

Table of Contents

		Page
Chapter 1	Introduction	1
Chapter 2	Basic Standard	15
Chapter 3	ASBE 1 Inventories	37
Chapter 4	ASBE 2 Long-term Equity Investments	65
Chapter 5	ASBE 3 Investment Property	91
Chapter 6	ASBE 4 Fixed Assets	103
Chapter 7	ASBE 5 Biological Assets	129
Chapter 8	ASBE 6 Intangible Assets	139
Chapter 9	ASBE 7 Exchange of Non-monetary Assets	159
Chapter 10	ASBE 8 Impairment of Assets	171
Chapter 11	ASBE 9 Employee Compensation	193
Chapter 12	ASBE 10 Enterprise Annuity Fund	203
Chapter 13	ASBE 11 Share-based Payment	213
Chapter 14	ASBE 12 Debt Restructuring	231
Chapter 15	ASBE 13 Contingencies	249
Chapter 16	ASBE 14 Revenue	271
Chapter 17	ASBE 15 Construction Contracts	301
Chapter 18	ASBE 16 Government Grants	333
Chapter 19	ASBE 17 Borrowing Costs	341
Chapter 20	ASBE 18 Income Taxes	359
Chapter 21	ASBE 19 Foreign Currency Translation	377
Chapter 22	ASBE 20 Business Combinations	393
Chapter 23	ASBE 21 Leases	421
Chapter 24	ASBE 22 Recognition and Measurement of Financial Instruments	491
Chapter 25	ASBE 23 Transfer of Financial Assets	533
Chapter 26	ASBE 24 Hedging	549
Chapter 27	ASBE 25 Direct Insurance Contracts	575
Chapter 28	ASBE 26 Reinsurance Contracts	589
Chapter 29	ASBE 27 Extraction of Petroleum and Natural Gas	601
Chapter 30	ASBE 28 Changes in Accounting Policies and Estimates, and Corrections of Errors	615
Chapter 31	ASBE 29 Events after the Balance Sheet Date	641
Chapter 32	ASBE 30 Presentation of Financial Statements	657
Chapter 33	ASBE 31 Cash Flow Statements	683
Chapter 34	ASBE 32 Interim Financial Reporting	717

	Page
Chapter 35	ASBE 33 Consolidated Financial Statements 733
Chapter 36	ASBE 34 Earnings Per Share 801
Chapter 37	ASBE 35 Segment Reporting 829
Chapter 38	ASBE 36 Related Party Disclosures 839
Chapter 39	ASBE 37 Presentation of Financial Instruments 855
Chapter 40	ASBE 38 First-time Adoption of Accounting Standards for Business Enterprises 887
Chapter 41	Accounting Standards for Small-sized Enterprises 899
Chapter 42	Application Guidance 909
Abbreviations 941
Index 943

Chapter 1

INTRODUCTION

Introduction	¶1-100
The new set of Chinese Accounting Standards	¶1-200
Accounting standards for small-sized enterprises	¶1-300
Appendix: Table of comparison: ASBE (2006) and IFRS	¶1-400

¶1-100 Introduction

As a major step towards economic globalisation and capital market development, the Ministry of Finance (MOF) of China promulgated a new set of *Accounting Standards for Business Enterprises* and its *Application Guidance* (hereinafter referred to as ASBE (2006)) on 15 February 2006 and 30 October 2006 respectively. The MOF and the International Accounting Standards Board (IASB) regard the ASBE (2006) as substantially reflective of the International Financial Reporting Standards (IFRS).

The ASBE (2006) will firstly be applied to those listed Chinese enterprises from 1 January 2007. Unless specifically required by regulations, other Chinese enterprises are encouraged to apply them. The effective dates for adoption of ASBE (2006) for various types of Chinese enterprises are set out as follows:

Type of enterprises	Effective from 1 January				
	2007	2008	2009	2010	2011
Listed enterprises	√				
Insurance enterprises	√				
Securities enterprises, fund management enterprises and investment funds	√				
Banks (other than rural banks)		√			
Rural banks			√		
Medium-sized or large-sized enterprises* (other than state-owned enterprises) registered at:					
– Shenzhen		√			
– Shanxi Province and Yunnan Province			√		