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RT LLP
Chartered Accountants

PART 1: FINANCIAL REPORTING

1.1 INTERNATIONAL DEVELOPMENTS

1.1.1 IASB publishes proposals for narrow-scope amendments to International Accounting Standard (IAS) 27 *Separate Financial Statements*

On 2 December 2013, the International Accounting Standards Board (IASB) published for public comment an exposure draft (ED) on *Equity Method in Separate Financial Statements (Proposed amendments to IAS 27)* (ED/2013/10). The proposed amendments to IAS 27 would allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate (parent only) financial statements.

Prior to the revision in 2003 of IAS 27 *Consolidated and Separate Financial Statements* and IAS 28 *Investments in Associates,* the equity method was one of the options available to an entity to account for investments in subsidiaries and associates in the entity's separate financial statements. In 2003, the equity method was removed from the options. IAS 27 *Separate Financial Statements* allows an entity to account for investments in subsidiaries, joint ventures and associates either at cost or in accordance with IFRS 9 *Financial Instruments* in the entity's separate financial statements. The IASB has published this ED of proposed amendments to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The IASB expects the proposed change will reduce compliance costs for many entities, while providing information helpful to an assessment of the investor's net assets and profit or loss.

Please click here to access the ED. The deadline for providing comments to the IASB on the ED is on 3 February 2014.

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1.1.2 IASB publishes ED on five proposed narrow-scoped amendments to four IFRSs

On 11 December 2013, the IASB published an ED on *Annual Improvements to IFRSs 2012-2014* (ED/2013/11). It contains five proposed amendments to four International Financial Reporting Standards (IFRSs) or IASs under its annual improvements project. The proposed amendments reflect issues discussed by the IASB in the project cycle that began in 2012.

The proposed effective date for the amendments is for annual periods beginning on or after 1 January 2016, although the IASB proposes that entities would be permitted to apply them earlier.

The IFRSs and IASs affected and the subject of the proposed amendments are as follows:

Standard	Subject of amendment
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Changes in methods of disposal
IFRS 7 Financial Instruments: Disclosures	Servicing contracts
	Applicability of the amendments to IFRS 7 to condensed interim financial statements
IAS 19 Employee Benefits	Discount rate: regional market issue
IAS 34 Interim Financial Reporting	Disclosure of information 'elsewhere in the interim report'



Please click here to access the ED. The deadline for providing comments to the IASB on the ED is on 13 March 2014.

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1.1.3 IASB issues final documents on Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.

On 12 December 2013, the IASB issued *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle.*

Annual Improvements to IFRSs 2010–2012 Cycle is a collection of amendments to IFRSs in response to eight issues addressed during the 2010–2012 cycle for annual improvements to IFRSs. These amendments result from proposals that were contained in the ED *Annual Improvements to IFRSs 2010–2012 Cycle*, published in May 2012.

Annual Improvements to IFRSs 2011–2013 Cycle is a collection of amendments to IFRSs in response to four issues addressed during the 2011–2013 cycle. These amendments result from proposals that were contained in the ED *Annual Improvements to IFRSs 2011–2013 Cycle*, published in November 2012.

The IASB uses the Annual Improvements process to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of any other project. By presenting the amendments in the form of a single document rather than as a series of piecemeal changes, the IASB aims to ease the burden of change for all concerned.

The IFRSs and IASs affected by the two cycles and the subject of the amendments are as follows:

Annual Improvements to IFRSs 2010–2012 Cycle

Standard	Subject of amendment
IFRS 2 Share-based Payment	Definition of vesting condition
IFRS 3 Business Combinations	Accounting for contingent consideration in a
IFRS 8 Operating Segments	Aggregation of operating
	Reconciliation of the total of the reportable segments' assets to the
IFRS 13 Fair Value Measurement	Short-term receivables and payables
IAS 16 Property, Plant and Equipment	Revaluation method—proportionate restatement of accumulated
IAS 24 Related Party Disclosures	Key management personnel
IAS 38 Intangible Assets	Revaluation method—proportionate restatement of accumulated amortisation

Annual Improvements to IFRSs 2011–2013 Cycle

Standard	Subject of amendment
IFRS 1 First-time Adoption of International Financial Reporting Standards	Meaning of 'effective IFRSs'
IFRS 3 Business Combinations	Scope exceptions for joint ventures
IFRS 13 Fair Value Measurement	Scope of paragraph 52 (portfolio exception)
IAS 40 Investment Property	Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or own-

The effective date of each amendment is included in the IFRSs and IASs affected. Please click here for more information.

1.2 LOCAL DEVELOPMENT

ISCA Issues Guidance on Application of FRS 110 *Consolidated Financial Statements* to investments in REITs

Following the issuance of the suite of consolidation standards, namely International Financial Reporting Standard (IFRS) 10, 11 and 12, the Financial Reporting Committee of the Institute of Singapore Chartered Accountants (ISCA) set up an IFRS 10 Working Group (the Working Group) in 2011, comprising experienced technical accounting professionals from the large public accounting firms. The Working Group was tasked to look into potential application issues of the consolidation standards (FRS 110, 111 & 112) and also to engage in outreach efforts for the accounting profession in Singapore.

The Working Group had identified investments in Real Estate Investment Trusts (REITs) as one industry that would likely be significantly impacted upon adoption of the consolidation standards, largely due to its unique structure in Singapore as compared to that of other jurisdictions. Currently, most, if not all of the investments in REITs are not consolidated by their sponsors in Singapore under the requirements in FRS 27 (2009) *Consolidated and Separate Financial Statements*. However, this may not be the case under FRS 110 which comes into effect for financial periods beginning on or after 1 January 2014.

In addressing this matter, the Working Group held several consultative dialogues with regulators and stakeholders from the REITs industry to better understand the challenges faced in the application of FRS 110. Robust discussions were carried out within the Working Group. After due deliberations and considerations, the Working Group developed this guidance to assess whether sponsors have control over REITs.

For the guidance, please click here



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PART 2: AUDITING AND ASSURANCE

IAASB issues ISAE 3000 (Revised)

In today's global economy, there is strong public interest in high quality and relevant assurance on information beyond the audit or review of financial statements. Recognizing this, on 9 December 2013, the International Auditing and Assurance Standards Board (IAASB) released an updated and enhanced International Standard on Assurance Engagements (ISAE), titled ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information,* which addresses a broad range of assurance engagements.

ISAE 3000 (Revised) covers a wide variety of engagements, ranging from assurance on statements about the effectiveness of internal control, for example, to assurance on sustainability reports and possible future engagements addressing integrated reporting. The standard covers both reasonable and limited assurance engagements, and introduces guidance designed to help readers better understand these two levels of assurance.

ISAE 3000 (Revised) is the overarching standard for current and future topic-specific ISAEs and assurance engagements where no separate ISAE exists. As a result, the IAASB's revision involved striking an appropriate balance between ensuring that the standard is sufficiently robust, and that it is able to also facilitate innovation in the dynamic and evolving field of assurance.

Accompanying the release of ISAE 3000 (Revised) are conforming amendments to the *International Framework for Assurance Engagements*; ISAE 3402, *Assurance Reports on Controls at a Service Organization*; ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*; and ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus.*

PART 3: TAXATION

The Singapore Institute of Accredited Tax Professionals (SIATP) has issued the following Tax Alerts on its website (http://www.siatp.org.sg/index.php/tax-news) since the previous issue of the RT Review Times (2013/12):

- 2014 Budget Statement to be delivered on 21 February 2014 (5 Jan 2014) [Read more]
- Content on How to File Notice of Objection (2 Jan 2014) [Read more]
- Form for Filing Notice of Objection (2 Jan 2014) [Read more]
- Bulk Extension for Filing of Individual Income Tax Returns for YA 2014 (2 Jan 2014)
  - ⇒ Notes for Tax Agents [Read more]
  - ⇒ Request Form for Bulk Extension [Read more]
- Revised GST e-Tax Guide on Treatment of Vouchers (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on General Guide for Businesses (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Guide on Insurance: Cash Payments and Input Tax On Motor Car Expenses (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Guide for Free Trade Zones, Warehouses and Excise Factories (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Time of Supply Rules (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Guide on Exports (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Zero-Rating of Tools or Machine Used in Manufacturing of Goods for Export to Overseas Customer (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Real Estate Agency Industry (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Do I Need to Register? (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Partial Exemption and Input Tax Recovery (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Charities and Non-Profit Organisations (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Record Keeping for Non GST-Registered Businesses (31 Dec 2013) [Read more]
- Revised GST e-Tax Guide on Record Keeping for GST -Registered Businesses (31 Dec 2013) [Read more]
- e-Tax Guide on Simplified Record Keeping Requirements for Small Businesses (31 Dec 2013) [Read more]
- New GST F3 form - Notification of Liability to be Registered: Details of Partnerships and Partners (31 Dec 2013) [Read more]
- New GST F1 Application for GST Registration form and Document Checklist (30 Dec 2013) [Read more]
- Singapore-Belarus Avoidance of Double Taxation Agreement enters into force (27 Dec 2013) [Read more]
- Revised e-Tax Guide on Income Tax: Foreign Tax Credit Pooling (27 Dec 2013) [Read more]
- Revised e-Tax Guide on Income Tax: Tax Treatment of Public-Private Partnership Arrangements (27 Dec 2013) [Read more]
- Updated Content on Tax Treatment of Insurance Premium (24 Dec 2013) [Read more]
- Updated Application Form for Advance Ruling (24 Dec 2013) [Read more]
- Updated Content on Advance Ruling (23 Dec 2013) [Read more]
- Revised e-Tax Guide on Advance Ruling System (23 Dec 2013) [Read more]
- Singapore and Brazil sign Agreement for Avoidance of Double Taxation (20 Dec 2013) [Read more]
- Revised e-Tax Guide on Income Tax Treatment Of REITs (16 Dec 2013) [Read more]
- Forms for Real Estate Investment Trust (REIT) (16 Dec 2013)
  - ⇒ Application Form for Tax Transparency Treatment [Read more]
  - ⇒ Joint Undertaking by Trustee and Manager [Read more]
  - ⇒ Claim for Refund of Tax Over Deducted from Distributions [Read more]
- Application for PIC Cash Payout for Hire Purchase (13 Dec 2013) [Read more]
- FAQs on PIC Cash Payout (13 Dec 2013) [Read more]
- GST Form for Application for Exemption from GST Registration (12 Dec 2013) [Read more]
- Singapore and San Marino sign Agreement for Avoidance of Double Taxation (12 Dec 2013) [Read more]
- GST Updates on Bunkering (10 Dec 2013) [Read more]
- Tax Treatment of Insurance Policy Premium (6 Dec 2013) [Read more]

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