

China Accounting Alert

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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

- **Notice of the MOF on issuing the *Application Guidance of Sustainability Disclosure Standards for Business Enterprises - Basic Standards (for Trial Implementation)***

In accordance with the *Sustainability Disclosure Standards for Business Enterprises - Basic Standards (for Trial Implementation)* (Cai Kuai [2024] No. 17), the MOF, together with various ministries and commissions, has formulated the [*Application Guidance of Sustainability Disclosure Standards for Business Enterprises - Basic Standards \(for Trial Implementation\)*](#) (Cai Kuai [2025] No. 21), which includes eight sections on value chain, information connection, sustainability information users, materiality assessment, proportionality principles, the current and expected financial impact of sustainability-related risks and opportunities, the resilience of the enterprise's strategy and business model to sustainability-related risks, and sustainability impact disclosures. Voluntary implementation is permitted before the scope and requirements of implementation are specified.

- **Notice of the MOF on Issuing the *Interim Provisions on Accounting Treatment for Local Government Special-purpose Bonds***

To improve the accounting treatment by entities for local government special-purpose bonds (the "special-purpose bonds"), and to optimize and strengthen the management mechanism and whole-process management of special-purpose bonds, the MOF has formulated the [*Interim Provisions on Accounting Treatment for Local Government Special-purpose Bonds*](#) (Cai Kuai [2025] No. 17, the "Provisions").

The Provisions consisting of five sections, i.e., accounting treatment for governmental and institutional entities, accounting treatment for business entities, reporting of specific information, accounting treatment regarding the transition from old to new provisions, and

supplementary provisions, will become effective on 1 January 2026. In the case of any inconsistency between the provisions regarding special-purpose bonds in the *Government Accounting Standards Interpretation No. 3* issued by the MOF and the Provisions, the Provisions shall prevail.

The requirements in the Provisions regarding the accounting treatment for funds from special-purpose bond obtained by business entities further emphasize the accounting treatment principles of the *Accounting Standards for Business Enterprises*, to implement the requirements for special-purpose bond management, without altering the existing accounting treatment provisions under the current standards. The objective of the relevant accounting treatment principles in the Provisions and the *Accounting Standards for Business Enterprises* is to ensure faithful representation of the economic substance of the funds from special-purpose bond obtained by business entities and the impact of these transactions on their financial position and operating results. Business entities that have obtained funds from special-purpose bond shall, in accordance with the Provisions and the *Accounting Standards for Business Enterprises*, determine whether they have assumed the obligations for repayment of principal and interest of funds from special-purpose bond based on the relevant regulations and policies, project implementation plans and financing balance plans, and have performed relevant accounting treatment. In the case of prior accounting treatments not being in conformity with the Provisions and the *Accounting Standards for Business Enterprises*, the accounting errors shall be corrected in accordance with the *Accounting Standards for Business Enterprises No. 28 – Accounting Policies, Changes in Accounting Estimates, and Error Correction* (Cai Kuai [2006] No. 3).

- **The Shanghai Stock Exchange (SSE) revises Guidelines for Self-Regulation of Listed Companies**

The SSE has issued the revised [*Shanghai Stock Exchange Guideline No. 1 for Self-Regulation of Listed Companies – Formats of Announcement \(Revised in August 2025\)*](#) (Shang Zheng Han [2025] No. 2734), the [*Shanghai Stock Exchange Guideline No. 2 for Self-Regulation of Listed Companies – Business Matters \(Revised in August 2025\)*](#) (Shang Zheng Han [2025] No. 2735) and the [*Shanghai Stock Exchange Guideline for Self-Regulation of Listed Companies on STAR Market \(Revised in August 2025\)*](#) (Shang Zheng Han [2025] No. 2736). These guidelines became effective upon release on 27 August 2025. This revision significantly streamlines the filing documents, reduces the text of pronouncements, and enhances the user-friendliness of the pronouncement formats. It is estimated that the number of required documents for listed companies will decrease by more than 50% after the revision.

The *Shanghai Stock Exchange Guideline No. 1 for Self-Regulation of Listed Companies – Formats of Announcement (Revised in April 2025)* (Shang Zheng Han [2025] No. 1387), the *Shanghai Stock Exchange Guideline No. 2 for Self-Regulation of Listed Companies – Business Matters (Revised in April 2025)* (Shang Zheng Han [2025] No. 1388) and the *Shanghai Stock Exchange Guideline for Self-Regulation of Listed Companies on STAR Market (Revised in April 2025)* (Shang Zheng Han [2025] No. 1389), issued by the SSE on 25 April 2025, were simultaneously repealed.

EY publications

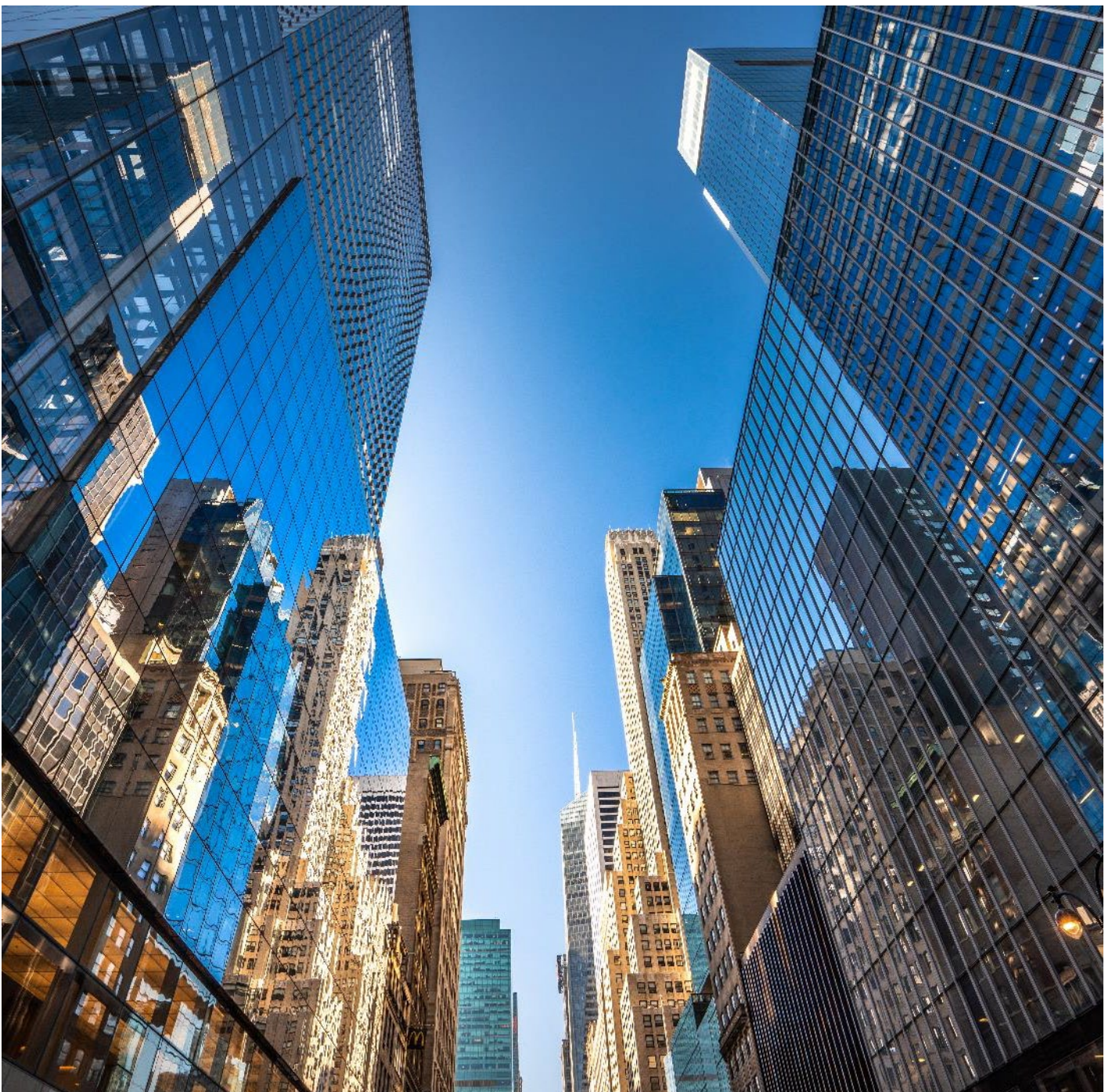
- **Good Group illustrative financial statements (December 2025)**

This [edition](#) contains illustrative consolidated financial statements of Good Group (International) Limited for period ending 31 December 2025. These illustrative financial statements are prepared in accordance with IFRS Accounting Standards issued as at 30 June 2025 and effective for annual periods beginning on 1 January 2025.

- **IFRS Developments Issue 241: The IASB issues Amendments to IFRS 19**

This [publication](#) summaries the key amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, issued on 21 August 2025.

IFRS 19 allows eligible entities to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. When IFRS 19 was issued in May 2024, it reflected reduced disclosures for other IFRS Accounting Standards as at 28 February 2021.



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