

REVIEW TIMES

JANUARY 2018



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SINGAPORE IFRS IN OUR
TECHNICAL UPDATES**

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MEMBER FIRM - BSA
PARTNERSHIP**

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1. Technical Updates

RT brings to you the latest Technical Updates on Audit and Assurance, Financial Reporting, Business Regulation and Ethics in Singapore and other global regulatory bodies and their implications thereof.

Prepared & Written By: Andrew Chua



1.1 Singapore ASC issues new financial reporting framework that is Singapore's equivalent of IFRSs.

The first volume of SFRS(I)s contains the equivalent of the consolidated text of IFRS Standards and Interpretations as issued by the IASB at 31 December 2017 that are applicable for annual reporting period beginning on 1 January 2018. It also contains a statement of applicability, preface, conceptual framework and glossary. To access the first volume of SFRS(I)s and the mapping of SFRS(I)s to IFRSs, please go to the following URL at the ASC's website: <http://bit.ly/2CGX43C>



1.2 Singapore ASC issues amendments to FRS 109 and FRS 28

On 29 December 2017, the Singapore ASC issued *Amendments to FRS 109: Prepayment Features with Negative Compensation and Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures*.

The amendments to FRS 109 allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

The amendments to FRS 28 clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using FRS 109.

The amendments are effective from 1 January 2019, with early application permitted.



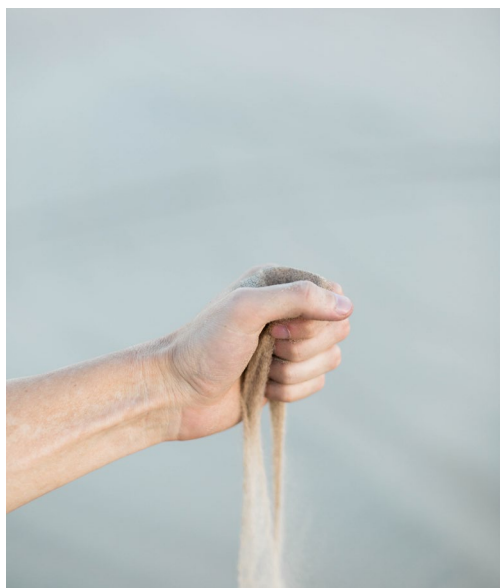
1.3 ACRA issues Financial Reporting Practice Guidance No. 1 of 2018 and Guide on FRSP Review Procedures

The Accounting and Corporate Regulatory Authority (ACRA) has commenced its third cycle of review under the Financial Reporting Surveillance Programme (FRSP), where selected companies' financial statements are reviewed for compliance with the prescribed accounting standards. In tandem with the review, ACRA has published the Guide on Review Procedures to share information on the FRSP review procedures with directors and management. Please go to the following URL to access the Guide: <http://bit.ly/2CJrmT8>

To guide directors in reviewing their company's upcoming financial statements, ACRA has issued Practice Guidance No. 1 of 2018 which highlights eight financial reporting areas that may require more attention by directors when approving the companies' FY2017 financial statements. The eight areas are as follows:

- Upcoming changes in accounting standards – Is financial effect adequately disclosed?
- Going concern – Can the entity continue to operate in the near term (at least 12 months)?
- Value of long-lived assets – Any indication of impairment? If yes, has an impairment test been conducted? If a previous impairment loss is reversed, is this supported by real improvement in performance or economic conditions?
- Significant one-off gains or losses – Does it make business sense?
- Consolidation or Equity Accounting – Looking beyond legal forms, has the rights to participate in decision-making held by various parties been considered?
- Business acquisitions – Have other intangible assets been carved out from goodwill and separately recognised? What is the date of acquisition for accounting purposes? Are there terms that may affect purchase consideration?
- Statement of cash flows – Are cash flows appropriately classified within operating, investing or financing cash flows?
- Significant judgements and estimates – Are disclosures tailored to the circumstances?

Please go to the following URL to access the Practice Guidance: <http://bit.ly/2CGXebe>



1.4 ISCA withdraws RAP 8 and RAP 10

The Institute of Singapore Chartered Accountants (ISCA) has withdrawn Recommended Accounting Practice (RAP) 8 *Foreign Income Not Remitted to Singapore* and RAP 10 *FRS 103, Business Combinations – Clarification of Transitional Provisions*, for annual reporting periods beginning on or after 1 January 2018.

With the withdrawal of RAP 8, entities are required to exercise their judgement in the accounting for the deferred tax liability in respect of foreign-sourced income not remitted to Singapore in accordance with the requirements in FRS 12 *Income Taxes* and other relevant standards.

1.5 IASB issues Annual Improvements to IFRS Standards 2015–2017 Cycle

On 12 December 2017, the International Accounting Standards Board (IASB) issued *Annual Improvements to IFRS Standards 2015–2017 Cycle*, which makes narrow-scope amendments to four IFRS Standards.

Annual improvements are part of the IASB's process for maintaining IFRS Standards and contain Interpretations that are minor or narrow in scope. Amendments made as part of this process either clarify the wordings in an IFRS Standard or correct relatively minor oversights or conflicts between existing requirements of IFRS Standards.

The amendments made during the 2015–2017 cycle are as follows:

Amended Standard	The amendments clarify that:
IFRS 3 <i>Business Combinations</i>	A company remeasures its previously held interest in a joint operation when it obtains control of the business.
IFRS 11 <i>Joint Arrangements</i>	A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
IAS 12 <i>Income Taxes</i>	A company accounts for all income tax consequences of dividend payments in the same way.
IAS 23 <i>Borrowing Costs</i>	A company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The amendments are effective from 1 January 2019, with early application permitted. For more information, please go to the following URL: <http://bit.ly/2C0NyaD>

1.6 IFRS Foundation issues guidance on IFRS for SMEs Standard relating to financial guarantee contracts

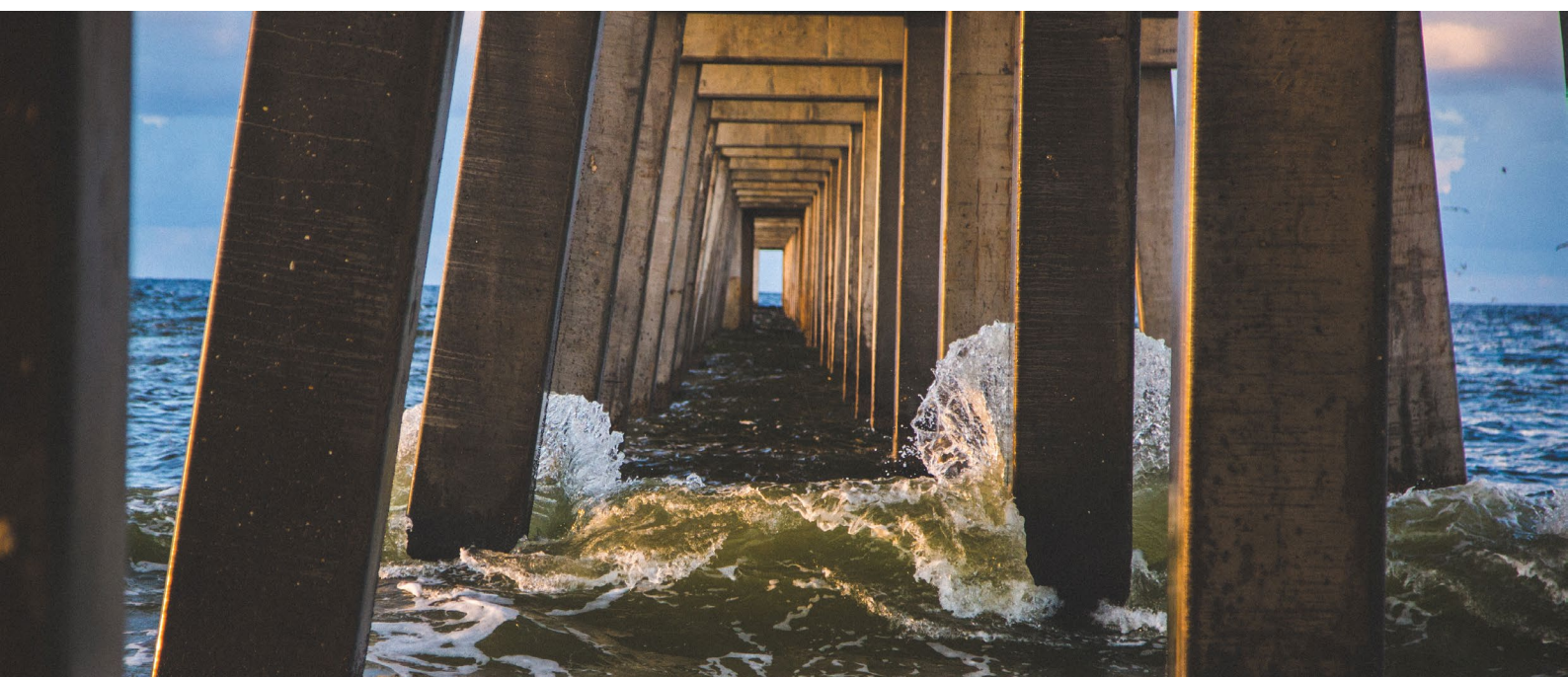
On 14 December 2017, the IFRS Foundation published a guidance on the *IFRS for SMEs* Standard in the form of a question-and-answer document (Q&A) which advises how an issuer should account for financial guarantee contracts.

The guidance has been developed by the SME Implementation Group (SMEIG). 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 companies and other interested parties on implementation of the Standard is one of the two main responsibilities of the SMEIG. The other is to make recommendations to the IASB regarding possible amendments to the Standard.

This Q&A guidance is the first to be published since the revised *IFRS for SMEs* Standard was completed in May 2015.

To access the Q&A, please go the following URL: <http://bit.ly/2BtFLmI>



2. ETHICS

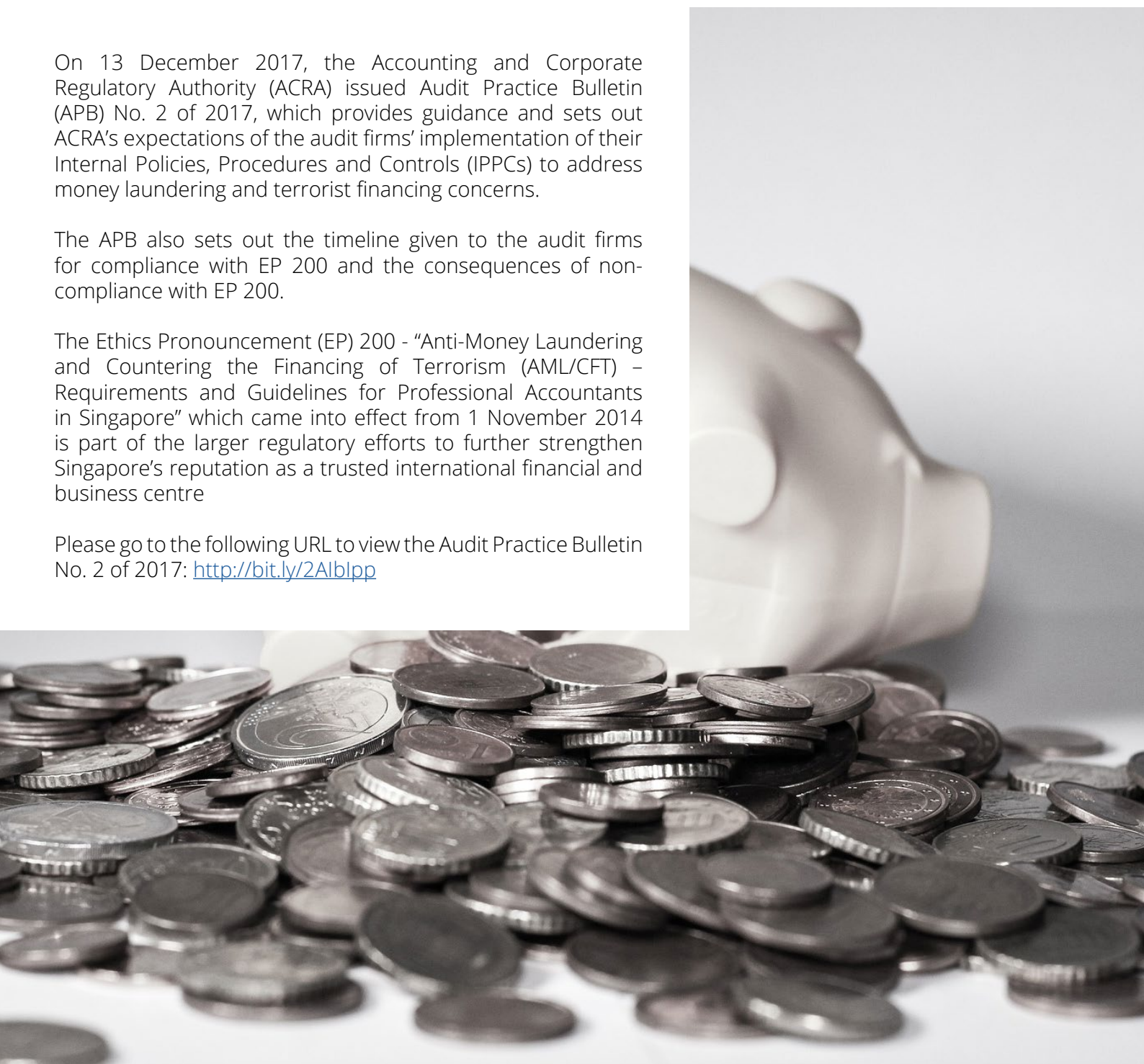
2.1 ACRA issues Audit Practice Bulletin on compliance with ethics pronouncements on anti-money laundering and countering the financing of terrorism.

On 13 December 2017, the Accounting and Corporate Regulatory Authority (ACRA) issued Audit Practice Bulletin (APB) No. 2 of 2017, which provides guidance and sets out ACRA's expectations of the audit firms' implementation of their Internal Policies, Procedures and Controls (IPPCs) to address money laundering and terrorist financing concerns.

The APB also sets out the timeline given to the audit firms for compliance with EP 200 and the consequences of non-compliance with EP 200.

The Ethics Pronouncement (EP) 200 - "Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) – Requirements and Guidelines for Professional Accountants in Singapore" which came into effect from 1 November 2014 is part of the larger regulatory efforts to further strengthen Singapore's reputation as a trusted international financial and business centre

Please go to the following URL to view the Audit Practice Bulletin No. 2 of 2017: <http://bit.ly/2A1blpp>



2. Viewpoint from RT ASEAN

Our experts from across RT ASEAN are proud to bring you the latest talk and buzz in the Financial, Digital & Legal industry.



Deloitte Technology Fast50 India 2017



Pierian Digital recognized among the 50 fastest growing technology companies in India

Written By: Srihari Vedante

Pierian Digital was recently ranked among the Fastest Growing Technology Companies in India on the Deloitte Technology Fast50 India 2017.

Pierian Digital's leader and promoter, Srihari Vedante, credits People, Information and Automation as an overall theme which has catapulted the company's revenue growth over the past year. He said, "2017 has set the foundation for greater things in 2018 and getting recognised for our efforts is a humbling experience."

"Making the Deloitte Technology Fast50 is commendable in today's highly competitive technology industry," said Rajiv Sundar, Partner, Deloitte India. "We congratulate Pierian Digital on being one of the 50 fastest growing technology companies in the region."



Srihari Vedante
Leader and Promoter
Pierian Digital

Srihari is a serial entrepreneur, CIO advisor and Digital evangelist, having successfully built IT services companies.

3. Member of the Month

Each month we bring you insights and “behind-the-scene” information of the members of RT ASEAN.

BSA Partnership

Written By: Mark Brownell

From Humble Beginnings

BSA Partnership was formed in 1997 by its founding partners David Barnes and Chris Schultz. David & Chris both brought experience from what was then, the 'Big 6' Accounting Firms.

From humble beginnings of two partners, one accountant and a secretary, BSA grew by attracting clients through experience, honesty and trust. By 2005 the firm had outgrown its premises and added a third partner, Greg Ziegler. BSA was now a vibrant firm of 15 staff operating from its current location in one of the main business thoroughfares of Melbourne, Bourke Street.

- Business and taxation compliance
- Business consulting
- Attending to compliance with Australian and international taxation laws
- Due Diligence
- Asset Protection and Structure
- Superannuation Fund compliance
- Management Accounting
- Information Systems reviews, advice and implementation
- Cash flow and finance management
- Bookkeeping Services



More than an Advisory Firm

Apart from providing advisory services, BSA often provides services beyond the normal scope of an advisory firm.

Tabro Meat Pty Ltd is a private Australian abattoir which had consolidated revenues in excess of AUD \$100 Million. BSA managed all reporting (quarterly and annually) and tax compliance matters for over 10 years. In 2014 BSA helped the owner of the business to sell to a Chinese buyer. BSA helped find the buyer through its network and helped achieve a great outcome for the client by facilitating the Due Diligence process.

BSA also helps clients build substantial property portfolios. The clients have achieved this through careful planning and structuring with the help of BSA. BSA has been instrumental in liaising with banks of other funders to help this process.



Connection with RT

In 2016, two of the partners of BSA, Greg Ziegler and Mark Brownell, visited Red Dot in Singapore.

During the visit, connections were made with RT in Singapore and it was established that the businesses had cultural and ethical similarities – cornerstones for a great relationship!



RT subsequently invited BSA to be a founding member of the RT ASEAN Network, and this was formalised several months later at the inaugural Business meeting of the newly formed group in Singapore. The connection with RT ASEAN has helped BSA connect in to the ASEAN region.

BSA's service offerings are now effectively broadened by having network expertise in key economic centres. Furthermore, it has given BSA the opportunity to access clients looking to invest in Australia, either in property acquisition or through business activities.

We at BSA look forward to a fruitful partnership with our esteemed co-members of the network, and are excited by the mutually beneficial opportunities to expand in this region.

Mark Brownell

Mark Brownell
Managing Partner
BSA Partnership



Mark became a Partner at BSA in 2008 after gaining valuable big 4 experience. He specialises in Taxation Consulting, Business performance analysis, Management Accounting Services and complex financial forecasting.

He is an active member in an advisory capacity for clients at Board level and enjoys spending time with his young family.

Full Members of the RT ASEAN Network



RT LLP &
RT Group of Companies
Singapore



BSA Partnership Pty Ltd
Australia



Shanghai Victor Voyage
Certified Public
Accountants Co., Ltd
China



Gary Cheng CPA Limited
Hong Kong



Pierian Services Private
Limited
India



PT PRESTIGE SOLUSI

PT Prestige Solusi
Indonesia



Kumpulan Naga (AF000024)
Chartered Accountants (since 1982)

Kumpulan Naga
Malaysia



Ingenia Consultants
Limited
Singapore



Achieve Group
Singapore



Shinwa Accounting
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Info-Accounting
Services Ltd
Thailand



Thai Info Group
Thailand

Affiliate Members

ONE FACE ACROSS ASEAN

Member of RT ASEAN Network

Singapore Australia Cambodia China Hong Kong India Indonesia South Korea Laos Malaysia Myanmar Taiwan Thailand Vietnam UK USA

RT ASEAN Network is the first Singapore branded and headquartered regional network of multi-disciplinary professionals with presence in large parts of ASEAN, Asia and other parts of the world.

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Andrew is a Partner at RT LLP and he keenly follows developments in the equities, bonds, foreign exchange, commodities and derivative markets.

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Alden is an avid believer of communications through creative visuals and can often be found with a cup of tea at work.



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Vion is a Jack of all trade who is devoted to making work in the office easier for everyone

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Leader and Promoter
Pierian Digital

Srihari is a serial entrepreneur, CIO advisor and Digital evangelist, having successfully built IT services companies.



Mark Brownell

Managing Partner
BSA Partnership

Mark became a Partner at BSA in 2008 after gaining valuable big 4 experience. He specialises in Taxation Consulting, Business performance analysis, Management Accounting Services and complex financial forecasting.

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