



10 years of Serving the Business Community

ANNUAL REPORT 2013/2014

ACRA
ACCOUNTING AND CORPORATE
REGULATORY AUTHORITY

For 10 years now, ACRA has been carefully balancing its work as a regulator and a facilitator of businesses and companies in Singapore. While we have a robust regulatory regime to protect public interests, we also want to make it easier for entrepreneurs to realise their dreams.

Featured on our cover are some of our customers – business owners for whom a trusted and responsive regulatory environment is crucial. Also featured are our staff who play an integral role in safeguarding Singapore’s reputation as a trusted marketplace that is also one of the easiest in the world to do business in.



ON THE COVER:

1. Jebson Tan, Co-owner of Forplay LLP;
2. Jaz Tan, Owner of Fresh Fruits Lab LLP;
3. Bernadine M Reddy, Co-founder of Happy Bold Italic LLP; **4. Michelle Kuah**, Group Finance Controller of Rotating Offshore Systems Pte Ltd; **5. Ms K Latha**, Head, Business Registry and Facilitation Department; **6. Mohamed Shameel B. Md. Rosli**, Founder & Chief Executive Officer, **Muhammad Ariff B. Sanip**, Co-Founder & Chief Content Officer and **Benjamin Chee**, Chief Marketing Officer of Tuuduu Pte Ltd

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VISION

Singapore: The trusted and best place for business

OUR MISSION

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

OUR CORPORATE VALUES

We believe in upholding the following corporate values in our daily work. We are guided by ACRA's corporate values, known as '1-ACRA':

Integrity

We are honest, upright and impartial in everything we do as individuals and as an organisation

Alert & Agile

We are vigilant and responsive to the needs of our stakeholders

Collaborative

We work with our stakeholders to achieve common goals

Respect

We value and respect our stakeholders

Add Value

We make a positive difference for our stakeholders



THE YEAR AT A GLANCE

1 Apr 2014 saw ACRA reach 10 years of serving the business community.

BUILDING TRUST

Directors

New Directors Corporate Compliance programme announced.

Financial Reporting Training for Directors introduced.

MOU with ISCA¹ expands ACRA's financial reporting surveillance scope.

Corporate Service Providers

ACRA Act amended to enhance regulatory oversight of corporate service providers.

Public Accountants

Comprehensive review of Practice Monitoring Programme completed.

Public Accountants Conference 2013 held for over 800 participants.

ACRA is elected to the Advisory Council of IFIAR² (2013 - 2017).



FACILITATING BUSINESS

Total revamp of BizFile, ACRA's one stop online business portal gets underway.

New business financial information portal – BizFin^x launched.

MOU with People's Association's NACLI³ on public outreach initiatives.

New ACRA website and new division formed for easier and seamless customer experience.

Singapore ranked easiest place to do business by World Bank for eighth year running.

Re-organisation of ACRA consolidates enforcement capabilities.

Announcement of new virtual Institute of Corporate Law.

EMBRACING CHANGE

ACRA Board reviews and maps out ACRA's strategic direction.

ACRA Change Challenge for ACRA officers introduced.

Public Sector Transformation drive in ACRA launched.

¹ Institute of Singapore Chartered Accountants (ISCA)

² International Forum of Independent Audit Regulators (IFIAR)

³ National Community Leadership Institute (NACLI)

CHAIRMAN'S MESSAGE

STRIKING A FINE BALANCE

Next year, Singapore will celebrate 50 years of independence. One of the critical drivers for Singapore's economic success since independence has been our ability to convince investors that Singapore is an efficient and trusted place for business. There is high regard for the rule of law and there is also acute awareness of the need for a conducive environment for businesses to thrive. Regulatory bodies like ACRA have been and will continue to strike a fine balance between running a robust regulatory regime that protects the public interest, while facilitating growth and development of the market.

A REGULATOR RESPONSIVE TO BUSINESS NEEDS

To continue to get that balance right, ACRA must remain responsive to changing business needs while staying alert to new challenges and risks. Undergirding our corporate regulatory framework are three key legislation that ACRA administers. The ACRA Act, which was amended earlier this year, enhances ACRA's regulatory oversight of corporate service providers and further strengthens Singapore's anti-money laundering and counter financing of terrorism regimes. The government's review of the Companies Act and the Business Registration Act have concluded with the tabling of amendments to these Bills in Parliament. This review has taken us some time

because of the complex nature of the subject matters. The changes to these legislation are aimed at reducing the regulatory burden on companies and businesses, providing for greater business flexibility and enhancing corporate governance.

STRENGTHENING THE FINANCIAL REPORTING ECOSYSTEM

The lifeblood of the market is timely and credible financial information. ACRA's focus in 2014 has been to raise the quality and reliability of corporate financial reporting, by ensuring that directors and auditors do their part in preparing, reviewing and filing financial statements.

ACRA is tightening regulatory inspection upstream by ensuring that company directors discharge their duty to provide true and fair financial statements that accord with accounting standards.

While auditors detect material uncertainties in the financial statements, including non-compliance with accounting standards, ACRA's surveillance will look for proper accounting treatment in judgemental



“...ACRA must remain responsive to changing business needs while staying alert to new challenges and risks.”

areas, appropriate presentation and sufficiency in disclosures so as to enhance the overall quality of the financial statements. To achieve this goal, we have expanded our surveillance of financial statements of listed companies with modified audit reports to include those of listed companies with clean audit reports, as well as those of non-listed companies that are of public interest. These measures will ensure that preparers and auditors competently play their part in safeguarding the integrity and reliability of financial statements, thereby enhancing the quality of management accounts.

To better use our resources, we have taken a risk-based approach in the Practice Monitoring Programme that audits the professional standards and practices of public accountants, by inspecting key risk areas only.

Our efforts have not stopped there. We are complementing our enforcement actions with regular outreach efforts. We want to enhance business awareness of regulatory requirements and what they need to do to comply with them. To ensure that companies file their annual returns and financial information on time, ACRA will roll out the Directors' Compliance Programme

this year. This requires first-time offenders who are ignorant of their statutory requirements to attend a training programme in lieu of prosecution.

TAPPING TECHNOLOGY TO STAY AHEAD

To better facilitate business owners, we have to ensure that starting and running a business in Singapore is kept as easy and simple as possible. In this regard, ACRA continues to leverage technology to simplify or automate processes and further reduce the administrative burden for companies.

Significantly, the revamp of ACRA's one-stop business services portal, BizFile, is nearing completion. Users can look forward to a revamped interface and being able to complete a number of business transactions, anytime, anywhere on their mobile devices.

In this era of Big Data, companies are increasingly mining data to stay ahead of competition. Earlier this year, ACRA introduced the filing of a full set of financial information in XBRL (eXtensible Business Reporting Language) format for companies. This will provide a significant repository of financial data based on a common taxonomy. With the effective use of business analytics,

businesses can expect to benefit significantly from this repository in making business decisions.

IN APPRECIATION

ACRA's work has always been guided by our board members. I would like to take this opportunity to thank out-going board members Mr Lawrence Kwan, Mr Lee Kim Shin, Mr Philip Ong and Mr Ong Yew Huat. Their contributions to ACRA have been invaluable. I would also like to warmly welcome ACRA's new board members, namely Mr Adrian Chan, Ms Cindy Goh, Mr Max Loh, Ms Chandra Mallika and Ms Melissa Khoo. I am confident that their collective experience will benefit ACRA immensely.

Finally, let me express my gratitude to ACRA's key stakeholders and partners in the business and accounting communities for their continued support. It is the close and collaborative relationship with our partners that ultimately enables us to provide a safer, easier, and more efficient environment to do business in Singapore.



MS LIM SOO HOON
Chairman



CHIEF EXECUTIVE'S MESSAGE



Turning 10 is a significant milestone for any organisation. In the past year, ACRA's management and staff have reviewed and reflected on the work of the organisation as well as our operating environment.

The decade ahead will undoubtedly bring new challenges. We need to adapt, adjust and continually transform, to stay ahead of the curve as we discharge our duties as regulator of business entities and public accountants.

ADAPTING TO NEW CHALLENGES

The business environment of the future is fluid and grows ever more complex. Our policies and regulatory efforts must likewise adapt to keep pace with changing business realities and the best practices of other global financial centres.

To this end, a strategic review was conducted by the ACRA Board to assess our strategic direction. Over the course of the year, new policies and operational approaches were formulated to overhaul existing practices. For example, our approach towards engendering compliance for basic corporate duties (such as the filing of annual returns) has shifted from a one-size-fits-all to a more variegated approach of education for first-time offenders and robust enforcement for persistent offenders.

We also constantly review our legislative framework to ensure that

regulatory burdens are minimised as far as possible. From the end of this year, business owners who operate in their own name will no longer need to register with ACRA. In a similar vein, many more private companies will benefit from audit exemption under the revised Companies Act, as part of an effort to minimise compliance cost for businesses.

ADAPTING AS AN ORGANISATION

ACRA's staff must be willing to accept change as a constant. In January, we launched the ACRA Change Challenge to seed a culture of transformative change at the individual level. Our officers were encouraged to set and fulfil "stretch" targets in their daily lives, to walk the talk in their personal change journey and to embrace change as part of ACRA's DNA.

Key changes were also introduced to ACRA's organisational structure to better integrate business functions and enable us to focus more on strategic priorities.

To consolidate ACRA's enforcement capabilities, a new Legal Services and Prosecution Division was formed to combine the strengths of our legal advisers, investigators and prosecutors. A new Corporate Service Providers Enforcement and Regulation Department was also created to oversee the enhanced regulatory framework for Corporate Service Providers.

To ensure that law reform remains nimble and relevant, we are in the process of setting up a virtual Institute of Corporate Law to host discussions on law reform among practitioners, academics and our legal officers. The Institute will also drive ACRA's efforts to educate and reach out to new and existing company directors on their roles and responsibilities.

To provide greater emphasis on service excellence, we formed a new Customer Experience & Engagement Division. It will improve ACRA's service standards and ensure that customer centricity remains at the heart of our operations. One of the top priorities of this division will be to ensure that our correspondence and customer touch-points present information to business users in as simple and straightforward a manner as possible.



“Our policies and regulatory efforts must likewise adapt to keep pace with changing business realities ...”

AN ECOSYSTEM OF PARTNERSHIPS

We remain acutely aware that any transformative plans for the accountancy and corporate regulatory regime will only be effective with the support of the public and our stakeholders.

In the months and years ahead, we will intensify our partner and public engagement to strengthen the financial reporting ecosystem and further raise the quality of financial reporting and auditing in Singapore.

Industry support will be crucial on the corporate compliance front. We are partnering key stakeholders, such as the Singapore

Institute of Directors
and the Institute of
Singapore Chartered
Accountants, in
our educational
as well as
enforcement

efforts in relation to company directors and auditors. To raise corporate compliance competency and awareness levels, we are collaborating with key professional and industry bodies to reach out to company directors and help them understand the regulatory requirements and the business value of compliance.

THE ROAD AHEAD

The journey of change is challenging and complex. I would like to take this opportunity to express my appreciation to the management and staff for their unstinting dedication to excellence within ACRA, and for boldly taking up our transformative challenge.

The challenge going forward is to build on our foundations and continue to deliver the right balance between robust regulation and business facilitation, to ensure that Singapore remains an attractive and trusted place to do business for years to come.



MR KENNETH YAP
Chief Executive



ABOUT ACRA

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

As a regulator and facilitator, ACRA constantly strives to create a vibrant, trusted and secure environment for businesses, and to make Singapore truly the best place for doing business.

ACRA'S FUNCTIONS

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

- To administer the Accounting and Corporate Regulatory Authority Act (Cap 2A), the Accountants Act (Cap 2), the Business Registration Act (Cap 32), the Companies Act (Cap 50), the Limited Liability Partnerships Act (Cap 163A) and the Limited Partnerships Act 2008 (Act 37 of 2008);
- To report and make recommendations to, and advise the Government on matters relating to the registration and regulation of business entities and public accountants;
- To establish and administer a repository of documents and information relating to business entities and public accountants and to provide access to the public to such documents and information;
- To represent the Government internationally in matters relating to the registration and regulation of business entities and public accountants;
- To promote public awareness about new business structures, compliance requirements, corporate governance practice and any matter under the purview of the Authority; and
- To promote, facilitate and assist in the development of the accountancy sector, including studying, reporting, making recommendations to and advising the Government on all matters relating to the development and promotion of the accountancy sector.

BOARD

Chairman

Ms Lim Soo Hoon

Chief Executive

Mr Kenneth Yap

Mr Sajjad Akhtar
Mr Adrian Chan
Ms Chua Geok Wah
Ms Cindy Goh

Mr Ho Meng Kit
Professor Ho Yew Kee
Ms Melissa Khoo
Mr Lee Chuan Teck
Mr Max Loh
Ms Chandra Mallika
Mr Alan Rupert Nisbet
Professor Tan Cheng Han
Mr Yap Chee Keong
Mr Yeoh Oon Jin

COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman

Mr Yap Chee Keong

Mr Adrian Chan
Ms Cindy Goh
Professor Ho Yew Kee
Ms Melissa Khoo
Mr Lee Chuan Teck

HUMAN RESOURCE AND FINANCE COMMITTEE

Chairman

Ms Lim Soo Hoon

Mr Ho Meng Kit
Ms Chandra Mallika
Mr Alan Rupert Nisbet
Mr Kenneth Yap

PUBLIC ACCOUNTANTS OVERSIGHT COMMITTEE

Chairman

Professor Tan Cheng Han

Vice Chairman

Ms Chua Geok Wah

Mr Sajjad Akhtar
Mr Max Loh
Mr Alan Rupert Nisbet
Mr Yap Chee Keong
Mr Yeoh Oon Jin

BOARD MEMBERS



MS LIM SOO HOON
Chairman



MR KENNETH YAP
Chief Executive



MR SAJJAD AKHTAR



MR ADRIAN CHAN



MS CHUA GEOK WAH



MS CINDY GOH



MR HO MENG KIT



PROFESSOR HO YEW KEE



MS MELISSA KHOO



MR LEE CHUAN TECK



MR MAX LOH



MS CHANDRA MALLIKA



MR ALAN RUPERT NISBET



PROFESSOR TAN CHENG HAN



MR YAP CHEE KEONG



MR YEOH OON JIN

MANAGEMENT



MR KENNETH YAP
Chief Executive



MS JULIA TAY
Deputy Chief Executive



MS TOH WEE SAN
Assistant Chief Executive, Business
Facilitation and Law Reform



MS BERNICE QUEK
Senior Director, Business Information
and Technology Division



MR ANDY SIM
Senior Director, Legal Services and
Prosecution Division



MS TAY BEE SIN
Director, Corporate Services Division



MR LEONARD GOH
Director, Civil Advisory Department



MS BONG YAP KIM
Director, Financial Reporting
Surveillance Department



MS ELENA YEO
Director, Law Reform Department /
Institute of Corporate Law



MS K LATHA
Head, Business Registry and
Facilitation Department



MS TAN TZE EE
Head, Client Engagement
Department



MS ANG SIOK HUI
Head, Corporate Communications
Department



MR CHEOK YU-LIANG
Head, Corporate Service Provider
Enforcement and Regulation
Department



MR WILLIAM LEE
Head, Enforcement Department



MR YONG SENG MENG
Head, eServices Department



MR DAVE LAU
Head, Finance Department



MS SIA SU CHUN
Head, Financial Information
Department



MS TAN WEI LING
Head, Financial Reporting
Surveillance Department



MR DANNY HAN
Head, Governance Surveillance
Department



MRS LOY WEI SUN
Head, Information Resource
Department



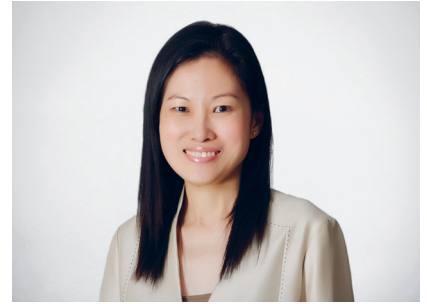
MR ELAN ARUNASALAM
Head, Information Technology
Strategy Department



MS TAN SIOK KHENG
Head, Management Services
Department



MS QUEK SIEW ENG
Head, Practice Monitoring
Department



MS SHERRY QUARK
Head, Professional Oversight
Department



MR DAVID TURNER
Head, Strategy and External
Relations Department



MR TOH SWEET CHIEN
Head, Strategy Policy and Corporate
Planning Department



MS ARUL SELVAMALAR
Senior Deputy Director
(Prosecutions), Legal Services and
Prosecution Division



DIVISIONS AND DEPARTMENTS

BUSINESS INFORMATION AND TECHNOLOGY DIVISION

The Business Information and Technology Division (BITD) sets strategic directions for the four departments under its purview, namely the Information Resource Department, Information Technology Strategy Department, Financial Information Department and the eServices Department. It aligns departments' initiatives and facilitates synergy across other departments within ACRA on matters related to IT systems and quality of information to meet the strategic outcome set by the organisation.

Information Resource Department

The Information Resource Department (IRD) protects the integrity and undertakes the preservation of the data on registered businesses and public accountants in Singapore. The department facilitates business development by constantly reviewing information needs and providing value-added services. IRD seeks to meet the information needs of the business community of which information service providers and government agencies form an integral part. The department also carries out mining and analysis of ACRA's transactional data and customers' feedback, which

enables ACRA to fine-tune its policies and framework to provide a business-friendly environment.

Information Technology Strategy Department

The Information Technology Strategy Department (ITSD) strategises and actualises value-creating ICT solutions aligned with ACRA's corporate and operational objectives. ITSD's key responsibilities include ICT Governance, Application Systems and Technical Services Management and Maintenance. It capitalises on IT as a strategic tool for continuous improvement and agency's overall business transformation.

Financial Information Department

The Financial Information Department (FID) manages the eXtensible Business Reporting Language (XBRL) Financial Reporting. FID is responsible for the submission of XBRL financial statements by companies to the Registrar, which includes establishing the taxonomy vis-a-vis the accounting standards and filing requirements under the Companies Act. FID is in charge of the filing process, mechanism of XBRL financial statements, and providing assistance to preparers and lodgers.

eServices Department

eServices Department (eServices) ensures proper project governance and consistency in end-to-end system testing for ACRA. eServices acts as the bridge between the IT project managers and various departments in ACRA to ensure that new requirements do not come into conflict with existing information, and performs quality checks on IT systems before user acceptance. eServices also scans new developments in the IT market that may be useful as a service delivery channel for ACRA. From 2012 to 2014, its focus was on the development and deployment of the enhanced BizFile system.

CUSTOMER EXPERIENCE AND ENGAGEMENT DIVISION

The Customer Experience & Engagement Division (CEED) drives ACRA's service excellence efforts and sets the strategic direction for the Business Registry and Facilitation Department (BRFD) and the Client Engagement Department (CED) in upholding ACRA's service excellence standards, enhancing ACRA's service delivery to the public and ensuring customer centricity in the implementation of our policies.

Business Registry and Facilitation Department

The Business Registry and Facilitation Department (BRFD) oversees the registration of business entities i.e. sole proprietorships and partnerships, local companies, foreign branches, limited partnerships and limited liability partnerships in Singapore. BRFD also manages the registration of documents, notices, and returns filed by business entities through its electronic filing system, BizFile. The department participates regularly in outreach events organised by ACRA and other agencies. These events serve as a platform for public education for the business community and aspiring entrepreneurs. BRFD also develops new initiatives to make it easier to start and do business in Singapore.

Client Engagement Department

The Client Engagement Department (CED) delivers value to the business community by providing customers with a one-stop seamless platform to interact with ACRA. In response to changing customer needs and expectations, CED continuously reviews and introduces new service initiatives to enhance service delivery and the customer experience. The ISO 9001:2008 Quality Management System (QMS) is centrally managed

under CED. The department plans and implements the ISO 9001:2008 standards, promotes quality awareness, reviews existing processes, and conducts internal and external audits to ensure compliance with the QMS requirements.

CORPORATE SERVICES DIVISION

The Corporate Services Division (CSD) oversees the Human Resource Department, Management Services Department and matters on organisational excellence. It sets the strategic direction and alignment of divisions' objectives with ACRA's goals, and creates partnerships with line departments to enable internal operational efficiency and attainment of common goals. It also facilitates organisational change and supports ACRA in creating a culture of excellence.

Human Resource Department

The Human Resource Department (HRD) works towards building ACRA's reputation as the trusted and best choice for talents. Its mission is to provide an environment that fosters trust and respect, where people are empowered to create value and grow their careers. HRD comprises two units – Talent Attraction & Development

(TAD) and Talent Management (TM). The core functions of TAD include manpower planning, recruitment and selection, and training and development. The focus of TM is to facilitate talent retention through performance management, compensation and benefits management and staff communications.

Management Services Department

The Management Services Department (MSD) provides architecture support to the organisation, manages ACRA's records, tangible assets and facilities, thereby creating favourable situations for ACRA to execute its activities and attain strategic outcomes. MSD comprises three units: the Procurement Unit, Records & Registry Unit, and the Facilities & Assets Unit.

LEGAL SERVICES AND PROSECUTION DIVISION

The Legal Services & Prosecution Division (LSPD) provides legal support to the ACRA Board and ACRA divisions and departments and undertakes enforcement actions through its four departments, namely the Civil Advisory Department (CAD), the Enforcement Department (ED), the Governance Surveillance



DIVISIONS AND DEPARTMENTS

Department (GSD) and the Corporate Service Provider Enforcement & Regulation Department (CERD).

Civil Advisory Department

The Civil Advisory Department (CAD) advises the ACRA Board, Public Accountants Oversight Committee and other ACRA divisions/departments on all legal matters (apart from enforcement, prosecution and law reform). These include the interpretation and application of legislation under ACRA's purview, civil actions that may impact ACRA, drafting and reviewing contracts and tenders, and performing statutory functions as Assistant Registrar of Companies, Businesses, Public Accountants, Limited Liability Partnerships and Limited Partnerships.

Corporate Service Provider Enforcement & Regulation Department

The Corporate Service Provider Enforcement & Regulation Department (CERD) is responsible for developing the enhanced regulatory framework for corporate service providers (CSPs), conducting outreach programmes on and administering the enhanced regime. When the new laws that set out the enhanced regulatory framework come into effect, CERD's regulatory role will include facilitating

the transition of CSPs to the enhanced regime, processing of applications for registration by new CSPs and renewal of registrations, monitoring CSPs' compliance with the ACRA Act and supporting Regulations, as well as investigating into breaches.

Enforcement Department

The Enforcement Department (ED) oversees the timely disclosure of corporate and financial information of businesses and promotes voluntary corporate compliance through public education initiatives and programmes. Where warranted, the department initiates strong and vigorous enforcement actions against non-compliance of ACRA administered laws and regularly reviews its enforcement strategies and guidelines to enhance compliance levels.

Governance Surveillance Department

The Governance Surveillance Department (GSD) oversees compliance and governance matters of registered business entities and investigates into alleged breaches of the various laws under ACRA's purview.

PUBLIC ACCOUNTANCY SECTOR DIVISION

The Public Accountancy Sector Division (PASD) regulates and

facilitates the development of Singapore's public accountancy sector. It is made up of the Practice Monitoring Department (PMD), the Professional Oversight Department (POD), and the Strategy and External Relations Department (SERD). It supports ACRA's role as the national regulator of public accountants and promotes high professional standards in the public accountancy sector. Its key responsibilities include registration of public accountants and public accounting entities; performing practice reviews of audits carried out by public accountants; upholding professional conduct of public accountants; developing strategy, regulations and policy to support ACRA's oversight of the public accountancy profession, as well as external engagement with other audit regulators.

Practice Monitoring Department

The Practice Monitoring Department (PMD) supports ACRA in its strategic objective of promoting high quality audit and corporate financial reporting through the administration of the Practice Monitoring Programme under Part V of the Accountants Act, Cap. 2, which includes performing practice reviews of audits carried out by public

accountants in Singapore. In addition to being active in engagement with various stakeholders, PMD supports ACRA's regulator efforts in monitoring events and trends in the local and international marketplace and carries out other regulatory activities on the work and independence of public accountants when required.

Professional Oversight Department

The Professional Oversight Department (POD) oversees the registration of public accountants and accounting entities as well as key aspects of regulation, enforcement and development of the profession. Its functions include conducting compliance checks on public accountants to ensure adherence to regulatory requirements, reviewing complaints made against public accountants and accounting entities, developing practice bulletins for the guidance of public accountants and to supplement prescribed professional standards.

Strategy and External Relations Department

The Strategy and External Relations Department (SERD) helps ACRA to cooperate with stakeholders who share ACRA's goal of raising audit quality and maintaining a trusted business

environment. To promote the importance of high quality audit and to call people to action, SERD conducts dialogues, publishes articles and speeches and partners with other stakeholders to conduct initiatives such as joint research projects. The department also helps ACRA cooperate with audit regulators in other jurisdictions. SERD also supports the Public Accountants Oversight Committee, which administers the Accountants Act.

AUDIT DEPARTMENT

The Audit Department (AD) reports to the Audit and Risk Management Committee (ARMC) comprising members of the ACRA Board, and assists the Board in its oversight function via performing independent and objective audit reviews of the overall internal control framework of ACRA. The key roles of the department include providing assurance and advisory services to ascertain that risks have been properly identified and managed through internal audit services. The department reviews the processes and proposes relevant recommendations targeted to improve ACRA's internal control mechanisms, with the aim of adding value

to the organisation's operations. This aids ACRA in realising its full competencies.

CORPORATE COMMUNICATIONS DEPARTMENT

The Corporate Communications Department (CCD) develops and executes communications strategies and plans to promote ACRA's corporate profile and promulgate ACRA's key messages. The department oversees ACRA's international engagement strategy to establish ACRA as a reputable member of the international corporate regulatory scene and advances Singapore's interests abroad. CCD also coordinates ACRA's stakeholder engagement and public outreach efforts through various platforms to foster better understanding of the corporate regulatory framework and requirements and engender support for ACRA's role as a business regulator and facilitator.

FINANCE DEPARTMENT

The Finance Department (FD) takes charge of all aspects of ACRA's budgetary decisions, accounting processes and financial reporting. Exercising financial prudence, FD



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ensures optimal allocation of monetary resources to meet ACRA's operational needs and organisational objectives.

FINANCIAL REPORTING SURVEILLANCE DEPARTMENT

The Financial Reporting Surveillance Department (FRSD) seeks to uphold the integrity and quality of financial reporting in Singapore via its administration of the Companies Act's applications and its Financial Reporting Surveillance Programme. Through this programme, the FRSD proactively reviews selected financial statements to determine if they comply with the prescribed accounting standards and takes firm enforcement action on company directors when a financial reporting breach is established.

LAW REFORM DEPARTMENT / INSTITUTE OF CORPORATE LAW

The Law Reform Department drives ACRA's systematic approach to law reform, and is responsible for formulating and reviewing legal policies and legislation under ACRA's purview. The Institute of

Corporate Law develops corporate law literature, fosters scholarly and professional discussions on corporate law issues and manages our education and outreach efforts on corporate law.

STRATEGY POLICY AND CORPORATE PLANNING DEPARTMENT

The Strategy, Policy and Corporate Planning Department (SPCPD) drives strategic planning and corporate performance in ACRA. It is responsible for facilitating ACRA's corporate planning activities, reviewing and monitoring organisational performance as well as ACRA's strategic priorities. SPCPD provides the secretariat support to the ACRA Board and works with departments and divisions in the formulation and implementation of policies. Through surveys and research projects, SPCPD seeks to improve ACRA's understanding of our operating environment so that our strategies and policies are more targeted and effective. It also drives and coordinates ACRA's enterprise risk management and business continuity planning efforts.



BUILDING TRUST

“ The fact that we’re in Singapore – which is internationally renowned as one of the easiest places to do business in the world – gives clients an added level of confidence ...”

– Michelle Kuah, Group Financial Controller of Rotating Offshore Systems Pte Ltd.

Building and keeping trust in the marketplace is mission-critical to ACRA, for it is what keeps the economic wheels turning smoothly in Singapore.

MAINTAINING INTEGRITY OF FINANCIAL REPORTING

The integrity of financial information is core to Singapore's reputation as a leading trusted business and financial hub. ACRA has continued to strengthen the financial reporting eco-system in this regard, working closely with all parties along the financial reporting value chain, including company directors, corporate service providers, auditors and accountants, to lift standards.

Holding Companies to Financial Reporting Standards

The financial reporting value chain starts from the companies that prepare the financial statements. ACRA's Financial Reporting Surveillance Programme (FRSP) reviews financial statements with the aim to guide companies in meeting the applicable requirements in Singapore Financial Reporting Standards and to enhance the overall disclosure in the financial statements.

Expanding ACRA's Surveillance of Financial Statements

Since its establishment in 2011, the FRSP has focussed on financial statements with modified audit reports in

which auditors had flagged uncertainties such as going concern and non-compliances with financial reporting standards. Recognising that even clean audit reports could be further improved in terms of better presentation and disclosures, the scope of FRSP was broadened to include financial statements of listed companies with clean audit reports from April 2014 onwards.

The surveillance has also been extended to financial statements of non-listed companies that are of public interest. This is necessary as accounting failures in such companies may have significant impact on stakeholders such as creditors, lenders, customers and employees.

To support the expanded surveillance programme, ACRA signed a Memorandum of Understanding with the Institute of Singapore Chartered Accountants (ISCA) on 16 January 2014. Both parties will combine resources and expertise to increase the breadth and depth of the financial reporting surveillance regime in Singapore. In this public-private collaboration, ISCA will review financial statements and share

the findings with ACRA for enquiries with company directors.

Financial Reporting Training for Directors

Company directors are responsible for their companies' financial statements, but not all have sufficient, relevant and recent financial reporting skills and knowledge. To raise their financial reporting competencies, the Singapore Institute of Directors (SID), in collaboration with ISCA, is developing the Director Financial Reporting Essentials Course.

Apart from imparting basic accounting knowledge and practical tips on how to review a set of financial statements, the course also advises directors on how they can work with their auditors on complex accounting matters and to resolve significant audit findings. ACRA, a supporting partner of the course, has set aside subsidies for 3,000 directors to be utilised by March 2016, on a first come, first served basis.

Raising Audit Standards

High quality auditing is a key focus for ACRA. We will continue to keep up the pressure and level the playing field by maintaining audit standards through our practice monitoring and disciplinary processes.



ACRA with its global counterparts at the 2014 Corporate Registers Forum held in Rio de Janeiro from 17-21 March 2014.

In 2014, ACRA's audit inspection programme – known as the Practice Monitoring Programme (PMP) – was enhanced. The emphasis is now on risk-focused inspections. Inspectors will zero in on higher risk audit engagements that are more likely to have audit quality issues. ACRA will target remediation at the root causes that led to the audit deficiencies. A post-inspection root cause analysis will also be incorporated into the PMP methodology. The enhanced

PMP will further raise audit quality, and reinforce Singapore's leading position in this area.

Ensuring Financial Information Stays Relevant

Every year, ACRA issues about 10,000 summonses to companies for failing to comply with requirements in the Companies Act such as not holding annual general meetings (AGMs), tabling up-to-date accounting records at the AGMs or filing annual returns.

Moving away from a one-size-fits-all approach, ACRA has since adopted a variegated enforcement approach ...

Instead of prosecuting first-time offenders ... ACRA is offering them training and a chance to make good on their oversight, in lieu of prosecution.



ACRA hosted the ASEAN Audit Regulators Group meeting in Singapore in May 2013, where we discussed talent retention and development, and how to promote high-quality financial reporting.

In 2013, ACRA reviewed its enforcement strategies. Moving away from a one-size-fits-all approach, it has since adopted a variegated enforcement approach (Educate, Enforce, Eradicate), which emphasises education and voluntary compliance, before resorting to stiffer fines and firmer prosecution.

Educate

ACRA believes that its regulatory regimes would be most effective when easily understood. This starts with getting the message out on the importance of corporate compliance to companies through a range of platforms including articles in publications such as *The Business Time's The SME Magazine* and placing compliance reminder

advertisements in the media during peak filing periods.

Directors' Compliance Programme

Building on the success of a pilot training programme for company directors, which started in 2012, ACRA will launch its Directors' Compliance Programme in late 2014. ACRA has found that many directors of small companies are unsure of their statutory duties and responsibilities. Instead of prosecuting first-time offenders who fail to comply with regulatory requirements, ACRA is offering them training and a chance to make good on their oversight, in lieu of prosecution. The programme aims to train 10,000 first-time offending directors every year. The half-day training will cover

topics which are relevant to these company directors such as their fiduciary and statutory duties, penalties for non-compliance, including reporting, filing and other administrative requirements under the Companies Act.

Enforce

For company directors who repeatedly fail to comply with regulatory requirements, ACRA will step up the enforcement regime. It has successfully petitioned the courts to issue higher deterrent fines for persistent offenders, especially for large companies where fulfilling basic statutory requirements are in the public's interest. In some cases, the fines were doubled.

Looking ahead, ACRA is studying the possibility of raising the amount of composition offered by ACRA in lieu of prosecution across the board.

Eradicate

ACRA will adopt a more robust striking off policy. It intends to strike off dormant companies that fail to file financial statements and to debar for directors who commit multiple breaches.

Holding Corporate Service Providers Accountable

Corporate Service Providers (CSPs) assist clients in a range

of services including incorporating companies with ACRA and ensuring that statutory filing relating to, for example, annual returns and allotment of shares, is properly undertaken. To minimise the risk that the companies they help to incorporate may be abused by criminals to set up corporate vehicles to further illicit activities such as money laundering and terrorist financing, the new law setting up the regulatory regime for CSPs was enhanced in April 2014. CSPs will be required to register with ACRA as filing agents and qualified individuals, conduct customer due diligence and report suspicious transactions.

To oversee the new CSP regime, ACRA set up the Corporate Service Provider Enforcement & Regulation Department in November 2013. Between June and August 2014, the department conducted 13 outreach sessions to educate and assist CSPs to get ready for the regulatory changes. It also worked with professional stakeholders to draft guidelines and templates, to help CSPs comply with the new requirements.

FORGING PARTNERSHIPS THAT UPHOLD MARKET CONFIDENCE

ACRA works hand-in-hand with many stakeholders and organisations to collectively

uphold the integrity and reliability of financial information in the marketplace, and also ensures that our robust regulatory framework remains responsive to business needs.

Annual Public Accountants Conference: Raising Financial Reporting Quality

In August 2013, ACRA held its annual flagship event, the Public Accountants Conference, bringing together more than 800 delegates to discuss the key challenges in delivering high quality financial reporting to investors and the business community. They also discussed how companies could improve the quality of financial reporting, given that low quality financial reporting hinders high quality external audits.

At the event, ACRA and the Association of Chartered Certified Accountants (ACCA) unveiled the results of a first-time survey of those preparing financial statements. It found that companies were not taking ownership of financial reporting and greater emphasis was needed on developing the resources needed for effective financial reporting.

ACRA also released its seventh PMP public report, highlighting

ACRA ... released its seventh PMP public report, highlighting progress made by audit firms in the public interest entity segment in establishing strong quality control.



ACRA hosted corporate visitors from around the world and exchanged ideas and best practices on business registration and facilitation.

progress made by audit firms in the public interest entity segment in establishing strong quality control.

SUPPORTING GLOBAL EFFORTS TO RAISE AUDIT QUALITY AND ENHANCING CORPORATE TRANSPARENCY

ACRA is actively involved in global efforts to raise audit quality, and reform business registration systems and processes in order to improve business transparency and promote the ease of doing business. International engagement also ensures that Singapore's point of view is effectively reflected in new norms being developed.

Boosting global audit standards through IFIAR

Globally, ACRA is actively involved in the effort to address audit issues as a member of the International Forum of Independent Audit Regulators (IFIAR). As well as being an IFIAR Advisory Council member, ACRA is a member of IFIAR's Global Public Policy Committee Working Group (GPPC WG), which engages the leaders of the top six international accounting firms. The GPPC WG encourages such accounting firms to identify root causes of audit deficiencies and draw up action plans to remediate those deficiencies.

Building Trust in the ASEAN Marketplace

Regionally, ACRA has entered into a similar collaboration with its fellow audit regulators from Malaysia and Thailand. Together as the ASEAN Audit Regulators Group (AARG), it engages the Big Four firms' regional management on issues relevant to the ASEAN region.

Enhancing Corporate Transparency

In March 2014, at the annual Corporate Registers Forum (CRF) held in Rio de Janeiro, ACRA shared with its fellow CRF members its experiences in going fully digital in the filing of financial statements. Using the international XBRL (eXtensible Business Reporting Language) format reporting, companies in Singapore now file their financial reports digitally through ACRA's online business financial information portal, BizFin[®]. This will further enable greater transparency and comparability of financial data.

Sharing Best Practices in Business Registration and Corporate Regulation

During the year in review, ACRA hosted visitors from around the world during which ideas and best practices were exchanged. The visiting delegations came from:

- Myanmar – Myanmar Investment Commission
19 May 2013
- Federal Republic of Nigeria – Corporate Commissions Committee
15-16 July 2013
- People's Republic of China – Shandong Administration for Industry & Commerce
5 September 2013
- Sultanate of Oman – Special Economic Zone Authority of Duqm (SEZAD)
12 September 2013
- World Bank – International Bank for Reconstruction and Development
18 October 2013
- People's Republic of China – Shanghai Pilot Free Trade Zone Administration Committee
17 January 2014
- Brunei Darussalam – Ministry of Finance Revenue Division
20 January 2014
- People's Republic of China – Binhai New Area People's Government, Tianjin Municipality
23 January 2014
- United Arab Emirates – Department of Economic Development, Dubai
20 February 2014
- Japan – Ministry of Justice
31 March 2014
- Audit Regulation from an ASEAN Perspective – PCAOB (Public Company Accounting Oversight Board) Institute
Washington D.C.
20 November 2013
- Use of XBRL in Registries and News on Applicable Technological Developments – Corporate Registers Forum 2014
Rio de Janeiro
17-21 March 2014
- Regional and National Audit Policy Developments: ASEAN – IFIAR Plenary Meeting 2014
Washington D.C.
8 April 2014

We were also invited to share our experiences in business reporting developments and audit regulatory policies at the following international forums:

Feature:

WHEN TRUST WINS JOBS

Singapore's sterling reputation as a trusted business hub has helped Rotating Offshore Solutions (ROS) Pte Ltd to win jobs over international competitors.

ROS, which was established in 2004, specialises in engineering, procurement, construction and commissioning services for the oil and gas industry. It won the Enterprise 50 award in 2010.

Said its Group Financial Controller Michelle Kuah: "We have many overseas clients and the fact that we're in Singapore – which is internationally renowned as one of the easiest places to do business in the world – gives clients an added level of confidence when it comes to awarding a tender."

This trust, she said, has been built up over the years through rigorous regulation and enforcement. "We have a strong regulatory body in ACRA and it clearly takes accurate and timely financial reporting, transparency and good corporate governance very seriously."

High standards of financial reporting is especially relevant now as the economy gets more complex, and companies package products in new ways, which make it more challenging to pinpoint revenue sources.



For instance, Ms Kuah said that computer companies that bundle software and hardware together for sale have to report this as two different sources of revenue in their financial reports.

"For listed companies in particular, it has become more challenging for investors to make sense of information. Good financial reporting is therefore crucial to give them a clear idea of Return on Investment and how the company has performed, so that they will continue investing," she said.

Even for non-listed companies like ROS, rigorous financial reporting is important. "One of our KPIs (key performance indicator) is to come up with financial reports and close the management accounts within 10 working days. This is a

common practice in larger companies, but we also adhere to this."

She added: "We may not have external investors, but financial reports serve as a check-and-balance to show if the company is truly performing as well as we think. It is also used by our banker to assess our performance."

Going forward, Ms Kuah feels that boosting accountancy standards in Singapore is necessary to further build up trust in the marketplace. "We need to have qualified accountants who keep pace with increasingly complex changes to produce good financial reports."

To that end, she supports ACRA's plans to raise the quality bar for public accountants, who are the external auditors of company financial statements, from February 2015.

Also, what she calls the "tone from the top" is crucial in determining the quality of financial reports. "A company's management must be convinced that spending time and effort in coming up with timely and accurate financial reports is an exercise that adds value, and is not just a compliance exercise.

"ROS is quite lucky in that out of the three directors in the company, one is a former auditor who understands the need for accurate and timely financial reporting."

FACILITATING BUSINESS

“ We benefited from the useful information and resources presented by ACRA and relevant government authorities, which helped us to set up our company with less hassle.”

– Johnson Tan, who set up Hughco Group Pte Ltd after attending an ACRA@The Heartlands talk in 2013.



ACRA's innovative solutions to reduce administrative burden for entrepreneurs make Singapore the easiest place in the world to do business.

REDUCING BURDEN ON BUSINESSES

ACRA is mindful that the regulatory regime should not be so burdensome that it stifles business growth. We constantly review our legislation and regulations to see how we can reduce the regulatory burden while keeping our legislative framework robust.

The government's review of the Companies Act and Business Registration Act have concluded with the tabling of amendments to these Bills in Parliament. ACRA has proposed changes to lessen the regulatory burden of solo operators and small businesses. Individuals who conduct business under their own names may no longer need to register. The move will go a long way in relieving the regulatory burden for solo operators and service providers like tuition teachers, electricians and plumbers. Earlier public consultations showed good support for the move.

Amendments have also been made to the Companies Act aimed at reducing the regulatory burden on companies. One significant change is the introduction of a new small company concept for determining the exemption for statutory audit. It is estimated that 10%

of companies or about 25,000 more companies can enjoy exemption from audit, which will result in lower compliance costs for SMEs. In addition, dormant companies which are not listed or not subsidiaries of listed companies are exempted from the requirement to prepare financial statements.

PROVIDING A COMPREHENSIVE AND MOBILE BUSINESS PORTAL

When our one-stop online business portal, BizFile, was launched in 2003, it was a technological game-changer that enabled users to carry out business transactions and retrieve information via the Internet, from the comfort of their homes and offices. Today, over 1.3 million transactions are made through BizFile each year.

This year, the business portal is undergoing a major revamp to provide an even more comprehensive suite of services and offer mobility options to users.

Using mobile devices, business owners will soon be able to renew registration for certain business entities, file annual declarations, change addresses for business entities and enquire on the status of selected

applications while on the go. To reduce the administrative burden further, registration and filing processes are also being streamlined, resulting in less digital form-filling. New business owners will also enjoy more flexibility in the business registration processes, as they will be given the option to reserve a business name ahead of the actual business registration process.

Beyond registration and filing services, ACRA has also been providing one-stop business facilitation value-added services to customers at the point of registration. These services include reserving domain names with the Singapore Network Information Centre (SGNIC), Goods and Services Tax registration with the Inland Revenue Authority of Singapore (IRAS), activating a Customs Account with Singapore Customs and opening a corporate bank account. These services help facilitate a seamless business process for customers, saving both time and costs for new business owners.

Between June 2013 and January 2014, ACRA added Maybank, the State Bank of India and the Bank of China to its existing list of participating banks comprising



At ACRA@The Heartlands, we bring speakers from five agencies together to share with aspiring entrepreneurs and new business owners what they need to know about doing business in Singapore.



An ACRA officer advising grassroots leaders after the ACRA@NACLI talk on 29 March 2014.



BUSINESS INSIGHTS AND DATA ANYTIME, ANYWHERE

iShop@ACRA, a one-stop business information portal hosted at BizFile, will soon be unveiling a new look.

A new interactive user guide will help guide customers on ACRA's information products. There will be more information package options, an integrated business directory from which customers can easily search and buy what they want, a Mobile iShop for electronic products, a common resource centre with free statistical data for the customer, and attractive membership packages.

Premium and Elite members can enjoy even more benefits such as discounts, enhanced analytics and SMS/email alerts.

This year, ACRA has embarked on a major review of its service delivery standards.

DBS Bank, the Oversea-Chinese Banking Corporation and United Overseas Bank.

HELPING BUSINESSES LEVERAGE BIG DATA

More companies are realising that business intelligence and analytics play a critical role in increasing productivity, reducing costs and saving time. ACRA's new business financial information portal BizFin^x enables companies filing their financials to tap on data filed publicly for business insights.

Earlier this year, ACRA introduced the filing of a full set of financial information in XBRL (eXtensible Business Reporting Language) format for companies. XBRL enables individual lines of financial information such as revenue and profit to be "tagged" and made machine-readable. The data from the financial information filed can thus be better and more easily analysed.

The potential benefit of such data analysis for businesses is huge. Companies gain from business insights, peer-to-peer and industry comparisons that the XBRL-enabled data will show through business analytics.

To enable companies to experience the value of XBRL-enabled data

analysis, ACRA is providing a free one-time data analysis to companies that file in XBRL each year. Using four financial indicators – revenue growth, net profit margin, return on assets and total asset turnover, the companies can analyse their performance vis-à-vis their own past years' data, their peers or industry benchmarks.

RAISING THE BAR WITH OUR SERVICE LEVELS

As part of a bigger drive by the Public Service to transform its services by placing citizens at the heart of service delivery, ACRA has formed a dedicated Public Service Transformation Committee (PSTC) to drive the organisation's efforts.

The PSTC, chaired by Chief Executive Kenneth Yap and comprising Heads of Departments, meets regularly to strategise ACRA's efforts to strengthen service capabilities in areas such as customer responsiveness, effective communication and staff engagement.

This year, ACRA has embarked on a major review of its service delivery standards. It wants to better understand customers' needs and expectations, address service gaps and improve processes.

As a start, it is enhancing its customer feedback process to specifically measure the clarity and quality of our Helpdesk e-mail and telephone replies. Customers will soon also be able to rate the quality of ACRA's letter correspondences via their mobile phones.

Aiming High

In the past year, ACRA's efforts to deliver excellent service have been recognised with the following awards and ISO certification:

- **World Bank Doing Business 2014 Report**

For the eighth year now, Singapore has been ranked by the World Bank as the easiest place to do business in the world. In the area of starting a business, Singapore holds the third position for the second year running.

- **Singapore Service Class (S-Class) standard**

In recognition of ACRA's performance at the Singapore Service Excellence Medallion Awards, it was conferred the Singapore Service Class (S-Class) standard in November 2013. This certification represents the niche standard for service.

- **ISO 9001:2008**

Renewal Assessment

ACRA's Quality Management System (QMS) for 2013 was certified as up-to-date and well-maintained.

SUPPORTING START-UPS AND ENTREPRENEURS

ACRA's outreach talks, targeted at helping new and aspiring entrepreneurs to start their own businesses, remain hugely popular. Known as ACRA@The Heartlands and ACRA@NACLI (National Community Leadership Institute), these informative talk and business clinics feature ACRA staff and also public officers from agencies such as the Housing & Development Board, Inland Revenue Authority of Singapore, SPRING Singapore and the CPF Board. Attendees learnt about the various requirements and regulations for starting a business as well as useful government business assistance schemes to tap on. Nearly 500 grassroots leaders and members of the public attended two talks at NACLI in November 2013 and March 2014, while some 570 members of the public attended the outreach session at the Geylang East Community Centre in September 2013.



INSPIRED "TUUDU" SOMETHING

In March 2013, Mr Mohamed Shameel B. Md. Rosli (featured on the cover with his business partners) attended an ACRA@The Heartlands talk and went away inspired.

The 25-year-old, with a diploma in electronics and computer engineering, had a business dream but had no idea where to start. "During my National Service days ... I found myself watching movies and eating every weekend. I thought there must be more to Singapore than just that. I dreamt to create an app that would simplify activity discovery," he said.

"At the talk, I learnt about the different kinds of business structures [and the] regulatory requirements to fulfil like filing financial statements every year. The knowledge helped to kick-start our entrepreneurial journey." Their app – Tuudu – will be launched by the fourth quarter of 2014.

Feature:

HELPING WITH KINDNESS

A lady walked in to ACRA wanting to strike off a company that had been incorporated in her name.

Any other officer might have thought: Just another customer with a familiar problem. Let's get the paperwork done.

However, Linda Lee, 55, realised in the process of attending to the lady that it was her husband who had registered the company in her name and had since left her. She actually knew very little about business affairs, settling debts and how to go about striking off a company.

"I saw the misery and pain she was going through, coping with the divorce and having to settle the company's liabilities all by herself," said Ms Lee, an Assistant Manager in the ACRA Business Registry and Facilitation Department.

Ms Lee tried her best to help her, patiently giving her advice as much as possible and providing a listening ear when the lady inadvertently shared her personal problems.

Said Ms Lee: "Finally, after one year, she managed to settle the liabilities and strike off the



company. She visited our office to thank me personally and told me that I was her heroine!"

For her listening ear, ability to empathise and kind demeanour, Ms Lee was awarded the PS21 Star Service Award 2014, which adds to the other Star Service Award she won in 2008. The mother of two has also won national-level Excellent Service Awards every year since 2007, and earned countless compliments from stakeholders.

In her 34 years with ACRA, she has seen several cases of people who allowed their names and particulars to be registered as company

directors, without fully knowing the implications.

Said Ms Lee: "People do need to be careful and not allow anyone to register a company in their name. There are legal responsibilities and liabilities which a company director has to bear."

Ms Lee has one philosophy that guides her interactions with clients, even the unreasonable, demanding and stubborn ones who demand quick solutions: "It may sound like a motherhood statement, but the secret of providing excellent service is to listen with a sincere heart and serve with empathy. This is how I gain confidence and trust from the customers so that we can work together to resolve the issue.

"I understand the feelings of anxiety when someone needs help. And as I have received kindness myself, I pay it forward by helping my customers. These encounters also provide me an opportunity to learn and grow as a better person."

EMBRACING CHANGE



“Back in the office, we used to focus on our individual work, but now we support each other more.”

– Mohd Ruhul Islam, who started running once a week with his colleagues as part of ACRA's Change Challenge.



EMBRACING CHANGE

It is ACRA's ability to embrace change as an organisation – from technological to service innovations – that enables it to provide a responsive and trusted regulatory environment.

MAKING CHANGE A CONSTANT

As ACRA celebrated its tenth year milestone in April this year, it was an apt opportunity for the organisation to reflect on its achievements and also gear up for the challenges of the next decade. The start point was to seed a culture of change at the individual level.

The ACRA Change Challenge, mooted by Chief Executive Kenneth Yap in January 2014, involved each staff setting personal stretch targets. ACRA officers gamely took on a myriad of personal challenges ranging from completing a 138km round-island bike ride, mastering a new language, and even getting involved in community service projects. It showed that although change often involves hard work and sacrifice, with positive attitude, it could lead to extraordinary outcomes and positive mindset shifts. This ability to embrace change will prepare ACRA officers to be future-ready and effective change makers.

CELEBRATING THE PAST 10 YEARS, PREPARING FOR THE NEXT DECADE

1 April 2014 marked a special occasion for ACRA as we celebrated all that had been

achieved in our first decade. At ACRA's tenth anniversary dinner, Guest of Honour Deputy Prime Minister and Minister of Finance, Mr Tharman Shanmugaratnam, cited the important role ACRA has played in building a responsive and trusted regulatory environment in Singapore. Looking ahead, ACRA continues to play a key role in this evolving corporate and accountancy ecosystem. He tasked ACRA to continuously review regulatory requirements so as to reduce regulatory cost for small companies; tighten regulations to address emerging risks; ensure businesses understand key changes to the regulatory regime; and engage the business community to stay responsive to business and investor needs.

The dinner was also an occasion to thank ACRA staff, especially long-serving staff. ACRA Chairman Lim Soo Hoon presented long-service awards to staff such as Ms Peggy Tan who had served ACRA and then-Registry of Companies and Businesses for more than 40 years.

She also presented the Employee of the Year Award to Ms Nurhayati Nongchik, Business Systems Management

Officer from the Business Registry Facilitation Department, for her professionalism and sustained commitment to service excellence.

ADAPTING TO A CHANGING ENVIRONMENT

At the organisational level, a strategic review was conducted to ensure we were adapting and keeping pace with changing business realities. Key changes were introduced to ACRA's organisational structure to better integrate business functions and enable ACRA to focus more on strategic priorities.

To consolidate ACRA's enforcement capabilities and strategies, a new Legal Services and Prosecution Division was formed to oversee the Enforcement Department, Governance Surveillance Department and a new Corporate Service Providers Enforcement and Regulation Department. This Division also oversees the Civil Advisory Department in its provision of civil advice and legal support and also assists ACRA in the prosecution of public accountants before the Disciplinary Committees.

A Law Reform Department was also formed from part of a



Guest of Honour, Deputy Prime Minister and Minister of Finance, Mr Tharman Shanmugaratnam, at the ACRA 10th Anniversary Celebration together with Chairman Lim Soo Hoon, Chief Executive Kenneth Yap and our Board members.

former legal team for better focus. It will drive ACRA's systematic approach to law reform, and be responsible for formulating and reviewing legal policies and legislation under ACRA's purview.

With a greater emphasis on service excellence, we formed a new Customer Experience & Engagement Division consisting of two existing departments in these areas. It will improve ACRA's service standards and make our services more accessible to the public. This will ensure customer centricity

in the implementation of our policies.

ACRA has also set up a virtual Institute of Corporate Law (ICL). ICL will develop corporate law literature, foster scholarly and professional discussions on corporate law issues, and manage ACRA's education and outreach efforts on corporate law. It will drive ACRA's efforts to educate and reach out to new and existing company directors on their roles and responsibilities.

The ACRA Change Challenge involved each staff setting personal stretch targets.

Feature:

CHANGE FOR BETTER OUTCOMES

Embracing change is now part of ACRA's DNA. Months later, staff are still tracking their progress and some have even decided to make the changes permanent.

Mohd Ruhul Islam, 35, used to come into the office, focused on finishing his own work and then heading home. Colleagues were merely workmates who shared the occasional lunchtime.

Then, ACRA threw a challenge to all staff in January 2014: stretch yourself and do something you would normally never do in daily life.

Ruhul's boss upped the ante by suggesting that the entire Governance Surveillance Department runs together once a week. "My boss likes to say that a group that plays together stays together," said Ruhul, a manager in the department.

The entire unit, comprising eight men and one woman, started weekly 45-minute jogs in January. They would run down Shenton Way, from the ACRA's office at Anson Road, to the Merlion Park and loop back, stopping for a drink at the Lau Pa Sat hawker centre.

Several months later, everyone has lost weight, with Ruhul shedding three kilogrammes. "We are more productive and less lethargic at work!"

More importantly, the team, which is responsible for investigating complaints lodged with ACRA,

has drawn closer and are working better together.

Said Ruhul: "When we run, there are some who are faster and some who are slower, but we made sure we ran as a team.

"Back in the office, we used to focus on our individual work, but now we support each other more. If my colleague needs help meeting targets, I will chip in. We care more about what each other is doing."

Other ACRA colleagues responded to the Change Challenge in varied, and sometimes unexpected, ways.

Deputy CE Julia Tay, who rarely cooks, whipped up dinner for her mother for the first time. Manager Desmond Quek, who picked up cycling only one and a half years ago, completed his first 138km round-island road bike rally despite his wheel spoke breaking at the halfway point. Analyst Joanne Lee decided to read up on metaphysics to expand her world view. Others strived to eat healthier, exercise more, and spend more quality time with their children.

Embracing change is now part of ACRA's DNA. Months later, staff are still tracking their progress and some have even decided to make



L-R: Priscilla Teo, Chit Ye, Danny Han, Mohd Ruhul, Leonard Lim

the changes permanent. Ruhul's team is still running weekly, notwithstanding busy work schedules. "We enjoy our healthier lifestyles and renewed team spirit, and the routine has become ingrained," said Ruhul.

To carry through the momentum, ACRA also established a Change Calendar for FY2014, which maps out organisation-wide events and activities that staff can attend to learn new things, such as improving financial literacy and written communications.

As Chief Executive Kenneth Yap puts it, the objective of the challenge is not really about fulfilling the target. It is about self-actualisation, and realising that the process of change can create better outcomes, at a personal level and ultimately for the company.

He said: "Success or failure is not important as long as we have given our very best. It is the personal journey in getting there and the lessons we learn that really matter."



BEING DIRECT AND CLEAR IN PUBLIC COMMUNICATION

Building up trust in the public service requires effective communication.

As part of ACRA's Public Sector Transformation Programme, an Effective Communication Working Group was formed to review and redesign the way ACRA communicates to its customers. Forms, letters and templates are being simplified, redesigned and written in clearer language.

The Working Group also developed a new ACRA Writing Guide and held full-day workshops to equip staff with effective written skills and competencies. It wants ACRA officers to write simply and clearly so that customers can understand and relate to them.



Our staff celebrated the Lunar New Year with residents of the Geylang East Home for the Aged.

STAYING SOCIALLY RESPONSIBLE

ACRA remains committed to being socially responsible and giving back to society. Last year, ACRA raised funds through donation drives and a charity auction for victims of Typhoon Haiyan, the Community Chest and the Geylang East Home for the Aged. On Corporate Social Responsibility (CSR) Day in September 2013, ACRA invited the Community Chest to talk about its programmes and organised experiential games for staff to better appreciate the challenges of people with disabilities. In November 2013, ACRA also supported the mobile massage services of

the Singapore Association of the Visually Handicapped.

At the annual ACRA Big Day Out on 19 October 2013, ACRA invited 20 children from Care Corner Family Service Centre to join ACRA staff and their families at the Sentosa S.E.A Aquarium.

To celebrate the Lunar New Year in February 2014, ACRA staff made an annual visit to its adopted charity home – the Geylang East Home for the Aged. There, they distributed mandarin oranges, served dinner and sang for the residents.

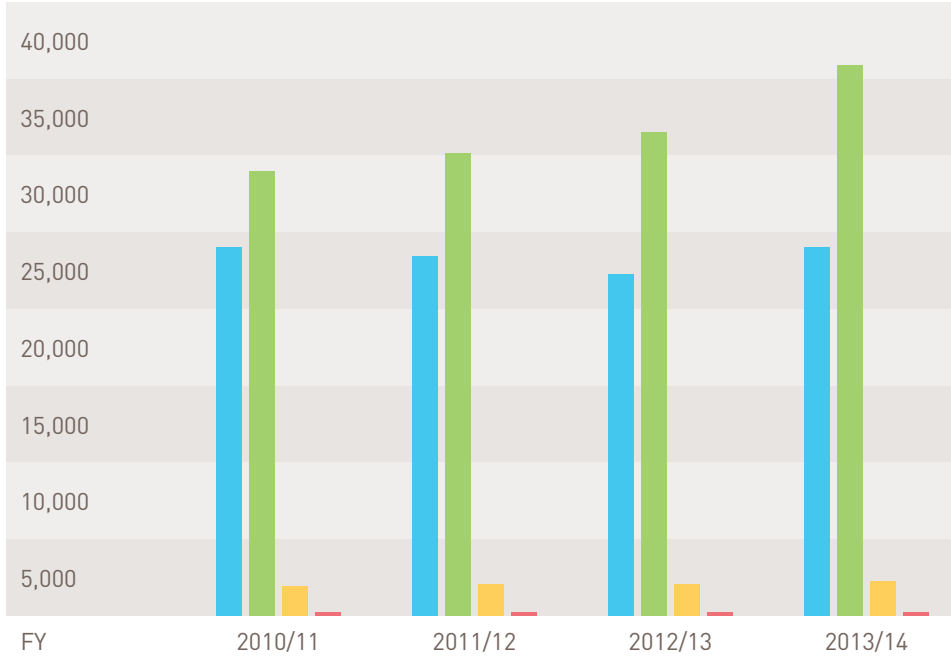


KEY STATISTICS AND FINANCIAL HIGHLIGHTS



KEY STATISTICAL HIGHLIGHTS

NEW ENTITIES REGISTERED/INCORPORATED



62,229

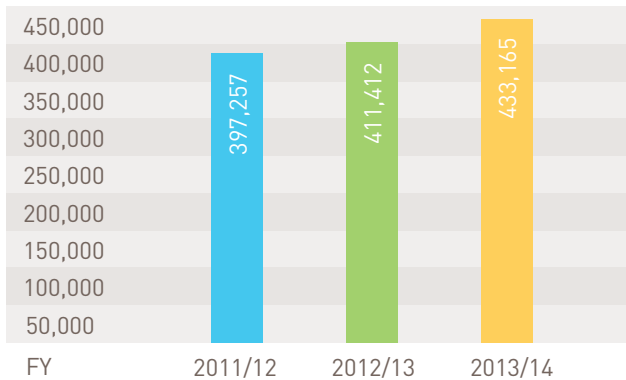
new business entities were formed in FY13/14

433,165

business entities, as of 31 March 2014

Business	23,995	23,396	22,057	23,910
Company	28,511	30,284	32,076	35,902
Limited Liability Partnership	2,199	2,283	2,253	2,355
Limited Partnership	54	38	55	62

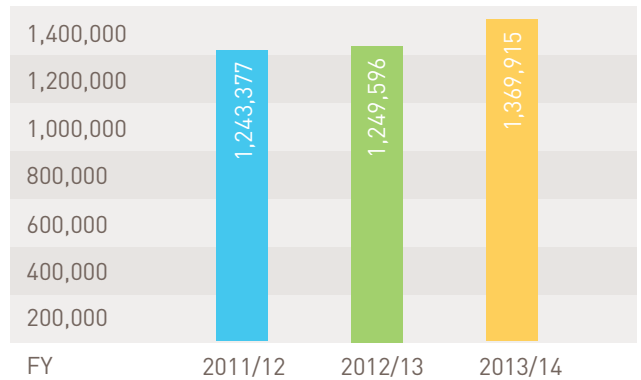
NUMBER OF REGISTERED ENTITIES



4.4%

Average annual growth rate of registered entities over the past three financial years

BIZFILE TRANSACTION VOLUME

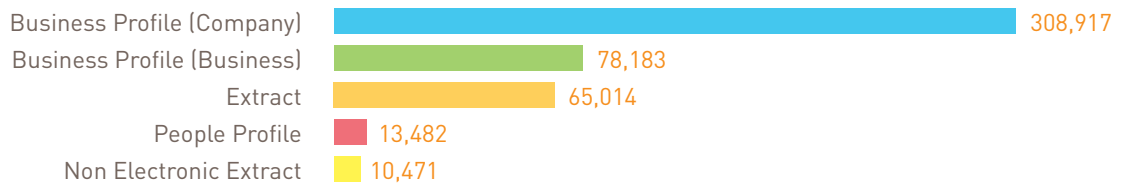


Close to 300 forms are available online through BizFile. Over a million transactions were done each year since FY05 and there has been a general upward trend in the volume

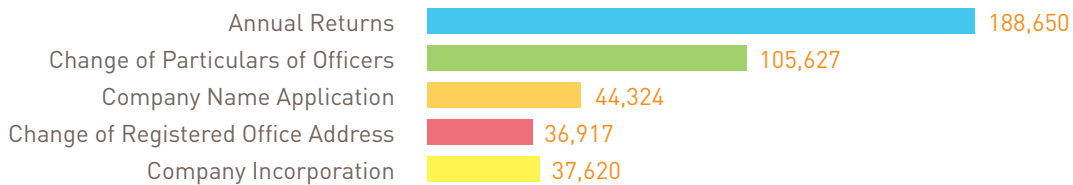
COMMON BIZFILE TRANSACTIONS (FY13)

The chart shows the most common transactions for the top 4 BizFile categories namely, Information Purchase, Local Company, Sole-proprietorship & Partnership, and Limited Liability Partnership. In FY13/14, there were 1,369,915 online transactions.

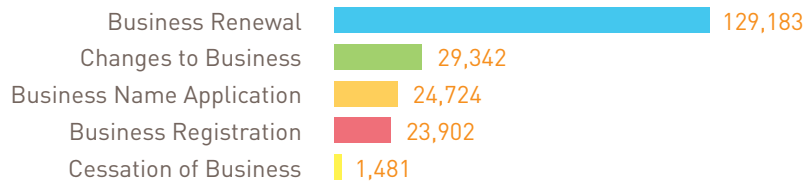
INFORMATION PURCHASE



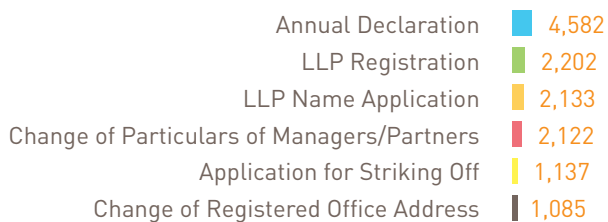
LOCAL COMPANY



SOLE-PROPRIETORSHIP & PARTNERSHIP



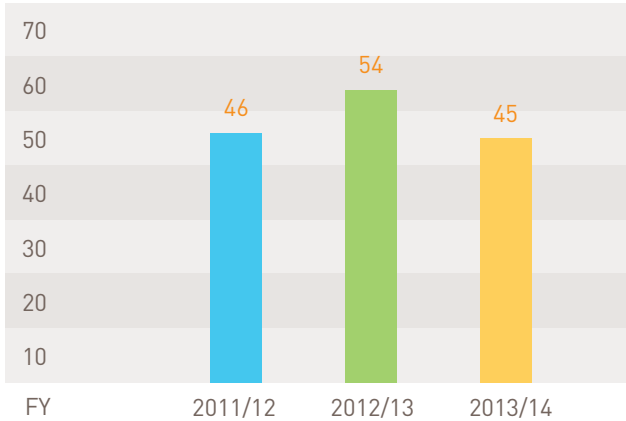
LIMITED LIABILITY PARTNERSHIP





KEY STATISTICAL HIGHLIGHTS

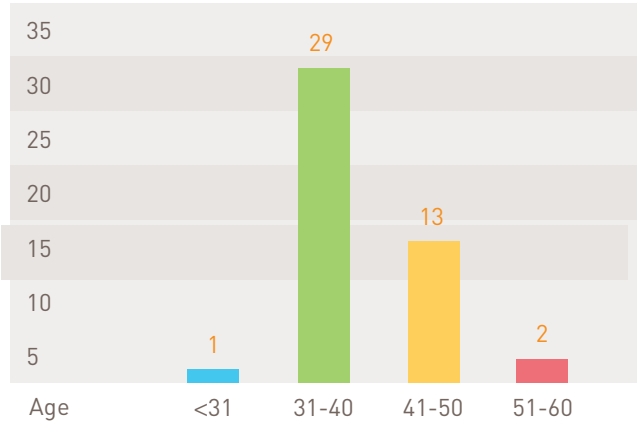
REGISTRATION OF PUBLIC ACCOUNTANTS



Total no. of Public Accountants registered as at 31 March 2014

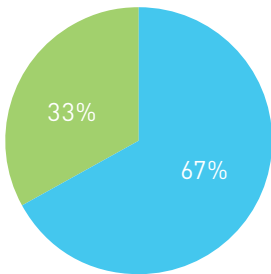
995

NEW PUBLIC ACCOUNTANTS AGE PROFILE



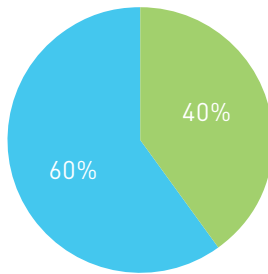
Total no. of new registered public accountants from 1 April 2013 to 31 March 2014

45



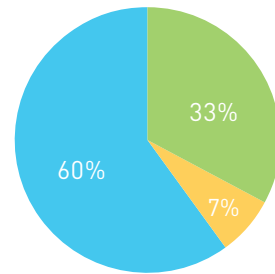
NEW PUBLIC ACCOUNTANTS QUALIFICATION PROFILE

Local	30
Foreign	15



NEW PUBLIC ACCOUNTANTS GENDER PROFILE

Male	27
Female	18



INTENDED PRACTICE OF NEW PUBLIC ACCOUNTANTS

Big**	15
Medium***	3
Small****	27

NUMBER OF ACCOUNTING ENTITIES*

8	Big accounting entities**
5	Medium-sized accounting entities***
637	Small accounting entities****

Total 650

* Number based on 2014 renewal of certificate of registration as public accountants
 ** Audited 30 or more listed corporations
 *** Audited 5 or more listed corporations but less than 30
 **** Audited less than 5 listed corporations



FINANCIAL HIGHLIGHTS

INCOME AND EXPENDITURE SUMMARY

For the financial year ended 31 March 2014

\$ million

Income		63.1
Less:		
Staff costs	18.6	
Services	9.6	
Other costs	17.7	
Expenditure		45.9
Surplus		17.2
Less:		
Contribution to Government Consolidated Fund		2.9
Net Surplus[#]		14.3

[#]Following the passing of the Accounting and Corporate Regulatory Authority (Amendment) Bill on 14 April 2014, up to \$7.8 million of the surplus may be channelled to the Government Consolidated Fund under Section 3 of the Statutory Corporation (Contribution to Consolidated Fund) Act.



FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS

Income

For the financial year ended 31 March 2014, total income rose 9% or S\$5.3 million to S\$63.1 million (2012/13: S\$57.8 million).

Company registration and related fees grew 11% or S\$2.2 million to S\$22.6 million (2012/13: S\$20.4 million) mainly due to higher number of companies incorporated.

Information service fees grew S\$0.8 million or 7% to S\$12.9 million (2012/13: S\$12.1 million) in line with the increase in sales volume.

Fines and penalties increased by S\$2.3 million or 14% to S\$19.3 million (2012/13: S\$17.0 million) due to an increase in the rectification of defaults as enforcement in filing of annual return has been stepped-up to improve compliance.

Expenditure

For the financial year ended 31 March 2014, operating expenditure increased by S\$10.8 million or 31% to S\$45.9 million (2012/13: S\$35.1 million).

Staff costs increased by S\$2.8 million or 18% to S\$18.6 million (2012/13: S\$15.8 million) in line with increased hiring during the year.

Services comprised IT operating costs for BizFile system, BizFin^x system as well as IT professional and consultancy fees. The increase of S\$0.7 million or 8% to S\$9.6 million (2012/13: S\$8.9 million) was mainly due to the increase in transactional costs in line with the increase in the traffic and volume of transactions through BizFile. Additional hosting charges associated with the BizFin^x system and upgrading of the BizFile system were also incurred.

Other costs increased by S\$7.3 million or 70% to S\$17.7 million (2012/13: S\$10.4 million) mainly due to S\$3.9 million (2012/13: NIL) expenses incurred in support of the Singapore Qualification Programme managed by the Singapore Accountancy Commission; and depreciation and maintenance costs of BizFile system and BizFin^x system (S\$2.4 million).

Surplus

Surplus for 2013/14 is at S\$17.2 million as compared to S\$22.7 million in the previous year.

The Accounting and Corporate Regulatory Authority (Amendment) Bill was passed in Parliament on 14 April 2014. The Bill stipulated that monies which are collected by the Authority from penalties and composition sums are to be paid into the Government Consolidated Fund.

Following the passing of the Bill, the Authority may be required by the Minister to channel part of its fines revenue collected since financial year ended 31 March 2011 to the Government Consolidated Fund. Under Section 3 of the Statutory Corporation (Contribution to Consolidated Fund) Act, the Minister may, by notice in writing, require any specified statutory corporation to pay into the Consolidated Fund within the period specified in the notice the whole or part of the amounts in the funds of that Statutory Corporation which, in the opinion of the Minister, is not required for performing its functions and duties.

BALANCE SHEET SUMMARY

As at 31 March 2014

S\$ million

Fixed and intangible assets	9.4
Development projects-in-progress	8.7
Cash and cash equivalents	166.5
Other current assets	1.9
Total assets	186.5
Less:	
Current liabilities	17.2
Non-current liabilities	0.9
Net assets	168.4
Share capital	8.6
Accumulated surplus [^]	159.8
Capital and reserves	168.4

[^]Up to \$28m of the Accumulated Surplus arising from fines revenue collected in the past years may be channelled to the Government Consolidated Fund under Section 3 of the Statutory Corporation (Contribution to Consolidated Fund) Act.

FINANCIAL POSITION

Assets

As at 31 March 2014, the total assets increased by S\$18.6 million or 11% to S\$186.5 million (2012/13: S\$167.9 million).

One of the main systems capitalised as fixed and intangible assets during the financial year was the BizFinx system (S\$4.3 million) for filing of full set of financial statements in XBRL that became mandatory from 3 March 2014.

Development projects-in-progress comprised project milestone incurred for the upgraded BizFile system (S\$5.9 million).

Cash and cash equivalents increased by S\$13.0 million or 8% to S\$166.5 million (2012/13: S\$153.5 million). These are mainly placed with Accountant-General Department under the Centralised Liquidity Management and Statutory Board Approved Funds Scheme.

Liabilities

Current liabilities increased by S\$4.3 million or 33% to S\$17.2 million (2012/13: S\$12.9 million). This corresponded mainly to project milestone incurred for BizFinx (S\$2.1 million) and the upgraded BizFile system (S\$3.4 million).

**ACCOUNTING AND CORPORATE
REGULATORY AUTHORITY**

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