



Singapore CA Qualification (Foundation) Examination

4 December 2019

Singapore Taxation

INSTRUCTIONS TO CANDIDATES:

1. The time allowed for this examination paper is 3 hours 15 minutes.
2. This examination paper has **FOUR (4)** questions and comprises **TWENTY-THREE (23)** pages (including this instruction sheet, Appendix A and Appendix B). Each question may have **MULTIPLE** parts and **ALL** questions are examinable.
3. This is a restricted open book examination. This means that you are allowed to only bring the following materials into the examination hall:
 - One A4-sized double-sided cheat sheet.
4. During the examination, you are allowed to use your laptop and any calculators that comply with the SAC's regulations. Please note that watches, mobile phones, tablets, and all other electronic devices **MUST NOT** be used during the examination.
5. This examination paper is the property of the Singapore Accountancy Commission.

MODULE-SPECIFIC INSTRUCTIONS:

6. Assume that all dollar amounts are in Singapore dollar (S\$) unless otherwise stated.

Question 1 – (a)

Colourpop Paint (Singapore) Pte Ltd (“CPS”) was incorporated on 15 June 2003 and its first set of accounts was for the period ended 30 April 2004. Its shareholders are Mountain Fresh XG (85% shareholdings), a company tax resident in Country X and Mr Koh Cho (15% shareholdings), the managing director of CPS. CPS is in the business of manufacturing paints. The directors hold their meetings in Singapore.

For the financial year ended 30 April 2018, the company made a net profit before tax of \$800,000 on turnover of \$25,000,000. The profit was arrived at after taking into account the following income and expenses:

| | \$ |
|--|-----------|
| Income: | |
| Rental income from apartment in Country K. The apartment was used as staff accommodation and was occupied by CPS’s country representative in Country K until his last day of service on 31 December 2017. The apartment was let out on a short-term lease (for the first time) for one year from 1 January 2018 as CPS could not recruit a replacement country representative to oversee its representative office in Country K. The rental income from the tenant was deposited in a bank account in Country K before being used to partly pay for expenses (estimated at \$25,000/month) incurred by the representative office. The net rental income will not be subject to tax in Country K and Country K’s headline tax rate is 18%. Country K does not have a tax treaty with Singapore. | (20,000) |
| Compensation received from the Singapore government for land acquired for road alignment. | (200,000) |
| Sale of by-product from the paint manufacturing process. | (150,000) |
| Expenses: | |
| Depreciation | 2,500,000 |
| Annual direct expenses related to the apartment in Country K which comprise: Property tax in Country K - \$12,000 | 21,600 |

| | |
|---|-----------|
| Property maintenance fee - \$9,600 | |
| Loss on write-down of assets: | |
| <ul style="list-style-type: none"> Corporate bonds purchased in 2016. The bonds were acquired and held as a long-term investment to earn the high interest payable of 7% per annum. However, as the issuer is facing cash flow problems, it has defaulted on its interest payment and sought court protection to re-organize its business. | 50,000 |
| <ul style="list-style-type: none"> Unsold out-of-production paint stocks written down to 10% of cost. | 80,000 |
| Legal and professional fees include: | |
| <ul style="list-style-type: none"> Drafting of lease agreement with tenant in Country K. | 3,000 |
| <ul style="list-style-type: none"> Application to Economic Development Board for Land Intensification Allowance on extension to factory building. Approval was granted during the year. | 15,000 |
| <ul style="list-style-type: none"> Building plans and preliminary study for factory building extension. | 53,000 |
| Insurance premium on staff hospitalization plan. The company did not implement any portable or transferable medical schemes. | 40,000 |
| Cash allowance paid to staff for medical consultation. | 22,000 |
| Staff salaries, bonus and employer's statutory CPF contribution. | 4,800,000 |
| Transportation expenses include: | |
| <ul style="list-style-type: none"> Mileage claims by staff for customer visits. | 45,000 |
| <ul style="list-style-type: none"> Repairs and maintenance of motor car used by country representative exclusively in Country K for business purposes. | 23,000 |
| <ul style="list-style-type: none"> Repairs and maintenance of Mr Koh's motor car (SLP7399) used for business purposes. | 39,000 |
| Foreign exchange losses / (gain) include: | |
| <ul style="list-style-type: none"> Exchange loss on settlement of representative office expenses (revenue in nature). | 14,500 |
| <ul style="list-style-type: none"> Exchange loss on settlement of trading accounts. | 105,000 |
| <ul style="list-style-type: none"> Exchange gain on purchase of manufacturing equipment during the year. | (20,000) |
| Repairs and maintenance include: | |
| <ul style="list-style-type: none"> Cost of tiles to replace chipped and worn floor and wall tiles in staff pantry. | 15,000 |

| | |
|--|--------|
| <ul style="list-style-type: none"> Cost of floor tiles installed in reception area where the cement floor was previously covered by carpet (see Note 1). | 45,000 |
| <ul style="list-style-type: none"> Reinstatement cost upon CPS early termination of the lease relating to one of its three retail shops which was not profitable. | 8,000 |
| Cash donation to an approved Institution of a Public Character (IPC). | 30,000 |

Note 1

CPS incurred Section 14Q (*relating to deduction for renovation or refurbishment expenditure*) qualifying expenditure in the financial years as follows:

- Financial year 2010 (YA 2011): \$150,000
- Financial year 2012 (YA 2013): \$90,000
- Financial year 2015 (YA 2016): \$60,000
- Financial year 2016 (YA 2017): \$228,000

Section 14Q compliant renovations were not incurred prior to financial year 2010.

Note 2

The following capital expenditure (capitalised to the Balance Sheet) were incurred in the respective financial years as follows:

| Item | Financial year | \$ |
|---|-----------------------|-----------|
| Qualifying cost of existing factory building that was constructed and put to use in financial year 2005. The area occupied for the following uses vis-a-vis the total area of the building is as follows: Office – 8% Showroom – 1% Staff recreation and restroom – 4% | 2005 | 5,000,000 |
| Motor car for use by the country representative in Country K | 2017 | 90,000 |
| New chairs and tables for representative office (each costs \$2,800) | 2018 | 42,000 |
| Manufacturing equipment | 2018 | 3,500,000 |

Note 3

The company's policy is to maximise its capital allowances claim and it does not intend to defer its capital allowances claim.

Note 4

The company has unabsorbed trade losses of \$2,100,000 brought forward from year ended 30 April 2016. There has been no change in the respective shareholders and their shareholdings of CPS and Mountain Fresh XG since CPS was incorporated.

**Exemplify
Question
Number**

1

Question 1 required:

- (a)** Calculate the minimum tax liability of CPS for Year of Assessment 2019. Show all relevant workings in relation to capital allowances claim.

Where your answer results in unabsorbed loss items (i.e. collective term referring to unabsorbed capital allowances, unabsorbed trade losses and unabsorbed donations), please show clearly the amount of each loss item separately.

(25 marks)

(Total: 25 marks)

Question 2 – (a), (b) and (c)

Chloe Smarts, a United States (U.S.) citizen who is 48 years old, arrived in Singapore with her family on 25 July 2018 to commence employment as the Global Head of Investments with Goldmine Investments (Singapore) Limited on 1 August 2018. The tenure of her employment contract is 2 years. Under the terms of her employment contract with Goldmine Singapore, she is provided with the following benefits/remuneration:

- Monthly salary of \$80,000.
- An upfront bonus of \$96,000 payable on 30 August 2018.
- Chloe and her family will live in company owned accommodation, paying monthly rent of \$5,000, effective 1 August. It is a fully furnished house and the annual value of the property is assessed at \$200,000.
- The company will provide her with a rental car for her personal and business use from 1 August. The monthly hire charge is \$7,000 and Chloe will be responsible for the petrol consumption costs.
- The company will bear 70% of the international school fees for Chloe's children. The actual school fees paid by Chloe for her 3 children to attend an international school in Singapore amounted to \$20,000 per child for the period from 1 August 2018 to 31 January 2019 (there is no refund of school fees if the child does not complete the full semester).

Additional information:

- (i) Chloe worked in Singapore previously as an investment banker in 2007. During that earlier stint in Singapore, she bought a studio apartment for investment purposes. She still owns the property and the gross rental income derived during the year 2018 is \$35,000. Chloe did not keep track of the expenses incurred on her investment property apart from the annual property tax of \$2,300. She had fully repaid the housing loan in previous years.
- (ii) Chloe derived interest income of \$15,000 from a loan given to Head Start Academy Pte Ltd, a Singapore company owned by a business associate. The interest is due to Chloe on 31 December 2018.

- (iii)** Chloe and her family went to Lombok for 10 days (not including the days flying out of and back in to Singapore) in November to attend a wedding followed by a family vacation. The family also spent a 4-day (not including the days flying out of and back in to Singapore) long weekend break in Chiang Mai in December 2018. Chloe did not travel out of Singapore on business in 2018.
- (iv)** Chloe has a physically handicapped brother. Chloe pays for his monthly U.S. nursing home fee of USD5,000 (SGD6,750).
- (v)** Chloe has another child who is 16 years old and studying in a high school in the U.S..
- (vi)** Chloe's husband does not work; he is a private investor. During the period in Singapore, he sold some of his share investments and made gains of \$95,000. He has held these investments for at least 5 years, and they were disposed of due to a change in his investment outlook and risk profile. There were no dividends received from his share investments during 2018.
- (vii)** Chloe hired a foreign domestic helper to help with household and child care needs. She paid the levy of \$1,325 (\$265 x 5 months) for the period of hire in 2018.

Chloe terminated her contract prematurely as she had to return to the U.S. urgently due to family issues. Her last day of employment was 15 January 2019 and she left Singapore on 20 January 2019. As a result of the premature termination of her employment contract, she had to repay half of the upfront bonus in January 2019.

**Exemplify
Question
Number**

Question 2 required:

2

- (a)** Advise on the tax residence status of Chloe for YA 2019 and 2020 under the qualitative and quantitative tests and where applicable, the relevant administrative concession.

(6 marks)

3

- (b)** Compute Chloe's tax liability for YA 2019 on the basis that she is a non-resident, showing clearly the tax payable on the following sources of income:

- Singapore employment income;
- Rental income; and
- Interest income.

(16 marks)

4

- (c)** State how Chloe is to account for the tax payable on her various sources of income as computed in part **(b)** by identifying the relevant forms/process and stating the filing deadlines involved.

(3 marks)

(Total: 25 marks)

Question 3 – (a) and (b)

SG Management Consultancy Services Pte Ltd (“SGTM”), a GST-registered business, is in the business of providing management and international tax advisory services to clients in Singapore, Hong Kong and South-East Asia countries. Its business is conducted from an office in Singapore. The following SGTM transactions were conducted in the quarter ended 30 June 2018 and **unless otherwise stated**, all purchases were made from GST-registered suppliers and all amounts stated are exclusive of GST (*Goods and Services Tax*).

- (i) Consultancy services provided during the quarter included those to the following parties:
 - (i-1) Tax and management advisory services of \$240,000 provided to high net worth individuals tax resident in Indonesia and Malaysia who came to Singapore to meet up with the advisors from SGTM. The discussions centered on tax efficient ways to organise their financial assets and affairs in their home countries. These individuals do not currently hold any physical assets in Singapore.
 - (i-2) Tax advisory services of \$305,000 provided to clients from Hong Kong. Advisors from SGTM had travelled to Hong Kong on various occasions during the quarter to discuss and advise on tax planning strategies in relation to these clients’ business ventures in Asia excluding Singapore.
 - (i-3) Received a down payment of \$10,000 on 25 June 2018 upon the signing of a service contract with a Singapore client. The tax invoice was raised on 5 July 2018 when work commenced on 1 July 2018.
- (ii) Sold old newspapers and old reference books to a rag and bone man for \$500 with GST absorbed by SGTM.
- (iii) Interest income derived from the following:
 - (iii-1) Interest income of \$30,000 from a deposit placement with a bank in Hong Kong which has no operations in Singapore.
 - (iii-2) Interest income of \$5,000 from loans given to staff.

- (iv) Received a **final** settlement sum of \$20,000 from the receivers of a Singapore client. The debt owing by the client of \$40,000 was written off previously and bad debt relief was claimed accordingly for GST purposes.
- (v) Paid \$35,000 for an accounting software programme to an overseas vendor which does not have any operations in Singapore. The payment comprises the following components:
 - (v-1) \$28,000 for the use of the software programme; the source codes continue to be owned by the vendor.
 - (v-2) \$7,000 for modifications made to the programme by the vendor at the request of SGTM.

The software is to be used by SGTM to better monitor its cash flow as well as to produce more detailed financial information from its operations.

- (vi) Traded-in its old office furniture for \$9,000 and purchased new office furniture for \$60,000 (before deducting trade-in value) from a non-GST registered company.
- (vii) Air-tickets costing \$15,000 from Singapore Airlines for return flights to Hong Kong.
- (viii) Donations totalling \$13,000 to an approved Institution of a Public Character (IPC) which comprise the following:
 - (viii-1) Cash donation of \$7,000.
 - (viii-2) 2 new Microsoft Surface Pro 6 worth \$3,000 each to be given away at a fund-raising event for the IPC. The devices were bought during the same quarter and handed to the IPC for their event.

**Exemplify
Question
Number**

5

Question 3 required:

- (a) For each of the above transactions referred to by the roman numeral code, state the type of supply, calculate the amount of output tax chargeable or input tax claimable and state whether the GST amount is an output tax chargeable or input tax claimable. Round your answers to the nearest whole dollar.

Present your answers in the following format (using the abbreviations indicated in the legend and the example answer as a guide):

Transaction: (xi) Purchase from a non-GST registered supplier.

Example answer: (xi) OS, \$0, I

Legend for the example answer:

(xi) – Is the unique line number identifying the transaction in the case;

OS – Is the ***Type of Supply***

(where **SR**-Standard Rated, **ZR**-Zero Rated, **OS**-Out-of-Scope, **EX**-Exempt, and **NS**-No Supply);

\$0 – Is the ***Amount of GST***; and

I – Indicates whether the GST amount should be shown as ***Output Tax Chargeable (O)*** or ***Input Tax Claimable (I)*** or ***Not Applicable (NA)***.

(21 marks)

**Exemplify
Question
Number**

6

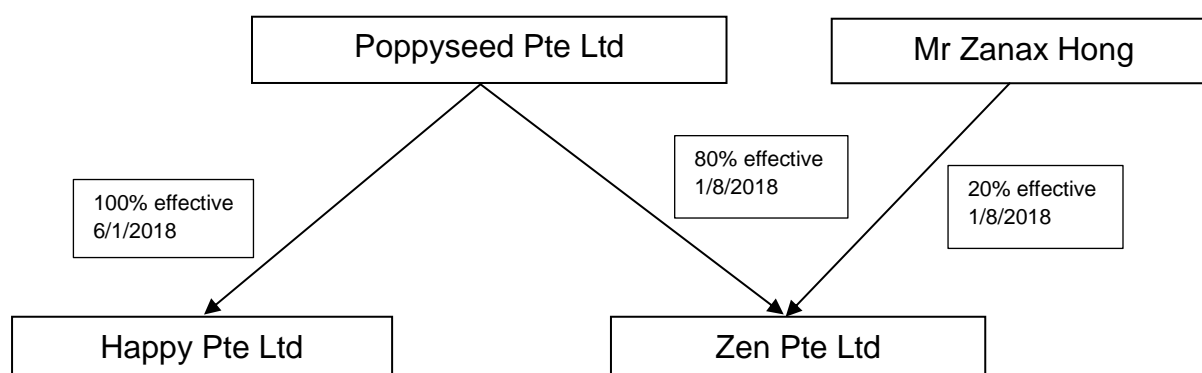
- (b)** With reference to Section 12(7) of the Income Tax Act on income deemed to be derived from Singapore, explain if withholding tax is applicable to the software payment to the overseas vendor (refer to transaction **(v)** mentioned in Question 3 above). All communications between SGTM and the overseas vendor were made via emails or conference calls.

(4 marks)

(Total: 25 marks)

Question 4 – (a), (b) and (c)

Poppyseed Pte Ltd, a Singapore incorporated investment holding company which is wholly owned by Mr Hari Kumar, acquired 100% of the shareholdings in Happy Pte Ltd, a Singapore incorporated company, on 6 January 2018. Happy is a wholesaler and distributor of mind and mood health supplements since 2001. It was 100% held previously by Ms Sunshine Wong. On 1 August 2018, Poppyseed incorporated another Singapore company, Zen Pte Ltd, which operates a chain of spas in Singapore. Zen is 80% owned by Poppyseed and 20% held by yoga and fitness guru, Mr Zanax Hong. The group structure is as follows:



All the companies have the same accounting year end of 31 December. For the financial year/period ended 31 December 2018, the financial positions of Happy and Zen are as follows:

| Happy Pte Ltd | Zen Pte Ltd |
|---|--|
| 1) Happy has an adjusted trade loss of \$50,000 as well as taxable non-trade interest income of \$10,000. | 1) Zen's accounting net profit for the financial period ended 31 December 2018 is \$300,000 which includes depreciation charge of \$60,000 and incorporation expenses of \$10,000. |
| 2) Happy traded in its delivery truck (bought for \$270,000 in financial year 2016 and maximum allowances were claimed) for \$180,000 and bought a new delivery truck for \$315,000 (before trade-in value). | 2) Zen will be claiming capital allowances of \$50,000. |

| | |
|---|--|
| 3) Happy is entitled to capital allowances of \$86,000 which do not include the balancing adjustment from the truck sold or the capital allowances arising from the new truck bought. | |
|---|--|

For the year ended 31 December 2017, Happy had assessable income of \$180,000.

The group would like to maximise the use of Happy's unabsorbed capital allowances and trade losses (collectively known as loss items) immediately. As Poppyseed derives tax exempt dividend income, the use of Happy's loss items will be considered between Happy and Zen only.

**Exemplify
Question
Number**

Question 4 required:

7

- (a)** Explain why Happy and Zen can qualify as members of the same group and thus able to access group relief provisions. You should also address how the amount (no actual computation or calculation of the amount is required) of loss items that can be transferred is to be determined.

(5 marks)

8

- (b)** Explain if Happy can utilise the carry-back provisions for the loss items, stating clearly the relevant shareholding comparison dates and the basis of arriving at the amount (no actual computation or calculation of the amount is required) to be carried back.

(8 marks)

9

- (c)** On the basis that both carry-back and group relief provisions have been elected for, prepare the income tax computations for Year of Assessment 2019 for Happy and Zen, and calculate the minimum tax payable by Zen. In its tax computation, Happy will be electing for the provisions of Section 21 of the Income Tax Act in respect of the replacement truck.

(12 marks)

(Total: 25 marks)

END OF PAPER

Appendix A - Tax Rates and Allowances - Year of Assessment 2019

Goods and Services Tax

| | |
|-----------------------------------|-------------|
| Standard rate | 7% |
| Compulsory Registration threshold | \$1 million |

Corporate Income Tax Rate

| | |
|-------------------------|-----|
| Year of Assessment 2019 | 17% |
|-------------------------|-----|

| | |
|---|----------------|
| <u>Partial Tax Exemption</u> | \$ |
| First \$10,000 of chargeable income is 75% exempt | 7,500 |
| Next \$290,000 of chargeable income is 50% exempt | <u>145,000</u> |
| Total | <u>152,500</u> |

| | |
|---|----------------|
| <u>Start-up Tax Exemption</u> | |
| First \$100,000 of chargeable income is 100% exempt | 100,000 |
| Next \$200,000 of chargeable income is 50% exempt | <u>100,000</u> |
| Total | <u>200,000</u> |

Note:

The corporate tax rebate for the respective years are as follows:

YA 2016 – 50% capped at \$20,000;

YA 2017 – 50% capped at \$25,000;

YA 2018 – 40% capped at \$15,000; and

YA 2019 – 20% capped at \$10,000

Appendix A - Tax Rates and Allowances - Year of Assessment 2019

Personal Income Tax effective from Year of Assessment 2017 (Resident)

| Chargeable Income | Rate (%) | Gross Tax Payable (\$) |
|-------------------|----------|------------------------|
| First \$20,000 | 0 | 0 |
| Next \$10,000 | 2.0 | 200 |
| First \$30,000 | - | 200 |
| Next \$10,000 | 3.5 | 350 |
| First \$40,000 | - | 550 |
| Next \$40,000 | 7.0 | 2,800 |
| First \$80,000 | - | 3,350 |
| Next \$40,000 | 11.5 | 4,600 |
| First \$120,000 | - | 7,950 |
| Next \$40,000 | 15.0 | 6,000 |
| First \$160,000 | - | 13,950 |
| Next \$40,000 | 18.0 | 7,200 |
| First \$200,000 | - | 21,150 |
| Next \$40,000 | 19.0 | 7,600 |
| First \$240,000 | - | 28,750 |
| Next \$40,000 | 19.5 | 7,800 |
| First \$280,000 | - | 36,550 |
| Next \$40,000 | 20.0 | 8,000 |
| First \$320,000 | - | 44,550 |
| Above \$320,000 | 22.0 | |

Note: All resident individuals will enjoy a personal income tax rebate of 50%, capped at \$200, for Year of Assessment 2019.

Personal Income Tax for the Year of Assessment 2019 (Non-resident)

General Rate: 22%

Section 40B Relief for Non-resident Employees

Tax payable on the Singapore employment income of a non-resident individual is calculated at a flat rate of 15% or on a resident basis, whichever results in a higher tax amount.

Appendix A - Tax Rates and Allowances - Year of Assessment 2019

Central Provident Fund (CPF)

Contributions for individuals of ages 55 years and below, and earning at least \$750 per month.

Rates of CPF contributions (effective from 1 January 2016 onwards)

| | |
|----------|-----|
| Employee | 20% |
| Employer | 17% |

| | |
|---|-------------------------------------|
| Maximum monthly ordinary wages (OW) attracting CPF | \$6,000 |
| Maximum annual ordinary wages (OW) attracting CPF | \$72,000 |
| Maximum annual additional wages (AW) attracting CPF | \$102,000 less OW subject to CPF |

Ad hoc Contribution to Medisave

Cap on deductible ad hoc contribution by employers to employees' Medisave accounts

Up to 31 December 2017, \$1,500 per employee per year.

Effective from 1 January 2018, \$2,730 per employee per year.

Appendix A - Tax Rates and Allowances - Year of Assessment 2019

Personal Income Tax Reliefs for the Year of Assessment 2019

With effect from YA 2018, the overall personal income tax relief available to resident individuals, as detailed below, will be capped at \$80,000.

Earned income

| Age | Normal (able-bodied) maximum | Handicapped maximum |
|--------------------|---------------------------------|------------------------|
| Below 55 years | \$1,000 | \$4,000 |
| 55 to 59 years | \$6,000 | \$10,000 |
| 60 years and above | \$8,000 | \$12,000 |

Other reliefs

| Type of relief | Amount of relief |
|--|-----------------------------|
| Spouse relief | \$2,000 |
| Handicapped spouse relief | \$5,500 |
| Qualifying child relief (per child) (QCR) | \$4,000 |
| Handicapped child relief (per child) (HCR) | \$7,500 |
| Handicapped sibling relief (per sibling) | \$5,500 |
| Parent relief | |
| - Staying with dependant | \$9,000 |
| - Not staying with dependant | \$5,500 |
| Handicapped parent relief | |
| - Staying with dependant | \$14,000 |
| - Not staying with dependant | \$10,000 |
| Working mother's child relief (WMCR) | % of mother's earned income |
| - First child | 15% |
| - Second child | 20% |
| - Third and subsequent child | 25% |
| - Maximum cumulative WMCR | 100% |
| - Maximum relief per child (including QCR/HCR) | \$50,000 |
| Grandparent caregiver relief | \$3,000 |
| Life insurance relief | \$5,000 (max) |

Appendix A - Tax Rates and Allowances - Year of Assessment 2019

| Type of relief | Amount of relief |
|---|---|
| Voluntary CPF contribution of self-employed | Capped at \$37,740 or 37% of s10(1)(a) net trade income assessed less any trade losses from prior years or actual amount contributed by the taxpayer, whichever is lowest |
| Course fee relief | \$5,500 (max) |
| Foreign domestic worker levy relief | |
| - Up to 31 March 2019 | \$6,360 (max) |
| - Effective from 1 April 2019 | \$7,200 (max) |
| Supplementary Retirement Scheme | |
| - Singapore citizens and PRs | \$15,300 (max) |
| - Foreign citizens | \$35,700 (max) |

National Service Man (NSman) relief

| | Normal Appointment | Key Appointment Holder |
|----------------------------|--------------------|------------------------|
| Active NSman | \$3,000 | \$5,000 |
| Nan-active NSman | \$1,500 | \$3,500 |
| Wife/widow/parent of NSman | \$750 | \$750 |

Appendix A - Tax Rates and Allowances - Year of Assessment 2019

Withholding tax rates

| Nature of income | % rates payable |
|--|-------------------------------|
| Interest and other payments in connection with loan or indebtedness | 15% |
| Royalty or other lump sum payments for the use of, or the right to use, movable properties | 10% |
| Payment for the use of, or the right to use, scientific, technical, industrial, or commercial knowledge or information | 10% |
| Technical assistance and service fees | Prevailing Corporate Tax Rate |
| Management fees | Prevailing Corporate Tax Rate |
| Rent or other payments for the use of movable properties | 15% |
| Director's remuneration | 22% |
| Non-resident professional | 15% of gross or 22% of net |

Appendix B - Common verbs used by the Examiners

| Verb | Description |
|-----------------------------|---|
| Advise / Give advice | This type of question requires you to give specific guidance, so your answer <u>must</u> provide specific information or make a recommendation tailored to the individual or group and justify your position. |
| Calculate / Compute | Do the number crunching and derive the correct answer. Make sure that you write down your workings and crosscheck your numbers. |
| Determine | Ascertain or conclude after analysis and evaluation the most appropriate course of action or most correct answer from a range of viable alternatives. |
| Explain | Explain requires you to write at least several sentences conveying how you have analysed the information in a way that a layperson can easily understand the concept or grasp the technical issue at hand. |
| State | State is similar to list , but the items require your professional judgement. For instance, " State any restrictions that apply". One of the easiest ways to make sure that you state comprehensively is to think, " list and justify ". |
| With reference to | This instruction requires you to relate your answer back to a specific document/s or set of facts. For instance, " With reference to relevant Singapore Financial Reporting Standards, explain the risk of material misstatements relating to ...". In this example, relevant <u>Singapore Financial Reporting Standards</u> acts as a qualifier (with reference to 'what'). Failure to make specific mention of the document/s or facts in your answer will result in a substantial loss of marks. |