



REVISIONS TO ACRA TAXONOMY

ACRA Consultation Paper

October 2008

The Accounting and Corporate Regulatory Authority (ACRA) is Singapore's regulator of business entities and the independent regulator for public accountants.

ACRA plays an important role in facilitating the development of business entities and the public accountancy profession in Singapore but our main role remains that of a regulator. In line with the need to create a responsive and trusted regulatory environment, ACRA will facilitate the creation and existence of a pro-enterprise environment for businesses.

ACRA is committed to continually reviewing the legislation and reducing the regulatory burden to be in tune with business needs, international developments and to help promote entrepreneurship and enterprise. To this end, ACRA sees confidence in corporate reporting disclosures and governance as vital to the healthy functioning of businesses and the market, and making a significant contribution to the overall economy and Singapore's competitiveness in international markets.

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1. Introduction

1.1 The Accounting and Corporate Regulatory Authority (ACRA) has launched this public consultation to explain and seek feedback on the proposed revisions to the current ACRA Taxonomy¹ for corporate financial reporting in eXtensible Business Reporting Language (XBRL), necessitated by the revisions to Singapore Financial Reporting Standard (FRS) 1 *Presentation of Financial Statements*.

1.2 As part of our constant effort to review and refine the corporate financial reporting process in Singapore, ACRA is also seeking public feedback on the current corporate financial reporting in XBRL. As at 30 September 2008, there are 8,788 companies filing in Full XBRL and 25,193 companies filing in Partial XBRL. ACRA is encouraged by the fact that more than one quarter of financial statements filings have been in Full XBRL even though the option is not mandatory.

1.3 ACRA's desired outcome in embarking on this consultative process is to promote dialogue and transparency which would move Singapore towards an environment of high quality corporate financial reporting. We would like to invite your organisation and all interested persons to comment on the issues highlighted in this consultation paper. Respondents are also welcome to surface other related issues pertaining to this matter.

1.4 All comments and feedback should be marked "Attention: ACRA Taxonomy Feedback" and may be sent to the following contact details:

Accounting and Corporate Regulatory Authority
Financial Reporting Regulations Division
10 Anson Road
#05-01/15 International Plaza
Singapore 079903

Fax: (65) 6225-1676

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1.5 We would appreciate it if all responses could be received before 12 December 2008.

¹ A taxonomy in general means a catalogue or a set of rules for classification; in XBRL, a taxonomy is a dictionary, containing computer-readable definitions of business reporting terms as well relationships between them and links connecting them to human-readable resources (metadata); a typical taxonomy consists of a schema (or schemas) and linkbases. (Source: www.iasb.org/xbrl)

2 Objective of Consultation Paper

2.1 One of the ACRA's strategic outcomes is High Quality Audit and Corporate Financial Reporting.

High Quality Audit and Corporate Financial Reporting
We will promote high quality audit and corporate financial reporting to build confidence in Singapore's corporate financial reports.

2.2 This consultation paper seeks to gather views from stakeholders involved in the corporate financial reporting process on the necessary revisions to the current ACRA Taxonomy following the adoption of the revised Singapore FRS 1 *Presentation of Financial Statements* by the Singapore Accounting Standards Council (ASC) for annual periods beginning on or after 1 January 2009. Specifically, the paper invites feedback on how the revisions to FRS 1 can be incorporated into the current ACRA Taxonomy as well as comments on the possible revisions to the preparation and filing requirements for financial statements in XBRL in Singapore.

2.3 The views gathered in this consultation will help ACRA undertake a comprehensive analysis of the specific areas to focus on and to fully assess the costs and benefits of proposed revisions with regard to promoting high quality corporate financial reporting.

3 Background on XBRL Implementation in Singapore

3.1 ACRA is Singapore's regulator of business entities and the independent regulator for public accountants. ACRA launched XBRL for the preparation and filing of financial statements with effect from 1 November 2007. XBRL is an open standard reporting language which has been adopted internationally for the electronic communication of business and financial reporting data. With XBRL, it is possible for financial reporting data to be extracted immediately and be used for various purposes. With the implementation, XBRL will benefit the business community by improving access to data and raising data accuracy. Having made XBRL filing a reality, ACRA is now embarking on the next phase of turning XBRL information into dynamic business intelligence for the business community. ACRA is currently working with external parties on an XBRL enabled analysis tool to be made available to the business community, of which financial information in XBRL can be transformed into meaningful visual reports for benchmarking and trend analyses.

3.2 Adopting XBRL is aligned with ACRA's overall strategic direction of enabling a pro-enterprise financial reporting environment for businesses in Singapore and a value-enhancing financial information flow to the international business community. ACRA also seeks to achieve the following strategic goals with XBRL:

- Unlocking new value from financial information filed with ACRA - With XBRL, corporate financial information is more readily available for use by consumers of financial information as opposed to the current Portable Document Format (PDF), thus enabling, for example, an effective access and analysis of financial reporting data. Financial ratios and industry trend analyses are potentially information that could be immediately and automatically computed efficiently;
- Facilitating a "one-stop" portal for businesses - In time, it may be possible for financial statements to be filed only once with a central filing Government agency for transfers to other regulatory agencies with similar filing arrangements;
- Strengthening regulatory vigilance - ACRA is tapping on XBRL to improve the efficiency and the effectiveness of its regulatory functions.

3.3 ACRA has decided to implement XBRL filing in phases. For a start, Singapore incorporated companies which are either unlimited or limited by shares will be required to file their financial statements in XBRL with effect from 1 November 2007 in respect of financial periods ending on or after 30 April 2007, unless they are excluded by ACRA. The excluded companies are banks, insurance companies and finance companies that are regulated by the Monetary Authority of Singapore and companies allowed by law to prepare financial statements using accounting standards other than the Singapore FRS or the International Financial Reporting Standards (IFRS). The XBRL filing requirement

will not apply to companies limited by guarantee, foreign companies and their local branches for now.

3.4 To ease the transition to XBRL, companies are given two options to file financial statements for their Annual Return filing purposes. They can either file a full set of financial statements in XBRL, or they can file only the Balance Sheet and Income Statement in XBRL together with a copy of the set of financial statements as tabled at the Annual General Meeting (AGM) or, in the case of a private company which has dispensed with holding of an AGM, which was sent to the shareholders of the company².

3.5 To help companies in their move towards XBRL and to familiarise themselves with the new filing process, ACRA began an education campaign in November 2006 with a series of public seminars announcing the move to XBRL specifically targeted at directors, accountants and company secretaries, as well as informing the directors of affected companies via mail on the new requirements.

3.6 ACRA has also developed a free online tool known as FS Manager to enable companies to prepare their financial statements in XBRL. ACRA launched its FS Manager public feedback month which ran from 16 February 2007 to 16 March 2007 and worked with the Institute of Certified Public Accountants of Singapore (ICPAS) and the Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA) to obtain the necessary feedback. FS Manager has been made available online since 1 May 2007 for use by preparers of financial statements. To further assist preparers of financial statements with the use of the FS Manager, ACRA has appointed several training partners such as DP Bureau, the Singapore Academy of Law, ICPAS and SAICSA to offer training courses since August 2007. In addition, ACRA has worked with CPA Australia to launch a webinar (a form of internet conference) to assist Singapore companies in using FS Manager.

3.7 The unique value proposition of FS Manager is more than just a tool for companies to prepare their financial statements in XBRL for filing purposes to ACRA. It is in itself a financial statements preparation tool which offers great value especially to small Singapore companies in preparing their financial statements. FS Manager also facilitates Singapore companies in preparing their financial statements in PDF.

3.8 Additional information on XBRL and FS Manager can be found on ACRA's homepage at <http://www.acra.gov.sg>.

² Further details are available in Practice Direction 2 of 2007 dated 30 April 2007 and Practice Direction 5 of 2007 dated 31 October 2007 which can be found on the ACRA website.

4 Background on ACRA Taxonomy

4.1 The ACRA Taxonomy (Version 1.21) is based primarily on the requirements of the Singapore FRS, and in developing the ACRA Taxonomy, ACRA drew reference from the IFRS taxonomy developed by the International Accounting Standards Committee Foundation (IASCF) XBRL Team³. In developing the ACRA Taxonomy, ACRA worked with its consultant, Mr. Thomas Egan, also a member of the IASCF XBRL Quality Review Team⁴, relevant professionals and the ICPAS to identify key financial items to be included in the ACRA Taxonomy.

4.2 The ACRA Taxonomy is based on the premise that no company should tag any data or extend any taxonomy and that industry specific data should be in the single taxonomy if important. ACRA Taxonomy achieves this by relying on the self-extending taxonomy concept that allows for core data that is common to most entities and of interest to most users to be captured specifically and for other data to be captured under a flexible classification (i.e. user-described expense item) that will allow for efficient manual extraction.

4.3 The self-extending taxonomy concept utilises a simple user-described tuple⁵ structure to capture in a single element the exact description used by the company in its financial statements as well as that specific value associated with it. The ACRA self-extending taxonomy concept eliminates taxonomy extensions thereby eliminating the need for companies to acquire taxonomy building software or to even understand the meaning of the word taxonomy. Through FS Manager, it also eliminates the need for the company to tag data or understand XBRL instance documents. Essentially, a company simply inputs data into FS Manager that is tagged to the ACRA Taxonomy. If a specific item is not present in the ACRA Taxonomy, a company then describes that specific item based upon its classification using the various user-described fields in the ACRA Taxonomy.

4.4 As a matter of comparison, the current ACRA Taxonomy contains 464 data elements and 39 tuples whereas the IFRS taxonomy 2008 contains more than 2,500 data elements. A copy of the IFRS taxonomy 2008 is available at <http://www.iasb.org/xbml>. A

³ Further details on the IASCF XBRL Team are available online at <http://www.iasb.org/xbml/index.html>.

⁴ The IASCF XBRL Quality Review Team reviews the IASCF developed taxonomies and offers strategic advice and practical recommendations to the IASCF XBRL Team on the quality of its taxonomy and is made up of members who are highly experienced in the development of XBRL taxonomies, in project management and in quality review.

⁵ According to the XBRL Specifications, tuples associate facts that cannot be independently understood and their meaning depends on their relationship to other elements. (Source: www.iasb.org/xbml)

taxonomy viewer for the IFRS taxonomy 2008 is also provided by the IASCF for ease of reference at <http://xbrl.iasb.org/xbev/viewer/presentation/index.html>.

4.5 As the ACRA Taxonomy was designed to comply with the FRS requirements effective as of 31 October 2007, subsequent changes to the FRS requirements as adopted by the Singapore ASC will have an impact on the ACRA Taxonomy. In Chapter 5, we will examine the summary of revisions to Singapore FRS 1 that could impact the current ACRA Taxonomy.

5 Summary of Singapore FRS 1 Revisions

5.1 The ASC has issued on 28 March 2008, a revised version of FRS 1 *Presentation of Financial Statements* for Singapore incorporated companies, effective for annual periods beginning on or after 1 January 2009, with early adoption permitted. A copy of the revised FRS 1 can be obtained at the ASC website at <http://www.asc.gov.sg>.

5.2 The changes made in the revised FRS 1 are to require information in the financial statements to be aggregated on the basis of shared characteristics and to introduce a Statement of Comprehensive Income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners (such as dividends and share repurchases) separately from "non-owner" changes (such as transactions with third parties). A summary of the main changes are:

- Present all non-owner changes in equity [i.e. "comprehensive income"] either in one Statement of Comprehensive Income or in two statements (a separate Income Statement and a Statement of Comprehensive Income);
- Present a Statement of Financial Position (currently known as the Balance Sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when a company applies an accounting policy retrospectively or makes a retrospective restatement or reclassifies items in the financial statements;
- Disclose income tax relating to each component of other comprehensive income; and
- Disclose reclassification adjustments relating to components of other comprehensive income.

5.3 The revised FRS 1 also changes the financial statement titles to reflect their functions more clearly such as:

- "Balance Sheet" to "Statement of Financial Position";
- "Income Statement" to "Statement of Comprehensive Income"; and
- "Cash Flow Statement" to "Statement of Cash Flows"

5.4 While the new titles will be used in the FRS, it is not mandatory that they be used in the financial statements.

6 Draft ACRA Taxonomy 2009

6.1 ACRA has worked closely with its consultant, Mr. Thomas Egan, in identifying the revisions necessary to the current ACRA Taxonomy (Version 1.21) following the revisions to FRS 1 to develop the draft ACRA Taxonomy 2009. For reference, the draft ACRA Taxonomy 2009 is also referred to as ACRA Taxonomy Version 2.0 [Draft].

6.2 The draft ACRA Taxonomy 2009 is enclosed as a separate Microsoft Excel document. The revisions to the current ACRA Taxonomy (Version 1.21) are marked out in red for the ease of reference. ACRA has also included a summary of the relevant changes from the current ACRA Taxonomy (Version 1.21).

6.3 In order to facilitate a mutually beneficial feedback process, ACRA would appreciate it if respondents could provide some background insights leading to their views and suggestions. In facilitating a productive and focused consultation process, respondents are encouraged to

- (a) Indicate your name as well as the organisation you represent (if any);
- (b) Focus on the specific consultation points set out in the paper;
- (c) Indicate the specific financial reporting statement and/or specific reporting data element to which the comments relate;
- (d) Contain a clear rationale; and
- (e) Include an alternative that ACRA should consider.

6.4 In this consultation exercise, ACRA will not be requesting for public feedback on the presentation of the financial statements generated in PDF from FS Manager as the emphasis is on the respective reporting data elements and the terminology that is best suited to the needs of all stakeholders in the corporate financial reporting process.

6.5 ACRA will also be separately requesting feedback from the interested professional bodies, companies and accounting firms on the revised version of the presentation format of the PDF copy of the financial statements generated by FS Manager in due course after the finalisation of the revisions to the ACRA Taxonomy. Stakeholders who are interested in participating in this subsequent feedback gathering session can indicate their interest in their comment letters to be submitted to ACRA.

7 List of Consultation Questions

7.1 ACRA invites comments and feedback on the draft ACRA Taxonomy 2009 as well as views on other issues related to the preparation and filing process of corporate financial statements in XBRL for Singapore companies. To assist us in giving due consideration to your feedback, we would appreciate that you provide the reasons and basis for your opinions. All submissions received will be regarded as public documents unless otherwise indicated.

7.2 The list of consultation questions for views and comments are tabulated below:

ACRA Taxonomy - Specific	
Qn 1	In your view, do you agree that the draft ACRA Taxonomy 2009 is adequate to address the revisions to FRS 1 <i>Presentation of Financial Statements</i> ?
Qn 2	Specifically, in your view, do you agree that the financial reporting data elements added for “Other Comprehensive Income” is adequate to address the requirements of the revisions to FRS 1 <i>Presentation of Financial Statements</i> ?
Qn 3	In your view, do you agree to have the existing financial statement title of Balance Sheet shown alongside the new financial statement title of Statement of Financial Position [i.e. Balance Sheet (Statement of Financial Position)]? If not, which title do you propose and why?
Qn 4	Specifically, in your view, do you agree that the financial reporting data elements added and removed within the Statement of Changes in Equity is adequate to address the requirements of the revisions to FRS 1 <i>Presentation of Financial Statements</i> ?
Qn 5	The Statement of Recognised Income and Expense has been omitted from the draft ACRA Taxonomy 2009. In your view, do you agree with the deletion of the Statement of Recognised Income and Expense from the draft ACRA Taxonomy 2009?
Qn 6	In your view, do you think that the draft ACRA Taxonomy 2009 meet the financial reporting needs for the majority of Singapore incorporated companies other than banks, insurance companies and finance companies that are regulated by the Monetary Authority of Singapore (MAS)? If not, what are the additional features or reporting data elements that need to be incorporated?

ACRA Taxonomy and XBRL Filing - General	
Qn 7	Currently banks, insurance companies and finance companies that are regulated by the MAS are exempted from filing their financial statements in XBRL. In your view, do you see value in having the financial statements of this group of entities in XBRL?
Qn 8	Currently, companies limited by guarantee and Singapore branches of foreign companies are exempted from filing their financial statements in XBRL. In your view, do you see value in having the financial statements of this group of entities in XBRL?
Qn 9	Currently, the ACRA Taxonomy utilises the self-extending taxonomy concept using tuples (i.e. user-described fields). In your view, should the ACRA Taxonomy continue to provide this tuple feature for self-extending or should companies be allowed to create specific taxonomy extensions to the ACRA Taxonomy for their specific financial reporting needs (i.e. having the user-described field outside of the core ACRA Taxonomy)?
Qn 10	Currently, companies filing in full XBRL have to tag the notes to the financial statements as a block of text in XBRL (via the text editor in FS Manager). In your view, should the ACRA Taxonomy incorporate detailed tagging of the notes to the financial statements similar to the IFRS taxonomy (i.e. such as a specific tag of share-based payment transaction item which is a disclosure requirement under paragraph 51(a) of FRS 102 <i>Share-based Payment</i>)?
Qn 11	If your response to Qn 10 is positive, in your opinion, should all Singapore incorporated companies be expected to tag their notes to the financial statements in accordance with the detailed notes in XBRL or should this be applicable only to public listed Singapore incorporated companies?
Qn 12	Currently, the ACRA Taxonomy contains the requirements of the Singapore FRS and the Companies Act (Cap. 50). In your view, should the implementation of XBRL be extended to incorporate other reporting requirements of other agencies in Singapore? If so, which are the agencies and agency specific reporting requirements that could be incorporated into the Singapore Taxonomy?
Qn 13	In your view, what are some of the additional reporting data elements you wish to see in the ACRA Taxonomy in which there is value to the Singapore and international business community and whether these additional reporting data elements should be made mandatory?

Qn 14	In your view, on a longer term basis, should ACRA customise the IFRS taxonomy to suit the Singapore corporate financial reporting requirements instead of developing and maintaining an ACRA Taxonomy?
Qn 15	In your view, do you think that Partial XBRL Filing should be continued and if so, why?
General	
Qn 16	In your view, do you think that ACRA should continue to provide FS Manager, free-of-charge online, or for the companies to procure off-the-shelf XBRL software solutions or incorporate XBRL features into their accounting software tailored to their specific reporting requirements? Alternatively, do you think ACRA should develop an offline FS Manager to replace the on-line version?
Qn 17	In your view, what information services would you will find valuable to access and would like ACRA to make available using the information reported using both the ACRA Taxonomy (Version 1.21) and the draft ACRA Taxonomy 2009?
Qn 18	In your view, what new technological capabilities should ACRA Taxonomy or FS manager have?

7.3 Comments and feedback may be sent, **by 12 December 2008**, to:

Accounting and Corporate Regulatory Authority
Financial Reporting Regulations Division
10 Anson Road
#05-01/15 International Plaza
Singapore 079903
Email: acra_xbrl_general@acra.gov.sg
Fax: (65) 6225-1676

7.4 For general information about ACRA, please see our website at www.acra.gov.sg.



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