

Review Times

May 2016



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1. Financial Reporting

1.1 IASB issues amendments to IFRS 15

On 12 April 2016, the International Accounting Standards Board (“IASB”) issued amendments to International Financial Reporting Standard (“IFRS”) 15 *Revenue from Contracts with Customers* (the “Revenue Standard”), clarifying some requirements and providing additional transitional relief for entities that are implementing the Revenue Standard.

The amendments to the Revenue Standard, which was issued in 2014, do not change the underlying principles of the standard but clarify how those principles should be applied. They arise as a result of discussions of the Transition Resource Group (“TRG”). The TRG was set up jointly by the IASB and the US national standard-setter, the Financial Accounting Standards Board (“FASB”), to assist entities with implementing the new standard.

The amendments clarify how to:

- identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- determine whether an entity is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- determine whether the revenue from granting a licence should be recognised at a point in time or over time.

In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for an entity when it first applies the new standard. The amendments have the same effective date as the standard, i.e. for annual period commencing 1 January 2018 or later

Further information on the amendments can be found at the following URL: <http://ow.ly/4npbuw>

2. Regulatory & Business

2.1 SGX reiterates directors must disclose interest; boards are ultimately responsible for announcements

On 3 May 2016, the Singapore Exchange (SGX) issued an announcement to emphasise the following:-

- Directors must disclose their interests in transactions under Section 156 of the Companies Act (Cap 50) and abstain from voting on such transactions under the company’s constitution. SGX requires the constitution to include the provision that directors shall not vote in regard to proposals in which he has directly or indirectly a personal material interest as set out in Appendix 2.2 of the SGX-ST Mainboard Listing Manual.
- The board of a company is ultimately responsible for the announcements made by the company and must not abdicate its responsibility to any professionals especially where matters under consideration are not subjective but factual in nature.
- A company and its board must exercise due care in drafting, reviewing and approving SGXNet announcements. Any error must be promptly escalated to the board’s attention for its deliberation and decision.

3. Taxation

3.1 Depreciation and Capital Allowances

Companies invest in machinery, plant and equipment in order to run their businesses whether it is to manufacture products, provide services or engage in other commercial activities for profit-making purposes. These investments are considered capital expenditure and are generally not deductible. Likewise the accounting depreciation of fixed assets is not deductible for tax purposes as this merely represents an allocation of cost.

Nonetheless, IRAS recognises that investments and expenditure in fixed assets for a company's operations is a business expenditure, which justifies the write-off of such assets for tax purposes. This is done by way of capital allowances on these fixed assets. In fact, many companies can benefit from investing in fixed assets because of the accelerated capital allowances that they can claim as well as the PIC scheme.

3.2 Deferral of Capital Allowances

Typically, companies defer capital allowance when the company is in a loss position. However, companies that are in a loss position may still claim capital allowance (like initial allowance, annual allowance, accelerated allowance, enhanced allowance) instead of deferring. Any unutilised capital allowance can be carried forward to offset against the income for subsequent Years of Assessment (YAs), subject to the shareholding test and business continuity test. Effective from YA 2009, a capital allowance claim made under Section 19A is allowed to be deferred i.e. the claim made need not be for three consecutive YAs.



4. Events



Top from left: Michael Ong, Su Chun Keat, Andrew Chua, Ravi Arumugam, Ramchand, Chiang Fock Pong

Bottom from left: Jessy Heng, Angela Wong, Jessie Goh

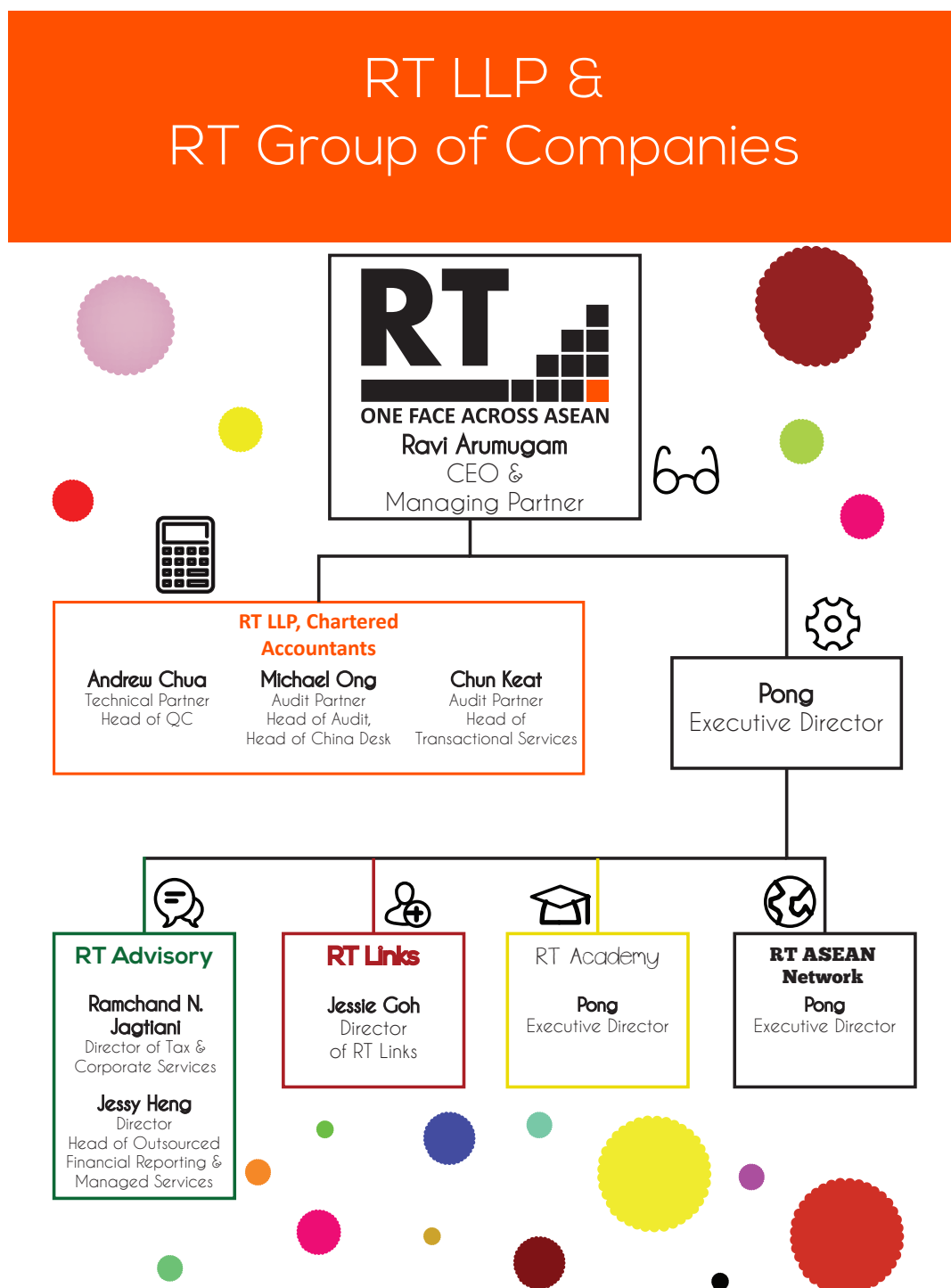
4.1 Appointment of New Head of Audit

To forge the growth strategy of RT Group, we are pleased to announce 2 key appointments. Together with Mr Ravi Arumugam, CEO & Managing Partner of RT LLP and RT Group of Companies, the 2 appointees shall form the Top Management of RT Group, which comprise RT LLP and RT Group of Companies

From 1 May 2016, Mr Michael Ong will be appointed as Head of Audit of RT LLP. In addition to statutory audits of listed companies, charities (Public Interest Entities) and others, RT LLP offers audit and advisory services that include special purpose audits, transactional services and internal audit, amongst others.

Mr Chiang Fock Pong will continue his appointment as Head of RT Group of Companies that include RT Advisory Pte Ltd, RT Academy Pte Ltd and RT Links Pte Ltd, that offers a comprehensive suite of professional services ranging from business setup, corporate secretarial, tax compliance and advisory, outsourced accounting and payroll, training and business advisory. He will also manage the administrative and corporate services of RT Group, such as facilities, finance, human resource, marketing communication, information technology, and business development aspects.

Our organisation structure is included here:



RT will continue our endless pursuit of excellence and innovation to serve our clients, meet the needs of our business partners and stakeholders, as well as work closely with government agencies and professional bodies to further their cause in building a better accountancy sector.

We would like to thank all our clients, partners, associates and stakeholders who have given us the opportunity to be of service. We also like to thank government agencies in supporting our progress and journey.

If you wish to know more about us, or want us to serve you, please feel free to contact Pong at +65 6603 8229 or email him at chiangfp@rt-ca.com.

4.2 Launch of New RT Website

On 1st May 2016, RT launched its newly revamped webpage. The redesigned webpage was created with the purpose of giving users a seamless digital experience.

You can enjoy the new website here:

**Click Here For RT's
New Website.**
Refurbished, Renewed, Revamped.



From left to right

Mr Andrew Chua – Head of Quality Control & Technical Partner

Mr Ravi Arumugam – Managing Partner & CEO

Mr Ramchand Jagtiani – Director of Tax & Corporate Services

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RT Academy Pte Ltd

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The RT ASEAN network which is headquartered in Singapore focuses on client needs in the ASEAN and Asia regions. We are also a member firm of BKR International which has presence in over 500 offices and 80 countries. With the combined resources we are able to meet our client needs in all areas and all over the world.