

TechWatch 172

The latest standards and technical developments



Members' handbook

Handbook updates nos. 194 to 196

Handbook updates no.194 and no.196 relate to amendments to standards that are effective for annual reporting periods beginning on or after 1 January 2016:

- *Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments to HKAS 16 and 38)
- *Agriculture: Bearer Plants* (Amendments to HKAS 16 and HKAS 41)
- *Equity Method in Separate Financial Statements* (Amendment to HKAS 27)
- *Investment Entities: Applying the Consolidation Exception* (Amendments to HKFRS 10, HKFRS 12 and HKAS 28)
- *HKFRS 14 Regulatory Deferral Accounts*

Handbook update no.195 relates to the application of HKFRS 9 *Financial Instruments* with HKFRS 4 *Insurance*

Contracts (Amendments to HKFRS 4), which will become effective on 1 January 2018.

Audit and assurance

New auditor's report

The new auditor's report has become effective for annual reporting periods ending on or after 15 December 2016. The Institute's resource centre contains available support on the new auditor's report.

International update

The International Auditing and Assurance Standards Board released more implementation support on the new auditor's report including a Q&A and virtual training workshop.

Ethics

Responding to Non-Compliance with Laws and Regulations

The new *Responding to Non-Compliance with Laws and Regulations*

standard was issued in December 2016 and will be effective on 15 July. The Institute's resource centre has been updated for available support on this standard.

Financial reporting

Illustrative financial reports and disclosure checklists

Illustrative financial reports and disclosure checklists based on HKFRS/IFRSs that were published by public accounting firms are available on the Institute's technical resources webpage.

Taxation

Announcements by the Inland Revenue Department

Members may wish to be aware of the following matters:

- The Stamp Duty (Amendment) Bill 2017 gazetted to implement the new demand-side management measure



- A Legislative Council question on introduction of new ad valorem stamp duty
- List of qualifying debt instruments as at 31 December 2016
- Stamping Procedures and Explanatory Notes on reliefs relating to regulatory capital securities

Legislation and other initiatives

Companies (Winding Up and Miscellaneous Provisions) (Amendment) Ordinance 2016 takes effect

The Companies (Winding Up and Miscellaneous Provisions) (Amendment) Ordinance 2016 became effective on 13 February. The Official Receiver's Panel A Scheme Rules have also been revised to take account of the amendments.

Companies Registry launches "CR eFiling" mobile application

The Companies Registry currently provides electronic services for submission of applications for company

incorporation and business registration, specified forms and other documents at the 24-hour e-Registry portal. With the increasing popularity of smartphones and other mobile devices, the CR has developed a free mobile application – CR eFiling mobile application to facilitate registered users of the e-Registry to submit commonly filed specified forms using mobile devices. With the e-form editing feature of the app, registered users can easily retrieve, edit and submit a saved e-form on their mobile devices.

For details, please refer to the CR external circular no. 2/2017. Further information on CR eFiling, including frequently-asked-questions, is available in the "Electronic Services – CR eFiling Mobile Application" section of the CR website.

Anti-money laundering notices

Members may wish to note the following notices and publications in relation to AML/CFT:

- Legal notice 15: The United Nations Sanctions (Somalia) (Amendment)

Regulation 2017 has been published in the Gazette.

- United States executive order 13224: The list relating to "Blocking property and prohibiting transactions with persons who commit, threaten to commit or support terrorism."



Please refer to the full version of TechWatch 172, available as a PDF on the Institute's website: www.hkicpa.org.hk