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ALL THINGS FINANCIAL, DIGITAL, AND LEGAL



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CEO and Managing Partner of RT LLP appointed to Panel Of Finance Experts to support resolution of matrimonial disputes in the Family Justice Courts



Ravi Arumugam FCA, CEO and Managing Partner of RT LLP and RT Group has been appointed as one of the inaugural 6 members of the Panel of Financial Experts (POFE) to support the Family Justice courts (FJC).

The POFE was jointly formed by the FJC and the Institute of Singapore Chartered Accountants (ISCA) to provide FJC Judges with financial valuation advice in dealing with issues relating to division of matrimonial assets in divorce cases. The members of the POFE were selected from ISCA members who have had extensive experience in dealing with advice on dispute resolution, division of matrimonial assets or expert witnesses. Other members of the panel comprise of senior partners from the Big four accounting firms as well as prominent local accounting practices.

The POFE aims to provide Judges from the FJC with financial valuation reports to assist them at both the mediation and ancillary matters stages, in dealing with issues relating to the division of the matrimonial assets of divorcing parties under section 112 of the Women's Charter.

The POFE project enables the Family Justice Courts to appoint a financial expert from the POFE to assist parties who are embroiled in complicated and contentious financial disputes. The financial expert will assist the Court and the parties in providing an equitable and objective valuation of the matrimonial assets under contest, thereby allowing justice to be administered more effectively and efficiently.

Ravi has a wealth of experience in acting as a financial expert witness on legal cases in the Singapore courts. He has also advised on valuation matters. Ravi will be supported by senior staff of the RT Group in Singapore who will form a specialised advisory team for these assignments. These cases will require a high level of objectivity, financial valuation know-how, investigative work and research to ensure a fair presentation of the matrimonial assets under consideration.

"It is a privilege and I'm very honoured to be appointed to this panel of experts to work with the FJC on this initiative", said Ravi upon his appointment, "RT has always been a pioneer of new and innovative services and this is certainly a project that we are excited to take on. I look forward to contributing my knowledge and expertise to help parties involved in divorce proceedings resolve the division of matrimonial assets in a fair and amicable manner".

To read the full media release by ISCA, click [here](#).

An evolving perspective: Covid 19 and its impact on service delivery organisations



The COVID-19 (Coronavirus disease 2019) pandemic has caused an unprecedented strain on service delivery across the globe. The impact is seen in every business sector and ITES (IT enables services) is no exception.

Continuity of operations in service and support organizations are largely delivered by skilled and managerial resources. Both these aspects are labor-intensive and the risk of having large numbers of staff being infected could cripple service deliveries. This impairment could lead to short and long term effects on our ability to deliver service to customers and meet the required Service Levels.

Work from home delivery options could address this, however it poses other challenges such as data security. Stringent contracts on these aspects could limit the extent of the implementation as well.

How did Pierian overcome these challenges and ensure service delivery continuity?

Pierian adopted an Assess, Respond, Recoup and Advance strategy to ensure business continuity without compromising on service delivery agreements and data security requirements of our clients.

Assess: Our immediate concern was to ensure safety to our staff, while assessing the service delivery requirements of our clients, the contracts, and impact areas. Clients were then classified into different categories based on complexity of service provided and data security agreements we have with them. We also did a complete assessment on our staff, their locations, capability to work from home and infrastructure requirements to ensure that all was aligned.

Respond: It's essential to first address the immediate needs of our employees, clients and partners to ensure business continuity. These key steps helped us in aligning the service delivery to the new norms.

Engage with Customers: We continuously engaged with our customers appraising them of the developments and challenges in our service delivery. Due to our long term engagements with customers we were able to garner a lot of support from the clients on the actions being taken by Pierian. While there was initial disruptions, our clients were more than happy to support us in reorganising and restructuring some of the key requirements and business processes to help us deliver our services seamlessly.

Realigning resources: Continuously assessing the workforce, skill sets and infrastructure in hand helped us to optimally utilise resources such as technology and manpower to ensure service delivery. Pierian has always been a heavy investor in technology and have invested heavily in data security, data encryption and other related technologies in our quest to enable 'work from anywhere'. These investments proved vital in the current norm and looking back now, the management believes that it was the right thing to do. This enabled a large number of our workforce to work from home seamlessly.

Address employee morale – Employees worry not only about potentially contracting COVID-19 themselves but also about their families, friends, and work colleagues. This concern creates personal and professional stress. Our HR teams conducted multiple workshops on educating safety, morale building and addressing the needs of our employees. This went a long way to address any anxiety our staff felt and helped mobilise immense productivity improvement to match the needs of our clients.

Recover – As soon as we were able to respond effectively and sustain service delivery, we strategically began thinking about recovery and converting the pandemic situation into an opportunity to harness our new found ability in service delivery. We looked upon the situation as an opportunity to reevaluate and adjust for the future.

Invest in Internal improvements- We have begun assessing every business process again with a new outlook and have started optimising all delivery models. Investments in RPA and intelligent automation tools have been hastened and bearing results in optimising service delivery. On the people front, training and building new skills in our workforce has taken front seat and this is helping us in employee rotation and retention.

Driving long term efficiency – This new learning has helped us to trim a lot of costs that were taken for granted and new methods of cost management are being discovered. While we are taking huge steps in automation and reducing our footprint on office infrastructure, we are building more comprehensive frameworks to ensure data security and data sanity for our clients.

Advance - Looking further ahead, the crisis presents us a huge chance to begin shaping the future. Focusing on scale and innovation, these strategies can help:

- **Execute a refined strategy.** If required, refine the organization's delivery strategy based on any changes to business and IT strategies. Reorganize and take actions as appropriate, such as orchestrating a market event or testing out niche capabilities we may have but have not explored in the past.
- **Prepare for scale.** As businesses begin to recover from the pandemic, there is going to be a large scale growth and Pierian needs to be prepared for the growth and scale our operations optimally and in a linear fashion by investing in the right technologies and skillsets.
- **Innovate.** Innovation is the key for the future and we will continually focus on optimising service delivery, enabling remote work and driving continuous and sustainable value.

In conclusion, Pierian sees a huge potential in the new norm and while we have been successfully delivering for our current scale – our efforts going forward will be to innovate and ensure we prepare for large scale growth in the coming years.

Contributed by Pierian

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About the firm

Pierian is a India based professional services company with expertise in KPO and Global business services. Our areas of expertise includes Business Consulting, digitally driven managed services in the areas of Finance and accounting, HR and business process and Data Analytics . Pierian has a team of over 1000 people and has operations in India, Singapore, UAE and North Americas

PDLegal announces new partnership

Peter Doraisamy LLC is pleased to announce the appointment of Mike Chiam as partner with effect from 30 October 2020. Mike's main areas of practice include Commercial and Corporate Advisory (Mergers & Acquisitions, Fundraising, VCCs), Financial Services Regulatory (Private Equity/Venture Capital Funds, Private Equity and Fintech), and Technology and Digital Business Services.

A champion for start-ups and technology, Mike is listed as a legal adviser under the Payment Regulatory Evaluation Program, an initiative by the Singapore Academy of Law and the Monetary Authority of Singapore for payment service providers.

Mike has advised various fintech start-ups on payment services matters and is frequently instructed on complex payment services and cryptocurrency related matters. Amongst others, Mike has advised on, merchant acquisition services; real-estate backed digital tokens, gold-backed digital tokens; utility tokens; digital payment tokens; and e-money issuance.

"Mike brings a diverse and strong skill set that complements us. With his specialised knowledge and experience in the fintech industry, he will head up our corporate and fintech practices. We are excited to work with Mike and to tap his experience to support the need of our clients." - Quote from Managing Partner, Peter Doraisamy



Mike also advises asset managers on legal and regulatory aspects of their fund management business, including fund formation and structuring of specialized funds, series and seed investments, offering rules for offers of interests of private and retail collective investment schemes, share disclosure requirements, licensing and registration for the asset managers, ongoing legal and regulatory obligations, and other issues pertinent to their business.

"Recommended" and mentioned as "a specialist in the fintech space" by clients on the Legal 500 2020/2021 for financial services regulatory and "Notable Practitioner" on IFLR1000 for mergers and acquisitions in 2019, Mike is a forward-thinking practitioner who understands the intricacies of his clients' business.

Prior to joining Peter Doraisamy LLC, Mike practised in a leading commercial law firm and was one of the pioneer members of the blockchain, cryptocurrency and digital token offerings practice. Mike regularly advises commercial and corporate matters. Some notable matters include advising a Singapore blockchain technology firm in its cross-border M&A deal and post Series A funding round from a venture capital fund; and advising an Indonesian fintech crowdfunding platform on their Series A founding round of over US\$8 million.

We are glad to welcome Mike as the firm's corporate and commercial partner, and look forward to his continued commitment to delivering active solutions to our clients.

Contributed by PDLegal LLC

About the firm

Peter Doraisamy LLC is a firm offering a comprehensive range of legal services to its clients. This ranges from basic legal advice to complex litigation. Whatever the nature of the brief, the objective of the firm is to deliver personalised and approachable partner-level service in an efficient and cost-effective manner. As an independent and conflict-free law firm, we are often briefed to take on matters against major institutions and corporations. By virtue of our independence and expertise, foreign law firms and other local law firms look to us to act as Singapore counsel.

UAE Company law update

Extract of “The Federal Decree- Law No (26) of 2020 amending some provisions of the Federal Law no (2) of 2015 on Commercial Companies”.

51 Articles replaced by the new “Federal Decree- Law No (26) of 2020”

- Earlier, any company except Free Zones Companies shall have one or more UAE partners holding at least 51% of the share capital of the company.
- Any of its foreign company, its branch, or office is required to have an agent that shall be a UAE national.

Under the new Law

1. The new law shall repeal the provisions of “Article 10” which requires the mandatory shareholding of at least 51% of an UAE national.
2. A committee shall be formed for determining the activities with strategic impact and activities which will be covered under 100% shareholding for Non UAE citizens.
3. The new law shall also repeal “Article 329” which requires the agent of a foreign company, its branch, or office to be an UAE national.
4. Provisions pertaining to Foreign Direct investment shall also be repealed.



Conclusion

The company's ownership regime is significantly liberalized. Local partnership (so called sponsorship) requirement is axed generally save for businesses to be identified by the Committee. This will bring a lot of transparency in terms of identifying the actual owners of the businesses and thus boost confidence of various stakeholders in the companies, including their bankers, vendors, and customers. This is likely to be a huge stimulus to the economy of the UAE and will bring in a lot of Foreign Direct Investment.

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CA. Dheeraj Ranasaria
Managing Partner of Mac and Ross
Chartered Accountants



CA. Vaibhav Goyal
Auditor of Mac and Ross
Chartered Accountants

About the firm

Mac and Ross has become a brand name in the field of auditing & business consultancy in the UAE catering to a wide range of clients. We render services as Auditors (both external and internal), VAT Consultants and Business Consultants, Financial and Accounting experts, as well as Advisers and Consultants for project feasibility studies, amongst others.

IASB proposes to amend IFRS 16 Leases to clarify the measurement of lease liabilities in sale and leaseback transactions

In November 2020, the International Accounting Standards Board (IASB) published the Exposure Draft Lease Liability in a Sale and Leaseback. The Exposure Draft specifies the method a seller-lessee uses in initially measuring the right-of-use asset and lease liability arising in a sale and leaseback transaction and how the seller-lessee subsequently measures that liability.

The changes proposed in the exposure draft would amend IFRS 16 to:

- (1) Specify the method a seller-lessee uses to measure initially the right-of-use asset and the liability arising in sale and leaseback transactions in which the transfer of the asset satisfies the requirements to be accounted for as a sale of the asset;
- (2) Specify that the lease liability recognised for the leaseback reflects the expected lease payments and includes variable lease payments, including those that do not depend on an index or rate;
- (3) Add subsequent measurement requirements for the lease liability arising in these sale and leaseback transactions; and
- (4) Require a seller-lessee to apply the amendment retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Comments on the proposals are requested by 29 March 2021.

Initial measurement of the right-of-use asset and the lease liability

Existing requirements under IFRS 16

The existing requirements of IFRS 16 specify that when the transfer of an asset in a sale and leaseback transaction satisfies the requirements of IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale, the seller-lessee initially measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee.

The proposed amendment

The Exposure Draft proposes to specify that this proportion is determined by comparing the present value of the expected lease payments (discounted using the interest rate implicit in the lease, if it can be readily determined, or otherwise the lessee's incremental borrowing rate), to the fair value of the asset sold.

Furthermore, the Board proposes to specify that the lease liability is initially measured at the present value of the expected lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if it can be readily determined, or otherwise the lessee's incremental borrowing rate. The expected lease payments would comprise the following payments relating to the right to use the asset during the lease term at market rates:

- a) Fixed payments (including in-substance fixed payments), less any lease incentives;
- b) Variable lease payments (regardless of whether they depend on an index or a rate);
- c) Amounts expected to be payable by the seller-lessee under residual value guarantees; and
- d) Payments of penalties for terminating the lease, if the lease term reflects the seller-lessee exercising an option to terminate the lease.

Subsequent measurement of the right-of-use asset and the lease liability

Right-of-use asset "no change"

The seller-lessee would subsequently measure the right-of-use asset arising from the leaseback transaction applying the same subsequent measurement requirements as for right-of-use assets unrelated to sale and leaseback transactions.

Lease liability

The lease liability arising from the leaseback would subsequently be measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the expected lease payments for the reporting period as determined at the commencement date (or if applicable the revised expected lease payments for the reporting period as determined at the date of remeasurement). Therefore, the carrying amount would be reduced to reflect both the amount of those payments and when they were expected to be paid as at the commencement date.

The seller-lessee would generally recognise any difference between the actual payments made for the lease (excluding any above-market terms) and the expected lease payments for the reporting period in profit or loss.

Conclusion

The proposed amendment would apply to all sale and leaseback transactions but is expected to particularly affect sale and leaseback transactions that include variable lease payments not dependent on an index or rate.

Effective date and comment period

The effective date of the amendment will be decided after exposure. Earlier application is proposed to be permitted. Comments on the proposals are requested by 29 March 2021.



Contributed by



Ziad Hamdy

CPA, CMA, ESAA "Audit and Advisory Partner" of Neashore Middle East

Ziad is the audit services partner at Nearshore Middle East. He also heads the advisory services team in addition to the IFRS adoption team. He has extensive experience in dealing with audit and advisory clients in various sectors. His client base covers all types and sizes of companies. He has also conducted several financial due diligence engagements in Egypt and the Middle East, and he has helped many clients to convert to (IFRS).

About the firm

Nearshore Middle East is an Egyptian Audit, Tax, and Advisory firm, providing external audit and taxation services ranging from litigation support and corporate finance, to VAT planning and project management.

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Singapore Financial Reporting

1.1 ACRA issues Financial Reporting Practice Guidance No. 2 of 2020

On 4 December 2020, the Accounting and Corporate Regulatory Authority (ACRA) issued Financial Reporting Practice Guidance No. 2 of 2020 to guide directors in the review of the upcoming FY2020 financial statements.

Click [here](#) for more information.

1.2 Singapore ASC defers effective date of SFRS(I) 17 and FRS 117 on Insurance Contracts to 1 January 2023

The effective date of SFRS(I) 17 and FRS 117 has been deferred to annual reporting periods beginning on or after 1 January 2023. Previously, those two standards were effective for annual reporting periods beginning on or after 1 January 2021.

1.3 Singapore ASC issues amendments to various SFRS(I)s and FRSs on Interest Rate Benchmark Reform - Phase 2

On 27 November 2020, the ASC issued Amendments to SFRS(I) 9, SFRS (I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform — Phase 2 and Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116: Interest Rate Benchmark Reform — Phase 2, effective for annual reporting periods beginning on or after 1 January 2021.

Click [here](#) for more information.

1.4 ISCA issues FRB 7 - COVID-19 Government Relief Measures: Accounting for Rental Relief Framework for SMEs & NPOs from the perspective of the landlord and the tenant

To help affected small and medium enterprises (SMEs) and specified non-profit organisations (NPOs) recover from the impact of COVID-19, the Singapore Government introduced a Rental Relief Framework for SMEs & NPOs. U

Click [here](#) for more information.

1.5 ISCA issues Revised Financial Reporting Bulletin 3 on Classification of Liabilities as Current or Non-Current

FRB 3 (Revised) has been updated from FRB 3 (issued on 15 April 2020) to incorporate amendments to SFRS(I) 1-1 which resulted from ASC adopting the equivalent amendments to IAS 1 (issued by IASB in Jan 2020). There is no change to the views and guidance from those shared in FRB 3 as a result of the above.

Click [here](#) for more information.



International Financial Reporting



2.1 IASB seeks feedback on package of standards for group accounting

The International Accounting Standards Board (IASB) is calling for feedback on the IFRS Standards for group accounting—IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The deadline for comments is 10 May 2021. Click [here](#) for more information.

2.2 IASB consults on possible new accounting requirements for mergers and acquisitions within a group

On 30 November 2020, the IASB launched a public consultation on possible new accounting requirements for mergers and acquisitions involving companies within the same group—business combinations under common control. The deadline for comments is 1 September 2021. Click [here](#) for more information.

There is also a fact sheet about this IASB's project and a Snapshot, which provides a more detailed summary of the Discussion Paper. Click [here](#) and [here](#) for more information.

Audit & Assurance: Singapore

3.1 ISCA issues SSA 250 (Revised), Consideration of Laws and Regulations in an Audit of Financial Statements

On 17 November 2020, the Institute of Singapore Chartered Accountants (ISCA) issued SSA 250 (Revised) which deals with the consideration of laws and regulations in an audit of financial statements. Click [here](#) and [here](#) for more information.

3.2 ACRA issues 2020 PMP Public Report

The Accounting and Corporate Regulatory Authority (ACRA) has issued its 2020 Practice Monitoring Programme (PMP) Public Report in October 2020. Click [here](#) for more information.



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