

China Accounting Alert

March 2025

China Accounting Alert provides an overview of new accounting standards for business enterprises and regulatory rules in the Chinese mainland, updates on IFRS and EY publications.

Mainland news and updates

- China Securities Regulatory Commission (CSRC) issues the *Guidelines on the Supervision of Listed Companies No. 11 - Matters Related to Bankruptcy Reorganization of Listed Companies*

The CSRC has formulated the [Guidelines on the Supervision of Listed Companies No. 11 - Matters Related to Bankruptcy Reorganization of Listed Companies](#) (CSRC Announcement [2025] No. 2, hereinafter referred to as the "Guidelines"), which became effective upon release on 14 March 2025.

The Guidelines define the CSRC's regulatory responsibilities over matters related to the securities market involved in bankruptcy reorganization of listed companies, and require stock exchanges to implement self-supervision for information disclosure during the bankruptcy reorganization process. The Guidelines emphasize that listed companies must conduct self-assessments and disclose whether there are delisting risks, occupation of funds and illegal guarantees, or significant deficiencies in information disclosure or operational compliance. The Guidelines further clarify the requirements for equity adjustment in the reorganization plan, stipulating that the ratio of capital reserve converted to capital stock shall not exceed 15 additional shares for every 10 existing shares; the share price for investors involved in the reorganization shall not be lower than 50% of the market reference price and the market reference price shall be determined based on one of the average prices over the 20, 60, or 120 trading days prior to the signing of the reorganization investment agreement; and that investors involved in the reorganization will be subject to lock-up periods of 36 months or 12 months, depending on whether they obtain control. Additionally, the Guidelines explicitly prohibit listed companies from recognizing debt restructuring gains in advance before the material uncertainties related to the implementation of the reorganization plan are resolved.

- Notice on the [Guideline No. 13 for Self-Supervision of Listed Companies on the Shanghai Stock Exchange - Matters Related to Bankruptcy Reorganization \(2025 Revision\)](#) and the [Guideline No. 14 for Self-Supervision of Listed Companies on the Shenzhen Stock Exchange - Matters Related to Bankruptcy Reorganization \(2025 Revision\)](#)

In order to implement the *Guidelines on the Supervision of Listed Companies No. 11 - Matters Related to Bankruptcy Reorganization of Listed Companies* released by the CSRC, support listed companies in effectively utilizing bankruptcy reorganization to mitigate risks, and standardize information disclosure related to bankruptcy reorganization, the Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE) have revised and issued the [Guideline No. 13 for Self-Supervision of Listed Companies on the Shanghai Stock Exchange - Matters Related to Bankruptcy Reorganization \(2025 Revision\)](#) (Shang Zheng Fa

[2025] No. 30) and the [Guideline No. 14 for Self-Supervision of Listed Companies on the Shenzhen Stock Exchange - Matters Related to Bankruptcy Reorganization \(2025 Revision\)](#) (Shen Zheng Shang [2025] No. 201), respectively. Both guidelines became effective on 14 March 2025 upon release.

The *Guideline No. 13 for Self-Supervision of Listed Companies on the Shanghai Stock Exchange - Matters Related to Bankruptcy Reorganization* (Shang Zheng Fa [2022] No. 41) and the *Guideline No. 14 for Self-Supervision of Listed Companies on the Shenzhen Stock Exchange - Matters Related to Bankruptcy Reorganization* (Shen Zheng Shang [2022] No. 325) released on 31 March 2022 were repealed simultaneously.

International Accounting Standards Board (IASB) news and updates

IASB Update [February 2025](#)

Research and standard setting

- Financial instruments with characteristics of equity
- Amortized cost measurement
- Intangible assets
- Business combinations—Disclosures, goodwill and impairment

Maintenance and consistent application

- Updating IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

IASB – International Sustainability Standards Board (ISSB) Update [February 2025](#)

Maintenance and consistent application

- Climate-related and other uncertainties in the financial statements

ISSB Update [February 2025](#)

Research and standard setting

- Biodiversity, ecosystems and ecosystem services
- Human capital

Agenda decisions for the IASB's consideration

- Guarantees issued on obligations of other entities
- Recognition of revenue from tuition fees (IFRS 15 *Revenue from contracts with customers*)
- Recognition of intangible assets from Climate-related expenditure (IAS 38 *Intangible Assets*)

Other matters

- Translation to a Hyperinflationary presentation currency
- Work in progress

EY publications

- **Good Group – Interim financial statements (June 2025)**

This [edition](#) contains an illustrative set of interim condensed consolidated financial statements for Good Group (International) Limited (the parent) and its subsidiaries (the Group) that is prepared in accordance with IFRS issued as of 28 February 2025 and effective for annual periods beginning on 1 January 2025.

- **IFRS Developments Issue 235: IASB issues the third edition of IFRS for SMEs accounting standard**

The amendments and new requirements align with IFRS Accounting Standards where considered relevant to SMEs, with some simplifications. The third edition of the Standard has been issued following the completion of the Board's second comprehensive review.

One of the most significant updates is the revision of Section 23 Revenue which has been renamed Revenue from Contracts with Customers and now aligns with IFRS 15 *Revenue from Contracts with Customers*, with simplified requirements. Learn more about [IFRS Developments Issue 235](#).



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