

Weekly HKFRS/IFRS Q&As – Q&A # 3

February 2014

Happy Chinese New Year!

Since January 2014, we started to publish weekly HKFRS/IFRS Q&As that aim to help you deal with the application issues during the busy reporting season. Weekly HKFRS/IFRS Q&As will be issued **each Friday**. Here is the link to the previous Q&A
<http://www.iasplus.com/en/tag-types/hong-kong/qa>.



As always, if you have any questions on application of HKFRS/IFRS, please contact us.

Q&A#3 – Application of HKFRS 10 & HKFRS 11: How should an investee be classified (e.g. a subsidiary, a joint arrangement or an associate)?

Background

As part of the package of the 5 Standards on consolidation, joint arrangements and disclosures, HKFRS 10 *Consolidated Financial Statements* and HKFRS 11 *Joint Arrangements* became mandatorily effective for the first time for 2013 financial year. HKFRS 10 introduces a new definition of control that contains 3 elements. One critical element is that an investor must have the power over an investee so that it has the current ability to direct the relevant activities of the investee – the relevant activities of an investee are defined as activities that significantly affect the returns of the investee. In line with the new definition of control, the definition of joint control under HKFRS 11 has been revised such that an investor has joint control over an investee when the relevant activities of the investee require unanimous consent from parties that share control.

The application of these two Standards may be challenging in certain cases on how an investee should be classified (e.g. a subsidiary, a joint arrangement or an associate).

This week, we would like to share with you some common practical examples on investee classification. HKFRS 10 and HKFRS 11 are identical to IFRS 10 and IFRS 11 respectively – accordingly, the references to accounting standards below refer to HKFRSs only.

Example 1

Facts:

Entity X has 3 shareholders, Party A, Party B and Party C. Party A owns 50% equity interest in Entity X while Party B and Party C each owns 25% equity interest in Entity X.

The constitutional documents of Entity X (e.g. the articles of association) state that decisions at shareholders' meetings of Entity X require more than 50% votes. Decisions about the relevant activities of Entity X are made at shareholders' meetings. There are no other shareholders' agreements between Party A, Party B and Party C relating to this matter.

Question: How should Party A classify its investment in Entity X?

Response:

Party A should not classify the investment in Entity X as a subsidiary because it does not have the power to direct the relevant activities of Entity X (Party A has only 50% equity interest in Entity X whereas decisions about the relevant activities of Entity X require more than 50% votes in shareholders' meeting).

Party A should not classify the investment in Entity X as a joint arrangement within the scope of HKFRS 11 either. This is because there are two voting patterns that would result in decisions about the relevant activities of Entity X being approved, which are either Party A and Party B agreeing with each other, or Party A and Party C agreeing with each other (see HKFRS 11.B11). Instead, Party A should classify the investment in Entity X as an associate in accordance with HKAS 28 *Investments in Associates and Joint Ventures* on the basis that Party A's 50% equity ownership interest has resulted in it having significant influence over Entity X.

Example 2

Facts:

Entity P was established by Party Q and Party R to undertake a property development project. Party Q and Party R each owns 50% equity interest in Entity P. Both Party Q and Party R contribute monies to Entity P to finance the development of properties. The properties developed by Entity P would then be sold to third party customers and any residual net assets of Entity P will be shared among Party Q and Party R on a 50 and 50 basis. It was agreed by Party Q and Party R that a project manager is appointed by Party Q to run the daily operations

of Entity P. Currently, the project manager appointed by Party Q is an employee of Party Q.

Question: Is it appropriate for Party R to classify the investment in Entity P as an associate just on the basis that the project manager who runs the daily operations of Entity P is from Party Q?

Response:

No. The fact that the project manager is from Party Q should not be the sole determinant in determining how Party R should classify the investment in Entity P. Party R should also consider how decisions about the relevant activities of Entity P are made (e.g. selecting the main contractor(s) to construct the properties, formulating the marketing strategies and sale plans and budget approvals etc.), in particular whether the project manager needs to seek approval from Party Q and Party R on such matters.

If the decisions about the relevant activities of Entity P do require unanimous consent from Party Q and Party R and that the project manager is merely an operator, the classification of the investment in Entity P by Party R as an associate is not appropriate – instead, the investment in Entity P by Party R should be classified as a joint arrangement within scope of HKFRS 11. Party R should also look at the requirements of HKFRS 11 to see how the joint arrangement should be classified (joint venture or joint operation) – see our [Q&A #1](#) published earlier for details.

Contact us:

If you have any questions on the subject matters discussed above, please feel free to contact us.

Authors:



William Lim – Technical Partner

wilim@deloitte.com.hk



Candy Fong – Technical Partner

cfong@deloitte.com.hk

35/F One Pacific Place
88 Queensway
Hong Kong

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/cn/en/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

© 2014 Deloitte Touche Tohmatsu in Hong Kong, Deloitte Touche Tohmatsu in Macau, and Deloitte Touche Tohmatsu Certified Public Accountants LLP in the Chinese Mainland. All rights reserved.

[Homepage](#)



Privacy

Thank you for your interest in Deloitte China services. Deloitte China would like to continue to use your personal information (in particular name and contact details) for the purpose of sending you marketing and regulatory updates, invitations to seminars and other events organized, sponsored or promoted by Deloitte China. If you do not wish to receive further communications from Deloitte China, please send a return email to the sender with the word “Unsubscribe” in the subject line.

If you would like to update your personal information, please click [here](#).

Deloitte China refers to Deloitte Touche Tohmatsu in Hong Kong, Deloitte Touche Tohmatsu in Macau, Deloitte Touche Tohmatsu Certified Public Accountants LLP in the Chinese Mainland and their respective affiliates practising in Hong Kong, Macau and the Chinese Mainland.

HKFRS/IFRS 每周问答 – Q & A # 3

2014 年 2 月

新春快乐！

我们自 2014 年 1 月起开始发布香港财务报告准则/国际财务报告准则 (HKFRS/IFRS) 每周问答，以协助您在报告忙季中处理相关应用问题。HKFRS/IFRS 每周问答将于**每周五**发布。请点击 <http://www.iasplus.com/en/tag-types/hong-kong/qa> 参阅以前发布的每周问答。



如同往常一样，如您对 HKFRS/IFRS 的应用有任何疑问，请与我们联系。

Q&A#3 – HKFRS 10 和 HKFRS 11 的应用：被投资者应如何进行分类（如，是子公司、合营安排还是联营企业）？

背景

作为有关合并、合营安排和披露的“一套五项”准则的一部分，《香港财务报告准则第 10 号——合并财务报表》（HKFRS 10）和《香港财务报告准则第 11 号——合营安排》（HKFRS 11）将于 2013 财务年度首次强制生效。HKFRS 10 引入了包含 3 项要素的控制的新定义。其中一项关键要素为投资者必须拥有对被投资者的权力从而具有主导被投资者相关活动的当前能力 – 被投资者相关活动的定义为对被投资者回报具有重大影响的活动。为与控制的新定义保持一致，HKFRS 11 中共同控制的定义亦已作出修订，从而当被投资者的相关活动须获得分享控制权的参与方一致同意时，投资者才拥有对被投资者的共同控制。

在应用该两项准则时，在某些情况下有关被投资者应如何进行分类（如，是子公司、合

营安排还是联营企业）可能颇具挑战性。

在本周，我们希望与您分享在实务中常见的若干涉及被投资者分类的示例。HKFRS 10 和 HKFRS 11 分别与 IFRS 10 和 IFRS 11 完全相同 – 因此，下文的会计准则索引仅提及 HKFRS。

示例 1

有关事实：

X 主体拥有 3 名股东：A 方、B 方和 C 方。A 方持有 X 主体 50% 的股权，而 B 方和 C 方各持有 X 主体 25% 的股权。

X 主体的章程文件（如，联营企业章程）规定，X 主体股东大会上作出的决策须获得 50% 以上投票通过。对 X 主体相关活动的决策须在股东大会上作出。A 方、B 方和 C 方之间不存在任何涉及该事宜的其他股东协议。

问题：A 方应如何对其在 X 主体中的投资进行分类？

回答：

A 方不应将在 X 主体中的投资分类为子公司，因为其并未拥有主导 X 主体相关活动的权力（A 方仅持有 X 主体 50% 的股权，但对 X 主体相关活动的决策须在股东大会上获得 50% 以上投票通过）。

A 方也不应将在 X 主体中的投资分类为属于 HKFRS 11 范围的合营安排。这是因为导致对 X 主体相关活动的决策获得批准的投票方式有两种：获得 A 方和 B 方同意，或是获得 A 方和 C 方同意（参见 HKFRS 11.B11）。取而代之的是，A 方应当根据《香港会计准则第 28 号——在联营企业和合营企业中的投资》（HKAS 28）将在 X 主体中的投资分类为联营企业，因为 A 方所持有的 50% 股权导致 A 方能够对 X 主体实施重大影响。

示例 2

有关事实：

P 主体由 Q 方和 R 方设立以开展房地产开发项目。Q 方和 R 方各持有 P 主体 50% 的股权。Q 方和 R 方均向 P 主体投入资金以为房地产开发提供资金。由 P 主体开发的房地产随后将出售予第三方客户，且 P 主体任何的剩余净资产将按 50:50 的比例由 Q 方和 R 方分享。Q 方和 R 方一致同意由 Q 方委任一名项目经理负责 P 主体的日常经营。现时该名由 Q 方委任的项目经理是 Q 方的雇员。

问题：R 方仅基于负责 P 主体日常经营的项目经理来自 Q 方而将在 P 主体中的投资分类为联营企业，这是否恰当？

回答:

否。项目经理来自 Q 方的事实不应成为确定 R 方应如何对 P 主体中的投资进行分类的唯一决定因素。R 方同时应考虑 P 主体相关活动的决策是如何作出的（例如，选择承建房地产的主要承包商、制定营销策略和销售计划、及批准预算等），特别是项目经理是否需要就上述事宜获得 Q 方和 R 方的批准。

如果对 P 主体相关活动的决策确实须获得 Q 方和 R 方的一致同意且项目经理仅仅为经营者，则 R 方将在 P 主体中投资的分类为联营企业是不恰当的 – 取而代之的是，R 方应将在 P 主体中投资的分类为属于 HKFRS 11 范围的合营安排。同时，R 方应当参照 HKFRS 11 的要求确定合营安排应如何分类（是合营企业还是共同经营） – 详情请参见我们较早前发布的 [Q&A #1](#)。

联系我们:

若您对上述有关问题有任何疑问，请尽管联系我们。

作者:



林俊学 - 专业技术合伙人

wilim@deloitte.com.hk



房惠玲 - 专业技术合伙人

cfong@deloitte.com.hk

香港
金钟道 88 号
太古广场一座 35 楼

Deloitte (“德勤”) 泛指德勤有限公司 (一家根据英国法律组成的私人的担保有限公司，以下称 “德勤有限公司”)，以及其一家或多家成员所。每一个成员所均为具有独立法律地位的法律实体。请参阅 www.deloitte.com/cn/about 中有关德勤有限公司及其成员所法律结构的详细描述。

© 2014 德勤 • 关黄陈方会计师行 (香港)、德勤 • 关黄陈方会计师行 (澳门)、德勤华永会计师事务所 (特殊普通合伙) (中国大陆) 版权所有 保留一切权利

[主頁](#)



[隐私](#)

感谢您对德勤中国服务的关注。德勤中国希望可以继续使用您的个人资料 (特别是姓名及联系信息)，以向您发送市场和政策最新动态，以及由德勤中国举办、赞助或宣传之研讨会及其他活动的邀请函。如您日后不希望收到由德勤中国发出的信息，请回复电邮并在邮件主题栏中填上 “Unsubscribe”。

如欲更新您的个人资料，请点击[此处](#)。

德勤中国泛指德勤 • 关黄陈方会计师行 (香港)、德勤 • 关黄陈方会计师行 (澳门)、德勤华永会计师事务所 (特殊普通合伙) (中国大陆) 以及其于香港、澳门及中国大陆从事业务之关联机构。