

A large, stylized pink lotus flower and leaf graphic is positioned in the upper half of the page. The lotus flower is in full bloom, with several petals visible, and a large, pointed leaf is attached to its stem. The graphic is rendered in a light pink color, matching the background's floral theme.

RT

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1. Regulatory & Business

1.1 SGX issues consultation paper on possible listing framework for dual class share structures

On 16 February 2017, the Singapore Exchange (SGX) issued a consultation paper to consult the public on whether a dual class share (DCS) structure where certain shares have higher voting rights than others, should be introduced and if so, what safeguards might be appropriate. DCS structures may be utilised by entrepreneurs and companies to increase flexibility in capital management, and to provide greater investor choice while supporting Singapore's economic transformation. The Committee on the Future Economy (CFE) has also recommended exploring the merits of the DCS structures as DCS listings are increasingly being considered by companies in high-technology industries.

The consultation seeks feedback on possible safeguards such as:

- Whether there should be admission criteria over and above current Mainboard prerequisites such as a minimum market capitalisation of S\$500 million.
- Possible safeguards against the risk of entrenchment of the controlling shareholder and the risk of expropriation where the controlling shareholder can further his own interest at the expense of other shareholders. These safeguards include:
 1. Prohibiting the issuance of multiple vote (MV) shares by a company that is already listed.
 2. A sunset clause where MV shares are converted to one-vote (OV) shares either after a certain time or subject to a vote by OV shareholders.
 3. Subjecting the appointment of Independent Directors to a vote where both MV shares and OV shares are treated equally.

If DCS companies are listed, their securities will be clearly identified for investors, and investor education activities will be organised.

DCS companies will be required to prominently disclose risks of the structure in their IPO prospectuses. They must make known all holders of MV shares at the point of listing and in every annual report.

The consultation is open till 17 April 2017. For further information, please visit the following URL:
<http://ow.ly/1peE309C1Re>

1.2 MOF and ACRA issue responses to public feedback on proposed changes to the Companies Act, Limited Liability Partnerships Act and Accountants Act

The Ministry of Finance (MOF) and the Accounting and Corporate Regulatory Authority (ACRA) have reviewed feedback received from two rounds of public consultation in October and December 2016 on proposed changes to the Companies Act, Limited Liability Partnerships Act and related amendments to the Accountants Act. The changes aim to reduce the regulatory burden on business entities, enhance the transparency of business entities and introduce an inward re-domiciliation regime in Singapore. The proposed legislative amendments will be incorporated into a Companies (Amendment) Bill and a Limited Liability Partnerships (Amendment) Bill.

Please visit the following URL for a summary of the feedback received and MOF and ACRA's responses to the feedback:
<http://ow.ly/5QdN309C1Wu>

2. Ethics

2.1 IESBA staff release new Q&As on responding to non-compliance with laws & regulations (NOCLAR)

On 10 February 2017, the International Ethics Standards Board for Accountants (IESBA) staff released two Questions and Answers (Q&As) publications to support the adoption and implementation of the IESBA's NOCLAR pronouncement, which will come into effect on 15 July 2017.

- The Q&As for professional accountants in public practice (PAIPPs) cover issues related to applicability, audits of financial statements, and professional services other than financial statement audits, among others.
- The Q&As for professional accountants in business (PAIBs) cover issues related to scope, PAIB responsibilities (for senior vs. other PAIBs), organizational culture, and NOCLAR disclosure, among others.

To access the Q&As, please visit the following URL:
<http://ow.ly/Fa0O309C21a>

3. Auditing & Assurance

3.1 IAASB issues Work Plan for 2017–2018: Enhancing Audit Quality

On 22 February 2017, the International Auditing and Assurance Standards Board (IAASB) released its Work Plan for 2017–2018 following a public consultation with stakeholders. The continuing relevance of the board's strategic objectives was also confirmed with the IAASB release of a Supplement to its Strategy for 2015–2019: Fulfilling Our Public Interest Mandate in an Evolving World.

The Work Plan is guided by the three underlying strategic objectives set in the five-year Strategy:

- a continued focus on International Standards on Auditing (ISAs) as the basis for high-quality audits;
- the importance of the IAASB's standards for other services to address emerging needs of stakeholders; and
- the board's intention to strengthen collaboration with others to address public interest matters relevant to its work.

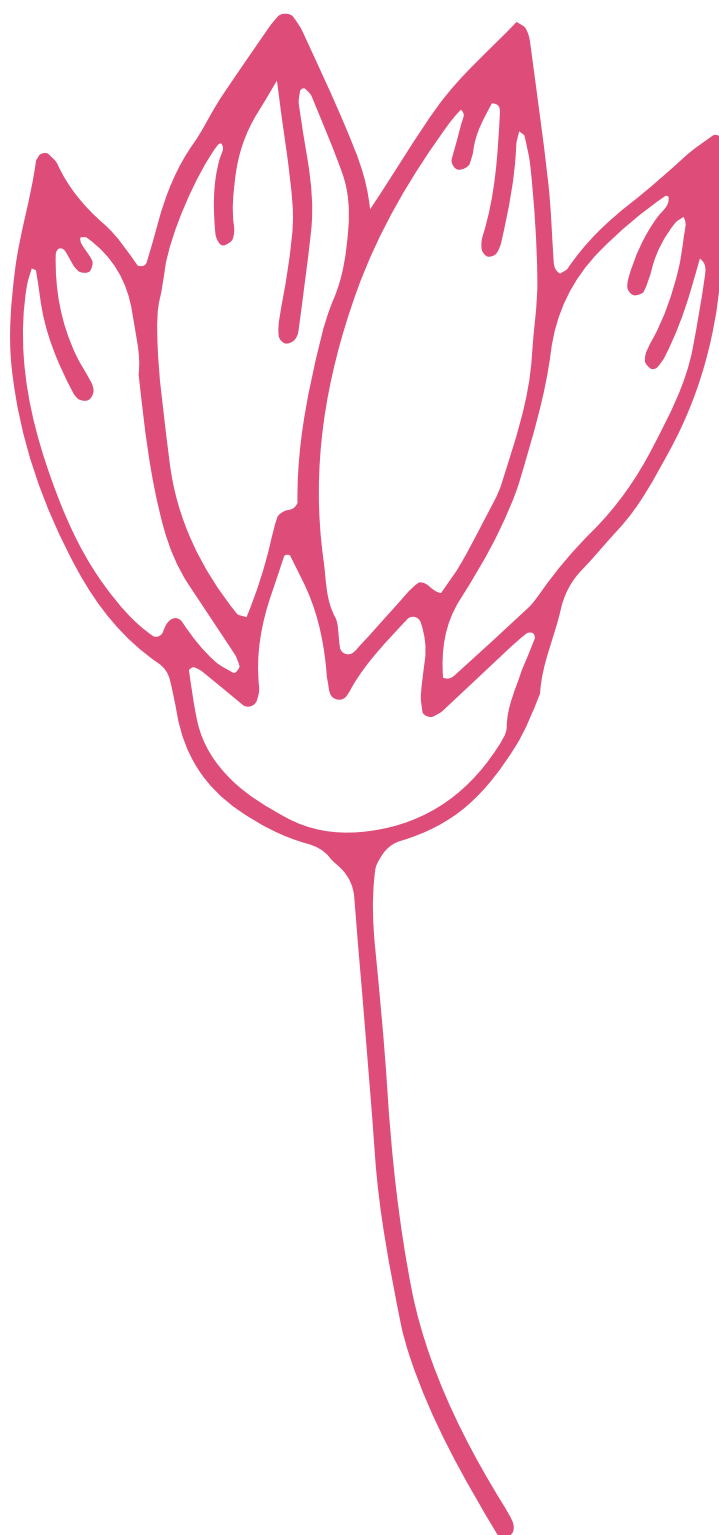
The Work Plan prioritizes addressing the most pertinent public interest issues. The IAASB is also considering how quality can be further embedded in the way that firms approach audits and other engagements under the IAASB's International Standards. The IAASB recognizes the importance of addressing the concerns of small- and medium-sized practices (SMPs), including considering how auditing standards can be effectively applied to audits of small- and medium-sized entities, and standards to support other services provided by SMPs.

The IAASB will publish a timetable of current projects on its website, to be updated on a quarterly basis, to maintain transparency on progression.

To access the Work Plan, please visit the following URL:
<http://ow.ly/NJTp309C9R4>

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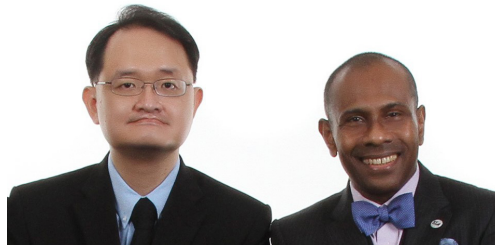
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