

# China Accounting Alert

October 2022

This edition of *China Accounting Alert* provides news and updates about financial reporting in Mainland China, IFRS and EY publications.

## Mainland news and updates

- **Announcement of the National Equities Exchange and Quotations (NEEQ) on the issuance of *Measures for the Transfer of Stocks of STAQ, NET and Delisting Companies* and *Measures for the Disclosure of Information of STAQ, NET and Delisting Companies***

In order to adapt the requirements of the registration-based IPO system reform and the normalization of delisting, and improve the management system of delisting companies, the NEEQ has recently revised *Interim Measures for the Transfer of Stocks of NEEQ STAQ, NET and Delisting Companies* and *Interim Measures for the Disclosure of Information of NEEQ STAQ, NET and Delisting Companies*, and renamed them as [\*Measures for the Transfer of Stocks of STAQ, NET and Delisting Companies\*](#) and [\*Measures for the Disclosure of Information of STAQ, NET and Delisting Companies\*](#) respectively (NEEQ System Announcement [2022] No.345). The revised Measures became effective upon release on 28 October 2022.

*Interim Measures for the Transfer of Stocks of NEEQ STAQ, NET and Delisting Companies* and *Interim Measures for the Disclosure of Information of NEEQ STAQ, NET and Delisting Companies* have been abolished simultaneously.

► **2022 Guidance on Accounting Standard for Business Enterprises No. 25 - Insurance Contract is officially published**

In October 2022, the *2022 Guidance on Accounting Standard for Business Enterprises No. 25 - Insurance Contract* compiled by the MOF was officially published to further specify the accounting treatment of insurance contracts. On the basis of convergence to the relevant international standard, the application guidance on new insurance contracts standard covers examples of domestic insurance practice and provides more pragmatic and practical guidance.

## **IASB news and updates**

► **IASB Update for October 2022**

The [October 2022](#) issue of the *IASB Update* contains the IASB staff summary of the IASB meeting held from 18 to 20 October 2022 when the board discussed:

**Research and standard-setting**

- Post-implementation Review of IFRS 9 *Financial Instruments*—Classification and Measurement
- Rate-regulated Activities
- Disclosure Initiative—Targeted Standards-level Review of Disclosures
- Equity Method
- Contractual Cash Flow Characteristics of Financial Assets (Amendments to IFRS 9 *Financial Instruments*)
- Goodwill and Impairment
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures

**Maintenance and consistent application**

- Maintenance and consistent application
- Provisions—Targeted Improvements: Discount rates—Non-performance risk
- Multi-currency Groups of Insurance Contracts (IFRS 17 *Insurance Contracts* and IAS 21 *The Effects of Changes in Foreign Exchange Rates*): Finalisation of agenda decision
- Special Purpose Acquisition Companies (SPAC): Accounting for Warrants at Acquisition: Finalisation of agenda decision
- Lessor Forgiveness of Lease Payments (IFRS 9 *Financial Instruments* and IFRS 16 *Leases*): Finalisation of agenda decision
- IFRIC Update September 2022

**Taxonomy**

- IFRS Accounting Taxonomy Update—Amendments to IAS 1 *Presentation of Financial Statements* and IFRS 16 *Leases*



## EY publications

- ▶ IFRS Developments Issue 207: Hyperinflationary economies (Updated October 2022)

This edition of EY *IFRS Developments* [Issue 207](#) sets out a summary of the inflation data of countries that are considered to be hyperinflationary for IFRS purposes as at 30 September 2022, as well as economies that are not currently hyperinflationary for IFRS purposes but should be monitored.

- ▶ IFRS Update of standards and interpretations in issue at 30 September 2022

[This edition](#) of *IFRS Update* is an overview of upcoming changes in standards and interpretations issued by the IASB and the IFRS IC as at 30 September 2022 and also provides an update on selected active projects. It does not attempt to provide an in-depth analysis or discussion of the topics. Rather, the objective is to highlight key aspects of these changes.



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