



RT

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Contents

Financial Reporting

- 1.1 ISCA issues invitation for comments on withdrawal of RAP 8
- 1.2 IASB issues exposure draft on proceeds from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose
- 1.3 IFRS Foundation issues draft guidance on IFRS for SMEs relating to financial guarantee

Ethics

- 2.1 IESBA staff release new Q&A on long association
- 2.2 IESBA proposes new guidance for professional skepticism and professional judgement
- 2.3 ISCA issues amendments to EP 200's customer due diligence templates and forms

Events & News

- 3.1 Inaugural RT ASEAN Network Convention 2017
-

1. Financial Reporting

1.1 ISCA issues invitation for comments on withdrawal of RAP 8

In preparation for Singapore's 2018 IFRS Convergence, the Institute of Singapore Chartered Accountants' (ISCA) Financial Reporting Committee (FRC) is undertaking a review of all Recommended Accounting Practices (RAPs) issued by ISCA.

RAP 8 *Foreign Income Not Remitted to Singapore* was issued in 2004 to fill a gap in FRS 12 *Income Taxes* by providing a recommended accounting practice on how an entity should account for deferred tax on its own foreign income not remitted to Singapore. The wording of FRS 12 is identical to that of IAS 12 *Income Taxes* and RAP 8 has existed in the Singapore financial reporting framework without an equivalent in the international financial reporting framework. With the forthcoming convergence of Singapore Financial Reporting Standards to International Financial Reporting Standards with effect from 1 January 2018, RAP 8 may be perceived to be inconsistent with IAS 12. Therefore, ISCA intends to withdraw RAP 8 with effect from 1 January 2018.

In the event that RAP 8 is withdrawn, entities that have previously adopted the accounting practice in RAP 8 may have to consider the need to recognise deferred tax liabilities arising from foreign income not remitted to Singapore on a retrospective basis.

Cognizant of the possible impact of the withdrawal of RAP 8 to Singapore entities, ISCA's FRC has issued an invitation for comments on the proposed withdrawal. Comments should be submitted in writing to core@isca.org.sg and to be received, no later than 31 July 2017.

Please visit the following URL to access the questions that ISCA are inviting comments on:

<http://bit.ly/2uu7G4n>

1.2 IASB issues exposure draft on proceeds from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose

On 20 June 2017, the International Accounting Standards Board (IASB) issued an exposure draft (ED) on proposed amendments to IAS 16 *Property, Plant and Equipment* relating to how companies account for the proceeds from selling items produced while testing an item of plant or equipment before it is used for its intended purpose. The IASB has proposed narrow-scope amendments to reduce the diversity in accounting for those proceeds.

The proposed amendments would prohibit deducting sales proceeds from the cost of an item of property, plant and equipment while that asset is being made available for use. Instead, the company would recognise those sales proceeds and related costs in profit or loss.

The ED is open for comment until 19 October 2017.

For further information, please visit the following URL: <http://bit.ly/2u0jxGT>

1.3 IFRS Foundation issues draft guidance on IFRS for SMEs relating to financial guarantee

On 26 June 2017, the IFRS Foundation published draft guidance on the *IFRS for SMEs* Standard, calling for stakeholder feedback. The guidance has been developed by the SME Implementation Group (SMEIG).

The draft guidance is in the form of a questions and answers (Q&A) document and addresses the accounting treatment for a financial guarantee issued by a parent company in that parent company's separate financial statements.

The SMEIG is responsible for assisting the IASB on matters related to the implementation of the *IFRS for SMEs* Standard. Developing non-mandatory and timely guidance on specific accounting questions raised by those implementing the *IFRS for SMEs* Standard is one of the two main responsibilities of the SMEIG. The other is to make recommendations to the IASB regarding amendments to the *IFRS for SMEs* Standard.

This draft guidance is the first to be published since the initial comprehensive review of the *IFRS for SMEs* Standard was completed in May 2015.

The consultation is open for comment until 1 September 2017 and can be accessed at the following URL:
<http://bit.ly/2tw42mC>

2. Ethics

2.1 IESBA staff release new Q&A on long association

On 31 May 2017, the staff of the International Ethics Standards Board for Accountants (IESBA) released a questions and answers (Q&A) publication to support the adoption and implementation of the revised long association provisions *Changes to the Code Addressing Long Association of Personnel with an Audit or Assurance Client*, which the IESBA approved in December 2016 under the extant structure and drafting conventions of the Code ("close-off document").

The Q&A publication is designed to highlight, illustrate, or explain aspects of the revised partner rotation regime in the extant Code, and thereby assist in their proper application.

As part of Phase 2 of the Structure of the Code project, the close-off document is currently being restructured in accordance with the new structure and drafting conventions of the Code. The restructuring will not change the substance of the revised provisions. The restructured provisions are expected to be published as part of the restructured Code by the end of Q1 2018. The Q&A publication will be updated to align with the final restructured provisions and will be re-issued around the same time as the restructured Code.

Please visit the following URL to access the Q&A: <http://bit.ly/2uu1dgh>

2.2 IESBA proposes new guidance for professional skepticism and professional judgement

On 11 May 2017, the IESBA released the exposure draft (ED), *Proposed Application Material Relating to Professional Skepticism and Professional Judgment*. The proposed guidance for the first time links key concepts in the IESBA *Code of Ethics for Professional Accountants* (the Code) and clarifies their application, namely:

- how compliance with the fundamental principles in the Code supports professional skepticism by auditors and assurance practitioners for audit, review, and other assurance engagements; and
- the importance of professional accountants obtaining a sufficient understanding of the facts and circumstances known to them when exercising professional judgment in applying the conceptual framework underpinning the Code.

The proposed guidance addressing the fundamental principles and professional skepticism responds to a recommendation from the tripartite Professional Skepticism Working Group established by the IESBA, the International Auditing and Assurance Standards Board (IAASB), and the International Accounting Education Standards Board (IAESB).

Once finalized, this material will be included in the clarified and restructured Code that the IESBA plans to complete by the end of 2017. Beyond this, the IESBA will continue to explore further issues relating to professional skepticism in close coordination with the IAASB and IAESB, and in consultation with stakeholders.

The exposure draft is open for comments until 25 July 2017.

Please visit the following URL to access the ED: <http://bit.ly/2vten47>

2.3 ISCA issues amendments to EP 200's customer due diligence templates and forms

On 28 June 2017, ISCA issued amendments to Ethics Pronouncement (EP) 200 *Anti-Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines for Professional Accountants in Singapore*, Implementation Guidance (IG) 2.

Arising from the amended EP 200 issued in March 2017, EP 200 IG 2 has been amended to incorporate the new requirements into the customer due diligence templates and forms. In addition, enhancements have been made to make the templates more useful.

Please visit the following URL to access the amended EP 200 IG 2: <http://bit.ly/2uz6nC4>

3.1 Inaugural RT ASEAN Network Convention

Singapore, Wednesday, 26 July 2017 – Since the launch of the first locally branded and headquartered accounting and professional services network on 28 June 2016, the RT ASEAN Network has grown from strength to strength and has increased the number of member firms to 16 with presence in the APAC region, UK and US. The Network representation covers significant cities in China, India and South-East Asia.

The RT ASEAN Network is the first locally formed and Singapore headquartered Network of accounting and professional services providers. This initiative was spearheaded by RT LLP – a medium sized local accounting practice. It is supported by various Singapore Government agencies, local and international professional accounting bodies, local and overseas trade associations and chambers, and several large local enterprises. It is also the first Network of its kind in Asia.

To mark the continued growth of the Network and to commemorate its one-year anniversary, the Network hosted the first Inaugural RT ASEAN Network Convention at the One Farrer Hotel & Spa in Singapore, bringing together professional services providers from South-East Asia, Australia, China, India, Taiwan, Hong Kong and the UK for a cross-border and multidisciplinary thought leadership and knowledge sharing meeting.

The panel of distinguished speakers at the Convention shared their expertise in the 3 main areas of the Network's practice - financial, digital, and legal. In particular, the focus was on the confluence of these 3 areas in the South-East Asia and APAC region.

To commemorate its expansion and success, the Network signed a partnership agreement with the Shanghai UDC Business Consulting Co., Ltd., the exclusive trade promotion arm of the Shanghai Trade Office that manages the Free Trade Zones in Shanghai at the Convention. This makes RT ASEAN, the only recognised professional services provider, in South-East Asia, as part of China's One Belt, One Road initiative to promote economic cooperation between China and South-East Asia.

As the only recognised service provider, the 16-member strong RT ASEAN Network which focuses on multi-disciplinary, cross-border projects in financial, digital, and legal professional services will provide services to companies expanding out from China into the South-East Asian region.



Speaking at the occasion, Executive Chairman of the RT ASEAN Network, Mr Ravi Arumugam said, ***“The partnership agreement signed between Shanghai UDC and RT ASEAN is in line with the Network’s objective to internationalise, innovate and integrate – the 3 core strategic focus of the Network. The strategic focus is also in line with the Singapore government’s CFE thrust, and in particular, the collaboration emphasised between the accounting and legal services. The digital services provided in RT ASEAN’s tripartite offering is a critical element in a providing a complete and innovative solution to our clients.”***

The Network will continue to work with various parties to capitalise on the growing economic potential and opportunities in the ASEAN region, China and India.

You may learn more about RT ASEAN at: <http://rtasean.com/>



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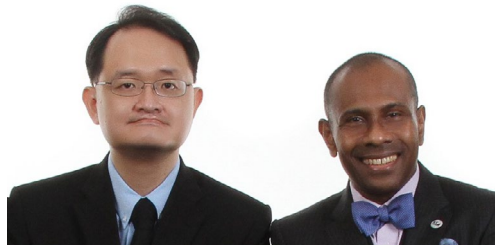
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Financial



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.

