

PRACTICE DIRECTION NO. 4 OF 2014

Increase in Fee Cap on Revisit Practice Reviews and New Fee Chargeable for Re-consideration of Practice Review Outcomes

1. This practice direction seeks to inform public accountants on the following:
 - (A) An increase in fee cap on revisit practice reviews on the professional work of public accountants (“PA”) who practice in firms that do not audit any public listed entities (“non-PIE firms”) with effect from **1 November 2014**; and
 - (B) A new fee will be chargeable to PAs who request for a re-consideration of their practice review outcome with immediate effect.

(A) Fee on Revisit Practice Reviews

2. All PAs undergoing a practice review under ACRA’s Practice Monitoring Programme (“PMP”) are charged a fee determined by the number of hours spent by PMP reviewers multiplied by a rate of S\$100 per hour¹.
3. To keep costs manageable for non-PIE firms, ACRA has currently capped the practice review fees chargeable to PAs practising in non-PIE firms at S\$3,000 per PA for an initial practice review and S\$4,500 per PA for a revisit² practice review.
4. Going forward, the fee cap will be raised with effect from **1 November 2014** to disincentivise repeated practice review failures. The new fee caps are as follows:

	First and Second Revisit	Third Revisit and beyond
Current fees	No. of hours X S\$100 per hour capped at S\$4,500	
Revised fees wef 1 Nov 2014	No. of hours X S\$100 per hour capped at <u>S\$6,000</u>	No. of hours X S\$100 per hour capped at <u>S\$9,000</u>

5. For the avoidance of doubt, there will be no change for the fee for initial reviews and any practice review that follows a pass outcome. PAs who comply with the prescribed standards, methods, procedures and other requirements when providing public accountancy services will continue to receive a heavily subsidised review that is aimed at raising public confidence in their work.

¹ Set out in the First Schedule of the Accountants (Public Accountants) Rules.

² Revisit review refers to the practice review carried out on PAs who did not pass their practice review previously.

(B) Fee Chargeable for Re-consideration of Practice Review Outcomes

6. With immediate effect, whenever a PA requests for a re-consideration of a fail practice review outcome by the Public Accountants Oversight Committee (“Oversight Committee”), a fee will be chargeable to reflect the time incurred by PMP reviewers in assessing the PA’s submission.
7. The fee will be determined by the number of hours spent by PMP reviewers multiplied by a rate of S\$100 per hour. The total fee chargeable shall be capped at S\$1,000 per PA. However, this fee will be waived in the event that the Oversight Committee overturns the original fail practice review outcome to a pass outcome at the end of the re-consideration process.

Issued on 1 October 2014

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