creating possibilities

ACRA
ACCOUNTING AND CORPORATE
REGULATORY AUTHORITY

Annual Report 2007/2008

our mission statement

To provide a responsive and trusted regulatory environment for businesses and public accountants

Financial Statements

ACRA

Accounting and Corporate Regulatory Authority
Penguasa Pengawalan Perakaunan dan Korporat
会计与企业管制局
கணக்கியல், நிறுவன ஒழுங்குமுறை ஆணையம்

As Singapore primes and positions itself for groundbreaking economic proliferation, ACRA's role in laying the foundation for the entire business ecosystem grows more pivotal than ever. ACRA will continue to push the boundaries of its capabilities to impact and propel Singapore's business frontier higher.

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Chairman's Message

❝ Recognised for our world-class quality in auditing, we were nominated to be part of an international task force to review the International Forum of Independent Audit Regulators (IFIAR)'s future directions. ❞

The boldest strides of progress have often stemmed from a willingness to adapt and evolve. It has been the cornerstone of Singapore's journey through its history to be the economic strength it is today. Demonstrating this willingness, the nation's prolific growth in recent years has been a result of wide-reaching reshaping of infrastructures to make us become more adept in rising to the current era of globalisation. One of the major efforts that has contributed significantly to this performance has been towards making Singapore among the best places in Asia and the world to do business.

Towards this goal, ACRA has gone beyond its function as a regulator of business and accountancy to take on the capacity of a developer and facilitator. What this role entails is a gearing of our strategies towards creating a pro-business environment, paving the way for initiatives that simplify business administration processes, establish a more robust yet flexible legislative framework and create more avenues for the public to tap on our wealth of business knowledge and information.

Over the past year, ACRA has been working hard in this new direction. From evolving the way business data is reported and used, to the amendment of legislations and policies to suit the changing business landscape, we are striving to be one step ahead in identifying ways to add value to our service to the business community.

A crucial requisite of being a strategic developer of business is to be more intimately in tune with the needs of the business community. Therefore, ACRA's interaction with the public has been greatly enhanced. We have now availed and improved various channels of communication and feedback through our one-stop client contact service that

Teo Ming Kian
Chairman, ACRA

harnesses the best of what telecommunication and digital technology have to offer. Feedback also comes from face-to-face contact through the myriad of seminars and workshops for the enterprising public.

ACRA's keenness to be a developer does not stop at our own shores. Recognised for our world-class quality in auditing, we were nominated to be part of an international task force to review the International Forum of Independent Audit Regulators (IFIAR)'s future directions. This participation has given us a chance to have a steering stake in progressing developments of international auditing.

Cumulatively, our efforts in the year have thus far reaped positive results as we noted improved positions across various international indicators, such as the World Economic Forum's

"The Global Competitiveness Report", the IMD World Competitiveness Yearbook and the World Bank Doing Business Report. As we continue on our road to excellence, we seek to maintain and surpass these international rankings.

As ACRA poises itself for its future endeavours and challenges, I would like to especially thank all our partners and stakeholders who have greatly helped us in our mission of creating a responsive and trusted regulatory system for the business and accounting communities. I would also like to commend all the staff of ACRA for their relentless efforts that have spearheaded our evolution to become a developer. Together, we can help propel Singapore's profile in business regulation to a level yet unseen.

Chief Executive's Message

" ACRA has been steadily proactive in its ongoing efforts to reform and review existing laws governing business regulations without compromising on the integrity of the business regulation. "

Since our inception, ACRA has strived to play its part in Singapore's advancement to be a trusted international business and financial hub. In our role of regulating and facilitating the growth of businesses and the accountancy profession, we continue to uncover new ways to achieve our objectives and maximise the opportunities presented to us.

However, as Singapore propels its growth as a regional economic powerhouse and matures the local spirit of enterprise, ACRA recognises it can ascend to a level that is even more integral to Singapore's success. While ACRA continues to perform its duties as a regulator, it has been laying the foundation for a greater direction – towards that of a facilitator and trusted partner to business.

Guided by that steering vision, ACRA has set in motion various strategies that facilitate and streamline business processes, as well as initiatives to better engage the business and accountancy communities.

Towards a Better Business Landscape

Assuming the role of a facilitator and developer, we have worked with our strategic partners and government agencies to simplify processes, such as Goods and Services Tax (GST) registration, bank account opening, domain address registration and purchase of business profiles with our e-filing system, BizFile. These reforms are in line with ACRA's desire to stay ahead in anticipating and addressing needs and ease of doing of business so that businesses are in a better position to focus on growing their competencies – ultimately contributing to Singapore's economy.

ACRA recognises that an enterprising spirit is just the start to a business. Business owners need to be familiar with Singapore's broad business mechanics in order to operate successfully. Thus, to share ACRA's wealth of knowledge on the local business landscape with keen entrepreneurs, the inaugural Doing Business in Singapore public seminar was held on 20 October 2007 at the Pasir Ris Community Club. The response was very encouraging and ACRA

Juthika Ramanathan
Chief Executive, ACRA

had since organised two "ACRA @ the Heartlands" talks and business clinics in the financial year 2007/08.

ACRA has been steadily proactive in its ongoing efforts to reform and review existing laws governing business regulations without compromising on the integrity of the business regulation. In this regard, ACRA actively participates in the Steering Committee, chaired by the Attorney-General, to review the Companies Act. ACRA is also a co-sponsor of the establishment of the Audit Committee Guidance Committee. In line with our approach of enforcing with a lighter touch, ACRA has made enforcement procedures more flexible and has created awareness to encourage greater voluntary compliance. Through these initiatives, ACRA hopes to create a more lithe regulatory system, sensitive to current business trends.

Tapping on the Information Age

A hallmark of ACRA's adaptability is its readiness to embrace latest technology to benefit the business community.

For example, the e-filing system, BizFile, presents a host of nearly 300 e-services. The BizFile system was revamped in phases, starting early 2008 to better serve the business community. Phase One, focusing on transactions related to businesses was completed in the 4th quarter of the fiscal year 2007/08. In addition, ACRA successfully launched the eXtensible Business Reporting Language (XBRL), an international electronic reporting language for business and financial data in May 2007. To assist companies to understand and adopt the new XBRL format, ACRA provided training programmes and venues. To ensure a smooth transition, companies were allowed till November 2007 to adopt the XBRL format. These initiatives opened gateways to extraordinary ways in which information can be utilised, such as new information products, to better cater to the needs of ACRA's customers.

Acquiring business information from ACRA has also been made easier and more value-added. In June 2007, ACRA formed the Data Administration Group (DAG) as a dedicated body to formulate new policies and practices to protect the integrity of the information bank.

While ACRA strives to stay ahead of global trends, it ensures its customers are kept abreast of new developments. ACRA organises regular public education programmes and seminars to create awareness of doing business in Singapore. ACRA also devotes adequate support to its one-stop client contact service. In every advancing thrust, ACRA has left no stone unturned in making sure that the benefiting impact to the business and accounting communities meets its full potential.

Shaping the Accountancy Profession

In the past fiscal year, ACRA has stepped up its stewardship of professional public accountancy. As a result of our in-depth review of the accountancy framework, we published a number of major works to develop the accounting sector at the Public Accountants Conference 2007. These included our regulatory strategy on auditing and financial reporting, suggestions for enhancing the registration of public accountants as well as proposals to align the profession's code of ethics with the newest and most widely adopted standards. This underlined our efforts to play a larger role in developing Singapore's public accountancy to the forefront of international levels.

Moving Onward and Beyond

At ACRA, we believe we can do more for Singapore and the economy through building a strong bonding with the public, private and international agencies. We hold regular dialogues with foreign counterparts to share ideas as well as raise the profile of Singapore as a business regulator and facilitator. In 2007, we kick-started our six-monthly dialogue sessions with a host of public and professional bodies from the business and accountancy communities.

66 A hallmark of ACRA's adaptability is its readiness to embrace the latest technological advancements to benefit all stakeholders in the business community. **99**

We are proud to have contributed to Singapore's improved positions in many internationally conducted performance indicators. ACRA believes that advancement is a continuous process that is limitless in its prospects. It is a forward-looking attitude that we truly want to maintain.

As we prime ourselves for further growth, this is a point in our journey where we can reflect on our start as a developer. Moving on, we plan to continue our focus in this new capacity, finding ways in which we can be more of a partner to business.

At the heart of our performance and accomplishments are the staff of ACRA and our stakeholders who have worked with us, for whom I would like to extend my deepest appreciation. Every concerted effort from everyone forms the thrust that has been able to actualise our plans for bigger things. It is through these important steps we are now taking, that our eventual vision of transforming into a key developing driver in the business community can truly become a reality.

Board
Members

From left to right

Mr Teo Ming Kian (Chairman)
Permanent Secretary
Ministry Of Finance

Ms Juthika Ramanathan
Chief Executive
Accounting and Corporate Regulatory Authority

Mr Thean Lip Ping
Consultant
KhattarWong

From left to right

Ms Chua Geok Wah
Accountant-General
Accountant-General's Department

Dr Ernest Kan Yaw Kiong (Public Accountant)
Vice President
Institute of Certified Public Accountants of
Singapore

Partner
Deloitte & Touche LLP

Mr Kon Yin Tong
Managing Partner
Foo Kon Tan Grant Thornton

Associate Professor Pang Yang Hoong
Vice Provost (Undergraduate) & Dean
School of Accountancy
Singapore Management University

Board
Members

From left to right

Mrs Yvonne Goh
Managing Director
KCS Corporate Services Private Limited

Mr Tan Boen Eng
President
Institute of Certified Public Accountants of
Singapore

Mr Steven Chong Teck Sin
Company Director

Mr Quek See Tiat
Partner
PricewaterhouseCoopers

From left to right

Mr Dilhan Pillay Sandrasegara
Managing Partner
Wong Partnership

Dr Andrew Khoo
Executive Director (Capital Markets)
Market Conduct
Monetary Authority of Singapore

Mr Olivier Lim
Chief Financial Officer
CapitaLand Limited

Ms Kristin Elizabeth Paulson
President (South Asia Pacific)
United Technologies
International Operations, Inc

Mr Lam Yi Young (not in picture)
Director
Manpower Division MINDEF

Public Accountants Oversight Committee

From left to right

Mr Thean Lip Ping (Chairman)
Mr Quek See Tiat
Ms Chua Geok Wah

Dr Ernest Kan
**Mr Kon Yin Tong**
Associate Professor Pang Yang Hoong

Terms of Reference
To assist ACRA in:

a. Considering all applications for the registration of public accountants;

b. Approval of accounting corporations and accounting firms;

c. Determining, prescribing and reviewing the requirements to be met by persons seeking to be registered as public accountants;

d. Administering professional education programmes for public accountants;

e. Administering the Practice Monitoring Programme;

f. Determining, prescribing and reviewing the codes of professional conduct and ethics for public accountants, and the standards, methods and procedures to be applied by public accountants when providing public accountancy services;

g. Inquiring into any complaint against any public accountant, accounting corporation or accounting firm, or any information relating to any professional misconduct on the part of any public accountant, accounting corporation or accounting firm, and, if necessary, institute disciplinary proceedings in accordance with the Accountants Act; and

h. Advising ACRA on any matter which relates to the profession.

Sub
Committees

Strategic Planning &
Policy Committee

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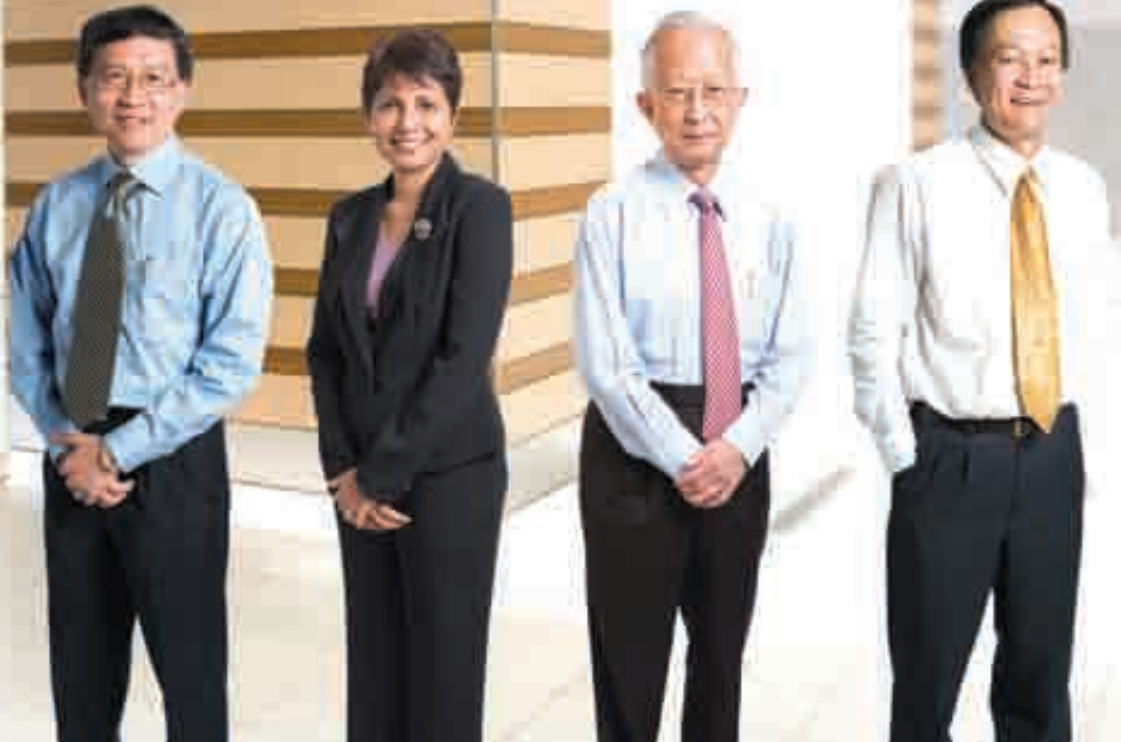
From left to right

Mr Teo Ming Kian (Chairman)
Ms Juthika Ramanathan

Mr Thean Lip Ping
Mr Steven Chong

Terms of Reference
To assist and advise the ACRA Board on the following matters:

a. Setting of strategic directions for ACRA to promote a business-friendly environment in Singapore;

b. Providing guidance and overseeing initiatives to strengthen corporate governance framework and disclosure standards;

c. Ensuring that polices formulated by ACRA are responsive, sound and effective;

d. Ensuring that ACRA maintain an effective monitoring and enforcement regime; and

e. Reviewing ACRA's proposals on financial and investment matters

Sub Committees
Audit Committee

Mr Quek See Tiat (Chairman)
Mrs Yvonne Goh
Mr Tan Boen Eng

Terms of Reference

To assist the ACRA Board in fulfilling its responsibilities by providing an independent review of financial reporting, by satisfying themselves as to the effectiveness of ACRA's internal controls and as to the sufficiency of the external and internal audits. This includes reviewing the statutory accounts prior to signature by the Chief Executive, focusing particularly on:

a. any changes in accounting policies and practices;
b. any major judgmental areas;
c. significant adjustments resulting from audit;
d. compliance with accounting standards, and
e. compliance with legal requirements.

To serve as a focal point for communication between Board members, the external auditors, the internal auditors and ACRA's management as their duties relate to financial and other reporting, internal controls, and the external and internal audits (including other matters as the Board deems necessary).

To review and be satisfied that management has put in place mechanisms and/or undertaken approaches to ensure that:

(a) risks faced by ACRA are adequately identified and managed; and

(b) ACRA's activities are carried out with due regard to economy efficiency and effectiveness.

Sub Committees

Human Resource Committee

From left to right

Ms Chua Geok Wah (Chairman)
Ms Juthika Ramanathan

Dr Ernest Kan
Mr Lam Yi Young (not in picture)

Terms of Reference

To provide guidance on HR matters, namely, recruitment and appointment, appraisal and deployment, training and development, reward and recognition, benefits, code of conduct, disciplinary actions, industrial relations and release.

To have a framework (including personnel devolution to ACRA officers) for the discharge of certain operational functions within the autonomy granted to ACRA over HR matters[1] including recommendations for promotion of officers and the granting of performance bonuses and annual/merit increments.

To handle disciplinary actions and to hear appeals on HR issues and to recommend outcomes for approval of the ACRA Board.

To ensure that ACRA has fair and rigorous HR systems aimed at positioning itself as a competitive employer of choice.

To ensure the responsiveness and timeliness of personnel decisions without compromising the core values of meritocracy, impartiality and incorruptibility.

Senior
Management

From left to right

Ms Juthika Ramanathan
Chief Executive

Mr Muhammad Hidhir Abdul Majid
Deputy Chief Executive
Legal & Enforcement

Mr Ow Fook Chuen
Deputy Chief Executive
Operations & Policy

Ms K Latha
Head
Business Facilitation

From left to right

Ms Vivien Chow
Head
Client Contact

Mr Dave Lau
Head
Finance

Ms Wee Puay Hwa
Head
Human Resource

Mr Manoj Abraham
Head
Information Technology Strategy

Senior
Management

From left to right

Mrs Loy Wei Sun
Head
Information Resource

Mr William Lee
Head
Enforcement

Mrs Chng-Lee Soon Gim
Head
Management Services

Mr Ho Shee Yan
Head
Audit

From left to right

Mr Terence Ong
Head
General Counsel

Ms Toh Wee San
Head
Legal Policy and Reform

Ms Lam Chien Ju
Head
Profession Oversight

Mr Ivan Koo
Head
Financial Reporting Oversight

Ms Shirlynn Loo
Head
Strategy & Planning

About
ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of businesses and public accountants in Singapore. It was formed on 1 April 2004 by the enactment of the Accounting and Corporate Regulatory Act, following the merger of the former Registry of Companies and Businesses (RCB) and the Public Accountants' Board (PAB).

As a facilitator and developer, ACRA is always on the look out for new ideas and ways in making Singapore truly the best place for doing business. In 2007, The World Bank in its annual international survey on "Doing Business", ranked Singapore at the top in the "Ease of Doing Business" category. Out of 178 countries, Singapore was rated ninth in the "Starting a Businesss" category.

ACRA develops a responsive and trusted pro-enterprise environment through the following key functions:

- **Enforcing Business and Accounting Legislation**

    ACRA is the executing arm for legislations such as the Companies Act, Accountants Act, Business Registration Act and Limited Liability Partnerships Act that concerns the business and accounting communities. Through these Acts, ACRA ensures a high level of integrity in business regulation and auditing standards.

- **Advising on the Regulation Policies**

    As a statutory board overseeing business entities and public accountants, ACRA's close interaction and immediate proximity with the ground puts it in the right position to report and advise the Government on policies and regulation. ACRA recommends and executes improvements to preserve Singapore's competitive edge, thereby making it an instrumental factor in attracting overseas businesses.

- **Managing Business and Accountancy Information**

  ACRA is responsible for the repository of information on business regulation and accountancy. Through the introduction of data management policies and leveraging on advances in technology, ACRA provides accurate and reliable business information to the public.

- **Engaging the Public**

  ACRA organises regular sharing sessions, dialogues and seminars with professional bodies and public organisations with vested interest in business and accounting. Being part of this network allows ACRA to learn and share information, thus creating a more dynamic and holistically progressive community. With a broad knowledge of the business environment, ACRA also reaches out to the general public and heartlanders through its awareness programmes about doing business in Singapore.

- **Representing Singapore Internationally**

  ACRA represents Singapore in the international community of business regulations. ACRA has received many international accolades and recognition for its high standards of regulation and auditing. As a founding member of the International Forum of Independent Auditing Regulators (IFIAR), ACRA is part of a dynamic team that helps shape international standards and future trends for the audit market environment.

Organisation Structure

Chief
Executive
ACRA

▶

Deputy Chief Executive (Operations & Policy)

Deputy Chief Executive (Legal & Enforcement)

Director Corporate Services

- Client Contact
- Information Resource
- Financial Reporting Regulations

- Legal Services
- Business Facilitation
- Enforcement

- Human Resource Operations
- Finance
- Management Services

- **Audit**
- **Human Resource Policy**
- **Client Engagement**
- **Information Technology Strategy**
- **Organisation Excellence**

Our Divisions

Audit Division

Reporting to the ACRA Board's Audit Sub-Committee, the Audit Division's (AD) roles are to assist the Board in fulfilling its responsibilities through independent and objective assessments and provide value-added recommendations to enhance the control systems of ACRA's operations. Its function serves as a critical check for ACRA's performance, making sure it excels to its capacity.

Business Facilitation Division

The Business Facilitation Division (BFD) oversees the registration of business entities, such as business firms, local companies, foreign branches and limited liability partnerships in Singapore. BFD, however, is more than just a starting point for new business entities. It serves as a facilitator to businesses by seeking ways in which administrative requirements can be simplified, such as integrating various processes necessary for starting a business. In short, BFD functions as a 'one-stop' business facilitation centre for new business entities. As part of its efforts in helping and supporting the growth of the business community, BFD carries out regular public education and outreach initiatives to reach out to the business public and aspiring entrepreneurs.

Client Contact Centre

The Client Contact Centre (CCC) delivers value to the business community by providing businesses with a one-stop, focused and effective interface for queries and dealings with ACRA. On the strategic level, the CCC leverages on research and statistical analysis of transaction data and customers' feedback to continuously review and improve its service delivery to better serve the business community. The Client Contact Centre also focuses on corporate communication strategies to enhance the image of ACRA through media management, championing of publicity campaigns and effective dissemination of ACRA's key messages.

Client Engagement Unit

As a bridge between ACRA and its valued stakeholders, the Client Engagement Unit (CEU) builds business awareness and compliance through various engagement initiatives. It organises forums, conferences, dialogues, etc aligned to the needs of ACRA's stakeholders. CEU reaches out to educate, inform and share ACRA's key messages for greater understanding of ACRA's legislations through its various public engagement platforms, thereby promoting ACRA's visibility as a proactive partner to the business community.

Enforcement Division

In ensuring, facilitating and promoting compliance of the statutory requirements under the legislations administered by ACRA, the Enforcement Division (ED) adopts a preventive rather than consequential approach. ED believes in the importance of educating the business community of their legal duties first and foremost, and exercising enforcement action only as a last resort. Through its enforcement work, ED plays a vital role in facilitating business development through the provision of timely, accurate and value-added information regarding registered business entities in Singapore.

Finance Division

Exercising financial prudence is integral to meeting ACRA's operational needs and organisational objectives and the Finance Division (FD) is responsible for ensuring that ACRA's monetary resources are managed judiciously. Taking charge of all aspects of ACRA's budgetary controls and accounting processes, FD strives to achieve the optimal allocation of ACRA's monetary assets.

Financial Reporting Regulations Division

High quality audit and corporate financial reporting are vital elements of a trusted business environment and pillars of an international financial centre. The Financial Reporting Regulations Division (FRRD) seeks to achieve this strategic outcome for ACRA and Singapore through regulatory roles in the areas of corporate financial reporting, auditor oversight, policy review and formulation, as well as having a role in harnessing growth strategies for growing and developing the public accountancy profession.

The FRRD supports the Public Accountants Oversight Committee (PAOC) in the registration of public accountants and public accounting entities and regulates the public accountancy profession in Singapore. The regulation of the public accoutancy profession is achieved through engaging in active consultation in policy formulation process, delivering an effective and efficient Practice Monitoring Programme and taking swift and just disciplinary proceedings. In addition, FRRD adopts a targeted risk-based financial reporting surveillance programme to sustain and build confidence in Singapore's financial reports. FRRD supports the Singapore Accounting Standards Council in the accounting standard-setting process and assists the Registrar of Companies to approve liquidators under the Companies Act (Cap. 50).

Human Resource Division

At the heart of ACRA are its people. Through careful alignment to ACRA's mission and strategic outcomes, the Human Resource Division (HRD) works towards building ACRA's reputation as a choice employer and ensuring that capable human capital is fielded and supported in ACRA's ranks. HRD endeavours to develop dependable policies to attract, deploy and retain relevant talent, that is crucial in helping ACRA realise its full competencies.

Information Resource Division

As custodians and managers of business information, ACRA's responsibility in maintaining the integrity, accuracy and preservation of data is carried out by the Information Resource Division (IRD). In an information-fuelled age, IRD constantly derives better ways to deliver value-added information services to the public and business community.

Information Technology Strategy Division

The Information Technology Strategy Division (ITSD) helps ACRA realise the potential of IT as a strategic tool for its continuous advancement. Working closely with other divisions, ITSD capitalises on latest IT solutions to impact ACRA's operations and service deliverables to the business community. ITSD also advises ACRA on new IT initiatives in alignment with ACRA's strategic directions and Singapore's e-Government strategies, such as the iGov2010 plan.

Legal Services Division

The Legal Services Division (LSD) advances ACRA's mission and strategic goals by providing legal services on policy and operational matters. There are two major areas of work for the division. The first is the provision of sound and timely legal advice and services, which includes interpretation of laws, drafting and vetting of legal documents, liaising with external parties and lawyers on legal matters affecting ACRA, providing guidance to enforcement officers in their investigations or to ACRA officers in disciplinary matters under the Accountants Act, and representing ACRA in both criminal and civil proceedings. The other area of work involves review of business laws and formulation of legal policies to meet evolving business needs and educating the business community on such reforms. This includes the active monitoring and study of legal developments in Singapore and leading jurisdictions, engaging the relevant professional and business community in consultations and discussions so as to further enhance Singapore's corporate regulatory framework and improve Singapore's international competitiveness. In addition, LSD also serves as the secretariat for the ACRA Board and other committees.

Management Services Division

The sound management of resources is vital to the sound functioning of an entity. By efficiently managing its records, tangible assets and facilities, the Management Services Division (MSD) plays a critical role in leveraging on ACRA's knowledge management capabilities to enable officers to stay relevant and competent. MSD creates the backdrop and sets the right conditions for ACRA to execute its strategic outcomes and activities under favourable conditions.

Facilitating Business
Advancement

A champion of initiatives, ACRA is the cradle for businesses in Singapore. It functions as the national registry for business entities and public accountants, breaking down barriers for local enterprises to flourish, and setting the stage for businesses all over the world to take root in Singapore

Championing Enterprise and Developing the Accountancy Sector

Dialogue Sessions to Engage Stakeholders

ACRA places much importance in engaging our stakeholders, who comprise the business community, professional partners and the public accountants. Through various touch points, the Client Engagement Unit (CEU) creates focused, targeted and specific opportunities for ACRA to reach out to the different stakeholders.

One such avenue where ACRA is able to understand the concerns of its stakeholders is through dialogue sessions. CEU organises more than 14 dialogue sessions annually with different groups of stakeholders, such as representatives in the business community, accountants and accountancy entities, and relevant organisations. By discussing and obtaining feedback through these dialogue sessions, ACRA is able to ascertain the impact and issues surrounding policies and initiatives it has rolled out. ACRA believes that this working partnership is a critical facet in creating a pro-business environment.

The dialogue sessions have also been a medium for effective two-way understanding between ACRA and its stakeholders. Helping the business entities and public accountants better understand regulatory legislation and policies facilitates better compliance from them. The sessions also allow ACRA to hear their concerns and needs, which has been contributory to the formation of initiatives to better facilitate doing business in Singapore.

ACRA @ the Heartlands

Following through with its commitment to Singapore's rapidly growing business community, ACRA initiated a series of talks in 2007 to inspire entrepreneurship among heartlanders. The talks were geared to equip the public with the essential knowledge of the different kinds of business entities and statutory requirements for doing business in Singapore.

Entitled "Doing Business in Singapore", the talks are organised by the Business Facilitation Division (BFD) and the Client Engagement Unit (CEU). Conducted at Community Centres/Clubs (CC), the inaugural talk was held at the Pasir Ris Elias CC on 20 October 2007. The turnout of about 230 people and the positive feedback indicated that there was interest and demand for business-related public education to inspire and support budding entrepreneurs and contribute to the vibrancy of the business landscape. The ACRA @ Heartlands talks have since become part of ACRA's on-going efforts to promote public awareness on doing business in Singapore.

Doing Business in Singapore seminar

Essentials for Business Seminar

Public education is the cornerstone of ACRA's engagement strategy with its stakeholders. The "Essentials for Business" Seminar, started in 2004, has since grown from an annual seminar to a twice-yearly public education event. The objective of the seminar is to empower businesses by facilitating their learning through a multi-agency approach. By creating awareness and facilitating the understanding of ACRA's legislation and statutory requirements, the seminar hopes to further bolster ACRA's efforts to promote voluntary compliance.

In response to the needs and demand of the business community, the Client Engagement Unit (CEU) organised the "Essential for Business" Seminar on 23 October 2007 and 29 November 2007. Besides sharing with participants ACRA's statutory requirements, the programme also included key topics affecting businesses. They were presented by subject specialists from various fields such as finance, fundings, business information, credit risk and many others. As a new value-added service, the one-to-one business consultancy sessions with our officers and partners was introduced as part of the programme in 2007. This has since proven popular and helpful to the attendees.

Essential for Business Seminar

Start-Up Enterprise Conference

The objective of the Start-Up Enterprise Conference is to deliver focused attention to the growing start-up business community in Singapore, which presently averages 40,000 per year. These conferences share information with budding enterprises on various statutory filing requirements.

The areas focused at the Start-Up Enterprise Conference are based on findings of the inaugural Startup Enterprise Survey of Singapore (STEPS) released in January 2007. ACRA together with its strategic partners, DP Bureau Pte Ltd and Action Community of Entrepreneurs (ACE), identified various needs of the start-ups, such as understanding statutory filings and responsibilities of directors. The start-up conferences are targeted at business entities that are less than three years old including sole-proprietors, partnerships and would-be entrepreneurs.

The inaugural Start-Up Enterprise Conference was officially launched by the Minister for State for Finance and Transport, Ms Lim Hwee Hua in 2007. More than 350 participants attended the conference. To commemorate its launch, ACRA released the Regulatory and Business Guide for Start-Ups at the event. Produced in conjunction with ACE, the publication contains the most salient and pertinent information that a new business owner or would-be entrepreneur need to know to start or manage a new business. The guide covers five key areas, namely:

1. Planning a business,
2. Starting a business,
3. Operating a business,
4. Expanding a business, and
5. Useful resources.

Since its launch, the guide has been well received. More than 2,000 copies have since been sold. The publication priced at $20.00 (incl. GST) can be purchased at ACRA and DP Bureau Pte Ltd.

15th XBRL International Conference

Alongside the most advanced economies like the United States and Europe, Singapore is one of the first countries in the world to introduce the powerful eXtensible Business Reporting Language (XBRL) for all business reporting. As a regional leader in XBRL adoption, ACRA representatives from the Financial Reporting Regulations Divisions (FRRD) and the Information Resources Division (IRD) attended the 15th XBRL International Conference.

Hosted from 4 to 7 June 2007 in Munich, Germany, the conference, entitled "Integrating Business Reporting Worldwide from SMEs to Large Companies", brought together finance professionals, analysts, regulators, software developers and audit professionals from around the world to its doors. Bringing to light learning points, best practices and pertinent concerns from other jurisdictions, the conference reflected to participants the impact that XBRL can potentially bring to the business community. This helped shape its successful launch in Singapore on 1 November 2007.

Growing and Developing the Accountancy Sector

ACRA has expanded its role beyond a regulator to a developer and facilitator for the public accountancy profession. As a maiden strategic initiative, FRRD published a document for public consultation entitled "The Registration Framework for Public Accountants – Path to Becoming a Public Accountant" in July 2007. Meant to solicit views from various stakeholders in the community, the paper facilitated public partnership towards achieving a more robust and relevant registration framework for accountants.

The points for consideration included the easing of entry into the public accountancy profession for international auditors, former public accountants and mid-career professionals with relevant expertise. Providing the public with its collated knowledge of the profession, FRRD successfully received constructive feedback from sources that understand public accountancy on different levels, ultimately allowing ACRA to incorporate improvements that were holistic, practical and workable.

"The Path to Becoming a Public Accountant" report received favourable mention in the CLSA Corporate Governance Report in 2007.

Creating Business Dynamics

'One stop' for Business Registration

Registering a business entity typically entails a series of subsequent administrative duties that, in the past, would require new business owners to travel to a host of agencies and service providers. Registrants were required to personally go down to the Inland Revenue Authority of Singapore (IRAS) for GST registration as well as source for an avenue to reserve Internet domain addresses on their own.

To ease the process of starting a business, the Business Facilitation Division (BFD) formed collaborations with the respective service providers to deliver greater value-added services and streamline the process of starting a business. Together with the Information Technology Strategy Division (ITSD), these external services were integrated into ACRA's online transaction service, BizFile as a "one-stop shop" for business registration. The integrated service enables purchase of business profile, registration of GST, and reservation of internet domain name, all at one go.

Staying ahead of its customers' needs, ACRA included an option for an auto-subscription of SPRING (Standards, Productivity and Innovation Board) Singapore's Enterprise One newsletter as part of the business registration. Through the newsletter, which conveys government news and comprehensive updates on Government Assistance Schemes, ACRA provides more than a platform for businesses to start, and stir the spirit of enterprise within them.

MyBizFile Project

ACRA's online filing system, BizFile (www.bizfile.gov.sg), went through a major revamp of the interface in late 2007. First introduced in 2002, the BizFile has been serving the needs of ACRA's customers and helping the organisation to achieve its service targets. The BizFile project is supervised by the Business Facilitation Division, with technical expertise from the Information Technology Strategy Division. To harness technology to better serve the customers, phase one of the enhanced BizFile project focusing on business and information services, was completed on 25 February 2008.

More intuitively tuned to customer needs, the revamped portal offers a higher degree of customisability with features such as personal inbox, shopping cart, and fewer steps to complete transactions. Customers also find the enhanced features more user-friendly as it is easier to locate transactions.

The BizFile portal will be undergoing further enhancements in fiscal year 2008/09. Phase two and three of the revamp will be focusing on transactions related to companies, limited liability partnerships (LLP) and public accountants respectively.

BizFile Website

Simplifying and Enhancing the Refund Process

ACRA's services to the business community accounts for a high volume of transactions every day. Facilitating the flow of transactions, the Finance Division (FD) looks into refinements to payment and refund processes to provide a flexible and seamless service to customers.

The refund process for electronic payments underwent a number of improvements in the financial year 2007/08. These include:

1. Multiple refund applications –
    Customers are now able to perform multiple refund applications under one transaction using the online portal, BizFile. Prior to the revamp of the BizFile in February 2008, customers could only perform one refund application at any one time.

2. Better refund crediting options –
    Apart from bank accounts, customers now have the options of having their refunds credited to their credit card or deposit service account if the original transaction was made through the same mode of payment. These added options eliminate the administrative hassle of having to reconcile money refunded to the bank accounts against that deducted originally from the Credit Card or Deposit Service Accounts.

3. Online enquiry on refund status –
    As an added convenience for customers, the status of refund applications can now be tracked online. In the past, customers were only able to enquire about their refund status via phone.

4. **Notification through email** –
   As another value-added service to its customers, ACRA sends email notification to customers once their refund applications are approved. FD is currently working on availing this notification service through SMS as well.

Implemented in February 2008, these improvements aim to create greater value and convenience for customers. ACRA has been receiving encouraging feedback about the revamped services.

Training the Business Community

Before businesses fully transited to the use of ACRA's recently introduced format for business reporting, the eXtensible Business Reporting Language (XBRL), ACRA had been working towards getting the public to speed up in its use. To assist ACRA's customers in gaining familiarity, the Client Engagement Unit (CEU) organised a series of structured training for the public. Organised in collaboration with partner organisations, such as the Institute of Certified Public Accountants of Singapore (ICPAS), the Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA), the Singapore Academy of Law (LawNet) and DP Information Bureau, ACRA managed to train more than 5,000 professionals and 3,000 businesses in fiscal year 2007/08

Job Career Fair

Reaching out to the Public

One-Stop Client Contact

Every month, ACRA receives some 14,000 enquiries from its customers on its various services rendered. Being ACRA's primary point of interface with its customers, the Client Contact Centre (CCC) continuously looks into ways to improve its service performance and enhance customer experience.

The ACRA Helpdesk has undergone various impacting changes. By studying call traffic patterns, the ACRA Helpdesk revised its operating hours on 1 January 2008 to optimise manpower resources. The reallocation of resources from lull period to peak period, not only optimised resources where they are needed, but also led to savings in overtime costs and a better work-life balance for call agents. The optimisation exercise resulted in a significant improvement in the percentage of calls answered, from 72% in January 2007 to 94% in January 2008.

In another service improvement that came into effect on 1 January 2008, whenever service performance reaches a specified threshold level, an alert will be triggered to activate appropriate messages to proactively inform Helpdesk callers of system outages or sudden call surges, directing them to alternative contacts. This initiative was implemented to smooth out ACRA's call traffic flow and manage customers' expectation.

Anticipating a surge in enquiries with ACRA's introduction of the eXtensible Business Reporting Language (XBRL), CCC incorporated an automated self-help into the Helpdesk hotline. This came in the form of pre-recorded answers to commonly asked XBRL queries to the hotline's Interactive Voice Response System (IVRS), which is accessible to customers anytime and anywhere, as long as they are accessible to a phone. The IVRS was also designed to cater to skill-based routing, where calls can be routed to a team specially trained to handle XBRL enquiries. This enabled almost 100% of XBRL enquiries to be resolved on the first call in March 2008.

Client Contact Centre

From July 2007 to March 2008, the number of agent-attended XBRL enquiries was dramatically reduced by an average of 712 enquiries, or 32% per month. This is equivalent to $19,221 of cost savings.

These initiatives have has also earned ACRA a higher number of compliments as well, with 55 compliments in the first quarter of 2008 compared to 17 over the same period in 2007.

Another focal point of addressing enquiries is through ACRA's interactive web service, Ask ACRA. Streamlining a host of feedback boxes into one central location, enhancements that CCC has incorporated to the portal's features included a facelift, streamlining of workflow, addition of new features for greater usability, a more intuitive search engine, alert features to trigger prompt response, and an expanded FAQ database from 695 questions in 2006 to 1,065 questions as of March 2008. Cumulatively, these enhancements produced an impressive 203% increase in FAQ hits from 17,156 in 2006 to 52,056 as of March 2008.

Saving Costs through Efficiency

Cost is associated with every query received by ACRA. If the number of queries continues to rise with no remedial action taken, the cost of handling such queries would increase indefinitely. Client Contact Centre (CCC) initiated and implemented the Enquiry and Cost Reduction Exercise (ECORE) as an ongoing organisation-wide project to identify ways to reduce call enquiries and, hence, cost. The Research and Statistics Unit (RSU) of CCC taps on customer feedback and data regarding enquiry patterns to gain an in-depth understanding of the ever-evolving needs of customers. By sharing this information with the respective divisions, areas of improvement are identified along with its initiatives.

Since its introduction in May 2007, ECORE has sparked off a wide-ranging variety of initiatives, such as streamlining and simplifying processes and procedures, initiating system enhancements, revamping Bizfile and Homepage websites, enriching FAQs in our interactive web portal, reviewing of rules, providing better public communication for ease of informational access as well as introducing self-service and value-added services.

These initiatives have reaped tangible results for ACRA, including a reduction in specific enquiries and a total cost savings of $23,700 in the first quarter of 2008 compared to the same period last year. ECORE has resulted in better service performance and customer satisfaction, greater inter-division synergy and a boosted image for ACRA.

Sustaining Integrity
for Growth

In business, trust is a key tenet. As a regulator of businesses and public accountants in Singapore, ACRA upholds this confidence through enforcement to promote compliance and transparency.

Strengthening Our Trusted Regulatory Framework

Cousulting our Stakeholders on ACRA's Regulatory Strategy

As part of ACRA's desire to be a transparent regulator, the Financial Reporting Regulations Division (FRRD) published a paper on ACRA's Regulatory Strategy on Auditing and Corporate Reporting for public consultation. Stakeholders of the accountancy profession and financial reporting were invited to share their views on various aspects, including areas such as the six pillars for regulating audit services and corporate financial reportings in achieving the desired outcome of building in Singapore a trusted financial and business centre.

Code of Ethics for Public Accountants

As a foundation of public confidence in public accountants, the Code of Professional Conduct and Ethics for Public Accountants (the Code) provides a framework to assure the public that public accountants undertake their work with integrity, objectivity, competence, due care, confidentiality, and proper professional behaviour. To this end, FRRD has worked with the Public Accountants Oversight Committee's (PAOC) Ethics Sub-Committee towards keeping the local Code for the public accountancy profession abreast of international standards.

Through a study of the international Code as provided by the International Federation of Accountants, ACRA extracted possible points for adoption as a new amended Code. This would potentially provide better guidance for public accountants to identify, assess and deal with today's ethical risks.

To ensure that the Code remains realistic and relevant to Singapore, FRRD sought the views and concerns of ACRA's stakeholders through a consultation paper in July 2007. This ensured that any revisions made will incorporate the needs of Singapore's accountancy professionals and sector.

Legislative and Policy Reviews

ACRA's close proximity to the business community puts it in the right position to understand how business legislation and policies affect and impact business operations. The Legal Services Division (LSD) has been hard at work, performing a number of in-depth review exercises over the past year to strengthen our regulatory framework.

These are some of the highlights of LSD's reviews:

Fundamental Policy Reviews

• **Alternate address policy** - ACRA completed a study on a proposal to allow persons, who are presently mandated to report their residential addresses, the option of reporting an alternative address where they can be located. The objective of the policy is to accord privacy to individuals in light of increased security concerns over public disclosure of residential addresses. ACRA targets to implement the changes in the next financial year. Extensive work is involved in this undertaking, including amendments to the various legislations, design of operations, coordination between public agencies and professional bodies as well as public education initiatives for the business community.

• **Regulation of foreign companies** – On 18 October 2007, ACRA launched a public consultation on proposals to reform the regulatory regime of foreign companies in Singapore. These proposals related to the registration and financial reporting of foreign companies, as well as new and emerging policies to promote the formation of foreign companies. The consultation closed in January and ACRA is working on the finalisation of the reforms to be included in the Companies Act Rewrite project (refer to the 'Others' section below for more information about the Companies Act Rewrite project).

- **Directors' duties pertaining to financial matters and others** – ACRA formed the Director's Duties Study Team (DDST) in July 2007. The purpose was to study the responsibilities of directors regarding financial matters, the suitability of UK's codification of directors' general duties for adoption in Singapore, and other related matters. Chaired by ACRA Chief Executive, Ms Juthika Ramanathan, DDST comprises members from the accounting profession, legal profession, directors, representatives of the Singapore Institute of Directors, as well as representatives from Singapore Exchange (SGX) and the Monetary Authority of Singapore (MAS). ACRA completed a review of directors' duties pertaining to aspects such as financial matters and general duties in March 2008. The findings of the study team will be presented to the Ministry of Finance (MOF).

- **Review of disqualification of directors under section 154(1)** – ACRA has reviewed section 154 of the Companies Act, which provides for the automatic disqualification of directors upon conviction for offences involving fraud or dishonesty. Our proposal is to allow for automatically disqualified persons to have recourse to court for leave to act as directors. ACRA intends to deal with this in the next available amendment Act.

Special Area of Study

- **Annual return form and amendments enabling XBRL filing** – The Eighth Schedule to the Companies Act and the Companies (Filing of Documents) Regulations were reviewed and the requirements therein consolidated and refined to facilitate the filing of a single annual return and the filing of accounts in XBRL format. The fees in the Second Schedule to the Companies Act in respect of the filing of the annual return were also consolidated.

- **Financial reporting of small, dormant and foreign companies, and summarised financial reporting** – ACRA completed a review of the existing annual reporting requirements for dormant companies and exempt private companies (EPCs) in Singapore to ensure that the reporting requirements are not burdensome, and that the cost of maintaining such companies are kept low and affordable. Practices of other major jurisdictions were considered in the reviews. ACRA will consult on these proposals and intend to include them as part of the Companies Act Rewrite project.

  Additionally, ACRA completed a two-part review of the Companies Summary Financial Statements (SFS) regulations. Summary financial statements are condensed versions of financial accounts and directors' report that a public company may provide to its members in place of a full set, as allowed by section 203A of the Companies Act. Part one of the review sought to align the contents of the summary financial statements to that of the Financial Reporting Standards. Part two of the review looked into major policies. The proposals are scheduled for implementation in phases.

New and Emerging Areas

- **Limited Partnerships** – The Company Legislation and Regulatory Framework Committee (CLRFC) recommended enacting legislation to introduce limited partnerships (LPs) in Singapore. If this is implemented, local and foreign investors in Singapore will have greater flexibility in their business structures. A private-sector-led study team with ACRA's participation was subsequently formed by MOF to propose the regulatory framework for LPs. Following this, ACRA worked with the Attorney-General's Chambers (AGC) and MOF to prepare a draft bill for consultation in second half of 2006. In addition, there were further issues identified and a further study was conducted to revise the bill for a second consultation in 2008.

- **Regulation of professional number holders** – ACRA has reviewed the need to tighten the regulation of professional number holders, who are persons authorised to file and lodge documents through BizFile on behalf of the officers of business entities. There is a need to ensure that professional numbers are not abused, and that professional number holders adopt anti-money laundering and anti-terrorism financing practices. ACRA intends to deal with this issue in the next available amendment Act, which is likely to be in fiscal year 2008.

Others

- **Companies Act and Accountants Act Questionnaire** – Between end 2006 to early 2007, as part of ACRA's continuing review of corporate laws, ACRA sought feedback on issues or areas under the Companies Act and Accountants Act that need to be reviewed or reformed. The level of priority of each issue was determined by way of questionnaires to practitioners from the accounting profession, legal profession and a wide spectrum of organisations and associations. Results of the survey were collated in early 2007 and the issues raised were included as part of the deliberations in the Companies Act Rewrite project. They will also form the basis of the review of the Accountants Act that will be undertaken in fiscal year 2008.

- Companies Act Rewrite Project – The Minister for Finance appointed a Steering Committee to look into the rewriting of the Companies Act in October 2007. The committee is chaired by Attorney-General, Professor Walter Woon, and consists of senior practitioners from the legal, accounting and business communities, the Dean of NUS Law Faculty and government representatives from MAS, ACRA and AGC. The Committee has identified five broad areas of reforms and formed five Working Groups to look into them. ACRA, AGC and MOF form the joint secretariat to provide administration and research services to the Steering Committee and its Working Groups. The Steering Committee is expected to complete its work in 2 years' time.

Protecting and Instilling Greater Business Integrity

Strengthening of Investigative Capability

ACRA's fundamental role as a regulator entails constant surveillance and swift enforcement on corporate disclosures to ensure an effective reporting regime that is timely and accurate. The Enforcement Division (ED) aims to strengthen its investigative capability, so as to allow ACRA to foster a reliable and trusted business environment.

In this respect, ED believes in strengthening its investigative capability with the sharing of best practices by collaborating with its counterparts to provide officers the opportunity to interact through exchange programmes. ED worked with the Commercial Affairs Department (CAD) and conducted the first of such exchange programme in July 2007.

In addition, ED conducted a thorough review of its investigative work processes for relevance in fiscal year 2007/2008. The main objective was to ensure that ED possesses up-to-date methodologies to conduct its investigation works. The same year, ED had studied the feasibility of developing an electronic workbench, which is an IT platform that will aid the division's activities in overseeing and managing caseworks. The workbench would provide supportive benefits like availing comprehensive organisation of information and knowledge as well as facilitating the retrieval of investigative tools, hence improving the pace and quality of investigations.

The Division has identified a greater need to educate foreign companies on the obligatory requirements of corporate disclosure in Singapore. ACRA is sensitive to the fact that foreign entities may be unfamiliar to local conventions, and thus continously explores more ways to create awareness among agents of foreign companies of their duties. ED has played a pivotal role with the Business Facilitation Division (BFD) to encourage higher compliance pertaining to annual filing requisites through dialogues with professional bodies, public education, and sending letters/reminders to the agents before initiating enforcement action. The efforts paid off with a significant improvement in compliance.

Setting the Stage for Voluntary Compliance

ACRA believes in developing an environment that is most conducive and productive to the business community. Through the Enforcement Division, ACRA has been repositioning its direction of enforcement from consequential measures to creating an environment that promotes voluntary compliance.

ED has achieved this by recalibrating the degrees of freedom so as to balance the integrity of the regulatory framework with enforcement without hinderance to business productivity. The division has introduced several layers of reminders through a number of innovative communication methods. The results saw an average of 40% reduction in the issuance of summonses to companies for late filing of Annual Returns in the financial year 2007/08, while still maintaining a high level of compliance.

ACRA strongly believes that public education and public awareness are important preventive measures that can help reduce the rate of infringements. As such, ED has been actively promoting the awareness of compliance standards through educating company directors, conducting regular public seminars and business clinics, and ensuring information on compliance is readily available on ACRA's website. In furthering its reach to the public, ED has also proposed added initiatives, such as conducting training courses for directors, creating appealing and easy-to-understand handbooks and interactive guides to create a greater sense of approachability to compliance.

CAD Exchange Programme

Quality in the Accountancy Profession

With public accountants ensuring the integrity of financial information audited in Singapore, the the Financial Reporting Regulations Division (FRRD) ensured the quality of audit via the Practice Monitoring Programme as a key regulatory instrument. Administered by a select group of senior accountants and qualified professionals forming the Public Accountants Oversight Committee (PAOC), public accountants are reviewed vis-à-vis a holistic set of standards.

In July 2007, FRRD collated its key findings from PMP reviews into a public report for all stakeholders in the accounting community in Singapore. This report garnered for ACRA favourable mention by CLSA, a major brokerage group in Asia Pacific. At the CLSA Corporate Governance Watch 2007, Singapore was commended for being "ahead of the regional curve in the work it is doing to try to improve the quality of external auditors."

Putting PMP into motion, ACRA initiated its second cycle of PMP reviews of Singapore's 'Big Four' accounting firms (Deloitte and Touche, Ernst and Young, KPMG and PricewaterhouseCoopers) in the fiscal year 2007/08. Promoting the same quality of audit throughout the accountancy sector, ACRA engaged itself with reviewing medium-sized accounting entities in a bid to secure their positions as competent alternatives to their larger multinational counterparts.

Integrity in the Accountancy Profession

As a responsible regulator of the accountancy profession, the FRRD exercises careful impartiality and fairness in its assessing of complaints against public accountants. Of the eight complaints received in the fiscal year of 2007, six were dismissed by the Registrar of Public Accountants, one was referred to the Disciplinary Committee and one is currently being processed as at 31 March 2008.

Keeping Ahead in
the Information Age

ACRA is unceasingly on the lookout for innovative avenues to improve accessibility and establish accuracy so that the expedient and reliable distribution of information provides consumers a seamless and user-friendly experience

Advancing Information Handling

Formation of the Data Administration Group (DAG)

A major part of ACRA's assurance of quality service to its customers depends on its excellent stewardship of business information. To explore effective avenues of introducing significant increase in reliability and robustness, the Information Resource Division (IRD) facilitated the formation of the Data Administration Group (DAG) on 27 June 2007. Chaired by the Deputy Chief Executive for Operations and Policy, the Group comprises the Chief Information Officer as well as ACRA's data and system owners.

Entrusted with the highest responsibility and authority over ACRA's information databases and systems, these senior management staff are able to converge and focus their efforts through the DAG to distil greater quality in the management of data in ACRA. At the forefront of its responsibilities is the review of current practices, as well as proposing and enforcing new procedures to promote and protect the integrity of information. The group also ensures that compliance with data format standards established by the Data Hub Committees are met.

Leveraging on the potential of XBRL

As the electronic business-reporting format, the eXtensible Business Reporting Language (XBRL), picks up speed in its introduction and take-up, the Information Resource Division (IRD) has been hard at work, looking into ways to unleash the full potential of its benefits.

With each piece of business data individually tagged and sorted electronically, business information can be customised and packaged in readily usable forms. Hence, information purchasers are able to select only the information that is pertinent to their operations, resulting in cost-efficiency for the customers.

IRD has identified products that can be derived from XBRL and is working with vendors and service providers to see how such information can be best availed to the public. IRD will be launching the information products in fiscal year 2008.

Availing the Power of Information to the Public

Information Services on Demand

In Singapore's open business society, the Information Resource Division (IRD) endeavours to enhance the way organisations can use business information. Over the past fiscal year, the Division has come up with initiatives that are attuned to the needs of ACRA's stakeholders and business community.

To better understand its customers and to stay relevant, IRD conducted an Information Needs Analysis Study, collating and identifying information-buying trends and how ACRA's information services could be improved. Through interviews with a mix of users of varying levels of information-usage frequencies, ACRA determined from its findings that there was a demand for more value-added services, such as bundled prices for information purchases. This helped IRD conceive new information services for the public that were released in October 2007.

One of the new services is the Market Intelligence Search, which allows a greater degree of customisation for information purchasers. Users are able to package their listings according to their preferred criteria, such as location, industry, issued or paid-up capital and audit firm.

Another new service is the Automated Quotation for Packaged Information. Previously, purchasing packaged or bulk information involved a considerable amount of correspondence with ACRA officers for processes such as quotations, acknowledgements and payment procedures. With the new service, these processes are now electronically handled and streamlined into one session. Instead of over-the-counter collections, users are also able to receive their purchases in PDF format via email. With this introduction, the duration of the purchasing process has effectively been cut down from one week to one day.

Website Development

The ACRA website (www.acra.gov.sg) is a primary point of information and online services for the public. In a bid to boost its visual appeal, user-friendliness and relevance to customers' needs, the Client Contact Centre (CCC) undertook the task of revamping ACRA's portal according to customer feedback and meeting the Web Interface Standard (WIS) compliance requirements. The new website was launched in December 2007 and within a month, it saw a 62% jump in visitors.

ACRA Website

Plugged in
for the Future

ACRA's sphere of influence extends beyond Singapore's shores. ACRA shares and solicits ideas, both locally and internationally, to position Singapore as the choice place to do business

A World-class ACRA

Independent Internal Assessments

An important pillar in ACRA's strive towards excellence is to have a set of sound internal balances and checks. Responsible for monitoring the prudence of ACRA's operations, the Audit Division (AD) performed a review of ACRA's risk management procedures with all divisions by assessing the existing set of controls that promote organisation-wide effectiveness and efficiency.

Having acquired the benchmark ISO 9001:2000 certification of operational standards in fiscal year 2006, AD continued making sure that ACRA's operations performed up to speed, successfully undertaking five major audit projects with three rounds of internal quality audits (IQAs) for more than fifty procedures.

To incorporate greater objectivity in ACRA's internal audit exercises, AD engaged external auditors to perform audit reviews on revenue collection, payment and procurement processes and information technology management governance. All recommendations for enhancements were accepted for implementation. With the third parties' independent audit reviews and ACRA's follow-up actions to enhance the controls governing the above said areas, there is a greater assurance that proper and adequate control mechanisms are present.

Unique Entity Number (UEN)

Led by the iGov2010 Masterplan, the Singapore government is leveraging on the boundless possibilities of infocommunication to bring about a greater ease of interaction with its customers. ACRA has been an integral contributor to this vision, one of which is the implementation of the Unique Entity Number (UEN), a standard identification number for entities by 2009.

Currently, entities do not have a common identification number. They use different numbers to interact with different government agencies.

The UEN system simplifies the problem of handling multiple identification numbers for entities under its registry by introducing a common identifier that can be used across all agencies. Besides simplicity, the initiative will also increase transparency and facilitate synergy and information flow within the government.

Spearheaded by the Information Resources Division (IRD), ACRA has been working with the Ministry of Finance (MOF) and the Infocomm Development Authority (IDA) to develop and implement the UEN project. It has also been involved in the production of communication strategies and collaterals to create awareness and allow entities to transit smoothly to its use.

ACRA will assume the role of system administrator upon its slated completion date in January 2009. It will administer the UEN issuance system, coordinating the operations of assigning UENs to entities from the various UEN issuance agencies and maintaining the information channels surrounding the system.

Expanding Our Global Presence

Corporate Registers Forum 2007

The Corporate Registers Forum 2007 was a special occasion for Singapore. At the fourth gathering of ACRA's international peers in April 2007, ACRA was given the distinguished privilege and responsibility of jointly hosting the event, themed Challenges Facing Corporate Registers, with the Companies Commission of Malaysia (SSM).

Corporate Registers Forum 2007

In a productive open discourse amongst more than 60 delegates from over 14 countries, the forum was a melting pot of ideas as attending nations shared challenges and practices. In its capacity as a facilitator, it was also an avenue for ACRA to represent Singapore and raise its profile as a world-class regulator and facilitator of business entities. At the same time, ACRA has found the Corporate Registers Forum beneficial as it provides a valuable opportunity to learn from other jurisdictions.

International Presence as a Leading Regulator

ACRA is a founding member of the International Forum of Independent Audit Regulators (IFIAR), making Singapore the first South East Asian country to be part of the leading international platform of independent audit regulators. Furthering its profile in the global arena, Singapore was also nominated to be part of an international task force, which studied IFIAR's role and subsequently developed recommendations for its future direction, organisation and governance in March 2008. ACRA is proud to be a member of IFIAR's international working group on audit quality, thereby demonstrating its commitment to the international efforts in promoting audit quality.

Visits from Overseas Counterparts

ACRA's high regard for its relationship with its stakeholders extends beyond Singapore's borders as well. Often playing host to other local and overseas government agencies, counterpart corporate registries overseas and international organisations, the Client Engagement Unit (CEU) was set up on 25 October 2007 to raise ACRA's capabilities in stakeholder engagements, not just locally, but from abroad as well.

Enterprise Estonia

Dubai study visit

As an avenue to boost Singapore's global prominence and build mutually-beneficial relationships as well as to better understand what developments and trends are taking place, CEU manages the visits to ACRA and facilitates training attachments with ACRA as well. For the last year, ACRA hosted approximately 150 visitors from more than 30 organisations all over the world.

Sharing Our Experiences in XBRL Internationally

As a regional leader in XBRL adoption, ACRA representatives were often invited to share the organisation's implementation experiences to other regulators, both locally and internationally. ACRA's Deputy Chief Executive for Legal and Enforcement presented on "XBRL Implementation in Singapore" at the XBRL International Steering Committee's meeting held in Kuala Lumpur in October 2007 and at the "2007 SBR/XBRL International Conference" held in Brisbane in November 2007. At the recent 17th XBRL International Conference held in Eidhoven in May 2008, ACRA's Head of Financial Reporting Regulations Division presented to an international audience on "XBRL Adoption in Singapore" and participated in a securities regulator panel discussion to provide Singapore's perspective on the opportunities and challenges in XBRL implementation globally.

Awards & Accolades

MOF High Impact Award

Simplification, collaboration and advancement through information technology. These actions have steered ACRA to provide better and more efficient services online. This drive has led to the launch of the Web Services.

Web Services is a business information retrieval platform for government agencies and the private sector, which allows their information systems to connect to ACRA's rich database seamlessly and in real-time. For ACRA's customers, this achieves a leap in efficiency, productivity and reliability through a simplified, secure and self-regulating environment.

To affirm its encouraging reception, the project was accorded the Ministry of Finance (MOF) High Impact Award on 28 September 2007.

Information Management Award

Web Services garnered recognition beyond our shores when ACRA received the Asia Pacific Government Technology Award under the Information Management category on 25 October 2007. The accolade was conferred to ACRA amongst 212 nominations for nine categories from 14 Asia Pacific countries at the event, organised by the Public Sector Technology & Management magazine.

Based on innovation, functionality, productivity and impact, the corporate information delivery service earned the accolade for being a public sector initiative that has been successful in introducing greater possibilities in information sharing, supporting one of Singapore's iGov2010 strategic thrusts of enhanced capacity and synergy within the government.

CIO 100 Awards

Among the world's corporations and organisations, ACRA's prominence as an organisation that is leading in leveraging information technology was once again accentuated when it was included in the CIO 100 Honouree list in March 2008. Earning the accolade for converging a holistic range of

services and features into a 'one-stop' suite with BizFile, ACRA was noted for significantly impacting its stakeholders and the business community by reducing turnaround time for transactions from 5 days to as short as 15 minutes.

The CIO 100 index recognises the top 100 organisations that have effectively utilised technological innovation to effect strategic change and significant growth. This was ACRA's fourth time receiving the prestigious award, serving as an affirmation of its readiness to transform its services and operations with the latest of what technology has to offer.

Excellent Service Award

Besides deriving new solutions to benefit customers, ACRA also places a strong emphasis on the service that is rendered to its customers. On a national level, ACRA's attention to service quality emanated through two of ACRA's staff. Ms Linda Lee and Ms Annie Liang did ACRA proud at the Excellent Service Award (EXSA) 2007, which was organised by SPRING Singapore to recognise

and inspire service staff performance across all industries.

ACRA's two exemplary recipients were nominated and conferred Gold Awards under the Public Sector category for commendably reflecting the ideals of service excellence and rising to ACRA's drive to place customers first in its efforts.
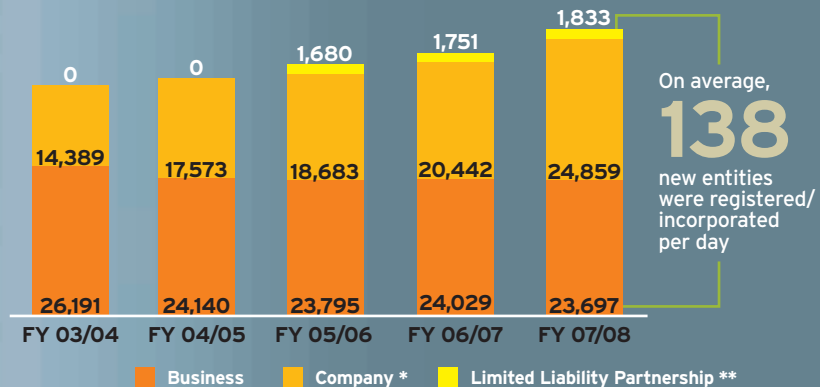
National IQC Convention

Four Wits Teams from ACRA participated in the National Innovation and Quality Circles (IQC) Convention held in Mar 2008. The teams showcased ACRA's best Work Improvement Team Scheme (WITS) projects and garnered commendations for their innovative efforts towards improved operations. Silver Awards were accorded to MSD's STARS and IRD's SMARTIES Teams. BFD's Beez@Biz and CCC's A*C^3 projects walked away with Bronze Awards. The awards are a testimony to ACRA's creativity and innovation and a recognition of ACRA officers' ability to synergise on specialised projects that improve internal work processes.

Key Statistical Highlights

Trend of New Entities Registered / Incorporated
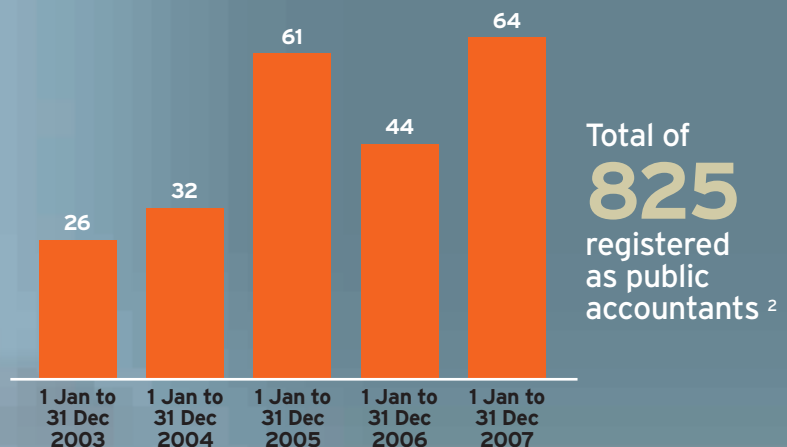
329,008 "live" entities on the register [1]

	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08
Limited Liability Partnership **	0	0	1,680	1,751	1,833
Company *	14,389	17,573	18,683	20,442	24,859
Business	26,191	24,140	23,795	24,029	23,697

On average, **138** new entities were registered/incorporated per day

- ■ Business
- ■ Company *
- ■ Limited Liability Partnership **

[1] As at 31 March 2008
* Includes Public Accounting Corporations and branches of foreign registered corporations
** Includes Accounting LLP

Number of New Public Accountants Registered

1 Jan to 31 Dec 2003	1 Jan to 31 Dec 2004	1 Jan to 31 Dec 2005	1 Jan to 31 Dec 2006	1 Jan to 31 Dec 2007
26	32	61	44	64

Total of **825** registered as public accountants [2]

[2] As at 31 March 2008

BizFile Transaction Volume for FY07

1,131,701
transactions
in the year

3,092
transactions
per day

129
transactions
per hour

Highest transaction
volume on a single day **12,290**

Common BizFile Transactions for FY07

Company

Application for New Local Company Name	31,675
Application for Company Incorporation	25,093
Change of Particulars of Officers of Local Company	82,880
Return of Allotment of Shares	27,923
Annual Returns	119,378

Business

Application for New Name	24,073
Business Registration	23,697
Business Renewal	119,492
Changes to Business Particulars	32,241

Changes to Business Particulars

Business Profile (Company)	158,220
Business Profile (Business)	51,363
Electronic Extract	49,423
Non-Electronic Extract	7,345
People Profile	5,788

Summary of Legislative Work
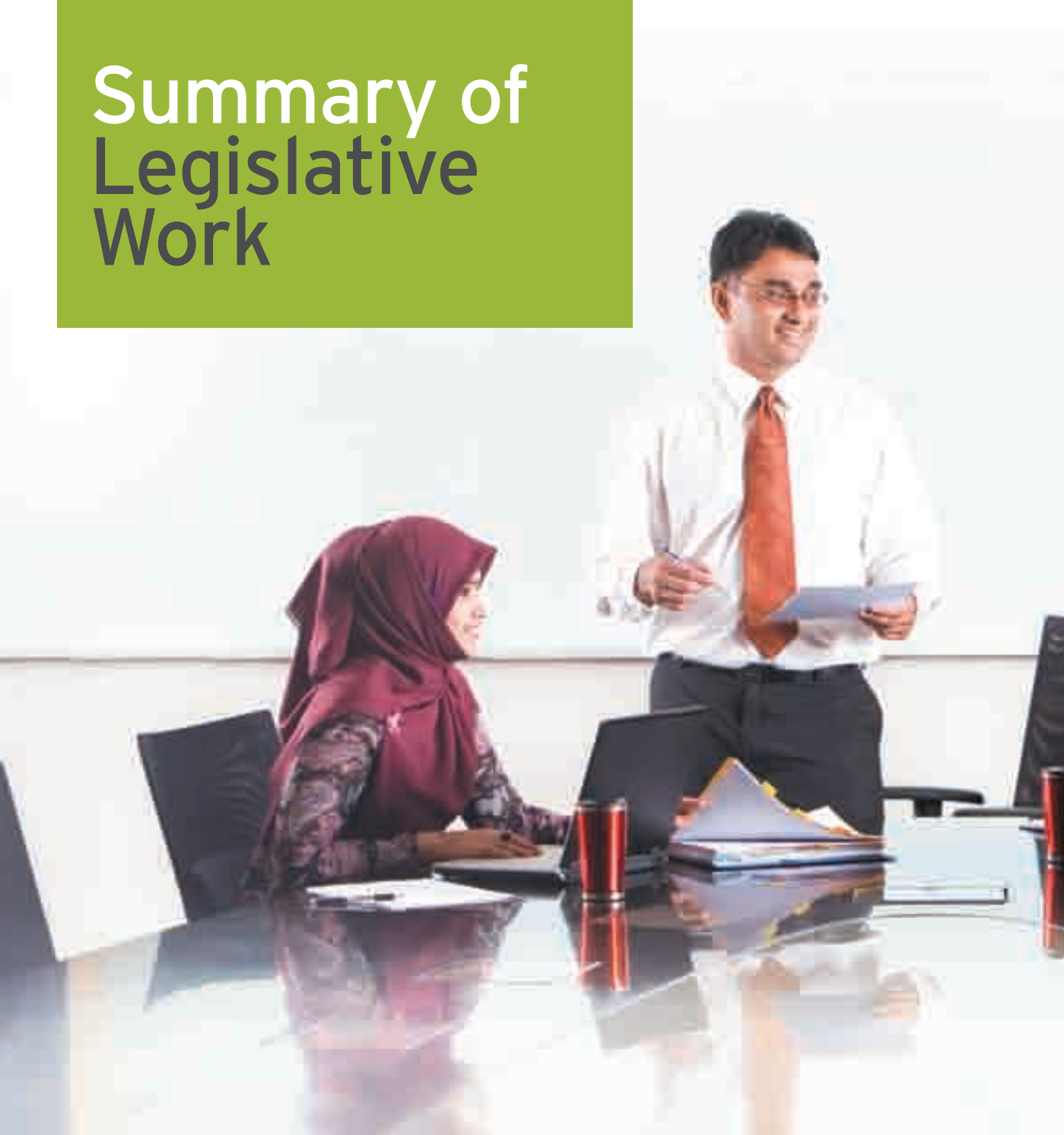
Subsidiary Legislation 2007

Act	List of Subsidiary Legislation
Accountants Act Cap.2	a) Accountants (Public Accountants) (Amendment) Rules 2007 - S 615/2007

Subsidiary Legislation 2007

Act	List of Subsidiary Legislation
Companies Act Cap. 50	a) Companies (Accounting Standards) (Amendment No. 2) Regulations 2007 - S 375/2007
	b) Companies (Filing Of Documents) (Amendment) Regulations 2007 - S 603/2007
	c) Companies (Winding Up) (Amendment) Rules 2007 - S 557/2007
	d) Companies Act (Amendment Of Eighth Schedule) Notification 2007 - S 605/2007
	e) Companies Act (Amendment Of Second Schedule) Notification 2007 - S 604/2007

Practice Directions Issued
(01 April 2007 to 31 March 2008)

Practice Direction	Date Issued
No 2 of 2007 – The Filing of Financial Statements in XBRL	30 April 2007
No 3 of 2007 – Revocation of Practice Direction No 2 of 2005 (Practice Monitoring Programme)	29 August 2007
No 4 of 2007 – Practice Monitoring Programme – "Hot Review" Order	06 September 2007
No 5 of 2007 – New Annual Return Form And Filing Of Financial Statements In XBRL WEF 1 November 2007	31 October 2007
No 6 of 2007 – Practical Experience Requirements For Registration As A Public Accountant And New Fees	21 November 2007
No 7 of 2007 – Renewal Of Certificate Of Registration For Public Accountants And Reinstatement Of Registration Of Public Accountants	29 November 2007

Legislation affecting Acts administered by ACRA

Act	Amendments to Acts administered by ACRA
Accounting Standards Act 2007	The definition of "Accounting Standards" in the Companies Act was amended to refer to the accounting standards made or formulated by the Accounting Standards Council under Part III of the Accounting Standards Act 2007. A new provision was inserted in the Companies Act [s201(20)] which exempts a charity or institution of public character from complying with the Accounting Standards under the Companies Act where the Charities Act requires compliance with specific accounting standards for charities.
Statutes (Miscellaneous Amendments) Act 2007	The record-keeping period in s199 of the Companies Act and in s25 of the Limited Liability Partnerships Act was reduced to a period of not less than 5 years from the end of the financial year in which the transactions or operations to which those records relate are completed.

Consultation Paper by Legal Services Division

Title	Description
Review of the Registration and Regulatory Regime for Foreign Companies	ACRA launched a public consultation on proposals to reform the regulatory regime of foreign companies in Singapore on 18 October 2007. The proposals related to the registration and financial reporting of foreign companies to ensure that it is progressive, attractive to foreign companies and comparable to that in other major jurisdictions and to streamline the regulatory requirements imposed on foreign companies so that, where applicable, they are comparable to those imposed on Singapore-incorporated companies. ACRA have collated the responses from the consultation in January 2008 and have forwarded them to the relevant Working Group under the Companies Act Rewriting Steering Committee for discussion.

Financial
Highlights

Financial Results

Income

Income increased by S$2.3 million or 5% to S$44.8 million in FY2007/08 from S$42.5 million in FY2006/07. This income of S$44.8 million is made up of Fines and Penalties (31%), Company Registration and related fees (36%), Information Service fees (17%), Business Registration and related fees (11%), Public Accountants Registration and related fees (2%) and interest income (3%).

There has been a reduction in collection of Fines and Penalties of about S$0.6 million or 4% from S$14.2 million in FY2006/07 to S$13.6 million in FY2007/08. This is mainly as a result of concerted effort by ACRA to drive for higher compliance rates via its public education efforts to promote voluntary compliance. Interest income declined by about S$0.1 million from S$1.5 million in FY2006/07.

The reductions are offset by increases in all other income streams, with main contribution from Company Registration and related fees. Its increase amounts to S$2.1 million or 15.2% to S$16.1 million in FY2007/08 from S$14.0 million in FY2006/07.

Expenditure

Operating expenditure increased by S$4.5 million or 23% to S$23.7 million in FY2007/08 from S$19.2 million in FY2006/07. This is made up of Services (30%), Staff Costs (37%), Rental, maintenance and supplies (13%), Depreciation and Amortization expenses (10%) and Other expenditure (10%).

Services increased by S$2.0 million or 39% to S$7.2 million from S$5.2 million in FY2006/07. The increase is mainly due to higher Computer service charges on subscription and hosting charges, helpdesk services for the newly launched XBRL filing system and consultancy services incurred to review and recommend changes to the Practice Monitoring Programme and Regulatory Strategies and Policies.

Staff cost increased by S$1.9 million or 29% to S$8.8 million from S$6.9 million in FY2006/07. This is mainly due to a full-year effect in salaries and related costs experienced in FY2007/08; about 20 staff was hired in the middle of FY2006/07. The increase in headcount is within the approved headcount of ACRA namely 110.

Operating Surplus

The operating surplus amounts to S$21.0 million, S$2.2 million or 9% lower than the S$23.2 million attained in FY2006/07. The decline is mainly attributable to the increase in Services and Staff costs.

Net surplus after contribution to Government Consolidated Funds amounts to S$17.2 million, a decline of S$1.4 million or 7% from S$18.6 in FY2006/07.

Capital Expenditure

Capital expenditure incurred in FY2007/08 is mainly on Computer hardware and system of about S$0.4 million (FY2006/07: S$0.1 million) and Development projects-in-progress of S$0.6 million (FY2006/07: S$1.3 million).

Capital commitments for development projects but not yet recorded as expenditure in the financial statements amounted to S$10.8 million (FY2006/07: S$8.2 million). These are mainly for MyBizfile portal, revamp of call centre as well as renovation of office space to cater to the needs of an expanded manpower establishment.

Income and Expenditure Summary

Year ended 31 March 2008	S$ million
Income	44.7
Services	(7.2)
Staff Costs	(8.8)
Other Costs	(7.7)
Expenditure	**(23.7)**
Surplus	21.0
Less: Contribution to Govt Consolidated Fund	(3.8)
Net Surplus	**17.2**

Financial Position

Assets

As at 31 March 2008, total assets increased by S$17.2 million or 26% to S$82.6 million, of which fixed assets, intangible assets and development projects-in-progress account for 5%. The remaining 95% consisted of cash at banks and receivables.

Cash at banks includes fixed deposits placed with banks which amounted to S$73.8 million as at 31 March 2008. This is an increase of S$18.4 million or 33% from S$55.4 million in FY2006/07, in line with the net cash inflow for the financial year.

Liabilities

ACRA's only long term liability is the pension provision of S$0.6 million. Current liabilities are 2% lower at S$8.8 million from S$9.0 million as at 31 March 2007. These consist mainly of trade and other payables due to operating activities (S$3.1 million), deposits placed with the Authority (S$1.3 million) and provision for contribution to Government Consolidated Fund (S$3.8 million).

The decrease in current liabilities is mainly due to the reduction in the contribution to Government Consolidated Fund from S$4.6 million in FY2006/07 to S$3.8 million in FY2007/08. This is in part as a result of a cut in the contribution rate from 20% in FY2006/07 to 18% in FY2007/08.

Cashflow

There is an overall net cash inflow of S$19.1 million during the financial year: S$18.2 million from operating activities and another S$0.9 million from investing activities.

Balance Sheet Summary

As at 31 March 2008	S$ million
Fixed and Intangible Assets	2.4
Development Projects-In-Progress	1.9
Current Assets	78.3
Total Assets	**82.6**
Less:	
Current Liabilities	(8.8)
Non-current Liabilities	(0.6)
Net Assets	**73.2**
Share Capital	8.6
Accumulated Surplus	64.6
	73.2

Future
Plans

In retrospect, fiscal year 2007/08 has not only been one of strengthened capabilities and achieved performance, but also a year of broadened responsibilities for ACRA, as a developer and facilitator for business and public accountants. Having set the tone, ACRA is poised to maintain its momentum in this redefined direction.

ACRA will venture forward with its ongoing initiatives to promote entrepreneurship. ACRA will endeavour towards the completion of MyBizFile project in phases, and continue to actively promote the move towards XBRL financial reporting. Concurrently, ACRA will conduct studies to update and uncover new understandings of the business arena, so that it can develop new ways to improve its services. Towards growing the public accountancy profession, ACRA's expanded capacity as a nurturer will bring about new explorations to define and refine the profession while engaging professional bodies in this collaborative effort. We will continue to shape the public accountancy profession through systemic reviews of existing benchmarks, processes and the auditor liability regime. We will also work towards raising the standards of the profession through regulation. As ACRA helps to steer business and accountancy to higher potentials, it will continue to be diligent in regulating the broad business community. ACRA will conduct further reviews of corporate and accounting legislations while exploring more ways to refine its enforcement procedures.

ACRA will continue growing in its position as a stalwart regulator locally and internationally, creating possibilities to secure Singapore's status as one of the best places to start and do business.

ACRA's Partners

Acknowledgements

ACRA would like to thank the following organisations for their invaluable assistance:

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Enquiry Website
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