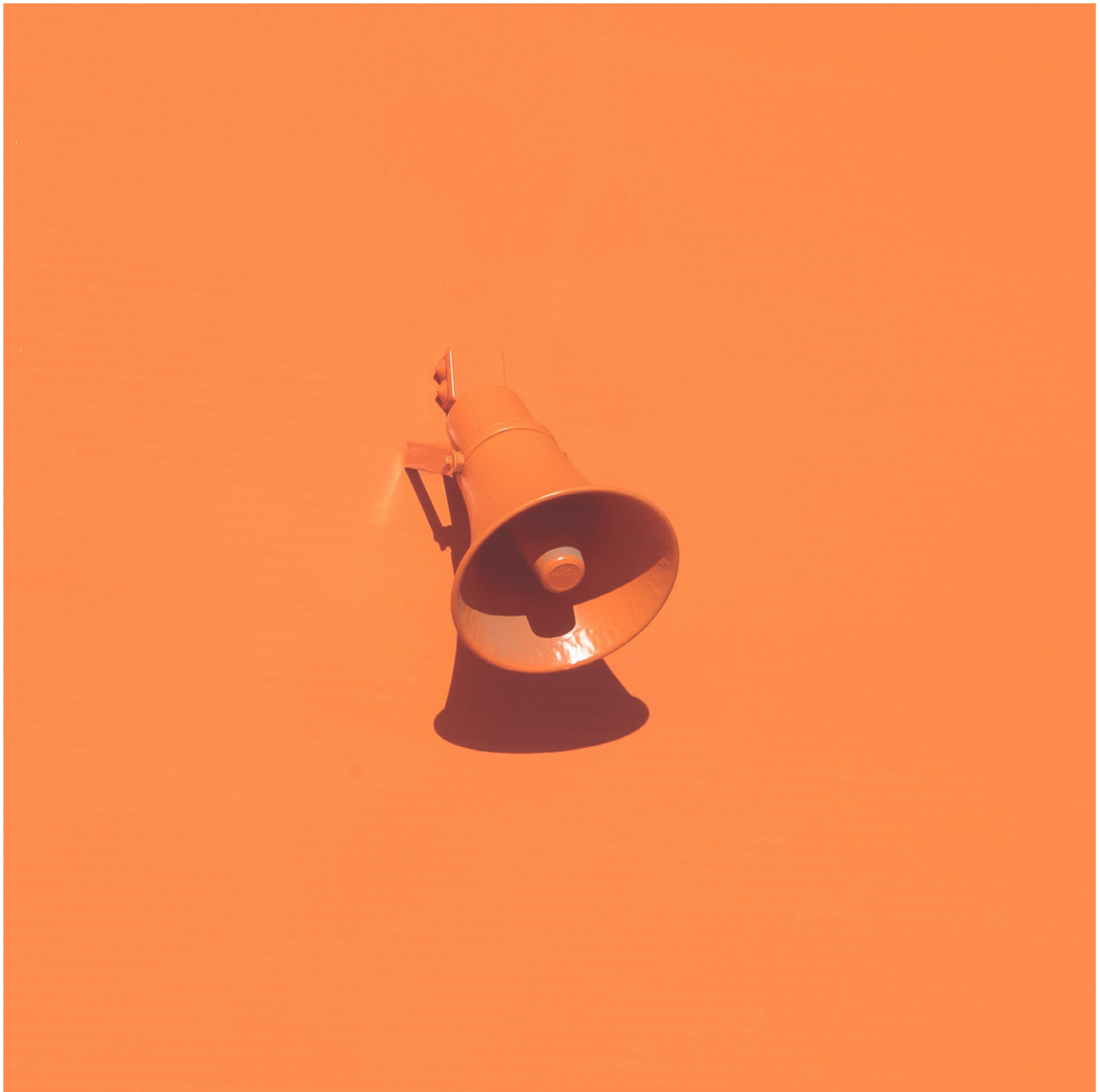


REVIEW TIMES

FEBRUARY 2018



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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. REGULATORY & BUSINESS

1.1 SGX issues consultation paper on quarterly reporting framework



On 11 January 2018, the Singapore Exchange (SGX) issued a consultation paper seeking feedback on whether to retain quarterly reporting (QR). Concern about compliance costs has been repeatedly raised among market professionals and listed companies while investors prefer adjustments to QR to be tempered.

If QR is retained, SGX proposes the following options:

- Companies with market capitalisation of S\$150 million or more will do QR versus S\$75 million now. Some 37% of companies reported quarterly when QR first started in 2003 while 70% of companies do so today, or
- Companies with market capitalisation of S\$150 million and a shareholder with at least 15% of the companies' shares must do QR.
- The above-mentioned options are tied to market capitalisation. SGX is also seeking feedback on whether this is appropriate, and if not, what other options should be considered.

If QR is retained, SGX is also proposing that:

- Minority shareholders of a reporting company can vote to opt out of QR every three years.
- Content of any reports for the first and third quarter will be simplified to the balance sheet, income statement, cash-flow statement, review of performance commentary of significant trends, and board confirmation.
- New issuers may be exempted from QR until the third AGM after the listing date.

Subject to feedback and the approval of the Monetary Authority of Singapore, the proposals may be implemented together or separately.

If adopted, SGX expects to implement a new QR requirement in the second half of 2018.

The public can submit feedback on the proposed QR review till 9 February 2018. Full details of the public consultation including the questions SGX posed can be accessed at the following URL:

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

1.2 Corporate Governance Council launches public consultation to strengthen corporate governance

On 16 January 2018, the Corporate Governance Council ("Council") released a consultation paper on its recommendations to revise the Code of Corporate Governance ("Code"). The recommendations aim to support sustained corporate performance and innovation, and strengthen investor confidence in Singapore's capital markets.

The Council was established by the Monetary Authority of Singapore in February 2017 to review the Code, consider how the comply-or-explain regime could be made more effective, and propose mechanisms to monitor the progress made by listed companies in strengthening their corporate governance practices. The Code was last reviewed in 2012.

The Council believes that a well-rounded board with the appropriate mix of skills, experience and independence is critical to good corporate governance. Hence, a key focus of the Code revisions is to reinforce board competencies through encouraging board renewal, strengthening director independence and enhancing board diversity. Other proposed Code revisions include greater emphasis on disclosures of the relationship between remuneration and value creation, and the need for companies to consider and balance the needs of all stakeholders.

Beyond Code revisions, the Council is also proposing to clarify the intent of the comply-or-explain regime and the expectations on listed companies' corporate governance disclosures. Given the importance of a conducive eco-system to support companies in implementing good corporate governance practices, the Council is recommending the establishment of an industry-led Corporate Governance Advisory Committee.



The package of recommendations takes into account the changing business environment and the diverse views of various stakeholder groups that the Council has engaged. The streamlined Code is shorter and concise. It seeks to encourage companies to move away from a compliance mindset and adopt thoughtful corporate governance practices that will best support their long-term business objectives.

The Council and SGX invite interested parties to submit their feedback on the recommendations by 15 March 2018. To access the consultation paper, a summary of the key recommendations, and consequential amendments to the SGX Listing Rules, please go to the following URL: <http://bit.ly/2BipLpN>

1.3 SGX issues consultation paper on Mineral, Oil and Gas Listing Rules Amendments

On 31 January 2018, SGX issued a consultation paper proposing changes to the Mainboard and Catalyst Listing Rules for mineral, oil and gas (MOG) companies so that they remain aligned with industry developments.

The suggested changes were made in consultation with a working group constituted in 2015 which comprised MOG specialists including technical experts, corporate finance advisers and senior executives from SGX-listed issuers.

The changes proposed are as follows:

● Strengthening the listing profiles of Mainboard and Catalyst:

Mainboard MOG listing aspirants should establish at least 'reserves' while Catalyst listing aspirants should establish at least 'inferred resources' for minerals assets and 'contingent resources' for oil and gas assets.

● Alignment with industry terminology

Rather than requiring companies to establish "exploration and exploitation rights", the Rules will require companies to demonstrate plans to obtain the necessary approvals required to proceed with development, with a qualified person providing the basis for expecting all required approvals will be granted and the company's intention to proceed with development within a reasonable time frame

● Simpler Qualified Person's Report (QPR) for certain events:

- A summary QPR will be introduced in place of a full QPR in some instances to improve the readability of the content for investors. The summary QPR will contain key information relating to updates of the company's 'resources' and 'reserves' and is required for certain events relating to annual updates and significant changes in the company asset
- Content of the Summary QPR must comply with table 1 of the Australasian code for reporting of exploration results, mineral resources and ore reserves (JORC Code) for minerals companies and key streamlined requirements set out in the SGX Practice Notes for oil and gas companies.

● Other rule amendments to remove duplicated requirements, and for greater clarity are also proposed.

The public can submit feedback on the proposed Listing Rule changes till 28 February 2018. If adopted, SGX expects to implement the Listing Rule changes in 2018. To access the consultation paper, please go to the following URL:

<http://bit.ly/2E9zoJR>

2. FINANCIAL REPORTING

2.1 IASB issues narrow-scope amendments to IAS 19

On 7 February 2018, the International Accounting Standards Board (IASB) issued *Plan Amendment, Curtailment or Settlement* (Amendments to International Accounting Standard (IAS) 19 *Employee Benefits*) which specifies how companies determine pension expenses when changes to a defined benefit pension plan occur.

IAS 19 specifies how a company accounts for a defined benefit plan. When a change to a plan—an amendment, curtailment or settlement—takes place, IAS 19 requires a company to remeasure its net defined benefit liability or asset.

The amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements.

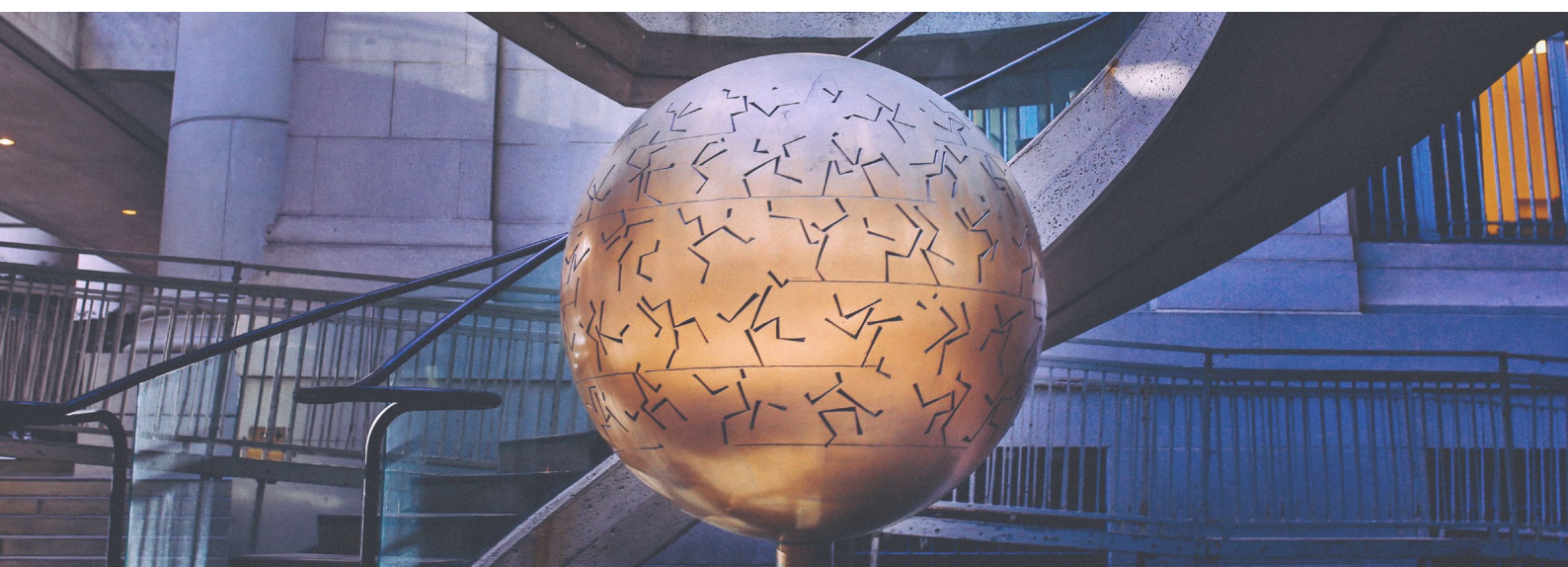
The amendments are effective on or after 1 January 2019. For more information, please go to the following URL: <http://bit.ly/2E8o8ti>



2.2 IASB publishes a one-page summary of IFRS 17

On 17 January 2018, the IASB published a simple one-page summary of the accounting model in IFRS 17 *Insurance Contracts*. This summary will help stakeholders understand different elements of the model and how they will be displayed on a company's balance sheet and in its profit or loss statement. The accounting model summary and presentation are part of IASB wider effort to help insurers and others understand the requirements of IFRS 17.

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



3. AUDITING AND ASSURANCE

3.1 IFAC issues publication on expanding SMP Services: Agreed-Upon Procedures Engagements

Agreed-Upon Procedures (AUP) engagements provide a great opportunity for small- and medium-sized practices (SMPs) to grow and deliver a valuable client service. On 12 January 2018, the International Federation of Accountants (IFAC) released a new publication, *Agreed-Upon Procedures (AUP) Engagements: A Growth and Value Opportunity*. The publication describes AUP engagements, when they are appropriate, and identifies key client benefits. It also covers examples of financial and non-financial information AUP engagements and provides six short case studies with example procedures that might be applied.

To access the publication, please go to the following URL:
<http://bit.ly/2EQWz92>

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.

Family Office

Preserving your heritage for your family

Written By: Rolf Haudenschild



Having run a successful family business and having generated wealth that grows and expands beyond a single generation, your interest eventually turns to preserving this wealth and heritage for your family. However, being blessed with resources and opportunities usually means that life gets more complicated.

A family office provides you with the structure to manage your various interests: ensure the preservation of your heritage through professional management of your wealth, and structure ownership and management of your business for its continuation. How does a family office differ from your private banking relationship? First and foremost, the family office works for YOU. Your family office focuses exclusively on the benefit of your investments

for you: independent of products on a single bank's recommendation list or the profits the bank generates from the financial instrument or transaction, your family office will ensure that the investment fits your yield expectations and risk profile. At the same time, your family office can manage all your assets, including investments on the capital markets, managing your real estate and supervising the accounts of your business operations, as well as consolidating your entire financial holdings and their results. In addition, your family office may arrange additional services such as the administrative management of your companies, tax and wealth structuring, estate planning, take care of a family's philanthropic activity – remember that donations toward charitable causes are often tax-deductible – or other organisational matters.

While every family office is different, family offices come in two broad categories: single-family offices and multi-family offices. As the names suggest, a single-family office looks after the wealth and management of a single family, while a multi-family office looks after multiple families. A multi-family office divides the cost for its services among several families and thus makes specialist services more affordable. In addition, it bundles the wealth of all involved families to maximize their pooled purchasing power. In return, multi-family offices do not offer the same exclusivity and focus of its services. Moreover, multi-family offices and similar external asset managers most often are run as a business by themselves and are thus meant to generate some profit for themselves.



Establishing a family office has many similarities to any other business: You need the right people, the right infrastructure, and the right processes. But this is also where challenges arise. What people do you need? What infrastructure? What processes? The central pillar must be a person you trust; this can be your long-trusted administrative manager, accountant, private banker, or another person with management and financial skills. To support him or her you can then hire a team of professionals, or – as a cost-effective alternative that may offer even more expertise – engage with external specialists. In the latter case, your family office will, most of all, act as a central organizer and supervisor rather than the executor. Aside from the physical office, your infrastructure and processes will greatly depend on the services your family office is planned to provide. However, one component will certainly be the tools to consolidate your assets and, most likely, also to manage or at least track the financial assets that you are holding with one or multiple banks. For this reason, it is good to have a financial specialist or specialist service providers to assist you in your financial dealings. On the one hand, there will be accountants to provide proper overviews of your assets. On the other hand, there will be investment professionals who manage your financial investments on an advisory or discretionary basis for you. Finally, you need staff or service providers to take care of ordinary office tasks such as payroll and administration.

As a word of caution, family offices, particularly multi-family offices, may qualify as financial institutions. As a result, they may need licences and be required to comply with regulatory requirements. In Singapore, for example, different types of licences may apply: Registered and licensed fund management companies allow for the professional management of your assets on a discretionary basis, a financial advisor's licence only for financial advisory services. External specialists can support you in your obligations.

A family office, for your own family, your extended family or with partners, may provide rewarding options to secure your legacy, and its ultimate goal is to align interests and make it easier for a family to manage its assets. Although its establishment may look like a daunting task, you can take the first step today by engaging with your trusted advisor.



Rolf Haudenschild
Co-Founder
Ingenia Consultants Pte. Ltd.

Rolf has been supporting private wealth management companies with regards to compliance and licensing, currently in his position as Co-Founder of Ingenia.

3. Member of the Month

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



Shanghai Victor Voyage



Written By: David Yu

Our Beginnings

Our firm was formed in 2006, which was set up by Certified Public Accountants (CPA), Certified Tax agent and MBA. We started out with a headcount of 3 in 2006 and have since increased to over 50. The number of CPA increased from 2 to 11. Our clients include local Chinese Companies, MNCs and Small and Medium Sized enterprises. We not only provide Statutory audit and special audit, but also one-stop seamless services including company formation, Accounting and taxation, payroll i.e. compliance services, Virtual CFO, and tax advisory.

Embracing Technology

In 2016, a new Cloud Accounting Software was implemented to improve the value of accounting service and reduce the cost. The new Cloud Accounting Software is used to develop our Virtual CFO and tax advisory service through Cloud technology.

Our key services can be divided into two sections:

- 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

Using the Cloud Accounting software, our services are faster, more reliable and value adding, improving the efficiency of our services by 40%. We are always working on different ways to increase the value-addition of accounting service, reduce the percentage of bookkeeping processes and increase the percentage of management accounting through technology.

Part of RT ASEAN

Introduced by IE Singapore, we are honored to be one of the founding members of RT ASEAN. Through this platform, we will like to grow our firm, our staff, and introduce more Chinese company overseas. Through RT ASEAN we have seen more Chinese companies going out to the markets overseas as well as other APAC companies entering China. We look forward to scaling greater heights with RT ASEAN.



David Yu
Partner
Shanghai Victor Voyage CPA firm

David is the partner of the firm.

Full Members of the RT ASEAN Network



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RT Group of Companies
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Info-Accounting
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Thai Info Group
Thailand

ONE FACE ACROSS ASEAN

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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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Rolf Haudenschild

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Rolf has been supporting private wealth management companies with regards to compliance and licensing, currently in his position as Co-Founder of Ingenia.



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David is the partner of the firm.

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