

China Accounting Alert

April 2022

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

Mainland news and updates

► Shanghai Stock Exchange ("SSE") improves the supporting system for registration-based corporate bonds

In order to have a smooth system transition at the self-regulatory level, the SSE has optimized the supporting business rules/administrative measures for registration-based corporate bonds in three aspects: system implementation standards and norms, market construction, and market regulation, and it has also formulated/revised the following:

- [Rules of the Shanghai Stock Exchange for Review of Issuance and Listing of Corporate Bonds](#) (Shang Zheng Fa [2022] No.57)
- [Rules of the Shanghai Stock Exchange for Listing of Corporate Bonds](#) (revised in 2022) (Shang Zheng Fa [2022] No.58)
- [Rules of the Shanghai Stock Exchange for Listing of Non-Public Issuance of Corporate Bonds](#) (Shang Zheng Fa [2022] No.59)
- [Administrative Measures of the Shanghai Stock Exchange for Suitability of Investors in Bond Market \(revised in 2022\)](#) (Shang Zheng Fa [2022] No.60)

The first three rules above became effective upon release on 22 April 2022 while the last item above, the Administrative Measures, will become effective from 23 May 2022, and the corresponding original business rules/administrative measures will be repealed simultaneously.

► **Shenzhen Stock Exchange (“SZSE”) releases four rules for bond review and regulation**

In order to further improve the ruling system of bond review and regulation, the SZSE has optimized the supporting business rules/administrative measures for the registration-based corporate bonds in three aspects: improving the ruling system for review of issuance and listing, ensuring the fulfillment of the responsibility of market entities, and enhancing the investor protection mechanism, and it has also formulated/revised the following:

- [Rules of the Shenzhen Stock Exchange for Review of Issuance and Listing of Corporate Bonds](#) (Shen Zheng Shang [2022] No.390)
- [Rules of the Shenzhen Stock Exchange for Listing of Corporate Bonds \(revised in 2022\)](#) (Shen Zheng Shang [2022] No.391)
- [Rules of the Shenzhen Stock Exchange for Listing of Non-Public Issuance of Corporate Bonds \(revised in 2022\)](#) (Shen Zheng Shang [2022] No.392)
- [Administrative Measures of the Shenzhen Stock Exchange for Suitability of Investors in Bond Market \(revised in 2022\)](#) (Shen Zheng Shang [2022] No.393)

The first three rules above became effective upon release on 22 April 2022 while the last item above, the Administrative Measures, will become effective from 23 May 2022, and the corresponding original business rules/administrative measures will be repealed simultaneously.

IASB news and updates

► **IASB Update for March 2022**

The [March 2022](#) issue of the *IASB Update* contains the IASB staff summary of the IASB meeting held from 22 to 24 March 2022 when the board discussed:

Research and standard-setting

- Post-implementation Review of IFRS 9 - Classification and Measurement
- Financial Instruments with Characteristics of Equity
- Management Commentary
- Primary Financial Statements
- Business Combinations under Common Control
- Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard

Maintenance and consistent application

- Maintenance and consistent application
- Targeted longer-term refinancing operations (“TLTRO”) III Transactions (IFRS 9 and IAS 20): Finalization of agenda decision
- *IFRIC Update* February 2022

Strategy and governance

- Third Agenda Consultation

► **IASB Update for April 2022**

The [April 2022](#) issue of the *IASB Update* contains the IASB staff summary of the IASB meeting held from 25 to 28 April 2022 when the board discussed:

Research and standard-setting

- Post-implementation Review of IFRS 9 - Classification and Measurement
- Equity Method
- Management Commentary
- Goodwill and Impairment
- Primary Financial Statements
- Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard
- Disclosure Initiative—*Subsidiaries without Public Accountability: Disclosures*

Maintenance and consistent application

- Maintenance and consistent application
- Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7): Finalization of Agenda Decision
- *IFRIC Update* March 2022

Strategy and governance

- Third Agenda Consultation

► **IFRIC Update for April 2022**

At its April 2022 meeting, the IFRS Interpretations Committee (IFRIC) discussed:

Agenda decisions for Board consideration

- IFRS 15 *Revenue from Contracts with Customers* - Principal versus Agent: Software Reseller

Other matters

- Work in Progress

The [April 2022](#) issue of the *IFRIC Update* summarizes what you need to know about these and other issues discussed at the IFRIC’s April 2022 meeting.

EY publications

- ▶ **Applying IFRS: Accounting considerations for the war in Ukraine**

[This edition](#) of *Applying IFRS* provides accounting considerations arising from the war in Ukraine. This, together with the sanctions on Russia and Belarus, will impact the financial reporting by entities that have significant operations or exposures in Russia, Belarus or Ukraine. There will also be impacts for many entities arising from fluctuations in commodity prices and foreign currency rates, supply chain disruptions and possible slowdowns in global economies.

- ▶ **IFRS Developments Issue 201: Hyperinflationary economies (Updated April 2022)**

EY IFRS Developments [Issue 201](#) sets out a summary of the inflation data of countries that are considered to be hyperinflationary for IFRS purposes as at 30 June 2022, as well as economies that are not currently hyperinflationary for IFRS purposes but should be monitored.

- ▶ **The International Sustainability Standards Board (ISSB) publishes first two EDs on sustainability disclosure requirements**

On 31 March 2022, the ISSB published its first two exposure drafts (EDs) on IFRS Sustainability Disclosure Standards, namely, *General Requirements for Disclosure of Sustainability-related Financial Information* and *Climate-related Disclosures* for public comment. The comment period for these EDs will end on 29 July 2022.

For further details about these EDs, [click the link here](#), and refer to EY WeChat: [ISSB Publishes First Two EDs on Sustainability Disclosure Requirements](#).

- ▶ **IFRS Update of standards and interpretations in issue as at 31 March 2022**

[This edition](#) of *IFRS Update* is an overview of upcoming changes in standards and interpretations issued by the IASB and the IFRIC as at 31 March 2022, that will be effective for the first time for reporting periods ended at that date or thereafter. It also summarizes key features of selected IASB projects and recent IFRIC agenda decisions.

- ▶ ***International GAAP® 2022* available free of charge online in *EY Atlas Client Edition* and offline in ePub format**

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