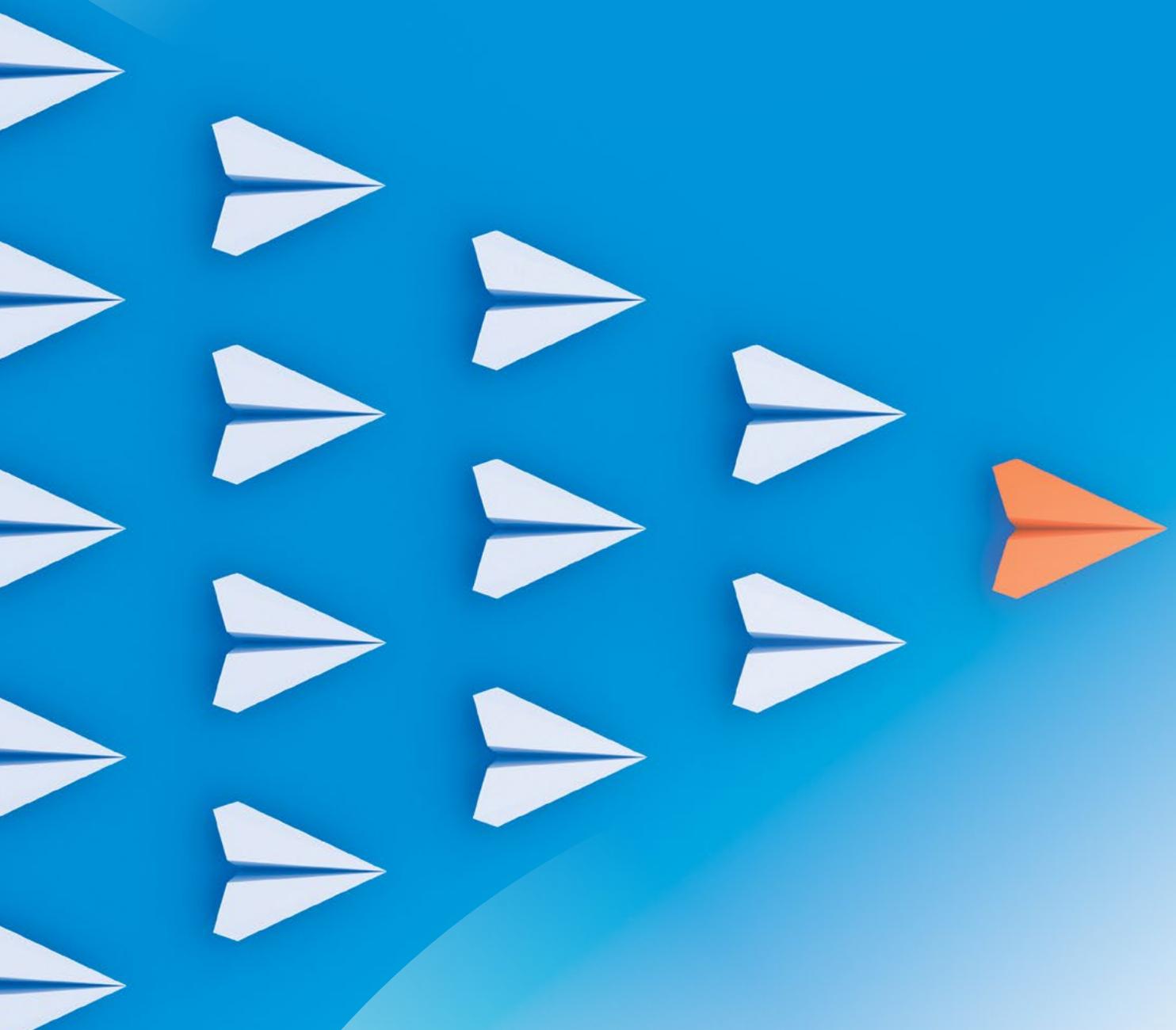


Transforming For Tomorrow

ANNUAL REPORT 2019/20



ABOUT ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the regulator of business registration, financial reporting, public accountants and corporate service providers; it also facilitates enterprise. We provide a trusted and vibrant environment for businesses to thrive and flourish, and contribute towards making Singapore the best place for business.

CORPORATE STATEMENT, GOALS AND VALUES

CORPORATE STATEMENT

Promoting a trusted and vibrant business environment in Singapore

CORPORATE GOALS

ACRA's four corporate goals:

- To be a leading business registry
- To be a respected corporate and accounting regulator
- To provide excellent service
- To be an innovative, efficient and effective team

OUR CORE VALUES

"I-ACRA", ACRA's core values, guide us in all that we do:

- **Integrity:** We are honest, upright and impartial in everything we do as individuals and as an organisation
- **Alert and Agile:** We are vigilant and responsive to the needs of our stakeholders
- **Collaborative:** We work with our stakeholders to achieve common goals
- **Respect:** We value and respect our stakeholders
- **Add Value:** We make a positive difference for our stakeholders

CONTENTS

Chairman's Message	03
Chief Executive's Message	06
Board Members	10
Board Committees and ACRA Management	11
Divisions and Departments	12
FY2019 at a Glance	13
Year in Review	17
Our Transformation Journey	19
CHAPTER 1	
A Leading Business Registry	21
CHAPTER 2	
A Respected Corporate and Accounting Regulator	26
CHAPTER 3	
Providing Service Excellence	32
CHAPTER 4	
An Innovative, Efficient and Effective Team	39
Financial Highlights for FY2019	44

CHAIRMAN'S MESSAGE



“

In a post COVID-19 environment ... ACRA will review its processes and work with businesses and industry professionals to address any regulatory concerns to facilitate digitalisation and innovation.

”

ACRA is the regulator of business registration, financial reporting, public accountants and corporate service providers; it also facilitates enterprise. It strives to achieve a good balance between these two roles.

Recognising the unprecedented impact of the global spread of the coronavirus disease 2019 (COVID-19) on businesses and business owners, ACRA worked with fellow regulators to roll out relief measures for businesses. Among these were the extension of time given to listed and non-listed companies to hold their Annual General Meetings (AGMs) and file their Annual Returns (ARs), and the guidance on the conduct of virtual AGMs during the elevated safe-distancing period.

A Financial Reporting Practice Guidance was issued to help directors in their reviews of financial statements. The guidance highlighted warning signs of non-compliance with accounting standards, and areas of focus when assessing the impact of COVID-19 on financial statements. An Audit Practice Bulletin was

also issued to highlight, to public accountants, the audit areas that could potentially be impacted by the COVID-19 outbreak. These support measures and others, developed in consultation with the Institute of Singapore Chartered Accountants and Chartered Secretaries Institute of Singapore, have been welcomed by businesses.

ACRA will continue to engage stakeholders and identify ways to help them meet their statutory obligations. As ACRA continues to make it easy for businesses to comply with their obligations, we must ensure that our corporate regulatory regime remains robust to uphold Singapore's reputation as a trusted financial and business centre.

A NEW NORMAL

COVID-19 has highlighted the importance for an organisation to be agile and forward-looking. In a post COVID-19 environment, as businesses

make a decisive pivot towards digitalisation, ACRA will review its processes and work with businesses and industry professionals to address any regulatory concerns to facilitate digitalisation and innovation.

To better support enterprises, deliver value to businesses and stakeholders, and excel in regulatory effectiveness and operational efficiency, ACRA will bring forward the implementation of its transformation roadmap. The roadmap, to build a digital, data-driven ACRA, is a multi-year plan encompassing policy review, service design, process re-engineering and technological revamp, and developing a digitally fluent workforce. As ACRA embarks on the journey to be future-ready, the Board and ACRA Management look forward to close collaboration and support from our stakeholders.

In the past year, as ACRA prepared the groundwork for its transformation, it continued to build on the momentum of past years' efforts to improve ease of doing business, reduce compliance burden, and strengthen public confidence in audit and financial reporting.

BUILDING A PROGRESSIVE REGIME

Ensuring the quality of audits and financial reporting in Singapore goes a long way in protecting investors' interest. As part of its ongoing efforts to raise audit quality, ACRA introduced changes to the Audit Quality Indicators (AQI) Disclosure Framework. The AQI Disclosure Framework, developed in consultation with audit firms and directors, aims to provide audit committees of companies with qualitative and quantitative yardsticks and comparisons to evaluate and select their statutory auditors. The Framework also serves

the objective of reinforcing commitment to high audit quality in the audit profession.

Several legislative reviews are underway to improve ACRA's effectiveness in its regulatory role. These include proposed changes to the laws to strengthen Singapore's measures in anti-money laundering and countering the financing of terrorism, expanding the ambit of inspection and enhancing the powers of the Practice Monitoring Programme on public accountants.

Together with the Monetary Authority of Singapore, ACRA introduced the Variable Capital Companies (VCC) regime in January 2020, a new business vehicle that helps to strengthen Singapore's position as a full-service international fund management centre. There were 49 VCCs in the Register as at April 2020.

FACILITATING EASE OF COMPLIANCE

ACRA continued to introduce initiatives that make compliance easy for businesses. These include reducing a significant number of data elements in the AR, pre-filing data based on previous filing, and simplifying the filing of financial statements in eXtensible Business Reporting Language (XBRL) format.

In partnership with software providers, ACRA and the Inland Revenue Authority of Singapore (IRAS) have enabled seamless filing for smaller companies. Companies can use source data in their accounting systems to automatically generate and send financial and tax returns to ACRA and IRAS via Application Programming Interfaces (APIs). 200 companies were in the pilot group. About 200,000 companies can potentially benefit from this initiative, not just to ease compliance but also speed up their digital transformation.

DELIVERING SERVICE EXCELLENCE

ACRA has made great strides in customer satisfaction in its digital services. Using design-thinking concepts, efforts to redesign customer interfaces have yielded positive results. The 2019 Government Digital Services Survey recorded 80% satisfaction rate for the e-Service on purchase of business profile, an improvement from the 68% in previous survey. This e-Service has one of the highest usages, recording more than half a million transactions each year.

ACRA is the lead agency for the “Starting a Business” Service Journey, part of the Whole-of-Government “GoBusiness” initiative to develop a single digital touch point for businesses to transact with the government. Our partners include the Ministry of Trade and Industry, GovTech and the Smart Nation and Digital Government Office. When completed, this initiative aims to deliver cross-agency services that are easy to use, seamless and relevant for enterprise owners who are starting out.

ACRA has accelerated its adoption of technology by working on new service concepts. These include an authentication service for customers to verify the data in the business information products, thus reducing risk of falsification, and an API service that updates share ownership information in ACRA’s register directly from source to improve timeliness and accuracy of data. Innovative services such as these greatly improve transparency of information and operational efficiency.

IN APPRECIATION

I would like to acknowledge the support and contributions of our key stakeholders and partners.

I thank our board members for their invaluable contributions. I would like to express my deep appreciation to Professor Tan Cheng Han, Mr Max Loh and Ms Chandra Mallika who have completed their terms on the board. I extend a warm welcome to our new board member, Mr Mohammad Shariq Sayeed Barmaky.

On behalf of the board, I would like to thank all ACRA staff for working together to create a trusted and vibrant business environment in Singapore.

The global impact of the COVID-19 pandemic will likely be felt by businesses for some time to come. We at ACRA will do our utmost as we join forces with our partners and stakeholders to support our businesses through this difficult period and emerge stronger.

Tan Ching Yee
Chairman

CHIEF EXECUTIVE'S MESSAGE

“

In FY2019, as a OneACRA team, we worked out our transformation roadmap to lay the ground for what we want to achieve in the coming years.

”



With the COVID-19 pandemic hitting Singapore since early 2020, we made swift adjustments to our policies and processes to help businesses manage their statutory obligations amidst disruptions to their usual way of working.

As early as March, we had introduced measures to temporarily relieve businesses and professionals from their filing obligations. These were done in close consultation with the business and industry community. We will continue to seek feedback from them and are committed to helping businesses transit to a post COVID-19 economy.

Our early adoption of electronic ways of working and the use of digital solutions have enabled us to respond quickly to the challenges posed by remote working from home for all our staff. Except for some enforcement work that require face-to-face interactions, there has been minimal disruptions to our operations.

Nevertheless, more can be done. We are now deep-diving into policies and processes to enable us to be digital-to-the-core, as we transform to be a future-ready organisation that promotes a trusted and vibrant business environment in Singapore.

In FY2019, as a OneACRA team, we worked out our transformation roadmap to lay the ground for what we want to achieve in the coming years. We continued to take steps to enhance corporate governance, improve compliance through delivering seamless services, and build digital capabilities.

A LEADING BUSINESS REGISTRY

One of ACRA's functions is to make information relating to businesses easily accessible in our registry to facilitate trade and provide transparency. This means that information in our register must be up-to-date. To this end, we will continue to

improve data quality by obtaining data from source and encourage businesses to voluntarily file accurate information by simplifying the filing process.

From May 2020, personal data of individuals are no longer required at the point of registration as these can be automatically retrieved via Application Programming Interfaces (API) from the relevant government agencies. All changes to personal information, including the name and residential address of position holders, are also automatically updated in our system. This lowers the compliance burden on businesses while ensuring data quality.

We have also reviewed our enforcement approach to deter the small minority who are repeatedly tardy in their filing obligations. We believe this will improve the reliability of the business data and reduce overall regulatory cost in the long run. When those who comply on their own know that the system is fair to all, trust and confidence in the regulatory system will grow.

We keep pace with local and international corporate law developments so that we can continue providing strong support to our businesses. Our Corporate Law Advisory Panel (CLAP), chaired by ACRA Board member Mr Adrian Chan and comprising 15 members from the legal and business sectors, held its inaugural meeting in August 2019. They discussed corporate governance issues such as transactions involving directors' interests, protection of officers from liability and other law reform proposals. CLAP will help ACRA keep our corporate laws current and relevant to businesses.

In March 2020, we issued changes to the Code of Professional Conduct and Ethics (ACRA Code) for public accountants and accounting entities, incorporating the pronouncement

on Responding to Non-Compliance with Laws and Regulations (NOCLAR) issued by the International Ethics Standards Board for Accountants. The pronouncement provides a response framework to guide the auditors in deciding how best to act in the public interest when they become aware of NOCLAR or suspected NOCLAR.

A CUSTOMER-CENTRIC FOCUS

We continue to pursue service excellence by providing easy-to-use and seamless digital services for businesses.

Companies can now file their Annual Returns with greater ease as most of the information will be pre-filled for them based on the previous filing. Most filers will just confirm the information is still valid, with a small minority updating information that has changed.

We have also removed the need for companies to apply for exemptions, waiver and reliefs from certain financial reporting requirements in the Companies Act. Examples include allowing filing of foreign companies' financial statements prepared in accordance with the accounting standards in the law of their countries of incorporation, without the need to first apply to ACRA for approval.

To help new business owners with their business start-up process, we have established a direct link to the GoBusiness licensing portal once they have registered with ACRA. The seamless process significantly reduces the time taken to get businesses started.

Our service initiatives went beyond providing ease of filing to providing value-added services to businesses. In response to suggestions from businesses, we introduced

the Business Name Alert service where subscribers receive monthly notifications on the new business names registered with us. This is to alert businesses when others apply to register business with names similar to theirs. We also provided a dashboard in BizFile+ for businesses to have oversight of the access rights given to the Registered Filing Agents (RFA) they appointed to transact with ACRA on their behalf.

We are working with the Infocomm Media Development Authority and their partner to pilot an information product authentication service for businesses that need to trade or set up new offices overseas. This service aims to eliminate the risks of modification to our information products, and reduce business cost and improve efficiency.

We hold regular dialogues with industry partners and professional bodies to better understand their needs and seek feedback on what we can improve on. During the year, we reached out to corporate service providers, over several rounds of briefings, to prepare them for the implementation of the Central Non-public Beneficial Ownership Register, the new Variable Capital Companies Framework, and on the upcoming business registry and regulatory changes. We continued to engage directors and public accountants on the latest regulatory development and initiatives to raise financial reporting and audit quality at the annual Audit Committee Seminar.

On the international front, we engage with our counterparts in the global community with participation at the annual Corporate Registers Forum. We hosted the 7th ASEAN Audit Regulators Group Inspection Workshop where more than 50 audit regulators from 10 countries shared and exchanged views on audit oversight systems. We also hosted foreign delegations

interested in learning about our policies and processes such as Indonesia's Ministry of Law & Human Rights and the Philippines Securities and Exchange Commissions.

REDEFINING ACRA

The Strategic Business Process Re-Engineering (SBPR) Study which was completed in January 2020, has culminated in a revised strategic framework that better reflects ACRA's role. In the next few years, we will be working on our transformation roadmap comprising business process changes, IT blueprint and a new organisation design for ACRA.

With the guidance of our Board, we have refined our Vision and Mission statements and sharpened our Corporate Goals and strategies.

"Sustainable Business Growth" sets our goal to facilitate the growth of businesses in Singapore and the region.

"High Compliance" defines our aim to facilitate voluntary compliance while dealing with non-compliance promptly and decisively.

"Excellent Customer Service" is built on the principle that "no need for service is the best service", and our commitment to the C-A-R-E principles in delivering service.

"A High-Performing Team" reflects our collective aspiration to be a highly competent and agile OneACRA team.

We have fleshed out the strategies to achieve these goals as a OneACRA team. We are all geared up for the transformation, having been deeply involved in the past year defining what we want the Redefined ACRA to be like in the future.

A FUTURE-READY TEAM

We value our staff and are committed to their professional growth through learning and development. In line with our goal to build a digital workforce, we implemented a digital capability training plan that focused on building digital skillsets, and system design approaches in the next two years.

All our officers have acquired core digital literacy and are competent in using digital devices and tools to connect and learn. Almost all our officers have been trained as Robotic Process Automation (RPA) end-users, with a few qualified as RPA developers leading RPA projects to streamline and automate routine processes. Other groups of staff members who have acquired data analytics and design-thinking competencies are working on a few Proofs-of-Concept to test and refine service ideas. These project discussions and learning have gone virtual since the start of the COVID-19 Circuit Breaker period.

ACKNOWLEDGEMENT

I would like to express my deep appreciation to the ACRA Board for their guidance and counsel, and support to my leadership team.

On behalf of ACRA, I thank our key partners, the Institute of Singapore Chartered Accountants, Singapore Institute of Directors, Chartered Securities Institute of Singapore, Securities Investors Association (Singapore), Monetary Authority of Singapore, Singapore Exchange Regulation and Commercial Affairs Department, for their unwavering support in our quest for excellence in what we do.

I also thank members of our various committees, advisory and consultation groups who gave us their time generously.

I am most grateful to my OneACRA team for their commitment and dedication. I am heartened that a number of our officers had volunteered their time to help implement and enforce public health measures, for example, as safe-distancing ambassadors. They have come together as OneACRA and One Public Service to support one another through this difficult time, to be the best that they can be for Singapore.

Ong Khiaw Hong
Chief Executive

BOARD MEMBERS

AS AT 1 APRIL 2020



CHAIRMAN
Mrs Tan Ching Yee
Permanent Secretary (Finance),
Ministry of Finance



Mr Ong Khiaw Hong
Chief Executive, ACRA



Ms Ameera Ashraf
Partner and Head
of Competition &
Regulatory Practice,
Wong Partnership LLP



Mr Adrian Chan
Senior Partner,
Lee & Lee Advocates
& Solicitors



Mr Ho Meng Kit
Chief Executive Officer,
Singapore Business Federation



Ms Lai Chin Yee
Finance Director,
Qian Hu Corporation Limited



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



Mr Paul Lee
Managing Partner,
RSM Singapore



Mr Bruce Liang
Chief Executive Officer,
Integrated Health Information
Systems (IHIS) Pte Ltd and
Chief Information Officer,
Ministry of Health



**Mr Mohammad Shariq
Sayeed Barmaky**
Audit & Assurance
Business Leader, Singapore
and Southeast Asia,
Deloitte & Touche LLP



**Mr Muhammad Hidhir
Bin Abdul Majid**
Principal District Judge,
Family Justice Courts



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



Mr Tham Sai Choy
Chartered Accountant



Mr Kevin Wong
Advocate and Solicitor

BOARD COMMITTEES

AS AT 1 APRIL 2020

Audit and Risk Management Committee

Mr Adrian Chan (Chairman)
Ms Lai Chin Yee
Mr Bruce Liang
Mr Muhammad Hidhir

Human Resource and Finance Committee

Mrs Tan Ching Yee (Chairman)
Mr Ho Meng Kit
Mr Lee Boon Ngiap
Mr Ong Khiaw Hong

Public Accountants Oversight Committee

Mr Kevin Wong (Chairman)
Mr Ow Fook Chuen
Ms Ameera Ashraf
Mr Paul Lee
Mr Tham Sai Choy
Mr Shariq Barmaky

ACRA MANAGEMENT

AS AT 1 APRIL 2020

Mr Ong Khiaw Hong	Chief Executive
Ms Chin Li Fen	Deputy Chief Executive, Corporate and Operations Group
Mr Andy Sim	Assistant Chief Executive, Legal Services and Compliance Group
Mr Tan Kok Hoe	Divisional Director, Corporate Development Division
Ms Jackalin Er	Divisional Director, Corporate Services Division
Ms Ang Siok Hui	Divisional Director, Customer Experience Division
Ms Bong Yap Kim	Divisional Director, Financial Reporting Division
Ms Poh Lai Khim	Divisional Director, Information and Technology Division
Ms Kuldip Gill	Divisional Director, Public Accountancy Division

DIVISIONS AND DEPARTMENTS

Corporate Development Division

The Corporate Development Division (CDD) comprises the ACRA Academy, Corporate Communications Department and Corporate Planning Department. The division drives the organisation's growth through the development of strategies, policies and systems. It oversees ACRA's external communications, international engagements and the stakeholders' training and education programme.

Customer Experience Division

The Customer Experience Division (CED) comprises the Registry Services Department and Registry Systems Unit. The division sets the strategic direction for ACRA's service delivery, registry operations and innovation efforts.

Corporate Services Division

The Corporate Services Division (CSD) comprises the Administration Department, Human Resource Department and Finance Department. The division partners line departments to achieve operational efficiency and effectiveness.

Compliance Division

The Compliance Division (CD) comprises the Enforcement Department, Investigation Department and Prosecution Department. The division sets the strategic direction for ACRA's enforcement and prosecution efforts.

Information and Technology Division

The Information and Technology Division (I&TD) comprises the Information Resource Department, IT Planning and Governance Department and InfoComm Technology Department. The division sets strategic directions for ACRA's digitalisation efforts and manages all matters related to quality of data and value of information.

Financial Reporting Division

The Financial Reporting Division (FRD) comprises the Financial Information Department and Financial Reporting Surveillance Department. The division sets the strategic direction in promoting high quality financial reporting and filing by companies incorporated in Singapore.

Public Accountancy Division

The Public Accountancy Division (PAD) comprises the Practice Monitoring Department and Professional Oversight Department. The division regulates and facilitates the development of Singapore's public accountancy sector. It supports ACRA's role as the national regulator of public accountants and promotes high professional standards in the public accountancy sector.

Accounting Policy Department

The Accounting Policy Department (APD) is responsible for developing strategy and policies for the accountancy sector, including review of the Accountants Act, and engaging with the various stakeholders to promote quality of audit and financial reporting, both in Singapore and internationally.

Legal Services Department

The Legal Services Department (LSD) advises the ACRA Board, Public Accountants Oversight Committee and other ACRA divisions and departments on all legal matters, drafts and reviews contracts and tenders, and advises on civil actions that may impact ACRA. LSD also works with other divisions on legislative reforms and amendments to Acts under ACRA's purview. In addition, LSD develops corporate law literature, and fosters scholarly and professional discussions on corporate law issues for ACRA.

FY2019 AT A GLANCE

In 2019/2020, we implemented new initiatives to ensure our policies and rules remained business-friendly, while we continued to keep our processes simple and leveraged technology to enhance customer experience.



Singapore maintained 2nd position in the **World Bank Doing Business Report** for the fourth consecutive year

Ensuring Progressive and Business-Friendly Policies

Launched a **new Variable Capital Companies Framework** together with the Monetary Authority of Singapore to strengthen Singapore's position as a global fund management centre



Auto-synchronised personal information with updated records of other government agencies so that our data are accurate and timely

A total of 30 API services made available on **ACRA API mall**, with close to 330,000 API calls received



Embarked on a **data analytics project** with the Ministry of Manpower to **gain insights on annual filings by company directors to improve compliance**

Established **Corporate Law Advisory Panel** to keep pace with rapidly changing business environment



Organised the seventh **ASEAN Audit Regulators Group Inspection Workshop** – attended by over 50 audit regulators from 10 countries to discuss initiatives to raise audit quality regionally

Developing a Progressive and Responsive Regulatory Regime

Revised Audit Quality Indicators Disclosure Framework to provide comparable indicators for audit committees to better evaluate and select the right auditors



Launched a **new Sole-Proprietorship and Partnership Start-Up Kit** with the Inland Revenue Authority of Singapore to help new business owners comply with filing obligations

Over 4,000 new and aspiring company directors completed the **Directors Training Programme** since its launch in 2018



94% of corporate service providers who attended the **mandatory AML/CFT** programme passed the proficiency test and qualified to be registered or renewed as registered filing agents

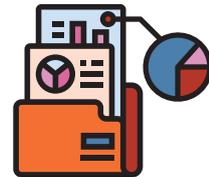
Keeping Processes Simple to Meet Customer Needs

Simplified the process for filing annual returns which benefited over 300,000 companies required to fulfil statutory obligations



Streamlined the XBRL filing requirements to reduce regulatory burden for companies filing financial statements, and allowed for meaningful comparison and analysis of data

Introduced a **new BizFin^x preparation tool** that enabled validation and uploading of XBRL financial statements for filing via API, without the need to log on to CorpPass and the BizFin^x portal



Launched a **new Business Name Alert Service** for business entities to be alerted of newly registered business names that are similar to theirs

Enhanced the BizFile⁺ dashboard to improve transparency and provide business entities with oversight of the access rights given to their appointed registered filing agents



Launched a **new 'Essentials of Starting a Business' online programme** to provide aspiring business owners with essential information to get their businesses up and running

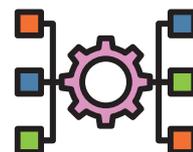
Leveraging Technology to Build a Culture of Innovation and Excellence

Embarked on the **Strategic Business Process Re-Engineering** study to fundamentally review our core business processes



Built a **digital workforce for ACRA** with 84% of our officers completing at least one structured data analytics course and 90% of our officers completing the UiPath Robotic Process Automation (RPA) awareness training

Launched 9 **RPA projects to automate manual and repetitive processes** to allow our officers to focus on higher value-added work



ACRA staff recognised for excellent service and innovation: **3 National Day Awards, 3 Ministry of Finance Awards, 1 Public Sector Transformation Award, and 1 Public Sector Pro-Enterprise Initiative Award**

YEAR IN REVIEW

AS AT 31 MARCH 2020

519,985

LIVE ENTITIES

Sole-proprietorships

126,528

Partnerships

15,527

Companies

359,700

Limited Liability Partnerships

17,355

Limited Partnerships

420

61,266

NEW ENTITIES FORMED

Sole-proprietorships

14,344

Partnerships

1,237

Companies

43,911

Limited Liability Partnerships

1,630

Limited Partnerships

99

Variable Capital Companies (VCC)

63

(since launch of VCC framework on 15 Jan 2020)

1,155

Registered Public Accountants

701

Registered Public Accounting Entities

2,690

Registered Filing Agents

3,356

Registered Qualified Individuals

SERVICE HIGHLIGHTS



2 Million

No. of customers who performed transactions in BizFile+



99%

of customer emails replied within

3 working days



93%

of customer calls answered within

30 sec



100%

of customers attended to within

30 min

from their appointments

OUR TRANSFORMATION JOURNEY: OneACRA Redefined

In late 2017, ACRA embarked on a transformation journey to transform ACRA into a future-ready organisation. As an integral part of the Public Service, ACRA must play our part to make Singapore the best place for business. We adopted the Public Service Transformation's (PST) 3As of Ambition, Alignment and Action, to set clear innovation and improvement targets and milestones. Let us share with you the key milestones of our OneACRA Redefined transformation journey.

OneACRA Redefined

Late 2017

2018



» Embarked on Transformation Journey to achieve OneACRA Redefined - the theme of our transformation journey - to rethink how ACRA could stay relevant amid changes and disruptions to technology and business models

» Set out new corporate statement and corporate goals to promote a trusted and vibrant business environment in Singapore



» Put in place a three-year workplan and digitalisation strategy and roadmap with targeted digitalisation initiatives

» Reviewed our operating model for business registration and filing to implement the next-generation business filing system

» Launched the Strategic Business Process Re-engineering (SBPR) Study to review core business processes to better meet future needs. We reached out to our stakeholders, ecosystem partners and businesses as part of our research to help shape new ACRA initiatives and strategies through digital and process innovation



» Adopted RPA and data analytics to streamline internal processes to achieve greater work efficiency and a shorter response time to customers' requests

» Equipped all ACRA officers with new expertise and skillsets including data analytics and design thinking to enable them to thrive in a digital workplace

» Set up the Companies Act Working Group to review the Companies Act to stay relevant to business needs

» Co-located our service counters to Revenue House together with IRAS and SME Centre to serve business as One Public Service and deliver more convenient and integrated service experience



» iShop@ACRA became a full-fledged digital service, in line with the Digital Government Blueprint to go "digital to the core"



» Introduced e-appointment service to better serve customers visiting ACRA service counters

» Redesigned user interface for BizFile+ portal to provide customers with easy access to common e-services and relevant information



» Launched online Directors Training Programme to help new and aspiring company directors better understand and comply with their statutory duties

» Implemented mandatory training and proficiency tests for filing agents to boost professional standards of corporate service provider sector

» Revamped ACRA website by adopting a user experience design approach to make it easier for customers to self help and find the information they need



» Launched ACRA API mall with 20 API services to provide real-time business data to better meet the needs of the business community

OUR TRANSFORMATION JOURNEY: OneACRA Redefined

2019

» Completed the SBPR study and from the study, developed a new strategic framework and a five-year transformation roadmap with a view to continue to provide a business environment conducive to Singapore enterprises and a responsive and forward-looking regulatory environment for business entities and public accountants



» Formulated data strategy to make ACRA a data-driven organisation

» Upskilled digital literacy for all officers so that they were competent in using digital devices and tools to connect and learn, as well as levelled up their training to include RPA

» Simplified the process for filing annual returns (AR) for all companies by pre-filling most of the information in the AR form based on the previous filing



» Supported the development of integrated solutions such as the SME Cloud Exchange Network which enables SMEs to prepare and file their financial statements and tax submissions to ACRA and IRAS easily

» Launched a new enterprise e-payment system that incorporated new e-payment options such as PayPal wallet, Google Pay and Apple Pay to offer customers more choices when transacting with ACRA



» Launched an "Essentials of Starting a Business" online programme to provide new or aspiring entrepreneurs with a comprehensive set of essential information to help them get it right from the start

» Introduced a new service to allow business owners to pay and choose a special Unique Entity Number when setting up a new business



» Established the Corporate Law Advisory Panel to keep pace with rapidly changing business environment, as well as local and international corporate law developments

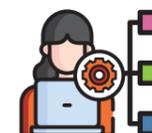
» Enhanced the BizFin^x preparation tool to allow companies to validate and directly upload multiple eXtensible Business Reporting Language (XBRL) financial statements via APIs without the need to log in to BizFin^x portal

» Provided business owners with access to the new GoBusiness Licensing portal after registering their business in BizFile⁺, to apply and pay for multiple licences simultaneously

» Implemented a new Client Relationship Management system to further improve the customer experience and better meet their needs

» Auto-synchronised personal information filed with ACRA with updated records of other government agencies to ensure data currency

» Embarked on a cross-agency data analytics project with the Ministry of Manpower, to transform data on annual filings into information that would be useful in profiling non-compliant company directors



» Launched nine RPA projects to automate manual and repetitive processes to enable our officers to focus on higher value-added work

Moving Forward



» Accelerate the adoption of digital solutions to provide better service and facilitate voluntary compliance

» Leverage text and data analytics tools to generate insights to formulate policies, as well as improve systems and processes to enable more customers to self-serve



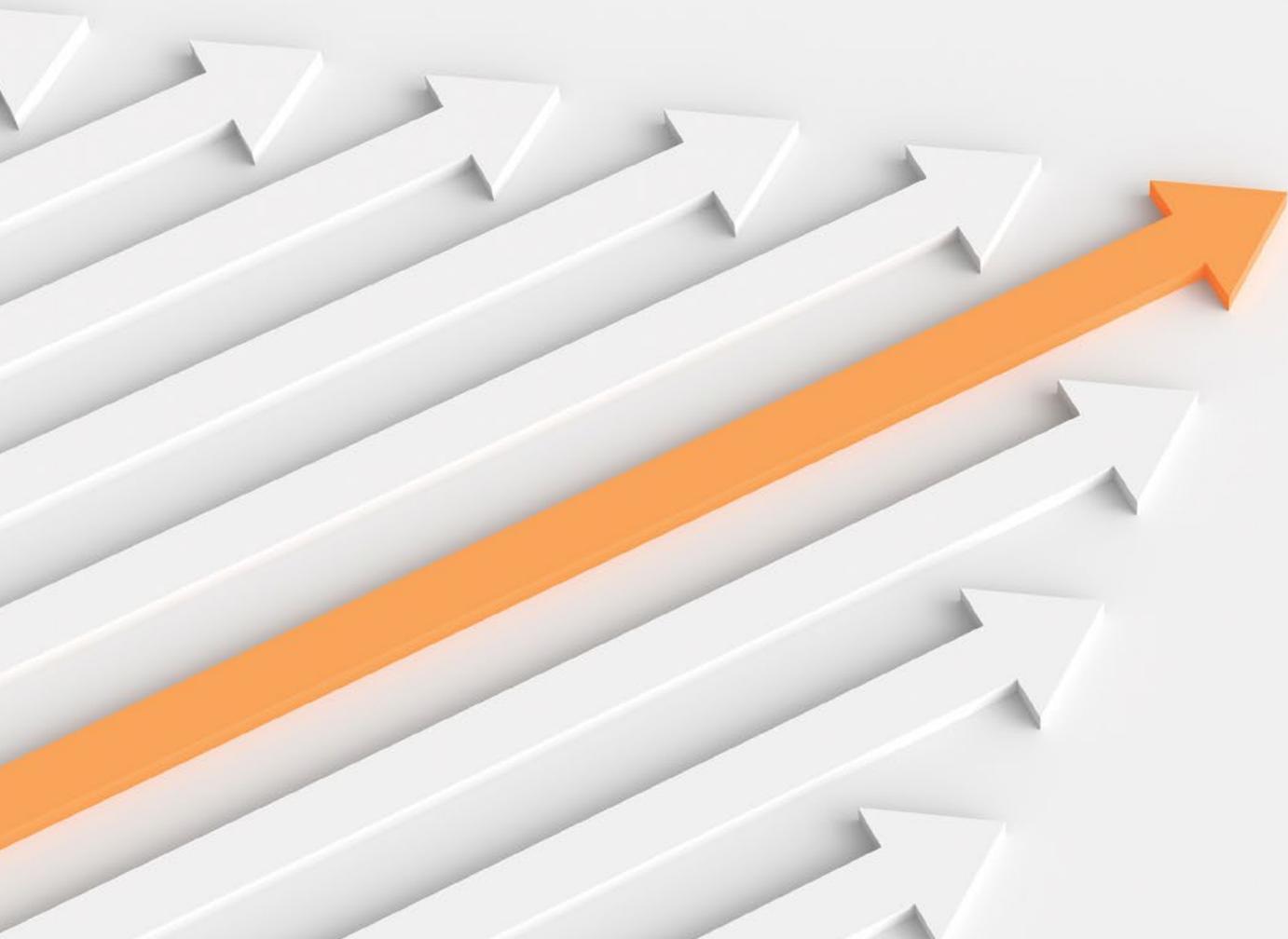
» Equip officers with cloud computing, RPA developer and agile delivery skills

» Build capabilities to automate compliance efforts, identify regulatory gaps, and detect non-compliance with the laws, to improve the quality of financial reporting and audit, and raise standard of corporate governance

CHAPTER 1

A LEADING BUSINESS REGISTRY

Ensuring progressive and
business-friendly policies

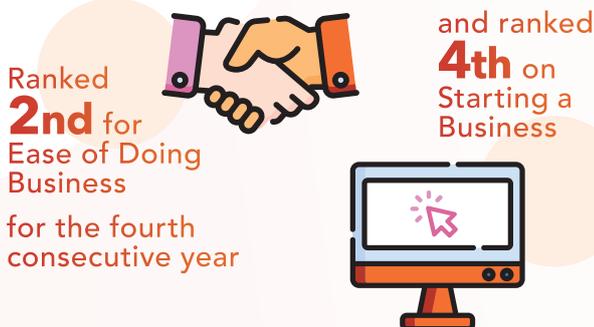


Making Singapore an Attractive Centre for International Fund Management

To strengthen Singapore's position as a full-service international fund management centre, ACRA introduced the new Variable Capital Companies (VCC) framework together with the Monetary Authority of Singapore on 15 January 2020. The VCC is a new corporate structure for investment funds and provides fund managers with greater operational flexibility and cost savings. A successful pilot programme was launched in September 2019 attracting 18 fund managers who incorporated a total of 20 VCCs. As at April 2020, 49 VCCs were established. A new online registry system to facilitate the administration of the new VCC structure is set to be implemented by October 2020.

Enhancing Singapore's Leading Position as the Best Place for Business

WORLD BANK SURVEY on Doing Business



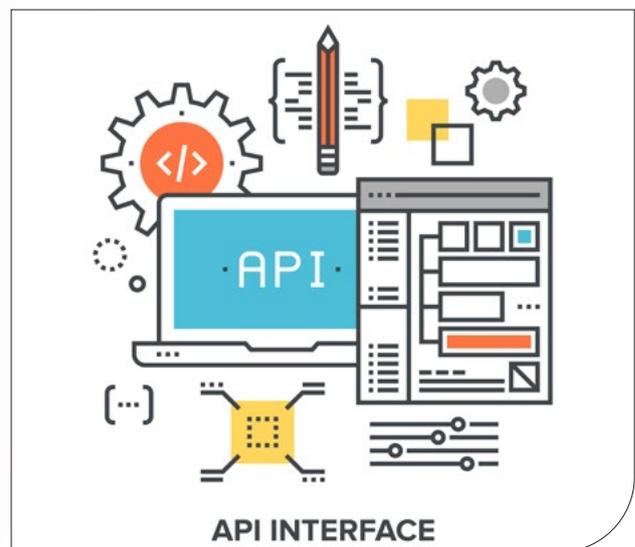
We continue to streamline our business registration process so that businesses can be set up easily and quickly. Our efforts in facilitating and supporting businesses continued to be recognised

by the World Bank. Singapore maintained her second position in the World Bank Survey on Doing Business for "Ease of Doing Business" for the fourth consecutive year, and ranked fourth in the sub-category on 'Starting a Business'.

Ensuring Accuracy and Timeliness of Business Data

To ensure the currency of ACRA's data, personal information such as names and residential addresses of position holders filed with ACRA is now automatically synchronised with the updated records of the relevant government agencies under the National Registration Act. This means that position holders will no longer need to update ACRA on changes to their names or residential addresses.

Facilitating the Use of ACRA's Business Data



▲ ACRA's API Mall has a test console for new users to try out more than 30 API services.

Since its launch in 2018, the ACRA API (Application Programming Interface) Mall has provided a conduit connecting

businesses and the public with access to our wealth of business information. With some 30 API services available for subscriptions, entrepreneurs and software developers are able to access real-time business data to build applications and create solutions that suit their business needs. In FY2019, the API Mall recorded close to 330,000 API calls. To encourage more users to explore and experiment with the APIs, an API Test Console has been created to offer a sandbox environment for testing purposes. We will continue to offer other API services to meet business demands.

Leveraging Data Analytics to Improve Voluntary Compliance

We embarked on a cross-agency data analytics project with the Ministry of Manpower to turn data on annual filings into insights on non-compliant company directors, so as to improve the compliance rate of filings.

Staying Abreast of Corporate Law Developments

The Corporate Law Advisory Panel (CLAP) was established in June 2019 to keep pace with rapidly changing business environment, as well as local and international corporate law developments. Chaired by ACRA Board member Mr Adrian Chan, the standing advisory panel comprises 15 members from the legal and business sectors. The panel held its inaugural meeting in August 2019 to discuss proposals relating to corporate law issues and legislative amendments.

Connecting with the International Community

We continued to play a part in the international community, representing Singapore at key international regulatory forums, and sharing best practices in business registration and supporting global efforts to raise audit quality and enhance corporate transparency. At the annual Corporate Registers Forum conference held in April 2019 at the Republic of North Macedonia to discuss the latest corporate registry developments and best practices, we presented on the topic of API services to provide real-time business information for enterprises.

Closer to home, we participated actively in regional forums to share our regulatory experiences. We continued to participate in the ASEAN Policy Dialogue and support the efforts of the ASEAN Task Force on Starting a Business to streamline business registration.



▲ ACRA's Chief Executive Mr Ong Khiaw Hong and our Chief Inspector of Practice Monitoring Department Ms Ng Meow Ling speaking at the 7th ASEAN Audit Regulators Group Inspection Workshop in April 2019. Organised by ACRA, the workshop was attended by over 50 delegates from Indonesia, Malaysia, Thailand, Philippines, Cambodia, Laos, China, Hong Kong and Japan.

In April 2019, we organised the 7th ASEAN Audit Regulators Group Inspection Workshop. Attended by more than 50 delegates from Indonesia, Malaysia, Thailand, Philippines, Cambodia, Laos, China, Hong Kong and Japan, the audit regulators discussed initiatives to raise audit quality regionally and exchanged views and experience on the audit oversight systems.

As a member of the International Forum of Independent Audit Regulators (IFIAR), we contribute actively to dialogues on global audit trends and developments to raise audit quality. At the IFIAR Plenary Meeting held in Rhodes, Greece, in June 2019, Ms Ng Meow Ling, the Chief Inspector of our Practice Monitoring Department, co-moderated a discussion on emerging issues and challenges and opportunities in the evolving world of audit.

During the year, we hosted our counterparts from the Philippines, Uganda, United Arab Emirates, Ethiopia, Malaysia and Indonesia who were interested in learning about our regulatory policies and initiatives. We exchanged views on the latest business regulatory development and reforms, and learnt how other jurisdictions addressed regulatory challenges in an evolving business landscape.



▲ ACRA officers attending the International Forum of Independent Audit Regulators Plenary Meeting held in Rhodes, Greece in June 2019. Our Chief Inspector of Practice Monitoring Department Ms Ng Meow Ling co-moderated a discussion on challenges and opportunities in the evolving world of audit.

AWARD

➤ **Dare to Do Award (Gold)
(ACRA and MOF Levels)**

PROJECT TITLE

➤ **Trust Bar OpenCerts Service
for Business Information**

TEAM MEMBERS

➤ **Mr Tan Yong Tat, Mr Tay Kok Kiang,
Mr Jeff Foo, Ms Kartika Liaw**



ACRA manages more than 1.5 million entity records in its business registry. Our Information Resource Department (IRD), in charge of data policy, makes available these records through information products such as Business Profiles, Registers and Certificates products. These records are derived from filing by registered business entities, public accountants and corporate service providers in Singapore, and enable the public as well as stakeholders to conduct background checks on the business entities and the people involved.

Ms Kartika Liaw, Product Development Manager from IRD, explains, “One of ACRA’s functions is to provide public access to our registry information for inspection to facilitate trade and provide transparency. Customers rely on ACRA’s data to engage business partners, or make investment decisions. Currently, our information products provided in PDF format, are susceptible to tampering though we have also put in some security controls and risk mitigating measures.”

Kartika and her team spent some time researching solutions and eventually selected the OpenCerts service, which is implemented based on the Government Technology Agency of Singapore (GovTech) Technology Stack. The OpenCerts service currently allows the verification of individual academic certificates. Unlike the academic certificates where the information stays constant, the information in ACRA’s information products is dynamic as it is subject to updates made by businesses.

“The OpenCerts portal enables customers to verify the authenticity of the information product and check the currency of the data. If the information product is no longer current, customers will get a message to inform them that there is an updated version of the document that they can purchase at iShop portal,” says Mr Jeff Foo, Data Administration Manager from IRD. “After all, the currency of business information is crucial as businesses and stakeholders rely on it for informed decision-making.”

Mr Tan Yong Tat, Assistant Director, Information Product and Services, adds, “The OpenCerts platform is based on blockchain technology which is essentially a series of digital pieces of information stored in a public database. We believe the blockchain technology behind the OpenCerts platform would meet our needs.”

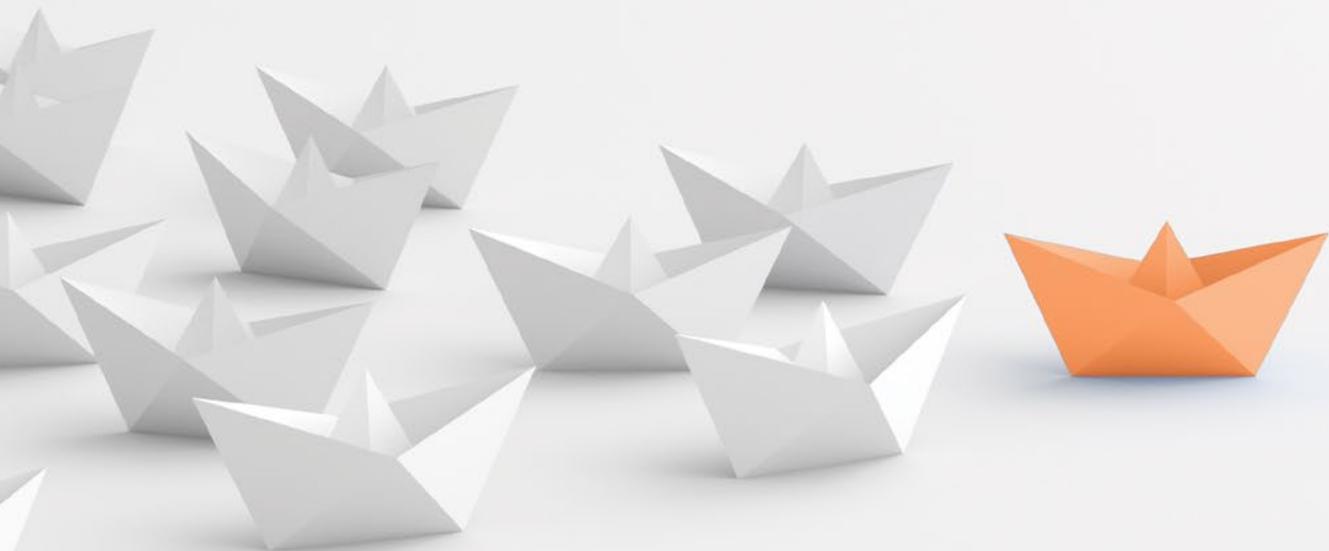
After completing the Proof-of-Concept to test the use of blockchain technology, the team would be gathering the requirement to implement the Trust Bar OpenCerts service for ACRA’s Business Profile and Business Certificate (Incorporation/Registration). Going forward, ACRA will extend the Trust Bar OpenCerts service to include other information products.

Mr Tay Kok Kiang, Assistant Director, Information Operations, has this to say, “We are one of few business registries in the world to provide the Trust Bar OpenCerts service to authenticate business information products. This innovative service will contribute to Singapore’s reputation as a trusted business hub.”

CHAPTER 2

A RESPECTED CORPORATE AND ACCOUNTING REGULATOR

Developing a progressive and
responsive regulatory regime



Enhancing the Effectiveness of Audit Committee

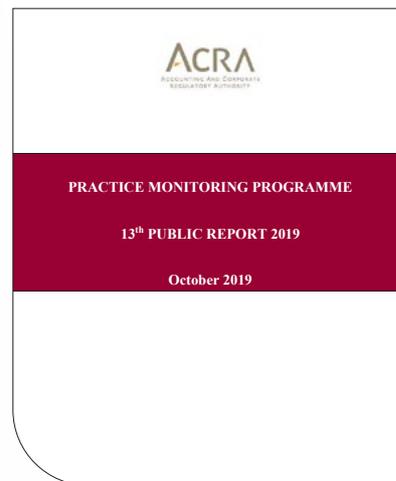
Audit Committees (ACs) play a key role in ensuring the quality of audits and financial reporting. To help AC members keep pace with the latest regulatory development, we co-organised the annual AC Seminar with the Singapore Exchange and the Singapore Institute of Directors. Some 400 directors attended the event on 16 January 2020, where we highlighted our initiatives to raise the quality of financial reporting and audits.

One of the key initiatives announced at the AC seminar was the revised Audit Quality Indicators (AQIs) Disclosure Framework. Introduced in 2015, the AQIs Framework provided a set of comparable indicators for ACs to better evaluate and select their auditors. The revised AQIs Disclosure Framework that was announced in January 2020, was developed following extensive consultation with audit firms and ACs. The revised framework included information on industry average and range for relevant AQIs to better meet the needs of the ACs and facilitate industry comparison.

Sustaining High Audit Standards

ACRA's Practice Monitoring Programme (PMP) serves as an important regulatory instrument to promote audit quality and provides an impetus for accounting firms to sustain high quality audits. In October 2019, we released the 13th PMP Public Report to highlight key inspection findings and areas for improvement to help auditors and audit firms achieve high quality audits.

Audit quality is the cornerstone of market confidence in the reliability of financial information. Hence, ACRA's PMP provides the market with assurance on the quality of work of public accountants that they have complied with the prescribed principle-based auditing standards. Such assurance gives users of financial reports greater confidence in audit opinions.



▲ The 13th Practice Monitoring Programme Public Report offers auditors and audit firms useful information for quality audits.

Engaging Our Stakeholders to Promote Voluntary Compliance

Corporate service providers (CSPs) play a key role in ensuring high compliance with ACRA's regulations and enhancing public confidence in our corporate regulatory framework.

At the 4th CSPs Conference held by the Chartered Secretaries Institute of Singapore (CSIS) on 19 July 2019, our Chief Executive Mr Ong Khiaw Hong encouraged CSPs to integrate new technology into the way they work to stay relevant in the digital economy, and to remain resilient against money laundering and terrorism financing. Addressing

about 450 CSPs, Mr Ong also called on CSPs to upskill their competencies, and uphold high standards of professionalism and corporate governance.



▲ ACRA's Chief Executive Mr Ong Khiaw Hong speaking at the 4th Corporate Service Providers Conference held by the Chartered Secretaries Institute of Singapore on 19 July 2019.

On 5 December 2019, ACRA and CSIS organised two briefing sessions for more than 650 CSPs, to update them on upcoming legislative changes, including the implementation of a new central register of controllers in 2020. In January 2020, some 1,000 CSPs attended an outreach session jointly organised by ACRA, CSIS and the Institute of Singapore Chartered Accountants (ISCA) to update participants on new business registry and regulatory changes to be implemented in 2020 that might impact CSPs and their clients.



▲ About 1,000 CSPs attended an outreach session on business registry and regulatory updates in January 2020, jointly organised by ACRA, the Chartered Secretaries Institute of Singapore and the Institute of Singapore Chartered Accountants.

Engendering Compliance Amongst Businesses

To address the needs of new business owners and help them comply with their filing obligations, ACRA and the Inland Revenue Authority of Singapore (IRAS) launched the new Sole-Proprietorship and Partnership Start-Up Kit, an interactive e-learning guide to help businesses newly registered with ACRA. The interactive digital tool helps sole proprietors and business partners better understand their statutory obligations as owners and employers of the business.

More than 4,000 individuals have successfully completed the Directors Training Programme (DTP) since its launch in 2018. The free online training programme was introduced to help directors better understand and comply with their statutory responsibilities, and to get it right from the start of their business.

An advertisement for the Directors Training Programme. It features a close-up of a person's hands using a computer mouse. The text reads: "Directors Training Programme" in orange, followed by "Check out ACRA's FREE online course for aspiring and new company directors." in black. At the bottom, there is an orange bar with the URL "acra.gov.sg/ACRA_Academy" in white.

Directors Training Programme
Check out ACRA's FREE online course for aspiring and new company directors.
acra.gov.sg/ACRA_Academy

▲ Since 2018, ACRA's Directors Training Programme has helped over 4,000 directors better understand and comply with their statutory responsibilities.

Boosting Professional Standards of the CSP Sector

To strengthen the CSP sector's capabilities to help combat money laundering and terrorism financing, CSPs must attend a mandatory Anti-money Laundering and Countering the Financing of Terrorism (AML/CFT) programme conducted by ISCA and CSIS. In addition, those seeking to be registered or renewed as a Registered Filing Agent (RFA) with ACRA must pass a proficiency test. As at 31 March 2020, 94% of them have passed the test.

Taking Enforcement Actions to Improve Compliance

In FY2019, ACRA took action against 282 companies and 82 directors and struck off 834 entities for breaching their annual filing obligations. We also conducted investigations into 1,721 cases on a broad range of breaches such as outdated registered office addresses, false declarations, and individuals acting as directors while under disqualification.

ACRA took action against

82
directors



282
companies



and struck off
834 entities

for breaching their annual filing obligations

Summonses were issued against

110
companies



and **7**
directors



Summonses were issued against 110 companies and seven directors for a broad range of offences. Five company directors were prosecuted at the Courts for various offences under the Companies Act, including failure to file the company's annual returns or hold an annual general meeting, lodgement of false or misleading documents, or involvement in the management of companies while being undischarged bankrupts. They were imposed with fines ranging from \$9,000 to \$12,800, or imprisonment of up to four weeks.

Some 170 inspections were conducted on entities to ensure that they have set up and properly maintained a central register of controllers. Our enforcement team also carried out 21 inspections on RFAs on their compliance with AML/CFT requirements. In FY2019, we imposed sanctions on some 14 RFAs for breaches of AML/CFT requirements, with fines ranging from \$2,000 to \$40,000.

We conducted 112 inspections under the PMP on public accountants and public accounting entities, and reviewed 77 inspections on non-public interest entities completed by ISCA. Five cases were referred to the Complaints Committee for inquiry into non-compliance of auditing standards, of which two were referred to the Disciplinary Committee for a formal inquiry and recommendation of sanction

where applicable. One case relating to the conviction of a public accountant of an offence under the Penal Code was referred directly to the Disciplinary Committee for a formal inquiry as the nature of the offence implied a defect in character which makes the public accountant unfit for his profession.

Some **170** inspections were conducted against entities



21 inspections carried out on Registered Filing Agents



112 inspections conducted on public accountants and public accounting entities



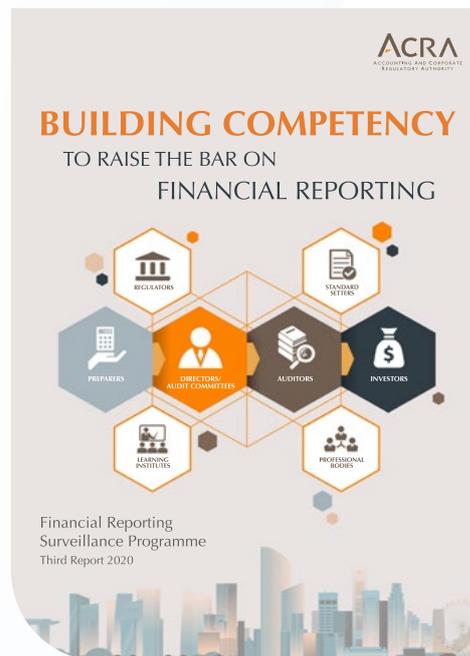
We also completed reviews of the financial statements of 15 companies for compliance with accounting standards. Four listed companies rectified the material non-compliances by re-stating and re-auditing their past years' financial statements. Collectively, the consolidated pre-tax profits or losses for the four companies were adjusted by one to eight times and the consolidated net assets by 15% to 68%. Two other listed companies rectified their financial statements by making additional disclosures or restating comparatives in their subsequent 2018 and 2019 financial statements. The rectification by these companies have provided stakeholders with more reliable financial information to make decisions.

Completed reviews of financial statements

of **15** companies



4 listed companies rectified material non-compliances



▲ ACRA's Financial Reporting Surveillance Programme Third Report released on 14 July 2020 covers the completed reviews of the financial statements of 15 companies for compliance with accounting standards.

AWARD

➤ **Regulatory Excellence Award (Merit)
(ACRA Level)**

PROJECT TITLE

➤ **Revised Audit Quality Indicators
Disclosure Framework**

TEAM MEMBERS

➤ **Ms Ng Meow Ling, Mr Wong Kee Wei,
Ms Ng Hui Min, Ms Soon Jia Wen**



As audit is an important part of any financial reporting system, Audit Committees (ACs) play a key role in ensuring quality audits and the reliability of a company's financial disclosure to investors.

Ms Ng Meow Ling, Chief Inspector, Practice Monitoring Department (PMD), says, "ACRA first launched its Audit Quality Indicators (AQIs) Framework in 2015 to provide a set of standard evaluation criteria for audit firms and ACs. This framework helps them to better assess and select the right auditors."

To ensure the effectiveness of the AQIs Disclosure Framework, and that it continues to be relevant to the ACs, the team of officers from PMD and the Accounting Policy Department (APD) held consultations with audit firms and reached out to the ACs together with the Singapore Institute of Directors, and the Singapore Investors Association (Singapore).

"Naturally, different stakeholder groups expressed different views and needs so we had to be very clear about our objective," adds Meow Ling.

After months of hard work, the team came up with a revised AQIs Disclosure Framework that took into consideration the developments of the audit landscape where the audit firms are increasingly focused on project management indicators and needs of the ACs. As part of the revised Framework, ACRA discloses industry information (industry range and average) for certain indicators

such as staff oversight and average years of experience, to enable the ACs to better interpret the information that was presented to them.

"Our revised framework aims to help the ACs uphold quality audits. We also hope that our sharing of audit quality related data and information will facilitate meaningful audit quality conversations between the ACs and the auditors," says Mr Wong Kee Wei, Head, Accounting Policy Department.

Besides publishing guidelines on the use of the AQIs, the team reached out to the ACs at seminars to explain the revised framework to them.

"We are encouraged by the favourable feedback from ACs and companies. When we shared our framework with international audit regulators, they said that they were keen to study our framework in order to roll out similar initiatives in their home countries," adds Ms Ng Hui Min, Senior Compliance Manager, PMD.

CHAPTER 3

PROVIDING SERVICE EXCELLENCE

Keeping processes simple
to meet customer needs



Stepping Up to Meet the Needs of Our Customers

We focused on enhancing customer experience at the various digital touch points. In the 2019 Government Digital Services Survey which was conducted annually to gauge citizens and businesses' satisfaction with digital services, the satisfaction level of businesses has improved in all three services provided by us, namely purchase of business profile, changing company particulars and filing annual returns. Two of them recorded a 12-percentage point improvement, reaching customer satisfaction levels of 75% to 80%, while the other recorded a 4-percentage point improvement.

2019 GOVERNMENT DIGITAL SERVICES SURVEY

Satisfaction level with digital services has improved



Purchase of Business Profile and Changing Company Particulars have recorded a



12% point improvement

and Filing Annual Returns has recorded a

4% point improvement

Making It Convenient for Companies to File Annual Returns

We simplified the process for filing annual returns, to make it simple and easy for companies to fulfil their statutory obligations. For the 300,000 companies

required to file annual returns with ACRA, they no longer need to fill in most of the required information as these would now be pre-filled based on the previous filings submitted by the companies. Companies need only review the pre-filled information to ensure that they are still relevant. The online form has also been streamlined to provide a more intuitive layout, with fewer items to review and update.

Streamlining XBRL Financial Reporting

As part of continuing efforts to streamline the filing of financial statements in eXtensible Business Reporting Language (XBRL) format, a public consultation was held in January 2019 on the proposed revisions to XBRL filing requirements and data elements. Five focus group discussions were held with preparers and companies to gather feedback and suggestions. After taking into account the responses received, the XBRL filing requirements were streamlined so that companies need only file the data elements that are most commonly used, to enable meaningful comparison



▲ ACRA held focus group discussions with stakeholders to streamline the filing of financial statements in XBRL format.

and analysis of data. The revised filing requirements will take effect from January 2021.

To help companies and preparers with the new filing requirements, a new BizFin^x preparation tool was also made available. The updated software incorporated the new filing requirements, as well as new features that enable users to validate and upload single or multiple XBRL financial statements for filing with ACRA via API, without the need to log on to CorpPass and the BizFin^x portal.

Staying Responsive to Business Needs

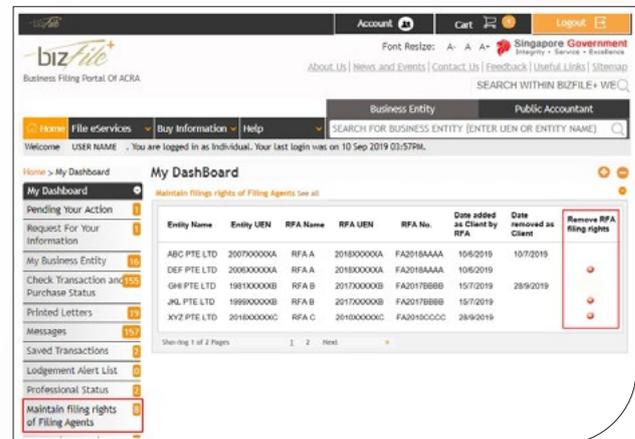
In February 2020, we introduced the Business Name Alert Service for businesses to be alerted of new entities that have registered business names that are similar to theirs. The free subscription service allows subscribers to receive monthly email notifications of up to 10 business names they wish to be alerted on.



ACRA introduced the free Business Name Alert Service in February 2020 to inform businesses of registered business names that are similar to theirs.

In October 2019, we enhanced the BizFile⁺ dashboard to provide business entities with an oversight of the access rights given to the Registered Filing Agents whom they have appointed to file transactions with ACRA. All position

holders including officers, partners or owners of the business entity can now log in to the BizFile⁺ portal to manage the filing and access rights of their agents through the BizFile⁺ Dashboard.



Enhanced BizFile⁺ dashboard to provide business entities with an oversight of the access rights given to the Registered Filing Agents whom they have appointed to file transactions with ACRA.

Integrating Customer Touch Points for Personalised Service

We launched a new Client Relationship Management (CRM) system on 1 April 2019 to further improve the customer experience and better meet their needs. By integrating the new system with our online business registration and filing portal, BizFile⁺, we can better track and manage all interactions with our customers, such as those at our helpdesk and service counters, across the different touch points. With more information at their fingertips, our officers can respond more quickly and deliver a more personalised service to our customers. The data collected also enable us to draw insights on each customer's journey and needs so that we can make further improvements to our services.

Providing a Single Touch Point for New Start-ups

We have continued to enhance the BizFile+ portal to serve as a single touch point connecting newly registered enterprises to a suite of services crucial to the running of the business.

Since October 2019, business owners can, after registering their business, access the new GoBusiness Licensing portal from BizFile+, to apply and pay for multiple licences simultaneously. Small and medium-sized enterprises (SMEs) can also sign up for the SME Cloud Exchange Network software which provides accounting, human resource and compliance modules.



Registered business owners can now access the new GoBusiness Licensing portal from BizFile+, to apply and pay for multiple licences simultaneously.

Speeding Up the Start-Up Process

Partnering the Ministry of Trade and Industry, GovTech and the Smart Nation and Digital Government Office, ACRA is part of the Whole of Government "GoBusiness" initiative to develop a single digital touch point for businesses to transact with the government. As the lead agency for the "Starting a Business" Service Journey under the initiative, we

surveyed about 600 sole-proprietors and company directors and conducted about 20 interviews to understand their experiences in setting up a business entity in Singapore, as well as their pain points. The insights garnered would enable ACRA to design and develop initiatives to equip SMEs with the relevant information and digital tools to start fast and start right.

Nurturing the Entrepreneurial Spirit

ACRA supports community outreach events that help new and aspiring entrepreneurs start and do business in Singapore on the right footing. In FY2019, about 450 students from various institutions including Temasek Polytechnic, PSB Academy and ITE College Central, attended our outreach and sharing sessions.

In March 2019, we launched our free online 'Essentials of Starting a Business' course for aspiring entrepreneurs. Since then, more than 2,100 participants have completed the course to learn about registration requirements, government grants and Central Provident Fund (CPF) and tax matters to smoothen their start-up journey.



ACRA launched our free online course, 'Essentials of Starting a Business', for aspiring entrepreneurs in March 2019.

AWARD

➤ **Citizen Engagement Award (Gold)
(ACRA, MOF and Public Sector Levels)**

PROJECT TITLE

➤ **Engaging Ecosystem Partners to
Co-Create Digital Solutions for
Small and Medium Enterprises**

We work closely with government agencies and industry partners to make compliance simple.

Following an earlier project with ASME, the ACRA team had learned more about the challenges faced by SMEs in having to file their financial data in the Xtensible Business Reporting Language (XBRL) format with ACRA. The team deep-dived into the SMEs' pain points in data preparation and sought clarification on their practical usage. The team also embarked on an extensive stakeholders engagement to gather different perspectives of how XBRL requirements could be further streamlined and made useful. The engagement process also included testing assumptions, co-creating new solutions and validating prototypes, together with SMEs and other stakeholders.

"We talked to different groups of people in the financial reporting value chain, to better understand the difficulties each of them encountered in preparing the data for filing, as well as how the data were used by consumers," explains Ms Sia Su Chun, Head of Financial Information Department (FID). "The engagement was invaluable as it helped us to critically assess the need for filing, so that we could streamline the filing requirements while making sure that we preserve the value of the XBRL data for those who need them."

Adds Ms Joleen Thang, Assistant Director, Corporate Planning Department, "We leveraged on various platforms to reach



TEAM MEMBERS

➤ **Ms Bong Yap Kim, Ms Sia Su Chun,
Mr Damien Chong, Ms Elicia Ong,
Ms Joleen Thang, Mr Li Shengjie,
Mr Eddy Edzwan**

out to different groups of stakeholders. In addition to dialogue sessions, we held focus group discussions with SMEs and corporate service providers. In total, we engaged 67 organisations, and held two seminars attended by over 900 participants."

To ensure that the proposed changes in the filing requirements are aligned to market practices, the team also engaged with technical teams from the audit firms, and the professional bodies to collate stakeholders' feedback.

"The stakeholders engagement on the XBRL filing was handled entirely by the team," says Ms Elicia Ong, Senior Analyst at FID. The team attended training on design thinking and digital user experience and learnt on-the-job how to frame discussion questions to solicit substantive feedback. "In the process, we improved our communication skills and developed more confidence when doing presentations," she adds.

Ms Bong Yap Kim, Divisional Director, Financial Reporting Division, says, "Stakeholders engagement played a crucial role in the success of this project. The ACRA and IRAS teams engaged with a broad spectrum of stakeholders across the financial reporting value chain to understand their pain points and worked closely with ASME to co-create the digital solution."

In recognition of their stakeholders engagement efforts, the team received the Gold Award for Citizen Engagement at the Public Sector Transformation Award 2020.

AWARD

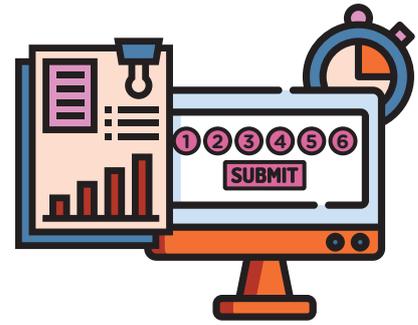
➤ **Service Delivery Excellence Award (Merit) (ACRA Level)**

PROJECT TITLE

➤ **Redefining the Customer's Annual Return Filing Experience**

TEAM MEMBERS

➤ **Ms Helen Lee, Mr Li Shengjie, Mr Jason Png, Ms Nurhayati Nongchik**



Each year, more than 300,000 companies are required to file annual returns (ARs) with ACRA by its stipulated timeline. To reduce compliance burden for businesses, an ACRA team took on the challenge to make the AR filing process as simple and fuss-free as possible.

"We engaged with our customers to better understand how we can make their filing process simpler," says Ms Helen Lee, Assistant Director, Registry Systems Unit (RSU). *"We also relooked at the types of data we collect to see if we could streamline our filing requirements. For this, we studied the filing requirements of business registries in Australia, New Zealand, Hong Kong and the United Kingdom."*

Simplifying the AR filing process for solvent exempt private companies was the first step the team took.

"We tapped on information stored from previous filing by the companies, and we also did away with data elements that we identified as unnecessary for the filing exercise. In addition, we reduced the number of clicks for users to review information on other pages. All these measures helped us cut down the filing process from 24 to six steps, making the filing easier and faster for users. This benefited about 150,000 solvent exempt private companies," explains Helen.

With the positive feedback from this group of companies, the team then reviewed the filing process for other private and public companies.

"This was more challenging. We had to find the right balance between making the filing process simple while still making sure companies were filing sufficient information to help stakeholders and the public make informed business decisions," explains Mr Li Shengjie, Senior Manager, IT Planning and Governance Department.

The team focused on two key areas. Firstly, the team pre-populated as much of the information from previous year's filing for filers to check, update where necessary and verify. This cut down the filing time for filers.

Secondly, as Ms Nurhayati Nongchik, Senior officer, RSU, explains, *"We also cut down the number and types of online declaration forms by streamlining to just one single declaration statement for all company types."*

The team is now working on other service improvement ideas, and will continue to engage with stakeholders such as corporate service providers for input and feedback. As Helen explains, *"Knowing we have helped to make a difference and that we can do even more is great motivation for us!"*

AWARD

➤ **Exemplary Innovator Award (Merit)
(ACRA Level)**

PROJECT TITLE

➤ **Essentials of Starting a Business**

TEAM MEMBERS

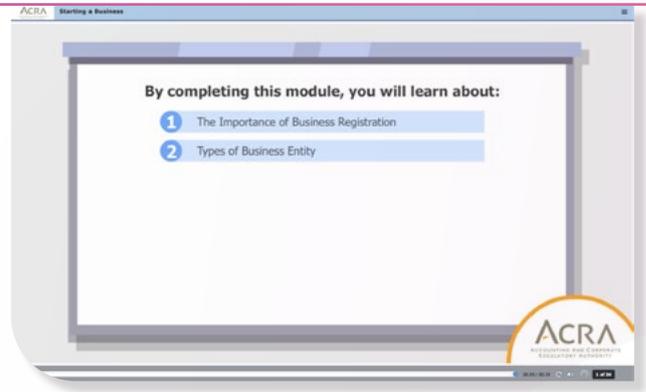
➤ **Ms K Latha, Ms Lynn Ng,
Mr Muneer Mohd, Ms Kermaine Sia**

Aspiring entrepreneurs are often overwhelmed by the number of tasks to go through before they can start a business in Singapore. Besides conducting market research and coming up with a solid business plan, they also have to understand the requirements for setting up their business in Singapore. In addition, they may require various permits and licences before they can start business.

The “Essentials of Starting a Business” (ESB), an online programme, was created to provide aspiring business owners with the key information they need to get their business up and running. This course covers key topics such as business registration requirements, tax obligations, CPF matters, grants and loans and how to protect customers’ data. This information is packaged into three bite-sized modules that take only two hours to complete.

Ms K Latha, Head of ACRA Academy, says, “Taking a whole-of-government approach, we worked closely with our partners including IRAS, the CPF Board, Enterprise Singapore, Personal Data Protection Commission, and Association of Small and Medium Enterprises to provide aspiring business owners with the essential information and requirements from a single source.”

“To design our programme, we first took online courses on Coursera and Udemy to understand the useful features of an online programme,” explains Mr Muneer Mohd, Senior Manager at the Academy.



“When designing the ESB, we incorporated interactive bite-sized modules, games, quizzes and short videos which keep the course interesting and enable participants to retain their knowledge.” This gives the participants the flexibility to learn anytime, anywhere using any device.

“Entrepreneurs are pressed for time, so we want to provide a programme where they can pick up useful information on-the-go,” adds Ms Kermaine Sia, Manager at the Academy. “All they need is an email address to get started. To ensure that the contents are simple and easy to understand, we also avoided using technical or legal jargon.”

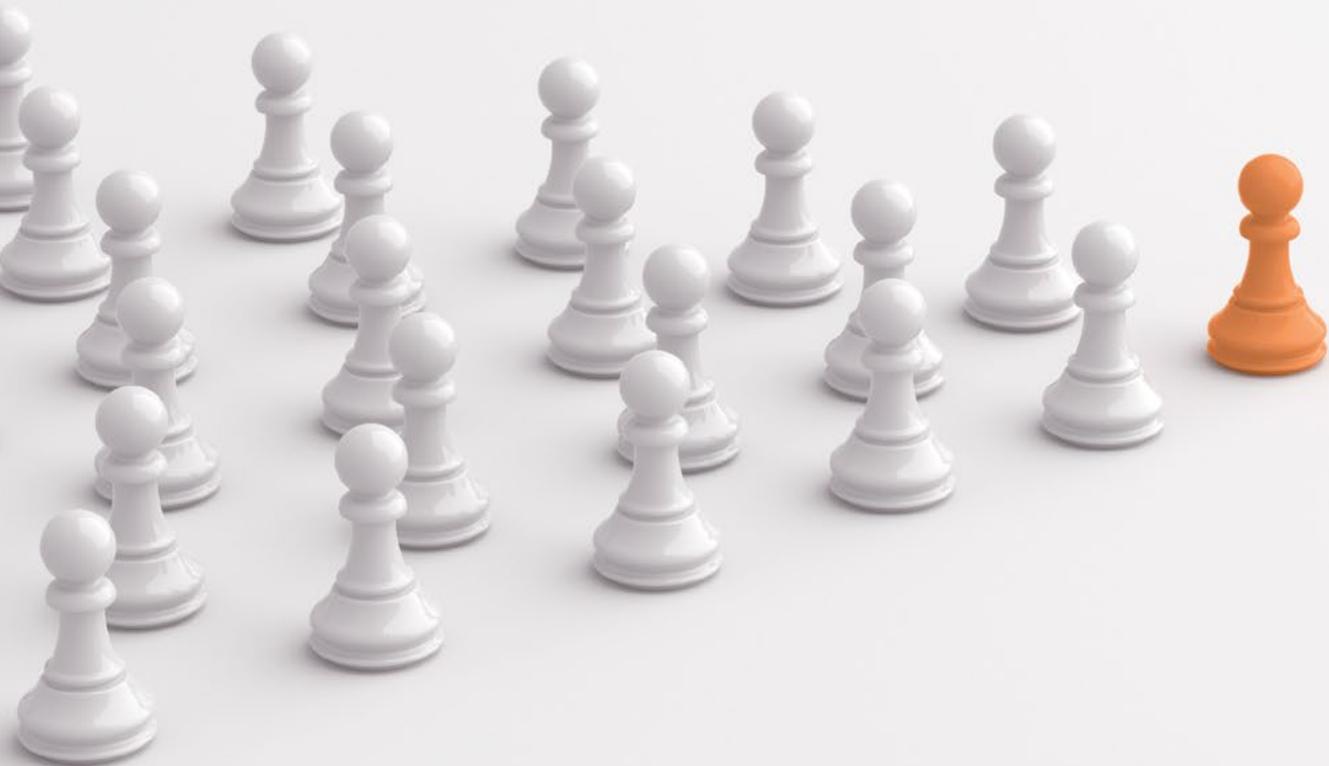
Since the ESB was launched in March 2019, more than 2,100 users have gone through the online programme. Their positive feedback confirmed that the team has adopted the right formula for the programme.

“We have since also adopted the same design approach to develop an online in-house training programme to enhance the technical knowledge of ACRA officers,” adds Ms Lynn Ng, Assistant Director, Corporate Communications Department.

CHAPTER 4

AN INNOVATIVE, EFFICIENT AND EFFECTIVE TEAM

Leveraging technology to build a
culture of innovation and excellence



Re-Engineering ACRA's Strategic Business Processes

We embarked on the Strategic Business Process Re-Engineering (SBPR) study to fundamentally review our core business processes, with the aim of building a data-driven organisation that supports enterprise, delivers values to businesses and stakeholders, and excels in regulatory effectiveness and operational proficiency.

As part of the study, we engaged various groups of stakeholders including key partners and staff, to identify new areas of focus and define new ways of working. The insights drawn from the study culminated in a new strategic framework which redefines our mission, vision, corporate goals and strategies.



▲ ACRA conducted the Strategic Business Process Re-Engineering study to review our core business processes.

Leveraging New Technology to Learn and Share

Our staff are all geared up to develop new competencies, adopt new skillsets and transform the way we work, to enable ACRA to be digital-to-the-core. To this end, the inaugural Technology Day was held on 12 November 2019 to encourage officers to apply digital skills in their work. Through the sharing sessions and hands-on activities, we gained useful insights into how to build a culture of innovation and be digitally enabled, while safeguarding data and information security.



▲ ACRA helps our staff to hone their digital skills through sharing sessions and hands-on activities.

As part of our ongoing training efforts to build a digital workforce, 84% of our officers have completed at least one structured data analytics course. In addition, close to 90% of our officers had completed the UiPath Robotic Process Automation (RPA) awareness training, with about 10% being trained as UiPath developer.

We continued to drive digital transformation, to streamline our processes and improve work efficiency. A series of workshops were conducted

in February 2020 for officers to identify the appropriate work processes that could be replaced and enhanced by RPA. Nine RPA projects would be completed in FY2020 to automate manual and repetitive processes so as to allow our officers to focus on higher value-added work.



▲ Robotic Process Automation awareness training for our staff has helped us in our digital transformation efforts.

Building In-House Expertise and Business Knowledge

To boost the digital capabilities of our officers, an ops-tech collaboration was formed between IT and business (such as our enforcement, registry services, financial reporting surveillance, practice monitoring departments) to harness digital technologies on selected strategic projects. We implemented a business rules engine to help build our internal capabilities and to support knowledge retention and maintenance of IT systems.

Celebrating Our Achievements

Awards for Excellent Service, Innovation and Stakeholders Engagement

We received three Public Sector Transformation Gold Awards at the Ministry of Finance level and one Public Sector Transformation Gold Award at the Public Sector level for our initiatives in providing innovative solutions, engaging our stakeholders and delivering excellent service to our customers.

Public Sector Pro-Enterprise Initiative (Bronze) Award

Together with the Inland Revenue Authority of Singapore, Enterprise Singapore and Association of Small and Medium Enterprises, we received the Public Sector Pro-Enterprise Initiative (Bronze) Award at the Pro-Enterprise Panel Singapore Business Federation Awards 2019 ceremony. The award was in recognition of the SME Cloud Exchange Network (SMECEN) platform developed by ASME with the support of the three agencies to help the SMEs adopt digital technology. SMECEN helps streamline multiple transactions with different government agencies for the convenience of businesses.

National Day Awards 2019

Our staff did us proud at the Singapore National Day Awards 2019. Three of our officers were conferred National Day Honours for their outstanding contributions to Singapore.

Commendation Medal

- Ms Geraldine Tay Cheng Hui, Assistant Director, Registry Services Department

Efficiency Medal

- Ms Tew Hwee Pheng, Senior Officer, Finance Department

Long Service Medal

- Mr Gilbert Low, Senior Legal Counsel, Legal Services Department



▲
ACRA officers receiving their awards at the National Day Awards 2019 ceremony held on 22 November 2019.

AWARD

➤ **Exemplary Service
Excellence Award (Gold)
(ACRA and MOF Levels)**

NAME OF WINNER

➤ **Ms Rusiah Yusof**



Ms Rusiah Yusof is a Customer Service Officer serving customers at the ACRA Service Counters in the Taxpayer and Business Service Centre at Revenue House.

“As a frontline officer, I handle a wide range of enquiries, from general questions about registration to more complex issues on compliance matters,” says Rusiah, an officer with the Registry Services Department (RSD).

While ACRA provides self-help online services, some customers prefer face-to-face interaction, especially if they need assistance on urgent requests or complex cases.

Rusiah recounted an urgent request from a representative of a financial institution who had flown into Singapore specially to obtain some archived documents that were not available online. Says Rusiah, “As he needed the archived documents urgently, I approached my colleagues from other departments, explained to them the urgency, and gave all the specifics about the archived information he needed to facilitate retrieval.” Much to his delight, the customer obtained the documents within a couple of hours and was most appreciative of the effort Rusiah had made to meet his needs.

In another case, a customer was in distress because her business partner had recently passed away. “She had to cope with the loss of her business partner and deal with the business renewal, something she was unfamiliar with. It is important that we remain patient and sympathetic while we deal with

our customers in such situations. I was happy to see the relief on her face after I had helped her complete the filing,” says Rusiah.

Rusiah’s customer service mindset goes beyond the daily interactions she has at the frontline.

“Rusiah is constantly looking at ways to improve our online service. For example, she makes sure that the filing guide at the self-service kiosks is easy to follow. Now, we receive fewer requests for assistance at the kiosks. This is in line with our service design principles to make our online services so easy to use, seamless and secure that our customers will easily and quickly complete their transactions without needing additional service from us,” explains Ms Sally Loo, Manager, RSD.

Adds Rusiah, “While I am very happy to have received the award, the credit also goes to my colleagues as we all work as a team and share the same mindset to go the extra mile for our customers.”

FINANCIAL HIGHLIGHTS FOR FY2019

(A) FINANCIAL PERFORMANCE

1. Operating income

Operating income increased from \$79.6 million in FY2018 to \$83.2 million in FY2019. The increase was due to:

- (a) Company incorporation and related fees increased by \$3.4 million mainly due to a higher number of companies incorporations, a bigger company base as compared to that in FY2018 and higher fee income from extension of time (EOT) for annual general meeting (AGM) and annual return (AR) filing.
- (b) Information services fees increased by \$0.7 million mainly from new services offered by the Information Service Providers.
- (c) Variable capital company incorporation and related fees of \$0.4 million. This is a new corporate structure for investment funds constituted under the Variable Capital Companies Act which took effect on 15 Jan 2020.

2. Operating expenditure

Operating expenditure increased from \$61.8 million in FY2018 to \$62.1 million in FY2019. The increase was due to:

- (a) Services increased by \$1.8 million mainly due to the consultancy services engaged for the Strategic Business Process Reengineering (SBPR) Project.
- (b) Staff and other costs decreased by \$1.5 million mainly due to:
 - i) Staff costs decreased by \$0.8 million as the Annual Variable Component (AVC) was lower in FY2019.
 - ii) Rental, maintenance and supplies decreased by \$2.4 million mainly due to adoption of SB-FRS 116 Leases. The rental payment of office premises is re-presented as depreciation from the right-of-use assets (\$2.0 million) and interest on the lease liabilities (\$0.1 million). Maintenance cost for BizFile+ was also lower by \$0.3 million.
 - iii) Depreciation and amortisation increased by \$1.5 million mainly due to the depreciation for the right-of-use assets (\$2.0 million). The increase was partially offset by BizFin^x system that has been fully depreciated in FY2018.

3. Net surplus

Table 1 shows the operating and net surplus for FY2018 and FY2019:

Table 1: Income and Expenditure Summary for FY2019

	FY2019	FY2018
Operating Income	83.2	79.6
Expenditure	62.1	61.8
Surplus Before Government Grants	21.1	17.8
Government Grants	2.0	1.9
Surplus before Contribution to Government Consolidated Fund	23.1	19.7
Less: Contribution to Government Consolidated Fund	3.9	4.0
Net Surplus	19.2	15.7

(B) FINANCIAL POSITION

4. Assets

As at 31 March 2020, ACRA's total assets was \$225.2 million. See Table 2 for details. The increase was due to:

- (a) **Cash and cash equivalents** increased by \$16.8 million mainly due to net cash generated from operating activities of \$21.4 million.
- (b) **Other current assets** increased by \$0.5 million mainly due to higher interest receivables for funds managed by AGD under Whole of Government's CLM framework.
- (c) **Fixed and intangible assets** decreased by \$1.8 million mainly due to depreciation of the right-of-use assets; partially offset by the expenditure incurred for BizFile+ Tech Refresh which commenced in FY2019 under development projects-in-progress.

5. Liabilities

As at 31 March 2020, ACRA's total liabilities was \$20.0 million. See Table 2 for details. The decrease was due to:

- (a) **Trade and other payables** reduced by \$1.4 million mainly due to efforts made to improve payments turnaround time to the vendors.
- (b) **Deposits** decreased by \$1.0 million due to lower funds deposited by the business entities and the corporate service providers for payment of transactions online via BizFile+.
- (c) **Lease liabilities** recognised upon adoption of SB-FRS 116 Leases. The balance as at 31 March 2020 was \$1.5 million after payment of principal amount (\$0.2 million) and interest expenses.

Table 2: Balance Sheet Summary for FY2019

	31 March 2020	31 March 2019
Share Capital	8.6	8.6
Accumulated Surplus	196.6	180.2
Capital and reserves	205.2	188.8
Non-Current Assets	11.5	13.3
Current Assets	213.7	196.4
Total Assets	225.2	209.7
Current Liabilities	19.6	19.5
Non-Current Liabilities	1.4	1.4
Total Liabilities	20.0	20.9
Net Assets (i.e. Total Assets less Total Liabilities)	205.2	188.8

6. Cash flows

For the year ended 31 March 2020, ACRA's net cash increased by \$16.8 million. See Table 3 for details.

Table 3: Summary of Statement of Cash Flows for FY2019

	FY2019	FY2018
(i) Cash and cash equivalents at beginning of year	189.3	168.8
(ii) Net cash from operating activities	21.4	21.9
(iii) Net cash from investing activities	0.3	0.8
(iv) Net cash used in financing activities	(4.9)	(2.3)
Cash and cash equivalents as at year end		
i.e. (i) + (ii) + (iii) + (iv)	206.1	189.2
Net increase in cash and cash equivalents	16.8	20.4

7. Auditor's opinion

ACRA has confirmed that the external or independent auditor has given an opinion that the Financial Statements and/or Other Legal and Regulatory Requirements are properly drawn up in accordance with the Public Sector Governance Act and the Statutory Board's Act. ACRA has also confirmed that the audit reports are signed by the relevant Auditors engaged for the audit.