

ACRA CONNECT

ACRA
ACCOUNTING AND CORPORATE
REGULATORY AUTHORITY



FEATURES



Phased Implementation of the Companies (Amendment) Act

On 15 April 2015, ACRA announced a two-phase implementation approach for the legislative amendments to the Companies (Amendment) Act.

[Read More](#)



Enhanced Regulatory Framework for Corporate Service Providers

With effect from 15 May 2015, corporate service providers (CSPs) will come under an enhanced regulatory framework.

[Read More](#)



Financial Reporting – Setting the Tone for 2015

Inaugural ACRA, SGX and SID joint seminar focuses on company directors in their role as audit committee members.

[Read More](#)



A Word from our Chief Executive

[Read More](#)



Facilitating Business Across ASEAN

On 8 September 2014, ACRA hosted the inaugural meeting of the ASEAN Corporate Registrars. The focus was on improving cross-border business facilitation processes.

[Read More](#)



ACRA's International Engagements

ACRA continues to participate actively and represent Singapore's interests at the International Forum of Independent Audit Regulators (IFIAR) and Corporate Registers Forum 2015.

[Read More](#)



Strengthening the Public Accountancy sector

A quick recap of recent key initiatives to further raise the quality bar for the public accountancy sector.

[Read More](#)



ACRA pays Tribute to Mr Lee Kuan Yew

On 27 March 2015, ACRA held a tribute session to reflect on and remember the contributions of our Founding Father of Singapore, Mr Lee Kuan Yew.

[Read More](#)



Corporate Registers Forum

[Read More](#)

Announcements

- New Appointments to the ACRA Board
- ACRA elected to XBRL International's Board of Directors
- ACRA @ The Heartlands (29 Nov 2014) and @ NACLI (24 Jan 2015)
- Getting More Value out of XBRL Filing
- Latest BizFin* Preparation Tool Released
- New Practice Directions and Practice Guidance issued
- ACRA joins Hackathon@SG2015

[Read More](#)

Quick Chat with ACRA

Our recently retired Head of Information Resources Department, Mrs Loy Wei Sun, shares her thoughts on how data management has transformed over the years.

[Read More](#)

A WORD FROM OUR CHIEF EXECUTIVE



Dear Reader,

It is halfway into the year and I am happy to note that several milestones have been crossed in the past few months that will further our goal to make Singapore the best and most trusted place for business.

On the corporate regulatory front, over 2,500 corporate service providers (CSPs) now come under an enhanced regulatory framework that was implemented on 15 May 2015. For the first time, CSPs are required to put in place systems and procedures to conduct due diligence checks on their clients. This is significant as it will reduce the sector's vulnerability to money laundering and terrorist financing. Transiting to a new regime is a huge step and strong support from key professional partners such as SAICSA and ISCA has helped CSPs ease into this transition. You can read more about the new CSP Regime and efforts to prepare the industry for the change in this issue of ACRAConnect.

Another legislative milestone was reached with Parliament's passing of the Companies (Amendment) Act late last year. In the coming months ahead, ACRA will be implementing the legislative changes to the Act. This is the largest number of changes to the Companies Act since it was enacted in 1967. Various stakeholder groups such as companies, small-and-medium enterprises and retail investors will benefit from the changes. We recently announced that the implementation will take place in two phases. More details on this can be found in this issue of ACRAConnect.

We continue to press on with our efforts to strengthen the financial reporting eco-system. Featured in this 5th issue of ACRAConnect is a first ever seminar organised by ACRA, the Singapore Stock Exchange and the Singapore Institute of Directors. It saw over 150 Audit Committee chairmen and members discuss with regulators, the latest developments in the corporate regulatory landscape and challenges that lie ahead for 2015. We also share with you some key initiatives to raise the quality bar for public accountants. Effective 1 February 2015, tighter registration requirements are being imposed on public accountants. In addition, from 1 July 2015, a revised Code of Professional Conduct and Ethics for Public Accountants will come into force.

ACRA also continues to keep a close eye on key developments on the global corporate and audit regulatory stage. You can read more about our participation at international corporate and audit regulatory forums such as the Corporate Registers Forum (CRF) and the International Forum of Independent Audit Regulators (IFIAR) in this issue. Closer to home, ACRA is part of a newly formed informal ASEAN group of corporate registrars that seeks to boost regional business competitiveness. ACRA is honoured to have hosted the inaugural meeting in September last year where ideas to help facilitate businesses across ASEAN borders were discussed. At its latest meeting in Kuala Lumpur in March this year, members agreed to explore in further depth key collaborative projects such as a common ASEAN-wide business entity search platform.

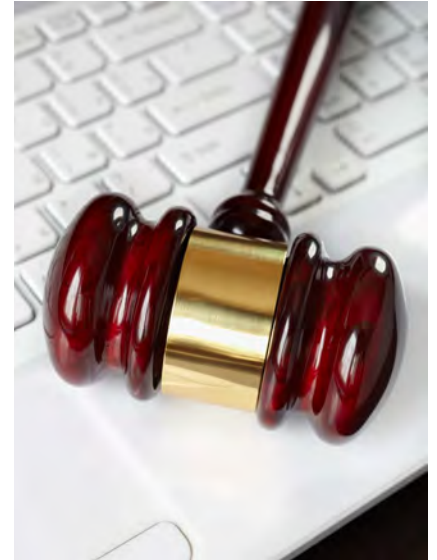
The next half of 2015 promises to be just as eventful. As part of our continued drive to raise the quality of audit, new initiatives are being explored to improve the transparency of communication on audit quality matters between audit firms and audit committees. This will enable audit committees to better assess their auditors and gauge a firm's commitment towards audit quality. We will also be issuing our 9th Practice Monitoring Programme report as well as our first report on the state of financial reporting in Singapore.

I would also like to express my deepest appreciation to our professional partners. Their support and feedback has been critical in ensuring that many of the initiatives are successfully rolled out. We will continue to work closely with our key stakeholders to ensure our regulatory frameworks and programmes remain not only robust but also relevant and responsive to the needs of the business community.

I wish you an enjoyable read.

Mr Kenneth Yap
Chief Executive, ACRA

PHASED IMPLEMENTATION OF THE COMPANIES (AMENDMENT) ACT



The Companies (Amendment) Bill was passed by Parliament in October 2014. This is the largest number of changes to the Companies Act since it was enacted in 1967. The changes aim to reduce regulatory burden on companies, provide for greater business flexibility and improve the corporate governance landscape in Singapore.

2 Phase Approach

On 15 April 2015, ACRA announced that a two-phase implementation approach would be adopted for the legislative changes to the Companies Act. About 40% of the over 200 legislative amendments will take effect in the first phase on 1 July 2015. The second phase encompassing the rest of the legislative amendments is expected to come into effect in the first quarter of 2016.

ACRA's announcement on the phased implementation of the Companies (Amendment) Act can be accessed [here](#).

This approach is being adopted as some legislative amendments are directly linked to the registration and filing processes in ACRA's online business filing and information portal ("BizFile"). BizFile is currently undergoing a major revamp, and is now expected to be completed in the first quarter of 2016.

Companies Act amendments that have no or limited links to BizFile will be effected under the first phase. The commencement notification for these legislative amendments was published on 2 June 2015. Supporting subsidiary legislation for these legislative amendments will also be issued in June 2015.

Legislative amendments with extensive and direct links to BizFile (Phase 2) will be implemented when the Bizfile revamp is completed in the first quarter of 2016. ACRA will announce the effective date for and provide more details on Phase 2 about two months before the changes are due to take effect.

The simplified regulatory fee structure that ACRA had previously announced and the new Business Names Registration Act which will replace the current Business Registration Act, will take effect in tandem with the completion of the revamped BizFile in the first quarter of 2016.

Phase 1 - List of key amendments to be implemented in July 2015

Key Amendments		Section number in Companies (Amendment) Act 2014
(a)	Shareholders' approval not required for payment of compensation up to a year's emoluments to executive director for termination of his employment.	Section 86
(b)	Relaxing conditions for nominee directors to disclose information to nominating shareholders.	Section 80
(c)	Empowering the Court hearing a winding-up application to order a buy-out instead of ordering winding-up.	Section 150
(d)	Expanding the scope of the statutory derivative action in section 216A to allow a complainant to apply to the court for leave to commence/intervene in arbitration.	Section 146
(e)	Extending application of section 216A such that the statutory derivative action is applicable to Singapore-incorporated companies that are listed for quotation or quoted on a securities market, whether in Singapore or overseas.	Section 146
(f)	Allowing listed companies to make selected off-market acquisition of shares in itself in accordance with an agreement authorised by the company.	Section 45
(g)	Removal of prohibition against financial assistance by private companies and introducing new exceptions to financial assistance.	Section 41
(h)	Permitting use of capital to pay for share issues and buybacks for brokerage or commissions.	Section 35
(i)	Allowing companies to issue shares for no consideration.	Section 35
(j)	Consolidating provisions relating to auditor independence under the Accountants Act.	Section 9
(k)	Introduction of small company audit exemption.	Section 128, 184
(l)	Auditors of non-public interest company may resign upon giving notice to the company. Auditors of public interest companies and their subsidiaries to obtain ACRA's consent for premature resignation.	Section 126
(m)	Determination of requirement to prepare consolidated financial statements to be determined by financial reporting standards and not the Companies Act.	Section 112, 113, 116 (and other related amendments)
(n)	Repeal of Companies Act requirement relating to alignment of financial year between parent and subsidiary.	Section 115
(o)	Company secretaries of private companies need not be physically present at the company's registered office.	Section 88
(p)	Prescribing the requirements of a company secretary of a public company in regulations.	Section 88
(q)	Abolition of transitional arrangements for share warrants.	Section 34
(r)	Update limit on preferential payments to employees of insolvent companies.	Section 151

Phase 2 - List of key amendments to be implemented in Q1 2016

Key Amendments		Key Amendments	
(a)	Removing the requirement for shareholders' approval to re-appoint directors aged 70 and above.	(n)	Transfer of the provisions relating to the Central Depository System to the Securities and Futures Act.
(b)	Extension of the types of loans permitted to directors to include quasi-loans, credit transactions and related arrangements.	(o)	New exemption from preparation of financial statements for dormant non-listed companies.
(c)	Extension of directors' disclosures requirements to Chief Executive Officers.	(p)	Provisions relating to the revision of defective accounts.
(d)	Allowing a company to provide indemnity against liability incurred by directors to third parties.	(q)	Extension of summary financial statements to all companies.
(e)	Power of Registrar to debar directors and secretaries.	(r)	Electronic registers of members of private companies to be kept by ACRA.
(f)	Lowering the threshold of 10% of total voting rights for the eligibility of shareholders to demand a poll to 5%.	(s)	Electronic registers of directors and other officers of all companies to be kept by ACRA.
(g)	Introduction of multiple proxies regime to enfranchise indirect investors.	(t)	Memorandum and articles will be merged into a single constitution.
(h)	Liberalising rules on electronic transaction of documents by companies.	(u)	Removal of requirement for charities registered under the Charities Act to apply to omit the word "limited" from their names.
(i)	Extension of procedures for passing written resolutions by written means to unlisted public companies.	(v)	Allowing directors and other persons to report an alternate address.
(j)	Removal of one-share-one-vote for public companies.	(w)	Updating of striking-off provisions for local companies (except the prescription of circumstances under which the Registrar may consider a company to not be carrying on business or not in operation).
(k)	Introduction of statutory mechanism for redenomination of shares.	(x)	Amendments relating to reservation/ protection of company names.
(l)	Refinements to the amalgamation process.	(y)	All amendments relating to foreign companies.
(m)	Clarification that shares redeemed out of proceeds of a fresh issue of shares are not treated as having been redeemed out of capital.		

ENHANCED REGULATORY FRAMEWORK FOR CORPORATE SERVICE PROVIDERS



With effect from 15 May 2015, the regulatory framework for corporate service providers (CSPs) has been enhanced under the ACRA (Amendment) Act and the ACRA (Filing Agents and Qualified Individuals) Regulations. Persons wishing to carry out filing transactions using ACRA's electronic transaction system for their clients will need to register as Filing Agents and Qualified Individuals and abide by terms and conditions prescribed by in the new regulations.

Raising the Professionalism of the CSP Sector

A core responsibility of CSPs is to assist clients in incorporating companies with ACRA and ensure that statutory filing relating to, for example, annual returns and allotment of shares is properly undertaken. In Singapore, more than half a million filing transactions are performed by CSPs annually. Tighter regulation will assure their clients that these transactions are performed with the highest degree of professionalism.

The requirements of the new CSP regime are aligned with recommendations issued by the Financial Action Task Force, the global standard setter for anti-money laundering and counter terrorism financing. The new CSP regime seeks to ensure that CSPs which help to set up companies conduct the requisite due diligence checks and have robust systems and processes in place to prevent abuse of such corporate vehicles for criminal or other illegitimate purposes. This will also raise the professional standing of the industry. Many other jurisdictions such as Australia and Britain already have similar regimes in place.

Enforcement action that ACRA may take

Under the enhanced regulatory framework for CSPs, new registration criteria and rules and regulations will be established. ACRA has the discretion to take enforcement action and impose sanctions against registered filing agents and qualified individuals who breach the terms and conditions of their registration. These sanctions include:

- issuance of censures
- restrictions on the use of ACRA's filing system
- imposition of financial penalties of up to \$25,000 (for registered filing agents) or \$10,000 (for registered qualified individuals) for each breach, suspension or cancellation of registration.



[From left to right : Mr Nathaniel Vanniasingham ACIS, SAICSA Vice Chairman, From ACRA: Ms Arul Selvamalar, Senior Deputy Director of Legal Services & Prosecution Division, Ms Toh Wee San, Assistant Chief Executive, Mr Kenneth Yap, Chief Executive and Mr Andy Sim, Senior Director, Legal Services and Prosecution Division.]

Transition Exercise for Existing Corporate Service Providers

Before the new CSP regime came into effect, existing professional number holders and prescribed persons were invited to seek registration as Filing Agents and Qualified Individuals from 13 April to 8 May 2015.

Impact on Group Secretaries

Holding companies of group secretaries that are currently issued with professional numbers would not be subject to the statutory obligations under the new regime, and are not required to participate in the transition exercise, and ACRA has conveyed this to them. They may continue to use their existing ACRA-issued professional numbers to perform filing until further notice.

Getting ready for the new CSP Regime

To help professional number holders and prescribed persons prepare for the new regime, ACRA conducted 14 outreach sessions last year to explain the requirements of the new regime. Over 3,400 persons have attended the sessions. This year, another 4 outreach sessions were conducted to more than 1,000 persons who learnt more about the new CSP regulations and guidelines and transition arrangements for current CSPs. A Working Group was also formed comprising the Law Society, the Institute of Singapore Chartered Accountants, the Singapore Association of the Institute of Chartered Secretaries and Administrators, the Association of International Accountants (Singapore Branch) and the Institute of Company Accountants, to develop a set of guidelines. These guidelines also include baseline internal policies, procedures and controls that registered filing agents are required to apply in order to comply with the FATF Recommendations, and “Know Your Customer” form to be used during the performance of customer due diligence.

FINANCIAL REPORTING – SETTING THE TONE FOR 2015



[From left to right : Mr Willie Cheng, SID Chairman, Mr Yap Chee Keong, Chairman and Audit Committee Member, Netlink Trust, Mr Chaly Mah, Deloitte Asia Pacific Chief Executive Officer, Mr Kenneth Yap, ACRA Chief Executive, Ms June Sim, VP & Head, Listing Compliance of SGX, Dr Themin Suwardy, Associate Professor of Accounting (Practice) and MPA Programme Director of SMU and Mr Irving Low, Head of Risk Consulting, Partner, KPMG Advisory LLP.]

On 7 January 2015, over 150 audit committee members from listed companies attended a joint seminar organised for the first time, by ACRA, the Singapore Exchange (SGX) and the Singapore Institute of Directors (SID). Company directors in their capacity as audit committee members, met with the regulators to discuss the latest developments in the corporate regulatory landscape and the challenges that lie ahead for 2015.

This year, ACRA, SGX and SID as the regulators and the national association of company directors respectively, are jointly focusing efforts on engaging audit committees. In their unique position of overseeing both the company management and auditors, audit committees play a crucial role in ensuring the integrity and quality of corporate reporting.

The seminar saw ACRA disclose its initial observations on financial reporting deficiencies from its Financial Reporting Surveillance Programme (FRSP). The scope of ACRA's FRSP was expanded last year to include financial statements of listed companies with clean audit reports. Company directors had the opportunity to clarify their duties in

relation to financial reporting and the review process. SGX shared with the company directors on practical issues concerning listed companies in Singapore and the recommended best practices for resolving them. Audit Committees were also briefed on the recommended practices set out in the recently issued 2nd Edition of the Guidebook for Audit Committees in Singapore, including working with auditors and overseeing the financial reporting process.

In his welcome speech, ACRA's Chief Executive, Mr Kenneth Yap noted ground concerns that compliance requirements are time-consuming and costly and highlighted that the regulators would continue to ensure surveillance and enforcement is targeted and focused on key risk areas. He said that "some measure of preventive medicine and tough love is necessary to ensure financial stability and market protection". He added that "where we may differ is the right balance between reducing risk and encouraging growth. I hope this seminar can serve as a platform where regulators can share our observations and constraints, while taking feedback on how regulation can be optimised and improved".



“

Among the board committees, the Audit Committee is perceived to be the most demanding. Recent new standards, changing rules and added scrutiny make it more so. This seminar has been useful to educate and share on the changes and challenges that members of Audit Committees need to face in an increasingly complex new world of financial reporting and disclosure.

”



Mr Willie Cheng,
*Chairman, Singapore
Institute of Directors*

“

The trust of all stakeholders and not just shareholders, will be far more important for companies in the future. Singapore companies, supported by their Audit Committees, have done well in this respect with their high governance standards. But we need to do more, especially in terms of sustainability and diversity. I look forward to Audit Committees' support in these areas.

”



Mr Magnus Böcker,
*CEO, Singapore
Exchange*

FACILITATING BUSINESS ACROSS ASEAN



As the momentum to establish an ASEAN Economic Community gathers pace, there is even more impetus to collaborate and improve regional business competitiveness. ACRA has been actively engaging our ASEAN counterparts to explore possible collaborative ASEAN Registry projects that would improve cross border business facilitation.

On 8 September 2014, ACRA was honoured to host the inaugural Meeting of the ASEAN Corporate Registrars. Attending the meeting were the Heads of the Corporate Registries from Brunei, Cambodia, Malaysia, Myanmar, Philippines and Thailand. It was good opportunity to share key corporate registry developments in each jurisdiction including best practices and approaches to meet common business registry challenges.

A number of collaborative projects were proposed and discussed including exploring the use of unique-reference numbers to identify businesses across ASEAN borders. This could potentially simplify procedures such as filing of corporate tax returns or applying for import and export permits. It also improves business trust since business details can be easily identified with one identification number across ASEAN borders.

In March this year, our Malaysian counterparts, Companies Commission of Malaysia (SSM) hosted the second meeting. One key outcome from the meeting was the commitment by all delegations to explore the development of a common web-

based search platform which will facilitate business entity searches in ASEAN. For businesses and investors, this will mean one-stop convenient access to official data on ASEAN companies. It would also encourage business transparency.

A third meeting is being planned and will take place later this year with the aim of firming up plans for the common web-based business entity search platform.

ACRA will continue to forge closer ties and collaborations with our fellow ASEAN counterparts. As ASEAN companies expand into the region, alignment in business registration and administrative processes across the ASEAN members would translate into greater business efficiency and cost savings for them and in turn boost regional business competitiveness.



ACRA'S INTERNATIONAL ENGAGEMENTS



[From left to right : Mr Kenneth Yap, ACRA Chief Executive, Mr Dilhan Pillay, Head, Enterprise Development Group, Temasek International Pte Ltd, Ms Julia Tay, Deputy Chief Executive and Mr Wong Kee Wei, Head, Strategic and External Relations Department]

The International Forum of Independent Audit Regulators (IFIAR) held its annual plenary meeting in Taipei, Taiwan from 21-23 April 2015. ACRA was represented by Chief Executive Kenneth Yap and Deputy Chief Executive Julia Tay. At this global forum for audit regulators, discussions focused on the impact or future impact on audit quality arising from key trends such as the audit firms' changing economic model to grow non-audit services to sustain audit services that had been commoditised over the years. Other

key discussion topics included governance structure of audit firms, competition in the audit market, and the quality and extent of resources in the labour market.

Some of these key trends such as talent attraction and retention issues and commoditisation of audit services have also been observed in Singapore's own audit landscape.

At a panel session jointly hosted by IFIAR's Investors and Other Stakeholders Working Group (IOSWG) and the Global Public Policy Committee (GPPC) Working Group – of which ACRA is both a member of, Mr Dilhan Pillay, Head, Enterprise Development Group, Temasek International Pte Ltd, who was formerly a board member of ACRA, shared his perspective of certain audit trends in Singapore.

IFIAR also moved a step closer towards greater collaboration amongst its members with an agreement in principle reached at the Plenary, on the text of a Multilateral Memorandum of Understanding (MMOU) that would provide a framework for information sharing amongst its members.

CORPORATE REGISTERS FORUM

2015



An ACRA delegation participated in the annual Corporate Registers Forum (CRF) conference which was held in Abu Dhabi from 8 to 12 March 2015. The conference was attended by 250 participants representing 60 delegations. It was a good opportunity to keep abreast of the latest corporate registry developments internationally, and to network and discuss key challenges and issues related to business registration with administrators of corporate and securities registers worldwide.

This year, the key topics of discussion included the necessity of setting up Beneficial Ownership registers and Personal Property Security registers, having a common register or listing of disqualified directors for members to check against and findings from the latest international business registry survey of 93 corporate registries worldwide.

The CRF Executive Committee also held a meeting at the side lines of CRF 2015. As a member of the Executive Committee, ACRA was involved in discussions for the CRF to expand its reach further and provide more value to its members. In this regard, ACRA will be hosting a technical workshop for jurisdictions with less developed business registry systems, with speakers from ACRA and other leading jurisdictions. The workshop will be opened to CRF and non-CRF members, and we hope to draw strong interest from our ASEAN neighbours and within Asia.

STRENGTHENING THE PUBLIC ACCOUNTANCY SECTOR



In preparation for these changes, ACRA conducted several briefing sessions to the Big 4 and mid-tier firms in 2014.

In the second half of last year, several initiatives were announced aimed at strengthening the professionalism of the public accountancy profession. These include reforms to ACRA's audit inspection programme and more stringent registration requirements for public accountants. ACRA also announced two initiatives to strengthen the integrity and independence of public accountants: the adoption of a new Ethics pronouncement to tackle money laundering and financing of terrorism, and bolstering the code of professional conduct and ethics for public accountants. The new registration requirements for public accountants took effect in 1 February this year whilst the revised ethics code will take effect from 1 July 2015.

Here is a quick re-cap of the four initiatives which will further raise the quality bar for public accountants in Singapore and further improve the profession's standing.

Reform of ACRA's Inspection Programme (PMP)

ACRA has reformed its audit regulation to take a more progressive approach to identify root causes of poor audit quality. This is the result of a strategic review that we undertook last year.

The aim was to achieve a balance between providing added assurance for investors and reducing the regulatory burden on the audit profession. Feedback was gathered from various quarters, including audit firms, and stakeholders who depend on our audit regulation.

The reformed PMP sees ACRA move from a cover-to-cover, one-size-fits-all approach, to a more targeted and risk-

based process. This will help us focus on the challenges facing each particular audit firm and public accountant. We will be more targeted in the files and controls we review, and more variegated in the risks and deficiencies we tackle. This progressive approach will allow us to cover more ground in our inspections, and to place more emphasis on areas that truly matter. There will also be a new post-inspection root-cause analysis, which will provide another engagement platform to ensure that these risks are remediated.



The enhancements are detailed in ACRA's 8th Practice Monitoring Programme (PMP) Public Report

Tighter registration requirements for Public Accountants



On 1 August 2014, ACRA announced more stringent registration requirements for public accountants (PA) that will take effect from 1 February 2015. The new requirements ensure closer alignment of the practical experience requirements with a public accountant's core responsibility of ensuring high quality audits of financial statements, which

the public relies on. Specifically, emphasis will be placed on an individual's audit management experience, which will be made mandatory, instead of general audit experience.

From 1 February this year, all applicants registering to be a public accountant must have gained 2,500 hours of experience in audit management, which would take about two years. As part of this, the applicants must have independently and competently performed certain key audit functions involving planning and leading an audit, and forming and reporting on the audit conclusions.

The revised requirements were drawn up in consultation with the professional accountancy bodies and representatives from both large and small audit firms. A public consultation was also conducted in 2012 which showed broad support for the proposed new requirements. The changes are also in line with current market practice under which most audit managers tend to accumulate more than the current requirement of three years of practical audit experience before applying to become a public accountant.

New Ethics Pronouncement on Anti-Money Laundering and Countering Terrorism Financing

With money laundering and terrorist financing activities becoming increasingly sophisticated, it is crucial that we continue to strengthen our anti-money laundering (AML) and countering the financing of terrorism (CFT) regime.

In October 2014, the Institute of Singapore Chartered Accountants (ISCA) issued a new Ethics Pronouncement 200 - "Anti-Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines for Professional Accountants in Singapore" which outlined the enhanced mandatory requirements on implementing controls and procedures for anti-money laundering and countering the financing of terrorism for professional accountants.

The pronouncement, which took effect from 1 November 2014, covers existing and enhanced requirements governing all professional accountants, including public accountants and professional accountants in business

and accounting entities. It is also applicable to public accountants and accounting entities registered under the Accountants Act who are regulated by ACRA.

Non-compliance with the requirements under the new pronouncement may result in an investigation into the public accountant's or professional accountant's conduct by ACRA or ISCA respectively. The new pronouncement takes a risk-based approach so that the required procedures are applied proportionately to the individual money laundering/terrorist financing (ML/TF) risks faced by professional accountants and accounting entities.



For more information on anti-money laundering and counter-financing of terrorism resources for Public Accountants.

Code of Professional Conduct and Ethics for Public Accountants strengthened

On 29 January 2015, ACRA issued the revised Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the ACRA Code). This follows ACRA's announcement in November 2014, of revisions to the ACRA Code to further strengthen it. The ACRA Code serves as a vital set of guiding principles for public accountants to rely on and enable them to make the right decisions when faced with conflicting choices between economic interests and ethical considerations.

In consultation with key stakeholders in the public accounting sector, ACRA has revised the effective date of the Code to 1 July 2015 instead of 1 February 2015. The change in effective date is in response to feedback from the public accounting profession for more time to prepare for and implement the necessary practices required, so as to meet the requirements of the revised ACRA Code.

The key amendments include:

- Extending higher independence standards to all audits and reviews of public interest entities (PIEs), large charities and large institutions of a public character as opposed to only audits of listed and public companies currently.
- Under the revised Code, review engagements will be subject to the same independence requirements as audit engagements.
- Removal of certain SG provisions to align with international benchmarks or where the new provisions from the latest version of IESBA's Code have provided clearer or sufficient guidance compared to the IESBA's 2006 Code of Ethics.
- New requirements to further safeguard the independence of auditors, including the identification of a Key Audit Partner to make key decisions or judgments on significant matters with respect to the audit.

The ACRA Code is largely based on the Code of Ethics for Professional Accountants, 2013 Edition, issued by the International Ethics Standards Board for Accountants (IESBA) and published by the International Federation of Accountants (IFAC) in May 2013 (2013 IESBA Code), and subsequent final pronouncements to the 2013 IESBA Code up to September 2013, with modifications and provisions that address local needs in Singapore. Provisions are re-numbered to align the numbering with that of the Code of Ethics for Professional Accountants, 2014 Edition.



ACRA PAYS TRIBUTE TO MR LEE KUAN YEW

On 27 March 2015, ACRA held a tribute session to reflect on and remember the contributions of our Founding Father of Singapore, Mr Lee Kuan Yew. Our Chief Executive, Kenneth Yap led ACRA officers in a moment of silence. In his opening remarks, he urged ACRA officers to continue Mr Lee's legacy in the public service, to live the principles, values and ethics he instilled in the Singapore public service which today enjoys a reputation for being clean, efficient and effective.

Many ACRA officers also joined fellow Singaporeans in paying their respects to Mr Lee Kuan Yew. These are some of the tributes that our officers have placed at one of the many tribute sites around Singapore.



ANNOUNCEMENTS

New Appointments to the ACRA Board

On 20 March 2015, the Minister for Finance re-appointed three board members and appointed two new board members to the ACRA Board. Mr Kenneth Yap Yew Choh has also been re-appointed as the Chief Executive of ACRA for a further two years term.

New Board Members



Mr Ow Fook Chuen
Accountant-General
Accountant-General's Department



Mr Lee Boon Ngiap
Assistant Managing Director
(Capital Markets)
Monetary Authority of Singapore

Re-appointed Members



Professor Tan Cheng Han
Professor, Faculty of Law
National University of Singapore



Mr Ho Meng Kit
Chief Executive Officer
Singapore Business Federation

Mr Kenneth Yap
Chief Executive
Accounting and Corporate
Regulatory Authority

ACRA welcomes the new board members and would like to express our appreciation to the retiring members - Ms Chua Geok Wah and Mr Lee Chuan Teck, for their invaluable contributions to the Board.

ACRA elected to XBRL International's Board of Directors

In November 2014, Mr Kenneth Yap, Chief Executive of ACRA was elected to XBRL International's Board of Directors. XBRL International is the international standards organization which develops and maintains the eXtensible Business Reporting Language (XBRL) specification. It is a not-for-profit consortium of agencies and companies internationally, working together to build the XBRL language standard, and support and promote XBRL's adoption. The Board of Directors comprises senior leaders and experts with broad international experience in financial, business and regulatory reporting, accounting and standard setting.

ACRA@The Heartlands (29 November 2014) and @ NACLI (24 January 2015)

Since 2013, ACRA has organised informative talks to the heartlands to help new and aspiring entrepreneurs with the basics in setting up and doing business in Singapore. Over 550 attended our latest talk at the Bishan Community Club on 29 November. Officers from ACRA, HDB, CPF Board, IRAS and SPRING Singapore shared about the different requirements and statutory obligations necessary in order to set up a business, as well as the various assistance schemes which businesses can tap on. On 24 January, more than 230 grassroots leaders attended the "ACRA @ NACLI" talk. As key community touch points, grassroots leaders are well positioned to help new or aspiring entrepreneurs in the community start on the right foot with key business tips and link them to the right government agencies.



Getting More Value out of XBRL Filing

Starting from 22 April 2015, all SingPass holders have been able to access the BizFin^x portal to generate a Free Data Analysis (FDA) report which previously was available only to company directors and secretaries of companies that file XBRL financial statements with ACRA. The FDA report provides analysis on four key financial ratios which covers:

- Trend analysis up to 5 years on the performance of a selected company; and
- Benchmarking your selected company's performance against industry medians and up to 3 peer companies

The FDA report can be accessed from ACRA's BizFin^x portal [here](#).

Latest BizFin^x Preparation Tool Released

ACRA has released the latest version of the BizFin^x preparation tool (v 2.3.0) on 8 May 2015. Preparers are encouraged to update to the latest version for the bug fixes, changes to the business rules and enhancements to the text editor. XBRL financial statements generated from earlier versions (2.20/2.1.0) will no longer be accepted for filing with effect from 1 July 2015. However, all Excel / XBRL.zip files prepared using earlier versions can still be opened and edited in v2.3.0 without any loss of data.

The latest version of the BizFin^x preparation tool is available for download from BizFin^x [website](#).

ANNOUNCEMENTS

ACRA played host to these international visitors:



Mr Mark Brennan, Australian Small Business Commissioner (11 June 2015)



Vice Minister Liu Yuting, State Administration For Industry and Commerce (SAIC), People's Republic of China (29 May 2015)



Mr Jamie Allen, Secretary General of the Asian Corporate Governance Association (29 April 2015)



Ms Annika Bränström, Director General, Bolagsverket (Swedish Companies Registration Office) (8 April 2015)



Mr Kiyotaka Sasaki, Secretary General of Japan's Certified Public Accountants and Auditing Oversight Board (CPAAB) (5 February 2015)



His Excellency Dr Tawfiq Al Rabiah, Saudi Arabia's Minister of Commerce and Industry (MCI) (4 February 2015)

Issuance of Practice Direction and Practice Guidance

In the first half of 2015, ACRA issued the following [Practice Directions](#) and [Practice Guidance](#):

- **Practice Direction No. 1 of 2015:** Application by a Public Accountant who is subjected to a Hot Review Order to continue to be an Audit Principal
- **Practice Direction No. 2 of 2015:** Professional accountancy experience required before acquiring Qualifying Audit Experience for registration as a Public Accountant
- **Practice Direction No. 3 of 2015:** Revocation of Practice Directions relating to Practical Experience Requirement for Registration as a Public Accountant
- **Practice Direction No. 4 of 2015:** Resignation of Auditors of Public Interest Companies or Their Subsidiaries in relation to Sections 205AB to 205AF of the Companies Act, Chapter 50

Practice Guidance 1 of 2015:

Financial Reporting Practice Guidance 1 of 2015: Areas of Review Focus for FY2014 Financial Statements under the Financial Reporting Surveillance Programme administered by ACRA

ACRA joins Hackathon@SG2015

ACRA is participating in IDA's Hackathon event (25-26 July). We are looking for apps that can help the business community make use of data field with ACRA to gain unique insights into businesses and industries, discern new business trends and developments and make better business and investment decisions. ACRA will fund up to \$50,000 to further develop and market the selected application/s.



ACRA joins Hackathon@SG2015
Register now to create innovative applications using Open Data from ACRA

TRANSFORMING DATA MANAGEMENT IN ACRA



As the national corporate registry, ACRA collects vast amounts of business data through BizFile, its internet-based online registration, filing and information retrieval system. For the last 20 years, Mrs Loy Wei Sun has helmed the Information Resources Department (IRD) which protects the integrity and preservation of data filed with ACRA. The department also oversees the provision of business information collated from the data ACRA collects, to the business community. ACRAConnect caught up with Mrs Loy for a quick chat before her retirement in March 2015.

Q *Data management today is very different from what it used to be 30 years ago. What are some of the key changes through the years?*

A In the early days, we actually had a Public Search Room for customers to check and inspect the files of companies and businesses and to manually extract or purchase the hardcopies of information required. You can imagine the difficulties in ensuring the completeness of the files as these could so easily be misplaced and the laborious work involved in retrieving information!

In 1981, we embarked on a major project to microfilm all paper records filed by companies and businesses. But this only took care of historical records. We also decided to automate the process of capturing and storing of data which would then allow us to retrieve up-to-date information. This meant staff spending many extra hours in the office and even on weekends to go through all the paper documents to extract the required information, which were then manually keyed into the computer system.

The next big transformation was in 1987, when the development of a custom-built computerisation system to help the Registry of Companies and Businesses (RCB) cope with increasing workload. So, we decided to custom-build a system in 1987. By 1995, we have managed to computerise all the vital information of companies and businesses, including linking up with the court to prosecute defaulters.

In 2003, leveraging on the widespread use of the internet and advanced technologies, the eBizcore system was developed to provide 24x7 filing for business registration, report changes. BizFile, our internet-based online registration, filing and information retrieval system was launched and a suite of information services was also developed to meet the information need of the business community. This was made available through a new information portal – the iShop@ACRA.

Q *What is the next big transformation in terms of information management for ACRA?*

A The need for business information continues to grow. In my last few years in ACRA, I was deeply involved in plans to enhance iShop@ACRA and further improve on service delivery time and provide greater cost savings and flexibility for the business community. The aim is to provide business information at an even faster speed and with more value-for-money features. Some of the features that I worked on with my ACRA colleagues include electronic certification features such as Electronic Signature, Electronic Stamp, Authentication ID and QR code which will allow customers to receive certified documents instantaneously. I can't wait to see what the new iShop@ACRA will offer customers when it comes online next year!