

# ACCOUNTANTS ACT

## (CHAPTER 2, SECTION 64)

### ACCOUNTANTS (ACCOUNTING CORPORATIONS, ACCOUNTING FIRMS AND ACCOUNTING LLPS) RULES

[6th October 2006]

#### **Citation**

1. These Rules may be cited as the Accountants (Accounting Corporations, Accounting Firms and Accounting LLPs) Rules.

#### **Form and application for approval**

2. —(1) The following applications shall be made to the Oversight Committee in such form or manner as may be determined by the Registrar:

(a) any application for approval as an accounting corporation, an accounting firm or an accounting LLP under section 17 (1)

(a), 18 (1) (a) or 18A (1) (a) of the Act, respectively; and

(b) any application for approval of the name or proposed name of an accounting corporation, an accounting firm or an accounting LLP under section 17 (1) (b), 18 (1) (b) or 18A (1) (b) of the Act, respectively.

(2) The Oversight Committee may, for the purposes of determining whether to approve any application referred to in paragraph (1) (a), require the applicant to submit such particulars or documents as the Oversight Committee deems necessary.

#### **Fees**

3. The fees specified in the First Schedule shall be payable to the Authority in such manner as the Registrar may determine for the purposes specified therein, and shall not be refundable.

#### **Appeals against refusal to approve**

4. An appeal under section 20 of the Act against a decision of the Oversight Committee shall —

(a) be addressed to the Permanent Secretary to the Ministry of Finance;

(b) set out the grounds of appeal; and

(c) be accompanied by a copy of the following documents:

- (i) the decision of the Oversight Committee and the reasons therefor;
- (ii) the relevant application referred to in rule 2 and all documents accompanying that application; and
- (iii) any other correspondence between the Oversight Committee and the appellant in relation to the decision of the Oversight Committee.

**Annual report**

5. The annual report referred to in section 26 (3) of the Act shall contain the particulars set out in the Second Schedule.

**Memorandum and articles of association**

6. The memorandum and articles of association of an accounting corporation shall provide for the matters specified in the Third Schedule.

**Notification of transfer of business of accounting firm to accounting corporation**

7. —(1) Every accounting firm which intends to transfer its business to an accounting corporation shall, no later than 7 days before the transfer, give notice in writing to every client of the accounting firm of the intention to transfer its business.

(2) The notice given under paragraph (1) shall have effect as if it were a notice of intention by an auditor to resign within the meaning of section 205 (15) of the Companies Act (Cap. 50) and, until the appointment of another auditor, the accounting firm shall remain as auditor.

**Notification of transfer of business of accounting firm or accounting corporation to accounting LLP**

8. —(1) Where the business of an accounting firm or accounting corporation is to be transferred to an accounting LLP, notice in writing shall be given to every client of the accounting firm or accounting corporation of the transfer and of the date of the transfer —

(a) by the accounting firm or accounting corporation intending to transfer the business to the accounting LLP at any time before the date of the transfer; or

(b) by the accounting LLP to which the business of the accounting firm or accounting corporation is transferred no later than 7 days after the transfer.

(2) The notice given under paragraph (1) shall state that, with effect from the date of the transfer —

(a) the accounting LLP replaces the accounting firm or accounting corporation, as the case may be, in the provision of public accountancy services to the client;

(b) any document held by the accounting firm or accounting corporation, as the case may be, for or on behalf of the client is transferred to the accounting LLP to be held for or on behalf of the client; and

(c) any money or funds held by the accounting firm or accounting corporation, as the case may be, for or on account of the client is transferred to the accounting LLP to be held for or on account of the client.

## FIRST SCHEDULE

Rule 3

### FEES

- |   |       |
|---|-------|
| 1. For approval of an accounting corporation under section 17 (1) (a) of the Act  | \$300 |
| 2. For approval of an accounting firm under section 18 (1) (a) of the Act   | \$50  |
| 3. For approval of an accounting LLP under section 18A (1) (a) of the Act   | \$150 |
| 4. For approval of each practice name of an accounting firm or an accounting LLP under section 18 (1) (b) or 18A (1) (b) of the Act, respectively   | \$15  |
| 5. For a notification of change in the name or any of the particulars recorded in the Register of Public Accounting Corporations, the Register of Public Accounting Firms or the Register of Public Accounting LLPs under section 22 (1) of the Act | \$10. |

## SECOND SCHEDULE

Rule 5

### ACCOUNTING CORPORATION ANNUAL REPORT

Registration No.: \_\_\_\_\_

Name of Accounting Corporation: \_\_\_\_\_

Year reported on: \_\_\_\_\_ to \_\_\_\_\_

1. The accounting corporation has been providing public accountancy services as one of its primary objects during the abovementioned year.

2. We also confirm that, since the end of the abovementioned year (or date of incorporation if less than 12 months has lapsed since that date) —

- (a) the paid-up capital of the accounting corporation is \$ \_\_\_\_\_;
- (b) not less than two-thirds of the directors of the accounting corporation (including the chairman) are public accountants;
- (c) not less than two-thirds of the voting shares of the accounting corporation are held by corporate practitioners;
- (d) all the shareholders of the accounting corporation are natural persons; and
- (e) the business of the accounting corporation is under the control and management of the directors who are public accountants.

3. The following are details of the current directors in the accounting corporation:

<i>Name of director</i>	<i>Registration number (if any)</i>	<i>No. of shares</i>	<i>Type of shares</i>	<i>Public accountant/ Non-public accountant</i>
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				

4. The accounting corporation was covered by professional indemnity insurance in compliance with section 28 of the Accountants Act (Cap. 2) during the abovementioned year. The details of the professional indemnity insurance are —

- (a) Name of the insurance company:
- (b) Expiry date of professional indemnity insurance:

5. The accounting corporation's Memorandum and Articles of Association \*have not/have been amended during the previous year.

\*Delete where inapplicable.

### **THIRD SCHEDULE**

**MATTERS TO BE PROVIDED FOR IN MEMORANDUM AND  
ARTICLES OF ASSOCIATION OF ACCOUNTING CORPORATION**

1. A statement in relation to the transfer and disposal of shares in the following terms:  
“No person shall transfer or dispose of any shares in an accounting corporation without the prior approval of the directors. The directors shall not grant their approval if such transfer will result in a contravention of any requirement in section 27 of the Accountants Act (Cap. 2) or any rules made thereunder on the holding, transfer or disposal of shares in an accounting corporation.

2. The manner and terms of the transfer or disposal of any shares in an accounting corporation in the event that the person holding such shares —

(a) is suspended from practice as a public accountant or is removed from the Register of Public Accountants pursuant to any disciplinary proceedings; or

(b) ceases to be a corporate practitioner by reason of death or bankruptcy or incapacity due to mental or physical disability.

*[G.N. No. S 576/2006]*