

Hong Kong Financial Reporting Standards Update

Section I. New and amended Standards, Interpretations and Framework issued that are applicable to December 2020 year-end

Standards affected	New standard and amendments relate to	Members' Handbook
HKFRS 3	Definition of a Business (amendments)	Update No. 224
HKAS 1 and HKAS 8	Definition of Material (amendments)	Update No. 225
HKAS 39 , HKFRS 7 and HKFRS 9	Hedge accounting (amendments)	Update No. 234
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	Update No. 218

Section II. New and amended Standards, Interpretations and Accounting Guidelines issued that are effective subsequent to December 2020 year-end, but may be adopted early

Standards affected	New standard and amendments relate to	Members' Handbook	Effective date
HKAS 39 , HKFRS 4 , HKFRS 7 , HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 (amendments)	Update No. 249	Accounting periods beginning on or after 1 January 2021
Annual Improvements Project	Annual Improvements to HKFRSs 2018-2020 (amendments)	Update No. 240	Accounting periods beginning on or after 1 January 2022
HKFRS 3 , HKAS 16 and HKAS 37	Narrow-scope amendments (amendments)	Update No. 240	Accounting periods beginning on or after 1 January 2022
HKFRS 16	Covid-19-Related Rent Concessions (amendments)	Update No. 239	Accounting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements – interim or annual – not authorised for issue at 4 June 2020
AG 5 (revised)	Revised Accounting Guideline 5 <i>Merger Accounting for Common Control Combinations</i>	Update No. 252	Common control combinations that occur on or after the beginning of the first annual reporting period beginning on or after 1 January 2022
HKAS 1	Classification of Liabilities as Current or Non-current (amendments)	Update No. 243	Accounting periods beginning on or after 1 January 2023
HKFRS 17	Insurance Contracts (new standard)	Update No. 211	Accounting periods beginning on or after 1 January 2023
HKFRS 17	Amendments to HKFRS 17	Update No. 247	Accounting periods beginning on or after 1 January 2023
HK Int 5 (2020)	Hong Kong Interpretation 5 (2020) <i>Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i> (HK Int 5 (2020))	Update No. 248	HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 and should only be applied when an entity applies the Amendments to HKAS 1. The Amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2023, and early application is permitted.
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	Update No. 159	A date to be determined by the IASB