



RT

Review Times

January 2017



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1. Financial Reporting

1.1 ACRA issues Financial Reporting Practice Guidance No. 1 of 2016

On 8 December 2016, the Accounting and Corporate Regulatory Authority (ACRA) issued Financial Reporting Practice Guidance No. 1 of 2016 *Areas of Review Focus for FY2016 Financial Statements under ACRA's Financial Reporting Surveillance Programme*.

Under the third review cycle of the Financial Reporting Surveillance Programme (FRSP), ACRA will review selected financial statements with financial year ended between 1 January 2016 and 31 December 2016 ("FY2016 FS") for their compliance with the Accounting Standards. To guide directors and other financial statements preparers, ACRA is publishing the areas of review focus for the FY2016 FS. This will serve to remind directors of some risks of misstatements in the financial statements and provide the questions they may ask management to improve the quality of financial reporting.

This Practice Guidance highlights seven financial reporting areas, which may require more attention by the company directors before approving the 2016 Financial Statements. These areas include going concern assumption, impairment assessment of long-lived assets, recognition of one-off gain or loss, and business acquisitions.

Please visit the following URL to download the Practice Guidance No.1 of 2016: https://www.acra.gov.sg/uploadedfiles/Content/Publications/Practice_Guidance/FRSP%20PG%201%20of%202016.pdf

1.2 IASB issues minor changes to several standards and a new Interpretation

On 8 December 2016, the International Accounting Standards Board (IASB) issued several minor amendments to International Financial Reporting Standards (IFRSs) and a new Interpretation that clarify the requirements in particular Standards. These changes are part of the IASB's process to maintain the Standards.

The changes are as follows:

- (1) *Annual Improvements to IFRS Standards 2014–2016 Cycle* which contains amendments to three Standards:

<i>Amended Standard</i>	<i>Effective date (annual periods beginning on or after)</i>
<i>IFRS 12 Disclosure of Interests in Other Entities</i>	1 January 2017
<i>IFRS 1 First-time Adoption of International Financial Reporting Standards</i>	1 January 2018
<i>IAS 28 Investments in Associates and Joint Ventures</i>	1 January 2018

- (2) *Amendments to IAS 40 Investment Property* which clarify the requirements on transfers to, or from, investment property and are effective for annual periods beginning on or after 1 January 2018.

- (3) IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration* which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. It is effective for annual periods beginning on or after 1 January 2018.

For detailed information, please go to the following URL: <http://www.ifrs.org/Alerts/PressRelease/Pages/iasb-issues-minor-changes-to-ifrs-standards.aspx>

1.3 Singapore ASC issues Improvements to FRSs (December 2016), Amendments to FRS 40, and INT FRS 122: Foreign Currency Transactions and Advance Consideration

Following on from the issuance by the IASB of several minor amendments to IFRSs and a new Interpretation as described in Section 1.2 above, the Singapore Accounting Standards Council (ASC) has on 22 December 2016 issued the corresponding amendments to Financial Reporting Standards (FRS) and a new Interpretation to FRS (INT FRS) 122 *Foreign Currency Transactions and Advance Consideration*.

For more details, please go to the following URL: <http://www.asc.gov.sg/>

1.4 Singapore ASC issues Amendments to FRS 104

On 27 December 2016, the Singapore Accounting Standards Council (ASC) issued *Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts*.

The amendments address concerns arising from implementing FRS 109 *Financial Instruments* before implementing the replacement Standard that the Board is developing for FRS 104. These concerns include temporary volatility in reported results.

The amendments introduce two approaches: an overlay approach and a deferral approach. The amended Standard will:

- give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when FRS 109 is applied before the replacement Standard for FRS 104 is issued; and
- give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying FRS 109 until 2021. The entities that defer the application of FRS 109 will continue to apply the existing financial instruments Standard—FRS 39. The amendments to FRS 104 supplement existing options in the standard that can already be used to address the temporary volatility.

The replacement Standard for FRS 104 is currently still being drafted.

For more details, please go to the following URL: <http://www.asc.gov.sg/>

1.5 Singapore ASC issues reminders and Q&As on full IFRS convergence

The Singapore Accounting Standards Council (ASC) has issued reminder letters on full International Financial Reporting Standards (IFRS) convergence for annual periods beginning on or after 1 January 2018 to Directors and Chief Financial Officers of Singapore companies listed on SGX. The letters are accompanied by a publication in the form of Questions and Answers (Q&As). The publication is titled *IFRS Convergence – Are you on track?*

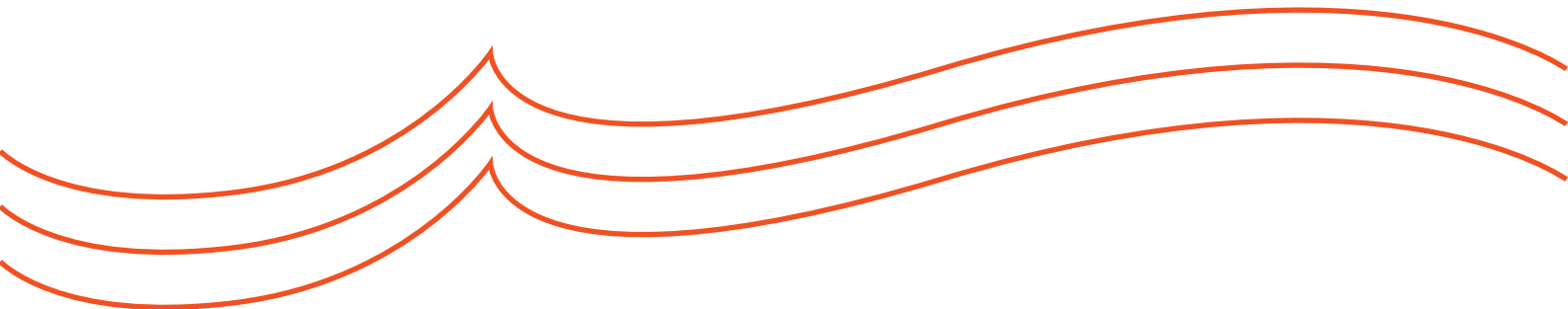
To view the reminder letter, please go to the following URL: <http://www.asc.gov.sg/Portals/0/attachments/NewsEvents/2016/IFRS%20Convergence%20-%20Reminder%20Letter.pdf?timestamp=1482116003830>

To view the publication, please go to the following URL: <http://www.asc.gov.sg/Portals/0/attachments/NewsEvents/2016/IFRS%20Convergence%20Are%20You%20on%20Track.pdf?timestamp=1482116501152>

1.6 Singapore ASC issues reminder letters to companies applying FRS on the new major standards on financial instruments, revenue recognition and leases

The Singapore Accounting Standards Council (ASC) has issued reminder letters to companies applying FRS on the new major standards on financial instruments, revenue recognition and leases.

To view the reminder letter, please go to the following URL: http://www.asc.gov.sg/Portals/0/attachments/NewsEvents/2016/Reminder_Letter_on_New_Major_Standards_to_SICs.pdf



2. Regulatory & Business

2.1 Public Consultation on amendments to the Companies Act, LLPs Act and Accountants Act

On 27 December 2016, the Ministry of Finance (MOF) and the Accounting and Corporate Regulatory Authority (ACRA) announced that they are inviting the public to provide feedback on proposed changes to the Companies Act, Limited Liability Partnerships Act, and Accountants Act.

In a joint press release, MOF and ACRA said the proposed amendments to the Companies Act and Limited Liability Partnerships Act seek to reduce the regulatory burden on business entities and improve the ease of doing business, as well as enhance the transparency of business entities, while the proposed amendment to the Accountants Act is to clarify existing provisions.

Proposed Amendments to Reduce Regulatory Burden and Improve Ease of Doing Business

To simplify the requirements for companies to hold annual general meetings (AGMs) and file annual returns, MOF and ACRA are proposing to align the timelines for holding AGMs and filing annual returns with the financial year end such that listed companies hold their AGMs no later than the fourth month after the financial year end and non-listed companies no later than the sixth month after the financial year end. They also propose to exempt all private companies from holding AGMs subject to "specified safeguards".

In addition, to further reduce the regulatory burden on companies, MOF and ACRA propose to remove the legal requirement for companies and limited liability partnerships (LLPs) to use common seals.

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Proposed Amendments to Improve the Transparency of companies and LLPs

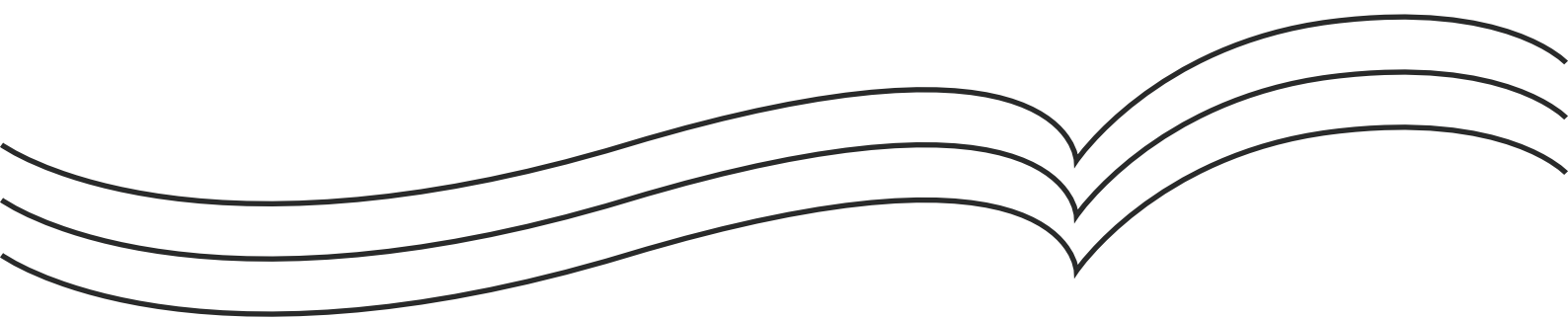
Another aim of the suggested amendments is to improve the transparency of companies and LLPs. The proposed changes to improve business transparency include:

- requiring companies (except listed companies and Singapore financial institutions) and LLPs incorporated/registered in Singapore to maintain registers of beneficial owners (referred to as controllers) at prescribed places (e.g. company's registered office or the registered filing agent's registered office);
- requiring foreign companies registered in Singapore to maintain registers of beneficial owners (controllers) and public registers of shareholders;
- requiring a liquidator to retain records of wound up companies and LLPs for five years instead of two;
- removing the options for companies and LLPs to destroy records early if they are wound up by their members, partners or creditors;
- requiring officers/ partners/ managers of struck off companies and LLPs to retain accounting records and registers of beneficial owners (controllers) for five years;
- voiding the issuance and transfer of bearer shares and share warrants by foreign companies registered in Singapore; and
- requiring nominee directors/ managers to disclose their nominee status and nominators to their companies/ LLPs.

Proposed Amendments to the Accountants Act

An amendment to the Accountants Act is proposed to clarify that a breach of the Ethics Pronouncement 200 (EP200), which sets out mandatory anti-money laundering and countering the financing of terrorism requirements for professional accountants, is grounds for disciplinary action.

The public consultation exercise will run from 27 December 2016 to 13 January 2017. The detailed consultation documents can be accessed at the following URL: https://www.acra.gov.sg/Public_Consultation_CA2017/



3. Auditing & Assurance

3.1 ISCA issues exposure draft on proposed amendments to Appendix 2 of AGS 1

Following the successful completion of Phases 1 and 2 of the project to amend Audit Guidance Statement (AGS) 1 *Sample Independent Auditors' Report*, which had resulted in amendments to Appendices 1, 3 and 4, the Auditing and Assurance Standards Committee of the Institute of Singapore Chartered Accountants (ISCA) has launched Phase 3 of the project.

Phase 3 involves the proposed revision of Appendix 2-Sample Independent Auditor's Reports on Special Purpose Audits on SSA 800 (Revised) *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* and SSA 805 (Revised) *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*. The proposed revision was also carried out to incorporate updates to relevant legislative and regulatory requirements and the amendments have been discussed with the relevant agencies.

As a further point to note, *Appendix 2C - Major Exporter Scheme for New and Renewal Application* of the extant AGS 1 has been removed as the Inland Revenue Authority of Singapore (IRAS) has advised that the positive assurance report in Appendix 2C is no longer required for businesses applying for or renewing their Major Exporter Scheme (MES) status. In practice, Appendix 2C has been replaced by the Assisted Self-Help Kit (ASK), which is issued by IRAS.

The proposed sample independent auditor's reports would be effective for periods ending on or after 15 December 2016.

The deadline to provide comments to ISCA on the exposure draft (ED) is 3 January 2017.

To access ED AGS 1, Sample Independent Auditor's Reports – Revision to Appendix 2. please go to the following URL: <http://isca.org.sg/media/780009/ed-ags-1-appendix-2.pdf>



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4. Events

4.1 RT ASEAN 3rd Business Meeting - RT ASEAN a Gateway for India Inc

The RT ASEAN Network, a Singapore-headquartered Multi-Disciplinary Professional Services network, announced their services for India Inc, during their 3rd Business Meeting on INTERNATIONALISATION, INNOVATION, INTEGRATION with delegates from across the ASEAN region, Australia, China, and India participating.

Speaking on the occasion, Ravi Arumugam, Executive Chairman of the RT ASEAN Network, said India is an emerging economic power house and we are happy to be a gateway towards their expansion in the ASEAN region and partner in the becoming of an Economic Super Power. The start-up wave, skills, and entrepreneurial mindset of India Inc make us natural partners.

We bring in a blend of Corporate Business advisory, Legal and Digital transformation, and Global Business Services with a single objective of providing a seamless one stop solution to businesses aspiring to expand their presence in the ASEAN region, which is being viewed as one of the important regions to have business presence. RT ASEAN is supported by IE Singapore, Ministry of Trade and Industry, Government of Singapore. RT ASEAN is proud to announce that Pierian, a leading Global Business Services from India is a founding member of our network. Pierian provides a range of services and solutions in Strategy, Business Advisory, Managed services, and Digital transformation, he added.



A collage of 15 hexagonal photographs capturing various moments from a Christmas party. The photos show individuals and small groups in a festive setting. Some people are holding signs with text like "#TGIF", "Ho Ho Ho!", "MERRY X-MASI", and "#OOTD". One photo shows a man speaking into a microphone, and another shows a woman holding a "Taken" sign. The bottom of the collage features a large group photo of approximately 25 people posing on a stage in front of a backdrop that reads "We hope you Enjoyed Yourself!". The group is diverse in age and appearance, and many are holding festive props or signs.



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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.

