asset.	HKFRS 9.B3.15
transaction costs	The costs to sell an asset or transfer a liability in the principal (or most advantageous) market for the asset or liability that are directly attributable to the disposal of the asset or the transfer of the liability and meet both of the following criteria: <ul style="list-style-type: none"> (a) They result directly from and are essential to that transaction. (b) They would not have been incurred by the entity had the decision to sell the asset or transfer the liability not been made (similar to costs to sell, as defined in HKFRS 5). 	HKFRS 13.A
transaction costs (financial instruments)	Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see HKAS 39 paragraph AG13). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.	HKAS 39.9
transport costs	The cost that would be incurred to transport an asset from its current location to its principal (or most advantageous) market.	HKFRS 13.A

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unbundle	Account for the components of a contract as if they were separate contracts.	HKFRS 4.A
unearned finance income	The difference between: (a) the gross investment in the lease, and (b) the net investment in the lease.	HKAS 17.4
unguaranteed residual value	That portion of the residual value of the leased asset, the realisation of which by the lessor is not assured or is guaranteed solely by a party related to the lessor.	HKAS 17.4
unit of account	The level at which an asset or a liability is aggregated or disaggregated in a HKFRS for recognition purposes.	HKFRS 13.A
unobservable inputs	Inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.	HKFRS 13.A
useful life	The estimated remaining period, from the commencement of the lease term, without limitation by the lease term, over which the economic benefits embodied in the asset are expected to be consumed by the entity.	HKAS 17.4
useful life	Either: (a) the period over which an asset is expected to be available for use by an entity; or (b) the number of production or similar units expected to be obtained from the asset by the entity.	HKAS 16.6, HKAS 36.6, HKAS 38.8
value in use	The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.	HKFRS 5.A
value in use	The present value of the future cash flows expected to be derived from an asset or cash-generating unit.	HKAS 36.6
venturer	A party to a joint venture that has joint control over that joint venture.	HKAS 31.3
vest	To become an entitlement. Under a share-based payment arrangement, a counterparty's right to receive cash, other assets or equity instruments of the entity vests when the counterparty's entitlement is no longer conditional on the satisfaction of any vesting conditions.	HKFRS 2.A
vested benefits	Benefits, the rights to which, under the conditions of a retirement benefit plan, are not conditional on continued employment.	HKAS 26.8

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vested employee benefits	Employee benefits that are not conditional on future employment.	HKAS 19.7
vesting conditions	The conditions that determine whether the entity receives the services that entitle the counterparty to receive cash, other assets or equity instruments of the entity, under a share-based payment arrangement. Vesting conditions are either service conditions or performance conditions. Service conditions require the counterparty to complete a specified period of service. Performance conditions require the counterparty to complete a specified period of service and specified performance targets to be met (such as a specified increase in the entity's profit over a specified period of time). A performance condition might include a market condition.	HKFRS 2.A
vesting period	The period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied	HKFRS 2.A
warrant	A financial instrument that gives the holder the right to purchase ordinary shares.	HKAS 33.5