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Chapter 1

INTRODUCTION

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¶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			√		