

China Accounting Alert

April 2021

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

IASB news and updates

► IASB Update for March 2021

The [March 2021](#) issue of the *IASB Update* contains the IASB staff summary of the IASB meeting held remotely from 23 to 24 March 2021 when the board discussed:

- Board work plan update
- Management Commentary
- Maintenance and Consistent Application
- Equity Method
- Goodwill and Impairment
- Second Comprehensive Review of the *IFRS for SMEs Standard*
- Primary Financial Statements

► IFRIC Update for March 2021

At its March 2021 meeting, the IFRS Interpretations Committee (IFRIC) discussed:

- Non-refundable Value Added Tax on Lease Payments (*IFRS 16 Leases*)
- Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition (*IAS 32 Financial Instruments: Presentation*)
- Configuration or Customization Costs in a Cloud Computing Arrangement (*IAS 38 Intangible Assets*)
- Work in Progress

The [March 2021](#) issue of the *IFRIC Update* summarizes what you need to know about these and other issues discussed at the IFRIC's March 2021 meeting.

Mainland news and updates

► CSRC revises *Administrative Measures for Information Disclosure by Listed Companies*

Recently, the China Securities Regulatory Commission (CSRC) has issued the revised [*Administrative Measures for Information Disclosure by Listed Companies*](#) (CSRC Order No.182) (the "Measures"). Except for removing the chapter "Share Prospectus, Offering Prospectus and Listing Announcement", the revised Measures generally maintain the original framework. Specifically, the revision was made to improve the basic requirements for information disclosure and the periodic reporting system, refine provisional report requirements, improve the information disclosure management system and enhance regulatory enforcement efficacy.

The revised Measures will become effective on 1 May 2021, and the *Administrative Measures for Information Disclosure by Listed Companies* (CSRC Order No. 40) issued on 30 January 2007 and *Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 13 - Contents and Format of Quarterly Reports* (CSRC Announcement [2016] No.33) issued on 9 December 2016 will be repealed simultaneously.

► NAFMII issues Rules for Information Disclosure of Debt Financing Instruments of Non-financial Enterprises and other requirements

In order to regulate information disclosure by non-financial enterprises issuing debt financing instruments in the interbank bond market and other information disclosure obligors, the National Association of Financial Market Institutional Investors (NAFMII) has worked with market members to revise and formulate the [*Rules for Information Disclosure of Debt Financing Instruments of Non-financial Enterprises in the Interbank Bond Market \(2021\)*](#) (the "Disclosure Rules"), [*Form System for Information Disclosure of Debt Financing Instruments of Non-financial Enterprises in the Interbank Bond Market in Subsequent Periods \(2021\)*](#) (the "Form System") and [*Illustrative Text of the Investor Protection Mechanism for Prospectus for issuing Debt Financing Instruments of Non-financial Enterprises \(2021\)*](#), which will become effective on 1 May 2021.

The Disclosure Rules cover information disclosure for enterprises, information disclosure for issuance, information disclosure in subsequent periods, and information disclosure by other institutions; and the Form System are an integral part of the Disclosure Rules and put forward specific requirements on information disclosure in accordance with the Disclosure Rules.

EY publications

► IFRS Developments Issue 188: Disclosure requirements in IFRS Standards - a pilot approach

The IASB issued an ED which proposes guidance to use when developing and drafting disclosure requirements in IFRS Standards. The first pilot application of this guidance is proposed in the amendments to IFRS 13 *Fair Value Measurement* and IAS 19 *Employee Benefits*. The ED sets out a pilot approach to provide a more standard-specific focus on disclosure requirements than those currently in the Conceptual Framework and IAS 1 *Presentation of Financial Statements*. Learn more in EY *IFRS Developments Issue 188*.

► IFRS Developments Issue 189: IASB extends relief for COVID-19 related rent

The IASB has extended the amendment to IFRS 16, which provides relief to lessees from applying lease modification accounting to COVID-19 related rent concessions. The update to the amendment allows it to be applied to a reduction in lease payments, arising from COVID-19, originally due on or before 30 June 2022.

The update to the amendment applies to annual reporting periods beginning on or after 1 April 2021 and may be applied early. EY *IFRS Developments Issue 189* summarizes the update to the amendments.

► Global IFRS video: Effects of implementation of IFRS 16 *Leases* for large entities

In this [EY video](#) on lease accounting, Jeremy Barnes and Victor Chan from Global IFRS Services discuss the main effects of the first year implementation of IFRS 16 *Leases* by large IFRS reporters in various industry sectors based on a recent EY survey. They also look at how these entities changed their disclosures for alternative performance measures, or APMs, as they addressed the impact of adopting IFRS 16 in their financial communications to investors.

China Accounting Alert is the monthly executive update for Mainland China and Hong Kong on recent developments in local and international financial reporting, and related hot topics and emerging issues. China Accounting Alert is designed to help keep you one step ahead by providing easy access to the information you need, all in one place. It is not intended to be a substitute for reading the financial reporting standards or other appropriate authoritative guidance, to which reference should be made for a full understanding of the relevant subject matters.

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APAC no. 03012335 ED None

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