



### **Update on Standard Convergence (27 September 2018)**

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

In January 2018, the MoF issued for public comment an Exposure Draft (ED) on a new leases standard to align with the IASB's IFRS 16 *Leases*. Our analysis of the ED indicated that the proposed new CASBE would be converged in principle with the corresponding HKFRS/IFRS 16.

On 1 June 2018, HKICPA representatives met with MoF to share and discuss developments related to the following:

- HKFRS/IFRS 15 *Revenue from Contracts with Customers*;
- HKFRS/IFRS 16 *Leases*;
- HKFRS/IFRS 17 *Insurance Contracts*;
- Business Combinations under Common Control;
- Financial Instruments with Characteristics of Equity; and
- Commodity loan and virtual currencies.

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