



RT

Review Times

April 2017



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1. Regulatory & Business

1.1 Issuance of Companies (Amendment) Act 2017 and Limited Liability Partnerships (Amendment) Act 2017

The Ministry of Finance (MOF) and the Accounting Corporate and Regulatory Authority (ACRA) conducted a review of the Companies Act in 2016. This review culminated in the Companies (Amendment) Bill 2017 and Limited Liability Partnerships (Amendment) Bill which were passed in Parliament on 10 March 2017.

Following are the changes and the aims of the changes

Aim: Reduce Compliance Costs and Administrative Burden

- Private companies need not hold annual general meetings (AGMs) subject to specified safeguards.
- Simplify the requirements for holding AGMs and filing annual returns.
- Remove the mandatory requirement to use a common seal.

Aim: Make the ownership and control of business entities more transparent

- All companies and LLPs, unless exempted, are required to obtain and maintain beneficial ownership information.

Aim: Boost Singapore's Competitiveness as a Business Hub

- Introduce an inward re-domiciliation regime which allows foreign corporate entities to transfer their registration to Singapore.

Implementation dates of key legislative amendments

Key legislative amendments that took effect from 31 Mar 2017

- Improving the transparency of Companies and LLPs.
- Remove the requirement for a common seal.

Key legislative amendment to take effect within first half of 2017

- Introduction of an inward re-domiciliation regime in Singapore.

Key legislative amendments targeted for implementation in early 2018

- Amendments to AGMs and annual returns.

For more information, please visit the following URL: <http://bit.ly/2pHjJpD>

1.2 ACRA issues Audit Practice Bulletin No. 1 of 2017

On 28 March 2017, ACRA issued Audit Practice Bulletin (APB) No. 1 of 2017 *Section 56(1) of the Accountants Act - Practising or Holding out as a Public Accountant when one is not registered with ACRA*. The APB highlights some of the situations where a person may inadvertently practise or hold himself out as a public accountant when he is not registered with ACRA as one, thereby contravening section 56(1) of the Accountants Act.

For more information, please visit the following URL: <http://bit.ly/2oCmRUf>

2. Ethics

2.1 ISCA issues amendments to EP 200

The Institute of Singapore Chartered Accountants (ISCA)'s Ethics Pronouncement (EP) 200 *Anti-Money Laundering and Countering the Financing of Terrorism - Requirements and Guidelines for Professional Accountants in Singapore* provides the anti-money laundering (AML) and countering the financing of terrorism (CFT) requirements and guidelines for professional accountants in Singapore. EP 200 is also adopted by ACRA and is applicable to public accountants and accounting entities registered under the Accountants Act who are regulated by ACRA.

Arising from the Financial Action Task Force (FATF) Mutual Evaluation Report of Singapore, ISCA has made amendments to EP 200 to address the findings as well as other amendments to provide clarity to existing requirements and guidelines.

The key amendments include:

- Making the existing Supplement A of EP 200 mandatory for auditors;
- With respect to trusts, to identify the settlor, the trustee(s), the protector, each beneficiary or class of beneficiaries (including ultimate beneficiaries), and any other natural person exercising ultimate effective control over the trust;
- Removing the current exemption for identification and verification of beneficial owners for government entities;
- With respect to certain designated accountants who act as trustees, to disclose their status to identified financial institutions and designated non-financial businesses and professions when forming a business relationship; and
- Extending screening requirements to cover the beneficial owners of the client, natural persons appointed to act on behalf of the client and connected parties of the client.

The amended EP 200 is effective from 1 June 2017.

To access the amended EP 200, please visit the following URL:

<http://bit.ly/2prTzYi>

3. Auditing & Assurance

3.1 New Investors' Guide on the Enhanced Auditor's Report

ACRA, ISCA, and the Securities Investors Association Singapore (SIAS) have jointly produced a Guide to help investors better engage company directors, management and auditors. This Guide on the enhanced auditor's report will help investors identify significant risk areas in listed companies' financial statements and understand how these areas are audited.

The Guide focuses on key matters that auditors of listed companies are now required to provide in their reports, following the adoption of the enhanced auditor reporting standards with effect from 15 December 2016. It explains the different types of audit opinions, how unfavourable audit opinions could be identified, and the issues investors should look out for. The Guide also includes a list of relevant questions relating to key audit matters that investors could consider raising with directors, management and auditors during AGMs.

To access the Guide, please go to the following URL:

<http://bit.ly/2oCnmgU>

4. Financial Reporting

4.1 IASB consults on proposed improvements and amendments to IFRS 8 and IAS 34

On 29 March 2017, the International Accounting Standards Board (IASB) published proposed improvements to the International Financial Reporting Standard (IFRS) Standard covering operating segments, IFRS 8 *Operating Segments*, for public consultation.

IFRS 8 was issued in 2006. It sets out the disclosure requirements for information about a company's operating segments, products and services, as well as about the geographical areas in which it operates and its major customers.

The proposed amendments follow on from a Post-implementation Review (PIR) of IFRS 8 that was carried out to assess whether the Standard works as intended. The PIR confirmed that the Standard generally functions well but identified some areas that could benefit from improvements.

The proposed improvements in the Exposure Draft (ED) include amendments:

- to clarify and emphasise the criteria that must be met before two operating segments may be aggregated;
- to require companies to disclose the title and role of the person or group that performs the function of the chief operating decision maker; and
- to require companies to provide information in the notes to the financial statements if segments in the financial statements differ from segments reported elsewhere in the annual report and in accompanying materials.

The IASB has also proposed to amend International Accounting Standard (IAS) 34 *Interim Financial Reporting* to require companies that change their segments to provide restated segment information for prior interim periods earlier than they currently do.

The ED is open for comments until 31 July 2017.

For more information and to access the ED, please visit the following URL:

<http://bit.ly/2og3VKA>

4.2. Revised Recommended Accounting Practice 7 (Revised March 2017)

On 3 March 2017, ISCA issued revisions to Recommended Accounting Practice (RAP) 7 "Reporting Framework for Unit Trusts" which sets out recommendations on the way in which the managers of a unit trust should prepare the unit trust financial statements for unit holders.

RAP 7 is intended to be applicable to all authorised unit trusts in Singapore, regardless of their constitution, size or complexity. Managers and trustees are encouraged to comply with the recommendations set out in RAP 7.

RAP 7 (Revised March 2017) has been updated from RAP 7 (Revised June 2016) for the following:

- Amendments to the "Statement by the Manager" to be consistent with the Illustrative Auditor's Report; and
- Inclusion of the Illustrative Auditor's Report, which is applicable to unit trusts with financial periods ending on or after 15 December 2016.

RAP 7 (Revised March 2017) is effective for unit trusts with financial periods beginning on or after 1 July 2016.

For the RAP 7 (Revised March 2017) "Reporting Framework for Unit Trusts" please go to the following URL:

<http://bit.ly/2oEFqJh>

4.3 IASB issues Discussion Paper on principles to make disclosures in financial statements more effective

On 30 March 2017, the IASB published a Discussion Paper that suggests principles to make disclosures in financial statements more effective. The Discussion Paper *Disclosure Initiative—Principles of Disclosure* seeks public feedback on disclosure issues that the IASB has identified through outreach as well as its preliminary proposals to resolve these issues. Ultimately, it is expected that the Discussion Paper could lead to amendments to IAS 1, the Standard covering general disclosure requirements, or the development of a new general disclosure Standard.

Stakeholders have said that financial statements sometimes include too little relevant information, too much irrelevant information and information disclosed ineffectively. The IASB believes that the development of clear principles governing what, how and where information should be disclosed in the financial statements will improve the information provided to users of financial statements. It will do so by helping companies communicate their disclosures more effectively and by assisting the IASB in improving disclosure requirements in IFRS Standards.

Some specific suggestions in the Discussion Paper include:

- seven principles of effective communication, which could be included in a general disclosure standard or described in non-mandatory guidance;
- possible approaches to improve disclosure objectives and requirements in IFRS Standards; and
- principles of fair presentation and disclosure of performance measures and non-IFRS information in financial statements, to ensure that such information is not misleading.

The Discussion Paper is the latest installment of the IASB's Disclosure Initiative, which was established in 2013 with a ten-point plan to deliver tangible improvements to disclosures in financial reporting. The Principles of Disclosure project complements a number of other projects already taken by the IASB, including amendments to IAS 1 *Presentation of Financial Statements* and IAS 7 *Statement of Cash Flows*, and the development of guidance to help companies make materiality judgements when preparing their financial statements.

The Disclosure Initiative is an important part of the Board's central theme, *Better Communication in Financial Reporting*.

The consultation on the Discussion Paper is open for comments until 2 October 2017.

The Discussion Paper and a snapshot of it which provides an overview of the Discussion Paper, can be accessed at the following URL:

<http://bit.ly/2oCrwWb>

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INAUGURAL RT ASEAN CONVENTION ONE FACE ACROSS ASEAN

INTERNATIONALISATION * INNOVATION * INTEGRATION

Venue

One Farrer Grand Ballroom,
One Farrer Hotel & Spa
1 Farrer Park Station Singapore 217562

Date:

Wednesday 26 July 2017

Who Should Attend:

- CEOs, CFOs, CIOs, CTOs & COOs
- General Counsel & Regional General Counsel
- Leaders interested to expand their business in Asia.

Register Here:

rtaseanconvention.eventinterface.com

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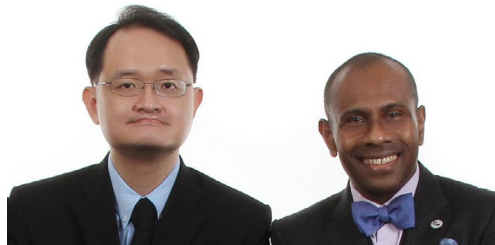
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Financial



Digital



Legal

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.

