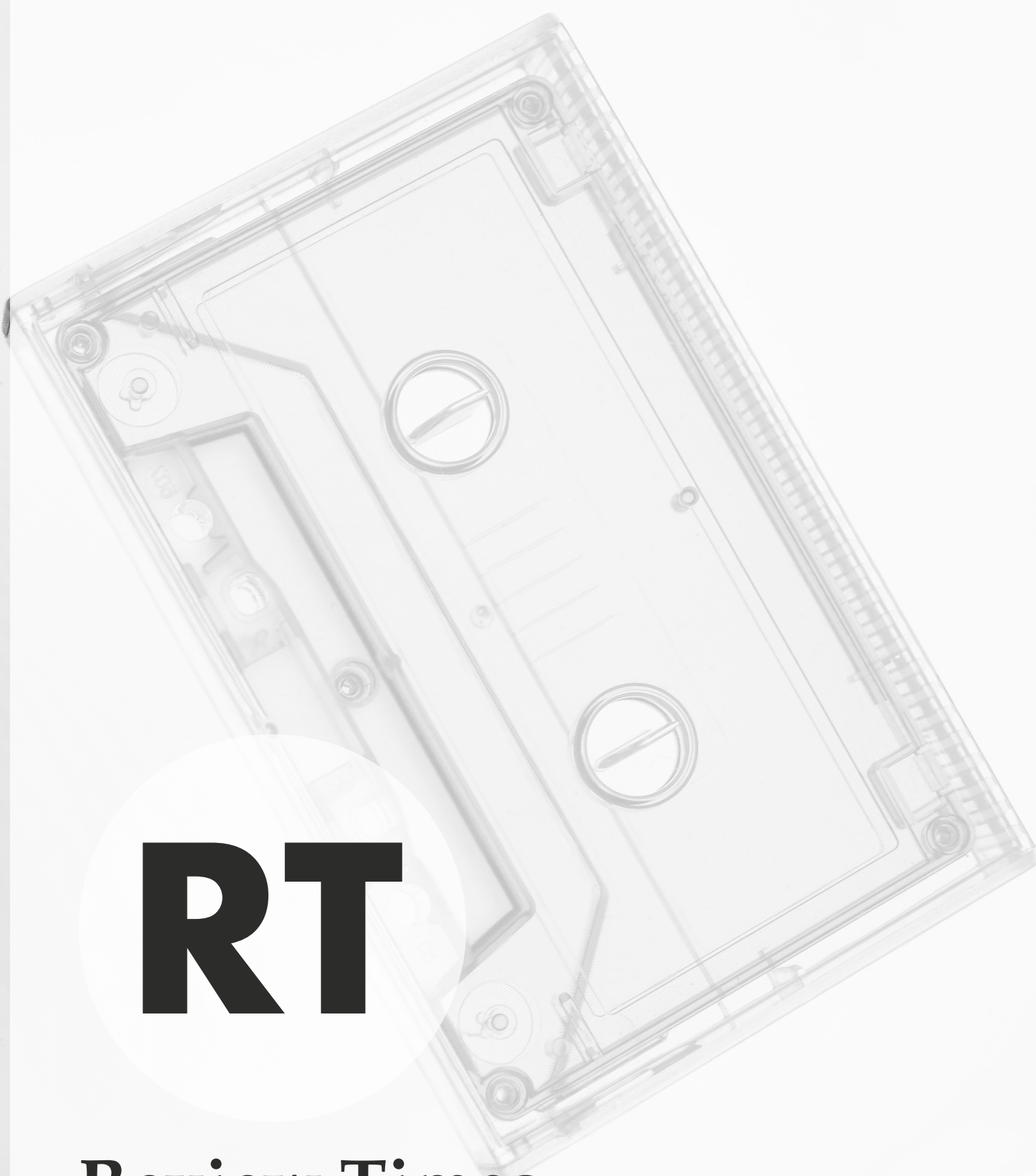




RT

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Contents

1. Financial Reporting

- 1.1 IASB issues guidance on making materiality judgements
- 1.2 IASB issues exposure draft on proposed minor amendments to the definition of 'material' information
- 1.3 Singapore ASC issues INT FRS 123: Uncertainty over Income Tax Treatments

2. Auditing & Assurance

- 2.1 ACRA issues PMP 11th public report
- 2.2 IAASB issues webcast on proposed changes to ISQC 1

3. Regulatory & Business

- 3.1 ISCA issues practical guidance on sustainability reporting implementation

4. RT ASEAN

- 4.1 RT ASEAN Participates in IFAC, Forum of Firms Quality Control Discussions
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1. Financial Reporting

1.1 IASB issues guidance on making materiality judgements

On 14 September 2017, the International Accounting Standards Board (IASB) issued a guidance on how to make materiality judgements. The publication encourages companies to apply judgement instead of using International Financial Reporting Standards (IFRS) requirements as a checklist, so that financial statements focus on the information that is useful to investors. The Board is also consulting separately on proposed clarifications to the definition of 'material' information in financial statements.

The concept of materiality is important in the preparation of financial statements, because it helps companies determine which information to include in and exclude from their reports. Companies make materiality judgements not only when deciding what information to disclose and how to present it but also when making decisions about recognition and measurement.

Some companies are unsure about how to make materiality judgements and have therefore used the disclosure requirements in IFRS Standards as a checklist. To encourage behavioural change and provide support to companies making such judgements, the Board has issued IFRS Practice Statement 2 Making Materiality Judgements.

The Practice Statement gathers all the materiality requirements in IFRS Standards and adds practical guidance and examples companies may find helpful in deciding whether information is material. The Practice Statement is not mandatory and neither changes requirements nor introduces new ones.

To access the Practice Statement, please go to the following URL: <http://bit.ly/2xAIDzf>

1.2 IASB issues exposure draft on proposed minor amendments to the definition of 'material' information

On 14 September 2017, the IASB published for public comment an exposure draft (ED) on proposed amendments to the definition of 'material'. The ED proposes minor amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition and improve understanding of the current requirements.

The proposed amendments refine the definition of material and clarify its application to:

- Align the wording of the definition in IFRS Standards and the definition in the Conceptual Framework for Financial Reporting (the Conceptual Framework)—the wording is currently similar but not identical—and make some minor improvements to that wording;
- Incorporate some of the existing supporting requirements in IAS 1 into the definition to give them additional prominence; and
- Improve the clarity of the explanation accompanying the definition of material.

To access the ED, please go to the following URL: <http://bit.ly/2xPmSLS>

The Board is seeking comments on the ED by 15 January 2018.

1.3 Singapore ASC issues INT FRS 123: Uncertainty over Income Tax Treatments

On 18 September 2017, the Singapore Accounting Standards Council (ASC) issued Interpretation of Financial Reporting Standard (INT FRS) 123 Uncertainty over Income Tax Treatments.

INT FRS 123 clarifies how to apply the recognition and measurement requirements in FRS 12 Income Taxes when there is uncertainty over income tax treatments. For example, it may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept an entity's tax treatment. FRS 12 specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. INT FRS 123 provides requirements that add to the requirements in FRS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes.

When there is uncertainty over income tax treatments, INT FRS 123 requires that an entity recognise and measure its current or deferred tax asset or liability by applying the requirements in FRS 12 based on taxable profit/(tax loss), tax bases, unused tax losses, unused tax credits and tax rates which are determined by applying INT FRS 123.

An entity shall apply INT FRS 123 for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. If an entity applies INT FRS 123 for an earlier period, it shall disclose that fact.

For more, information, please go to the following: <http://bit.ly/2yXBAgz>

2. Auditing & Assurance

2.1 ACRA issues PMP 11th public report

The Accounting and Corporate Regulatory Authority (ACRA) has released the Practice Monitoring Programme (PMP) 11th public report.

The public report is ACRA's PMP annual report on audit inspections. According to the report, ACRA has observed noticeable improvements in audit quality. This is significant as investors rely on high quality audits to assure themselves of the quality of financial information. To further raise audit quality standards for the accountancy sector, the Ministry of Finance and ACRA are embarking on a review of the Accountants Act, to ensure that the audit regulatory framework remains robust and progressive.

To access the report, please go to the following URL: <http://bit.ly/2xcuJP5>

For further information, please refer to the press release from ACRA: https://www.acra.gov.sg/uploadedfiles/Content/News_and_Events/Press_releases/PR_PMP_Report_2017.pdf

2.2 IAASB issues webcast on proposed changes to ISQC 1

The International Auditing and Assurance Standards Board (IAASB) has issued a webcast on proposed changes to International Standard on Quality Control (ISQC) 1. The proposed changes will result in a restructured and enhanced standard that will change the current approach to firms' systems of quality control.

For access the webcast, please go to the following URL: <http://bit.ly/2yD4ruk>

3. Regulatory & Business

3.1 ISCA issues practical guidance on sustainability reporting implementation

The Institute of Singapore Chartered Accountants (ISCA) has issued a publication which seeks to help new or early-stage Sustainability Reporting (SR) adopters kick-start their SR journey by providing practical guidance on the SR process as well as key considerations for the entity's first Sustainability Report.

For further information, please go to the following URL: <https://isca.org.sg/media/2238512/isca-sustainability-report-implementation-roadmap.pdf>

4. RT ASEAN

4.1 RT ASEAN Participates in IFAC, Forum of Firms Quality Control Discussions

RT ASEAN was privileged and delighted to be invited by the International Federation of Accountants (IFAC) and International Auditing and Assurance Standards Board (IAASB) to a deep dive discussion to comment on the revisions to proposed amendments to ISQC 1 and introduction to ISQC 2. The discussion was held during a meeting of the IFAC's Forum of Firms on 17 October 2017 at IFAC's office in New York. **We were the only Asian network to be present and represented.**

IFAC's Forum of Firms is the forum of the leading and globally recognised professional accounting networks endorsed by IFAC. Please visit the following URL for the list of members and affiliates of the Forum: <http://bit.ly/2i3C4e3>



IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of over 175 members and associates in more than 130 countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce.

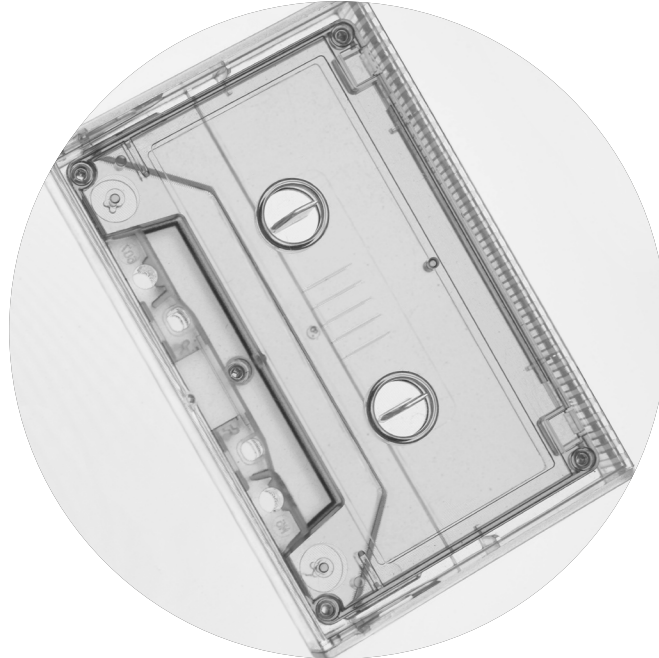
The IAASB is an independent standard-setting body that serves the public interest by setting high-quality international standards for auditing, quality control, review, other assurance, and related services, and by facilitating the convergence of international and national standards. In doing so, the IAASB enhances the quality and uniformity of practice throughout the world and strengthens public confidence in the global auditing and assurance profession.

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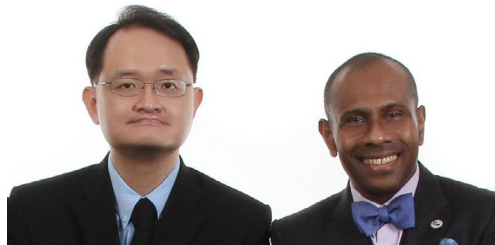
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Financial



Digital



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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.

