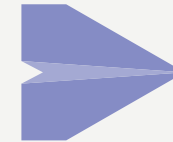
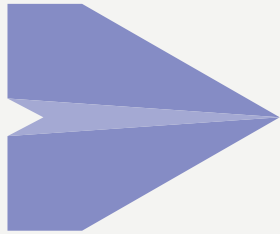
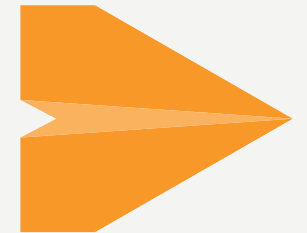
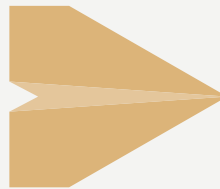


ANNUAL REPORT 2021/2022

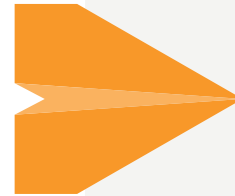
# Transforming ACRA, Enabling Businesses





# ABOUT ACRA

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



## VISION

Singapore: The Best Place for Business

## MISSION

Provide a trusted and vibrant business environment in Singapore

## CORPORATE GOALS

- Sustainable business growth
- High compliance
- Excellent customer experience
- High performing team

## CORE VALUES

- **Integrity:** We do what is right without fear or favour, and serve with passion and purpose.
- **Teamwork:** We help one another be the best that we can be, with mutual trust and respect.
- **Agility:** We are resilient and adapt to changes swiftly to do what is best for ACRA.
- **Professionalism:** We pursue excellence in all that we do; we value our customers and are highly regarded by them.



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# CHAIRMAN'S MESSAGE



**"I would like to thank all our stakeholders and partners for working closely with ACRA – giving feedback on areas for review; participating in pilot projects; or co-creating solutions, products, and services. Your participation and support have benefitted ACRA and led to better outcomes."**

## Transforming ACRA, Enabling Businesses

It has been over two years since the World Health Organization declared COVID-19 a global pandemic on 11 March 2020. In Singapore, we have progressively lifted most COVID-19 restrictions using a risk-based approach and learnt to live with COVID-19. Looking back, ACRA has had a busy and challenging FY2021, managing its core business amidst challenges posed by COVID-19 on its customers, continuing to collaborate with other government agencies to enhance customer service, and reviewing regulatory and operational policies to stay responsive to the needs of businesses.

To be ready for the future, ACRA has embarked on the development of a new

mission-critical registry and regulatory IT system. The new system is the culmination of work within ACRA and with our partners, to identify opportunities for service delivery improvement, achieve better user experience, and provide new functionalities desired by users. When fully implemented, this new system will facilitate seamless business registrations and filings; offer faster search services for business and people information; and provide predictive and personalised self-help assistance for customers.

With its office relocation, ACRA has also begun a new way of working in its new office and found new ways to collaborate effectively among the teams to get the work done, whether remotely or in-person.

## Serving with Heart, through Digital Technologies

ACRA has continued to look at ways to improve customer service. The need to ensure our customer service was not disrupted during COVID-19 had given ACRA the opportunity to experiment with a new way of serving customers – via video conferencing in lieu of over-the-counter interaction. Staying true to its objective to make it easy for businesses to not just start fast but start right, ACRA had also collaborated with the Ministry of Trade and Industry and the Smart Nation and Digital Government Office to introduce the "GoBusiness" portal where e-Advisers guide aspiring entrepreneurs on the

process of starting and registering a business and facilitate registration of sole proprietorships and partnerships. ACRA's digital assistant, "Ask Ada", who addresses queries and enables transactions to be completed within the chat, was a much-welcomed service initiative by business owners. It exemplifies ACRA's corporate strategy for service delivery – "No need for service is the best service". ACRA will continue to work with customers to build an inclusive digital future.

ACRA has systematically put in place the foundational infrastructure, capabilities, and culture to harness the value of digitalisation and data. ACRA's Application Programming Interface (API) Mall provides an environment for businesses to experiment with incorporating ACRA's data in their processes, besides enabling them to file seamlessly with ACRA from their accounting systems. As ACRA expanded its suite of APIs, particularly transactional APIs, businesses have started tapping on ACRA's APIs to create new business models. This is illustrated in the case of 1exchange, a regulated blockchain-based private exchange, which leverages ACRA's APIs to facilitate real-time private share transfer and filings and simultaneously update the information on ACRA's register and on 1X's public blockchain systems. This epitomises ACRA's vision for the future of service, where we leverage digital technologies to enhance convenience, ensure data accuracy, and promote a vibrant and innovative economy.



# CHAIRMAN'S MESSAGE

## Enhancing Corporate Governance Regime

A trusted business environment is critical to Singapore's competitiveness. ACRA reviews existing rules and regulations to ensure they remain robust, relevant and in line with international best practice. ACRA introduced new laws to improve the transparency of beneficial ownership and control of companies and limited liability partnerships to strengthen Singapore's corporate governance regime and affirm our commitment to combatting money laundering, terrorism financing and other threats to the integrity of the international financial system. Other legislative amendments to widen supervision of corporate service providers and mitigate the risks associated with the misuse of shell companies and nominee arrangements are underway.

As part of its transformation to be a smart regulator, ACRA leverages technology to strengthen enforcement and pivot towards more risk-targeted supervision. ACRA continues to refine its risk profiling model using Artificial Intelligence/Machine Learning (AI/ML). In FY2021, ACRA also embarked on a collaboration with the Department of Statistics to develop an AI system to automate the tagging and extraction of data discrepancies and inaccuracies in financial statements, to improve the quality of financial reporting.

## Raising Audit and Disclosure Quality

Following public consultation on the draft legislation in FY2021, the Government will be amending the Accountants Act to implement statutory quality control inspections of public accounting entities, amongst other changes. These aim to promote audit quality and align our regime with international best practices. Apart from legislative changes, ACRA continued to participate actively at international and regional forums to share best practices with fellow audit regulators and contribute towards higher audit quality.

## Sustainability Reporting

ACRA has taken on a new role to develop a roadmap for wider implementation of sustainability reporting for Singapore-incorporated companies beyond listed companies. Together with the Singapore Exchange Regulation, ACRA has set up the Sustainability Reporting Advisory Committee to advise on the roadmap. FY2021 saw renewed global attention on sustainability following the UN Climate Change Conference in Glasgow and the subsequent setup of an International Sustainability Standards Board. Consistent and comparable sustainability disclosures will enhance clarity on the impact of corporates' initiatives on our environment as well as Singapore's Green Plan 2030. Corporates, investors and stakeholders

can then better factor in the opportunities and risks relating to climate change in their investment allocation and business decisions, enabling Singapore to be more future ready. ACRA, as a public agency, also made its commitments through the Environmental Sustainability Policy Statement published on its website.

## In Appreciation

The impending merger of ACRA, Singapore Accountancy Commission and Accounting Standards Council will see our accountancy-related agencies work together as one to develop a vibrant and innovative accountancy sector to support business and economic growth.

I would like to thank all our stakeholders and partners for working closely with ACRA - giving feedback on areas for review; participating in pilot projects; or co-creating solutions, products, and services. Your participation and support have benefitted ACRA and led to better outcomes.

On behalf of the Board, I would like to congratulate ACRA staff on winning eight Ministry of Finance Group level awards in FY2021, across the categories of innovation, agility, regulatory excellence, service excellence and support for enterprises amidst COVID-19. These reflect the commitment and teamwork that ACRA has shown in the transformation journey, and

the impact achieved thus far. I encourage all ACRA staff to continue your good work as we work towards making Singapore the best place for business.

My deepest appreciation goes to all our Board members for their dedicated service and invaluable advice to ACRA, especially in guiding ACRA on its transformation journey. I also welcome Mr Ong Chong Tee, the new Board Chairman from 1 July 2022. I am confident that the Board under Mr Ong's leadership will guide ACRA to scale greater heights.

**Tan Ching Yee**  
Chairman



# CHIEF EXECUTIVE'S MESSAGE



**“Our digitally confident workforce in a vibrant workplace; as well as our new system, are all to enable new ways of working so that we can better collaborate with stakeholders, better serve our customers, and better leverage our data assets to facilitate business, innovation, and growth.”**

## Moving onto the Next Phase of Our Transformation

FY2021 was a milestone year for ACRA. As the nation made a decisive move to live with COVID-19, we resumed working together in the office after working from home in our split teams for two years. We relocated from International Plaza where we had been for 20 years, to our new office in Revenue House. We launched our structured data, digital and design (D3) training programme, building on the earlier staff upskilling programmes we had rolled out. We finalised the IT blueprint and awarded the tender for the development of a new business registry and regulatory system. This marked the completion of the first phase of our transformation journey to be digital to the core and serve with heart, which we had mapped out with

the guidance of our Board and with the involvement of the whole OneACRA team.

We held our first in-person OneACRA Day at our new office in April 2022. The OneACRA spirit shone brightly as we interacted with one another in teams including our Singapore Accountancy Commission and Accounting Standards Council secretariat colleagues who will soon be part of one family with the upcoming merger. Our officers presented their work improvement projects, applying their newly acquired D3 skills to topics across our service, compliance, and corporate functions. The sense of purpose and shared passion in serving Singapore gave us great confidence for our journey ahead.

Our digitally confident workforce in a vibrant workplace; as well as our new system, are all to enable new ways of working so that we can better collaborate with stakeholders, better serve our customers, and better leverage our data assets to facilitate business, innovation, and growth.

## Providing Ease of Doing Business

During the year we remained focused on our mission to provide a trusted and vibrant business environment, and our vision - Singapore, the best place for business. We reviewed our registry and regulatory policies and business processes to strengthen Singapore's attractiveness as a business hub and enhance the ease of doing business in Singapore.

We completed public consultation on proposed changes to the Limited Partnerships Act to make it more attractive for investment funds and to further strengthen Singapore's position as a leading fund management and domiciliation hub.

We also completed public consultation on our proposed amendments to the Companies Act and other legislations to increase filing convenience, improve data accuracy, and enable us to correspond digitally with business entities. These lay the groundwork for service innovations to be implemented in our new system. Going forward, in view of the quickening pace of economic transformation, we will scope our legislative reviews to specific parts of legislation, to shorten each review cycle so as to respond faster to business needs.

We introduced our ACRA Digital Assistant, "Ask Ada", to help improve our service. Ask Ada is an Artificial Intelligence chatbot on our corporate website that not only answers questions but also assists users to complete transactions such as business renewal, seamlessly within the chat. We will continue to improve Ask Ada with insights from customer feedback. We are proud that Ask Ada was created in-house by ACRA staff, as an early result of our staff upskilling programme. It gives a glimpse into our future ways of working where our staff apply D3 skills to make it easy for businesses to interact with us and reduce their compliance burden.



# CHIEF EXECUTIVE'S MESSAGE

## Upholding Trust and Transparency

We leveraged technology to help us uphold trust and transparency in the business environment. Our trustBar portal to be launched later this year will help users verify that the information in the business certificates and profiles is authentic and up to date. With the service, businesses can save time and cost on notarising business profiles or incorporation certificates when they venture overseas, and exchange digital trade documentations easily.

We participated in Financial Action Task Force projects relating to non-financial businesses and professions and transparency of business entities. During the year, the Corporate Registers (Miscellaneous Amendments) Bill was passed in Parliament to improve the transparency of beneficial ownership and control of companies and limited liability partnerships. For the first time since the introduction of the Registered Filing Agent / Registered Qualified Individual (RFA/RQI) regime in 2015, we cancelled the registration of a RFA and RQI for breaching Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements, signalling to corporate service providers to take their AML/CFT responsibilities seriously. In view of emerging typologies involving the setting up of shell companies to facilitate money laundering, we are introducing a new

Corporate Service Providers bill to address such misuse of corporate entities.

We consulted the public on possible approaches to manage the disclosure of personal data that are filed with ACRA, to balance between the need for corporate transparency and personal data privacy.

We also completed public consultation on proposed amendments to the Accountants Act to empower ACRA to conduct inspections on accounting entities (AEs) for compliance with quality control (QC) standards, and on AEs and public accountants for compliance with AML/CFT requirements. In preparation for these changes, we reviewed the Practice Monitoring Programme inspection methodology, and set up the framework to implement QC inspections. With these changes, we can better instil consistent, high audit quality by audit firms and promote audit quality.

## Roadmap for Sustainability Reporting

The year saw ACRA taking an important step forward in Sustainability Reporting. With the launch of the Singapore Green Plan and increasing momentum towards the establishment of a set of global baseline standards to facilitate consistent and comparable sustainability disclosures, it was timely to establish a Sustainability Reporting team in ACRA. Our team will

plug into international platforms and engage domestic stakeholders to develop a Sustainability Reporting roadmap for Singapore-incorporated companies, beyond those listed on the Singapore Exchange. Together with Singapore Exchange Regulation, we have set up a Sustainability Reporting Advisory Committee to garner views from diverse sectors to chart the way forward together.

As a corporate citizen, we are committed to promoting environmental sustainability through our service delivery and our regulatory roles. We are also committed to minimising our environmental footprint and fostering a culture of sustainability by encouraging and supporting our officers in embracing sustainable practices and making sustainability our way of life.

## Acknowledgements

What we have achieved this past year would not have been possible without the strong support of the ACRA Board. On behalf of ACRA Management and staff, I would like to thank Mrs Tan Ching Yee for her guidance and counsel as Chairman of ACRA Board from April 2018 to June 2022. I would also like to convey my deep appreciation to Board members, and look forward to working with our incoming Chairman, Mr Ong Chong Tee, as well as Board members on the journey ahead.

I would also like to thank our key partners, including the Institute of Singapore Chartered Accountants, Singapore Institute of Directors, Chartered Secretaries Institute of Singapore, Securities Investors Association of Singapore, Monetary Authority of Singapore, Singapore Exchange Regulation and the Commercial Affairs Department, for their continuous support and partnership in our efforts to improve our service as well as fulfil our regulatory role. I also thank the members of our various committees and participants of our focus groups and dialogues who gave us their time generously. We look forward to working closely with all our stakeholders in the coming year.

Last but not least, I would like to thank all my ACRA colleagues for your service, contributions, and willingness to make a difference for ACRA and for Singapore.

**Ong Khiaw Hong**  
Chief Executive



# BOARD MEMBERS

As at 1 April 2022



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



**Mr Ong Chong Tee**  
DEPUTY CHAIRMAN



**Mr Ong Khiaw Hong**  
Chief Executive,  
Accounting and Corporate  
Regulatory Authority



**Mr Lam Yi Young**  
Chief Executive Officer,  
Singapore Business  
Federation



**Ms Lock Yin Mei**  
Partner,  
Allen & Overy LLP



**Mr Kevin Wong**  
Non-Executive  
Company Director



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



**Ms Ameera Ashraf**  
Partner and Head  
of Antitrust &  
Competition Practice,  
WongPartnership LLP



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



**Ms Catherine Lee**  
Independent Director,  
Far East Hospitality Trust



**Mr Paul Lee**  
Managing Partner,  
RSM Chio Lim LLP



**Ms Lai Chin Yee**  
Finance Director,  
Qian Hu  
Corporation Limited



**Mr Glen Francis**  
Chief Technology Officer,  
Singapore Press Holdings



**Mr Muhammad Hidhir  
Bin Abdul Majid**  
Principal District Judge  
and Principal Director  
(Strategic Planning and  
Research Division),  
Family Justice Courts





# BOARD COMMITTEES

As at 1 April 2022

## HUMAN RESOURCE AND FINANCE COMMITTEE (HRFC)

Mrs Tan Ching Yee (Chairman)

Mr Ong Chong Tee

Mr Ong Khiaw Hong

Mr Lam Yi Young

Ms Lock Yin Mei

## PUBLIC ACCOUNTANTS OVERSIGHT COMMITTEE (PAOC)

Mr Kevin Wong (Chairman)

Mr Ow Fook Chuen

Ms Ameera Ashraf

Mr Mohammad Shariq Sayeed Barmaky

Ms Catherine Lee

Mr Paul Lee

## AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)

Ms Lai Chin Yee (Chairman)

Mr Glen Francis

Mr Muhammad Hidhir

# ACRA MANAGEMENT

As at 1 April 2022

<b>Mr Ong Khiaw Hong</b>	Chief Executive
<b>Ms Chin Li Fen</b>	Deputy Chief Executive, Corporate and Operations Group
<b>Ms Kuldip Gill</b>	Assistant Chief Executive, Legal Services and Compliance Group
<b>Ms Shirley Loo</b>	Divisional Director, Corporate Development Division
<b>Mr Tan Kok Hoe</b>	Divisional Director, Corporate Services Division
<b>Ms Ang Siok Hui</b>	Divisional Director, Customer Experience Division
<b>Mr Hans Avinder</b>	Divisional Director, Compliance Division
<b>Ms Bong Yap Kim</b>	Divisional Director, Financial Reporting Division
<b>Ms Poh Lai Khim</b>	Divisional Director, Information and Technology Division
<b>Mr Leong Weng Tat</b>	Divisional Director (Law Division) / Chief Legal Officer



# DIVISIONS AND DEPARTMENTS

As at 1 April 2022

## CUSTOMER EXPERIENCE DIVISION ▶

The Customer Experience Division 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.

## FINANCIAL REPORTING DIVISION ▶

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

## COMPLIANCE DIVISION ▶

The Compliance Division comprises the Enforcement Department and the Investigation Department. The division sets the strategic direction for ACRA's enforcement efforts.

## PUBLIC ACCOUNTANCY DIVISION ▶

The Public Accountancy Division 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 is responsible for developing strategy and policies for the accountancy sector, including the review of Accountants' Act, and engaging with the various stakeholders to promote quality of audit and financial reporting, both in Singapore and internationally.

## LEGAL DIVISION ▶

The Legal Division comprises the Legal Services Department and the Prosecution Department. The division provides legal support to ACRA divisions and departments, including legal advice on civil and regulatory matters, law reform and prosecution of offences under the various legislation administered by ACRA.

## CORPORATE DEVELOPMENT DIVISION ▶

The Corporate Development Division comprises the Corporate Communications Department and Corporate Planning Department. The division supports the organisation's growth through the development of strategies, policies and systems. It oversees ACRA's external communications and international engagements.

## INFORMATION AND TECHNOLOGY DIVISION ▶

The Information and Technology Division 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.

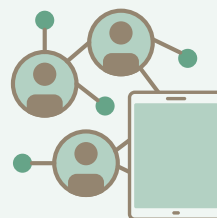
## CORPORATE SERVICES DIVISION ▶

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



# FY2021 AT A GLANCE

As Singapore emerged from the impact of the global COVID-19 outbreak, ACRA intensified its efforts to build a business-friendly ecosystem. We engaged key stakeholders for collaboration, and supported enterprises with a progressive and responsive regulatory regime. At the same time, we not only launched our structured data, digital and design (D3) training programme and relocated into a vibrant workplace, but also finalised our IT blueprint and awarded the tender for the development of a new business registry and regulatory system.



## Deepening Partnerships, Enabling Digitalisation

- Introduced user-friendly online registration of sole proprietorships and partnerships for aspiring entrepreneurs on GoBusiness - a one-stop whole-of-Government portal for businesses to transact with the Government
- Collaborated with professional bodies and other stakeholders to co-create digital solutions for businesses that promote voluntary compliance and enhance corporate transparency
- Conducted public consultations to gather stakeholders' views on proposed legislative amendments, e.g. Limited Partnerships Act and Companies Act, to strengthen Singapore's competitiveness
- Engaged professional bodies in the business community to raise financial reporting and audit standards, and meet business challenges to boost Singapore's competitiveness



# FY2021 AT A GLANCE



## Raising Standards, Improving Compliance

- Strengthened the integrity of Singapore's financial system with the passing of the Corporate Registers (Miscellaneous Amendments) Bill 2021
- Simplified regulations, e.g. streamlined the penalty framework for the filing of annual returns and declarations, to encourage voluntary compliance
- Stepped up regulatory efforts, e.g. issued audit guidance, to promote voluntary compliance that enhance corporate transparency
- Raised awareness of the importance of financial reporting and audit quality by reviewing and sharing the findings from the study on audit adjustments commissioned by us



## Pushing The Frontier, Building The Future

- Taken on a new role to develop a roadmap for wider implementation of sustainability reporting for Singapore-incorporated companies beyond listed companies. Together with the Singapore Exchange Regulation (SGX RegCo), we have set up the Sustainability Reporting Advisory Committee to advise on the roadmap
- Developed our Environmental Sustainability Policy Statement to reflect our commitment to promoting environmental sustainability
- Stepped up digital transformation to create digital solutions by upgrading staff digital skillsets, rethinking business processes, and revamping work systems
- Enhanced customer experience through the use of seamless digital services, e.g. the new digital assistant service, Ask Ada, to anticipate and meet customers' needs
- Engaged staff to nurture sense of pride and belonging in ACRA amidst pandemic disruptions, organisational changes and new way of working
- ACRA staff recognised for innovation and excellent service:
  - 3 National Day Awards
  - 8 Ministry of Finance Group Level Public Sector Transformation Awards
  - 1 Whole-of-Government Level Public Sector Transformation Award



# OUR VIBRANT ECOSYSTEM

Key registration statistics for the year ending 31 March 2022 (FY2021)

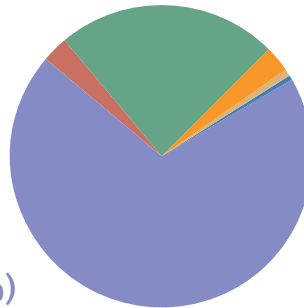
## 558,317

LIVE ENTITIES ON ACRA'S REGISTER AS AT 31 MAR 2022

130,337 (23.3%)  
SOLE-PROPRIETORSHIPS

16,109 (2.9%)  
PARTNERSHIPS

393,302 (70.4%)  
COMPANIES



17,479 (3.1%)  
LIMITED LIABILITY PARTNERSHIPS

568 (0.1%)  
LIMITED PARTNERSHIPS

522 (0.1%)  
VARIABLE CAPITAL COMPANIES

Top 3 industry groups with highest increase in business entities in FY2021



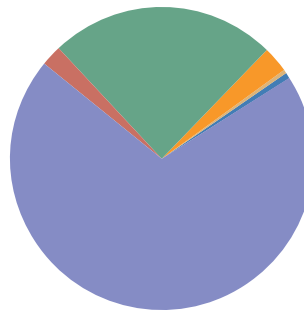
## 63,940

NEW ENTITIES FORMED IN FY2021

15,605 (24.4%)  
SOLE-PROPRIETORSHIPS

1,416 (2.2%)  
PARTNERSHIPS

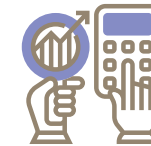
44,773 (70.0%)  
COMPANIES



1,695 (2.7%)  
LIMITED LIABILITY PARTNERSHIPS

167 (0.3%)  
LIMITED PARTNERSHIPS

284 (0.4%)  
VARIABLE CAPITAL COMPANIES



1,195  
Registered Public Accountants

3,420  
Registered Qualified Individuals

709  
Registered Public Accounting Entities

2,792  
Registered Filing Agents



# DIGITAL SERVICE FOR BETTER CUSTOMER EXPERIENCE

Key service statistics for the year ending 31 March 2022 (FY2021)



**2,576,918**  
(10% increase)

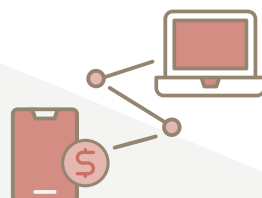
transactions made in BizFile+ and iShop

**731,160**  
(49% increase)

API calls via ACRA API Mall

**8,411,188**  
(6% increase)

searches on ACRA's registry data



**93%**

of digital services completed digitally end-to-end

**100%**

of digital services completed via e-payments



**77%**

of customers satisfied with digital service for annual returns filing

**85%**

of customers satisfied with digital service for purchase of business profiles

**76%**

of customers satisfied with digital service for change in particulars



**100%**

of customers attended to within 30 min from their appointments

**100%**

of customer emails replied within 3 working days

**96%**

of customer calls answered within 30 sec



# IMPROVING REGULATORY COMPLIANCE

Key compliance statistics for the year ending 31 March 2022 (FY2021)



## Business Entities and Directors

**77%**

of entities filed their Register of Registrable Controllers with ACRA

**968**

inspections conducted for compliance with the requirements to maintain Register of Registrable Controllers



## Registered Filing Agents

**302**

compliance reviews/ inspections conducted for compliance with AML/CFT requirements

**11**

sanctions imposed for non-compliance with AML/CFT requirements

**592**

entities paid composition sums amounting to \$570,000 for late annual returns filing

**77%**

of companies filed annual returns

**4,370**

entities struck off by ACRA for repeated offences



## Public Accountants

**54**

engagement inspections conducted under Practice Monitoring Programme for compliance with auditing standards

**4**

public accountants issued with orders by Public Accountants Oversight Committee for non-compliance with auditing standards

**13**

advisory letters issued to companies for material non-compliance(s) with accounting standards under the Financial Reporting Surveillance Programme

**29**

completed reviews of financial statements for compliance with accounting standards under Financial Reporting Surveillance Programme

**5**

company directors prosecuted with fines imposed ranging from \$9,000 to \$40,000

**196**

checks on public accountants for compliance with Continuing Education Requirements

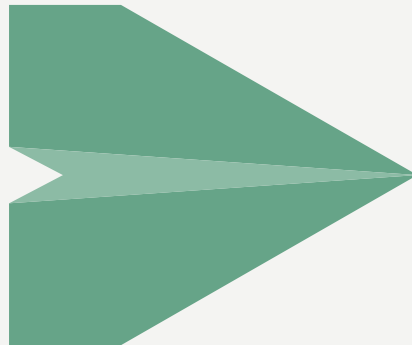


## CHAPTER 01

# Deepening Partnership, Embracing Digitalisation

STRENGTHENING PARTNERSHIPS FOR A VIBRANT  
BUSINESS ENVIRONMENT

➤ ACRA's efforts to build a business-friendly ecosystem together with stakeholders intensified during the second year of the COVID-19 pandemic. As Singapore emerges from the impact of the global viral outbreak, we continue to engage stakeholders and support enterprises with a progressive and responsive regulatory regime.







## Seeking stakeholders' input through public consultations

As both a regulator and business enabler, we ensure our corporate laws and regulatory framework are current and competitive while keeping compliance burden low for businesses. We strengthen Singapore's position as a leading financial hub and the best place for business by seeking the views of our business community and other stakeholders on proposed legislative amendments.

### Enhancing transparency

To enhance the transparency of beneficial ownership of Singapore companies and limited liability partnerships, together with the Ministry of Finance (MOF), we invited public feedback on the draft Corporate Registers (Miscellaneous Amendments) Bill 2021 in July 2021. The proposed amendments in the Corporate Registers (Miscellaneous Amendments) Bill 2021 serve to reduce any opportunities for the misuse of corporate entities for illicit purposes. This is in line with international standards set by the Financial Action Task Force for combatting money laundering, terrorism financing and other threats to the integrity of the international financial system. The Corporate Registers (Miscellaneous Amendments) Bill 2021 was passed on 10 January 2022 and received the President's Assent on 8 February 2022.

### Facilitating fund management

We launched a public consultation from October to November 2021 to garner feedback on proposed amendments to the Limited Partnerships Act. The proposed changes aim to enhance the appeal of the limited partnership vehicle to attract funding to limited partnerships and to update existing provisions in the Limited Partnerships Act for all types of limited partnerships. The public consultation followed a 2020 focus group discussion with stakeholders that we held together with the Monetary Authority of Singapore (MAS) on the use of limited partnerships as a fund vehicle.

### Promoting audit quality

Jointly with MOF, we sought public feedback from October to November 2021 on proposed amendments to the Accountants Act and Accountants (Amendment) Bill 2021. The proposed amendments aim to promote audit quality and strengthen Singapore's standing as a trusted business location. In addition, the amendments seek to enhance the audit regulatory regime and introduce measures for better compliance with professional requirements and standards by both public accountants and accounting entities. These amendments also align Singapore's regulatory practices with those in jurisdictions that have established independent audit regulations.

### Leveraging data and digitalisation

From December 2021 to January 2022, we launched a public consultation to gather feedback on proposed changes to the Companies Act, Accountants Act, ACRA Act, Business Names Registration Act, Limited Liability Partnerships Act, Limited Partnerships Act and Variable Capital Companies Act 2018. Such reviews of our legislation help us achieve our aims of regulating business registration and financial reporting while also facilitating enterprise.

These amendments seek to improve filing convenience and data accuracy, strike a balance between corporate transparency and personal data privacy; and enable us to go digital in our correspondences with business entities.

### Combatting money laundering

We have been studying legislative amendments to ensure that Singapore's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) regime for the corporate service provider (CSP) sector continues to be aligned with prevailing international AML/CFT standards. The CSP Bill amendments aim to address and mitigate risks of misuse of shell companies and nominee arrangements that facilitate money laundering. We held public consultations from May to July 2022 to obtain stakeholder views on our proposed amendments.



During the year, we collaborated with diverse eco-system partners to co-create digital solutions that promote voluntary compliance, enhance corporate transparency and meet stakeholder needs.



### Guiding businesses with e-Advisers

To enhance the ease of starting a business, we enabled aspiring entrepreneurs to register sole proprietorships and partnerships via GoBusiness, a one-stop whole-of-Government portal that provides a single digital touchpoint for businesses to transact with the Government.

### Supporting businesses during COVID-19 pandemic

We stepped up efforts to offer support to businesses in meeting their audit and financial reporting requirements. On 16 May 2020, we issued Practice Direction No.2 of 2020 to guide companies on the revised requirements and data elements in the filing of financial statements in eXtensible Business Reporting Language (XBRL) format. In view of the COVID-19 situation, we deferred the implementation date of the revised XBRL filing requirements to allow companies more time to make the transition. The effective date for the revised XBRL filing requirements by companies was changed from 1 January 2021 to 1 May 2021 although companies could opt to voluntarily apply the revised filing requirements and data elements earlier. In addition, we launched an updated version of the BizFin<sup>x</sup> preparation tool to help companies to prepare, validate and upload their XBRL financial statements based on the revised filing requirements.

### Partnering professional bodies

We work with professional bodies and other stakeholders to help businesses leverage digitisation for greater efficiency. During the year, we collaborated with diverse ecosystem partners to co-create digital solutions that promote voluntary compliance, enhance corporate transparency and meet stakeholder needs.

#### Seamless share transfer and real-time updates with 1exchange

We collaborated with 1exchange (1X), Singapore's first regulated blockchain-based private exchange, to enable seamless filing and real-time updating of private share transfer and filings with our share register. This seamless process is facilitated by ACRA's Transfer of Share Application Programming Interfaces (APIs). The integration of 1X and ACRA's share register allows private companies to notify ACRA of share transfers and to easily update share ownership information in ACRA's register. At the same time, the digitisation of the process reduces compliance burden for companies while improving timeliness and accuracy of filing.



### Singapore Intellectual Property Strategy 2030

As part of the Singapore Intellectual Property Strategy 2030 to position Singapore as a global hub for intangible assets (IA) and intellectual property (IP), ACRA and the Intellectual Property Office of Singapore jointly chair the Intangible Assets Disclosure Committee under the workstream to develop a credible and trusted IA/IP valuation ecosystem. The committee is working with an industry working group to co-develop an effective IA disclosure framework. The disclosure framework aims to enable businesses to identify, communicate and disclose their IA/IP to support their business functions and growth.

We also looked into ways to simplify our processes for greater efficiency as part of our ongoing business process re-engineering. ACRA is collaborating with ISCA to integrate front-end ACRA processes, such as a one-stop registration for Public Accountants, and related processes and transactions. Integrating services to be offered at a single portal will not only be more productive for both agencies, but will also offer users greater convenience.

### Enhancing BizFile+ with stakeholder input

As part of our ongoing stakeholder engagement efforts, we joined forces with the Chartered Secretaries Institute of Singapore (CSIS) to conduct two virtual focus group sessions in June and August 2021. The sessions helped us gather feedback from CSPs on improving the user interface and eServices on our BizFile+ portal. We incorporated the input received on the draft designs and proposed changes to the BizFile+ homepage, and eServices for Change in Personal Particulars of Officers. In May 2022, we launched our brand new homepage and enhanced eServices on BizFile+. The clean layout of our homepage allows easier user navigation and access to frequently used eServices.



▲ Co-creating with stakeholders for better user experience

### Seamless Filing of Statutory Returns to ACRA and the Inland Revenue Authority of Singapore (IRAS)

In line with the Smart Nation initiative to promote digitalisation among the small and medium-sized enterprises (SMEs), ACRA and IRAS worked together with five accounting software vendors to co-create a new digital solution. The new solution allows companies to automate the preparation and filing of statutory returns and financial data directly from their accounting software to IRAS and ACRA.

### Contributing to business community

During the year, ACRA continued to play an active part in engaging professional bodies to raise financial reporting and audit standards, and meet business challenges to boost Singapore's competitiveness.

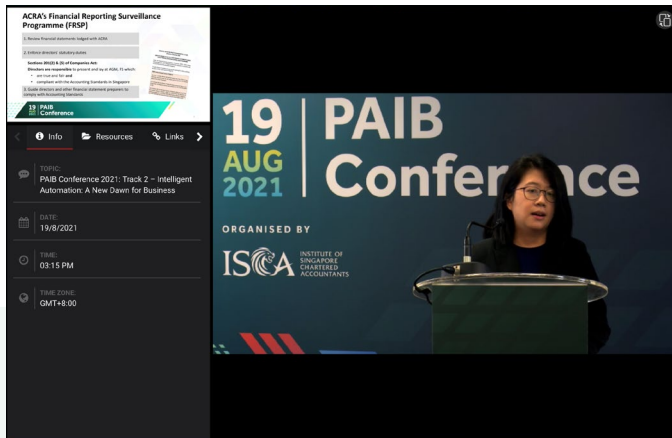
### Corporate Law Day 2021

The Law Society of Singapore and the Singapore Academy of Law held a virtual Corporate Law Day 2021 conference in July 2021. We updated participants on the upcoming changes to the Companies Act and other business entity legislation, the ongoing review of the Companies Act, and the public consultation on the draft Corporate Registers (Miscellaneous Amendments) Bill.



### Professional Accountants in Business Conference

Together with the Institute of Valuers and Appraisers, Singapore (IVAS), we gave an overview of ACRA's Financial Reporting Surveillance Programme (FRSP) at the Professional Accountants in Business Conference in August 2021. We highlighted our collaboration with IVAS to address the challenge of valuation and impairment in times of uncertainty, common valuation pitfalls from the FRSP reviews, and valuation considerations for 2021.



▲ Professional Accountants in Business Conference 2021

### Accounting Innovation Challenge 2021

ACRA supported the Singapore Accountancy Commission (SAC) in its Accounting Innovation Challenge (AIC) 2021 held in August 2021. As the only accounting hackathon in Singapore, AIC brings together the accounting industry, tech companies or start-ups, and tertiary students to collaborate and co-create innovative solutions to address business challenges faced in the sector. We presented on fundamental auditing standards, common challenges faced by auditors, and also gave an overview on our engagement with stakeholders to drive technology adoption in audits.

### Deloitte webinar on the future of audit

ACRA's Assistant Chief Executive, Ms Kuldip Gill participated as a panellist for Deloitte's 'The future of audit' webinar in September 2021 to share insights on the value of audit from a regulator's perspective in the new normal of living with COVID-19. The webinar was attended by Board Members, C-level executives and finance leaders in Singapore.

### ISCA Practitioners Conference 2021

At the ISCA's Practitioners Conference in October 2021, Ms Kuldip Gill, shared the key highlights of the Practice Monitoring Programme (PMP) report in her presentation on 'Quality Management in the New Norm'. She focused on how COVID-19 had accelerated the implementation of technology in audits. This has been reflected in revisions to auditing standards and guidance to allow for innovation and deployment of technological audit tools.



▲ ISCA Practitioners Conference 2021



### 8<sup>th</sup> ACRA-SGX-SID Audit Committee Seminar 2022

A yearly Audit Committee Seminar is held by ACRA in partnership with the Singapore Exchange (SGX) and the Singapore Institute of Directors (SID) to update directors and audit committee members on the latest reporting and regulatory developments. About 400 participants attended the virtual event in January 2022 where ACRA presented findings from our Financial Reporting Surveillance Programme and a study on audit adjustments of 412 listed companies in Singapore between 2018 to 2020 alongside a survey on the effectiveness of companies' finance functions. To help participants fulfil their oversight roles, the seminar discussed the role of corporates in meeting financial oversight, accountability and sustainability reporting. ACRA's Chief Executive, Mr Ong Khiaw Hong, in his Welcome Address at the seminar, urged companies to improve the quality of financial statements prepared.



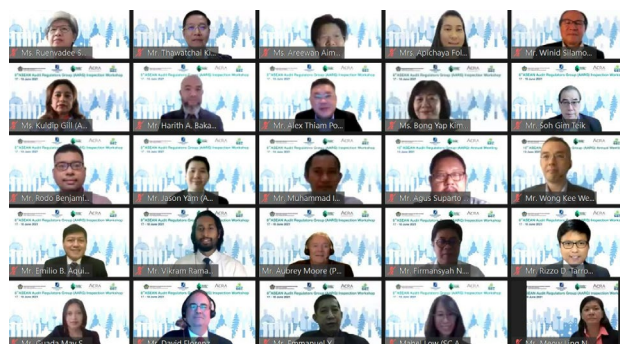
▲ Welcome Address by ACRA CE at 8<sup>th</sup> ACRA-SGX-SID Audit Committee Seminar 2022

### Strengthening international partnerships

Despite pandemic-related border closures, we continued to strengthen ties with regional and international counterparts and enhance Singapore's global positioning. During the year, we participated in virtual discussions to exchange ideas and share best practices.

#### Regional counterparts

We shared our audit inspection experiences and initiatives with about 150 delegates at the 8<sup>th</sup> ASEAN Audit Regulators Group (AARG) Inspection Workshop held in June 2021. The two-day virtual workshop also saw officers from the Public Company Accounting Oversight Board from US sharing on the use of technology tools for future audit inspection. To provide more insight on regional efforts to raise audit quality, the workshop invited audit committee representatives from Singapore and Thailand to discuss the role of audit committees in enhancing audit quality.



▲ 8<sup>th</sup> ASEAN Audit Regulators Group (AARG) Inspection Workshop



▲ Sharing session with SSM

A two-day workshop was organised by the Ministry of Industry and Commerce of the Lao People's Democratic Republic (PDR) in November 2021 under the ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA). ACRA and a representative from ISCA presented on Singapore's regulatory framework and professional practices. The high-level networking event was attended by close to 200 participants from the regulatory authorities and business sectors of Lao PDR, Hong Kong, Malaysia, Philippines, Singapore, Thailand and Vietnam. The workshop focused on capacity building and the sharing of best practices on regulatory frameworks and the implementation of accountancy services in our region.



▲ Presentation on ACRA regulatory framework and professional practices in Singapore

ACRA held virtual discussions with the Suruhanjaya Syarikat Malaysia (SSM), a statutory board responsible for regulating companies and businesses. In April 2021, we shared with SSM our monitoring and inspection programme (PMP) and regulatory framework. This was to help SSM further strengthen their monitoring of auditors and audit firms in Malaysia, especially non-public interest entities, as part of their project, “Research and Development of Auditors Monitoring Framework”.

We also discussed how we work with our stakeholders in our regulation of auditors. In another sharing session in March 2022, we shared with SSM our business name application and approval procedures, and Singapore’s Unique Entity Number (UEN) system.

ACRA also held a virtual discussion in October 2021 with the Pemudah (Pasukan Petugas Khas Pemudahcara Perniagaan), Special Task Force to Facilitate Business. The Malaysian agency is in charge of addressing bureaucracy in business-government dealings and improving government regulated businesses. We shared with Pemuda our regulatory framework, ‘Starting a Business in Singapore’, and how we integrate with other government agencies in order to help businesses start up fast and right.

### International Forum of Independent Audit Regulators (IFIAR)

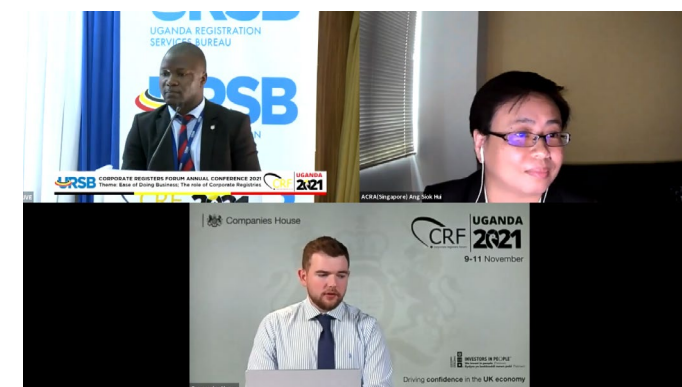
ACRA was re-elected to the Board of IFIAR for another four-year term, at the elections which took place during IFIAR’s annual Plenary meeting held virtually in April 2021. ACRA’s Assistant Chief Executive, Ms Kuldip Gill, was also appointed to chair the IFIAR Board’s Human Resources and Governance Committee. Ms Gill also participated as a panellist at the panel discussion at the Plenary on audit quality from a regulatory perspective. At this panel discussion, the panel discussed how member organisations adapted their activities during the COVID-19 pandemic and the proactive measures implemented to promote longer-term and sustainable improvements in audit quality.

IFIAR is the global forum for audit regulators and comprises 54 audit regulators from jurisdictions in Africa, North and South America, Asia-Pacific, Europe and the Middle East. In addition to being one of the founding members of IFIAR, ACRA serves as

a member of IFIAR’s Global Audit Quality Working Group. ACRA has also been a member of the IFIAR Technology Taskforce since it was set up in 2020 to focus on the audit quality impact of technological audit tools used widely around the world.

### Corporate Registers Forum (CRF) Annual Conference 2021

We are on the Executive Council of the CRF, an international body of registries in 59 jurisdictions, and we lead the efforts to promote registry innovation among member jurisdictions. In November 2021, Divisional Director, Customer Experience Division, Ms Ang Siok Hui gave a presentation on ACRA’s experience supporting businesses during the COVID-19 pandemic to over 250 delegates at the annual conference organised by CRF, an international association for corporate registers.



▲ CRF 2021 Uganda virtual conference

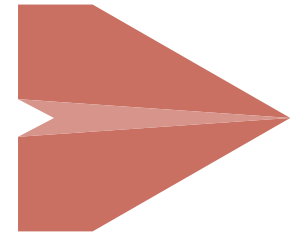
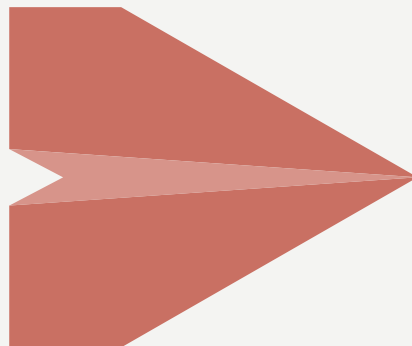


## CHAPTER 02

# Raising Standards, Improving Compliance

STEPPING UP REGULATORY EFFORTS TO ENSURE  
HIGH STANDARDS OF COMPLIANCE FOR A TRUSTED  
BUSINESS ENVIRONMENT

► As a corporate regulatory authority and business enabler, ACRA is responsible for ensuring its regulatory framework is efficient and effective while reducing compliance burden for businesses. We stepped up our compliance and enforcement initiatives to enhance corporate transparency and to sustain quality standards of audit and financial reporting.





## Updates of accountancy regulations

ACRA regularly reviews its regulatory framework to ensure it remains efficient and effective in promoting high standards of audit and financial reporting.

### Recognition of accountancy qualification programme

We continually review our professional qualification requirements to safeguard the quality standards of financial reporting in a fast-changing business environment and support growth of accountancy talent. In 2021, we amended our Accountants (Public Accountants) Rules to recognise the Chartered Accountants Program (CA Program) of the Chartered Accountants Australia and New Zealand (CA ANZ) as an accountancy qualification programme that meets our professional examination requirements for public accountant registration. This allows individuals who have passed the Chartered Accountants Program on or after 1 January 2019 to apply for registration as a public accountant in Singapore. The change follows the reciprocal agreement between ISCA and CA ANZ to mutually recognise the chartered accountancy qualifications of both bodies, and is in addition to the recognition of four other qualifications<sup>1</sup> in our Accountants (Public Accountants) Rules.

### Revisions to ACRA Code

ACRA issued changes to the Code of Professional Conduct and Ethics for public accountants and accounting entities (ACRA Code) to align with the ethical standards issued by the International Ethics Standards Board for Accountants relating to (a) Revisions to Part 4B of the Code to Reflect Terms and Concepts used in International Standard on Assurance Engagements (ISAE) 3000 (revised) and (b) Revisions to Role and Mindset Expected of Professional Accountants. The gazette on the amendments to the ACRA Code, which took effect on 31 December 2021, was published on 30 November 2021 and public accountants were notified.

### Review of the Continuing Professional Education (CPE) syllabus

The Public Accountants Oversight Committee (PAOC) is a Board Committee under ACRA that is empowered under the Accountants Act to inspect public accountants' audits of companies' financial statements. During the year, PAOC approved the changes made to the CPE syllabus and requirements applicable to public accountants. These changes include requiring public accountants to achieve a minimum number of training hours in Information Technology. This is in recognition of the increasing use of information technology in audits and the need for public accountants to upskill their digital competencies along with adopting technology in their audits. This will in turn improve audit effectiveness and efficiency.

We issued a practice direction in November 2021 to inform all public accountants of the changes to the CPE requirements which will take effect from 2023 for registration and renewal of certificate of registration as a public accountant.

## Encouraging voluntary compliance

As the corporate regulatory authority in Singapore, ACRA requires timely filing of annual lodgements and declarations by businesses. We are continually looking into ways to make it easier for entities to comply with our business registration and financial reporting requirements.

### Simplified penalty framework for late annual lodgements

To encourage timely filing of annual lodgements, we implemented a simplified two-tier penalty framework for the filing of annual returns and annual declarations for all Singapore incorporated companies, Variable Capital Companies (VCC) and LLPs. Since 14 January 2022, we have imposed a late lodgement penalty of \$300 for annual returns or annual declarations filed up to three months after the due date, and \$600 for annual returns or annual declarations filed more than three months after the due date. The penalties for late ad-hoc lodgements for other entities would be revised in our new system come 2024/2025.

<sup>1</sup> (a) The Singapore Chartered Accountant Qualification developed by the Singapore Accountancy Commission;  
(b) The Association of Chartered Accountants Qualification of the Institute of Chartered Accountants in England and Wales;  
(c) The Chartered Accountant Qualification of the Institute of Chartered Accountants of Scotland; and  
(d) The Chartered Accountancy Programme of the Chartered Accountants of Ireland.





### Filing of registerable controller information with ACRA

All companies and LLPs are required to maintain a Register of Registrable Controllers (RORC) containing information of the entities' beneficial owners at their registered office or at the office of their authorised filing agents. From 30 July 2020, entities are required to lodge the same RORC information with ACRA's central non-public register as part of our efforts to uphold Singapore's reputation as a trusted financial hub, and to enhance the transparency of ownership and control of corporate entities.

During the year, we reminded companies and LLPs to file their RORC information with us by 30 June 2021 to avoid penalties. ACRA's "Update Register of Registrable Controller" transaction in our BizFile+ portal allows entities to easily lodge their RORC information. Those who had already done their filing with us do not need to file again if there are no changes to their information. By end of FY2021, 77% of companies and LLPs have filed their RORC information with us.

### Raising professional standards through partnerships

ACRA stepped up its regulatory efforts through stakeholder engagement and outreach to ensure high standards of compliance. We worked with professional bodies and partners to promote voluntary compliance to enhance corporate transparency.

### CSIS 6th Corporate Service Providers Conference

The annual conference for CSPs organised by CSIS was held virtually in July 2021. Themed 'Emerging stronger from the pandemic', the conference was attended by about 300 CSPs. ACRA's Chief Executive, Mr Ong called on CSPs in his keynote speech to build resilience through digitalisation and compliance with AML/CFT requirements. ACRA officers also updated stakeholders on business registry digitalisation initiatives and best practices to ensure compliance with AML/CFT requirements.



▲ 6th CSPs e-Conference



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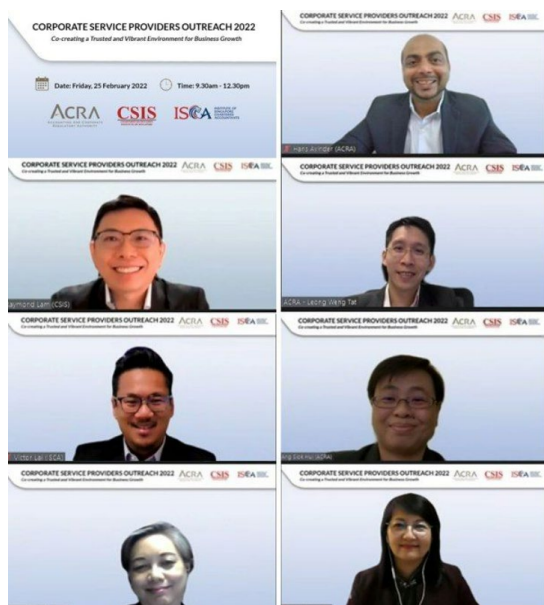
### Audit guidance with ISCA

ACRA works with ISCA's Auditing and Assurance Standards Committee on various issues that require action plans to help the profession with quality improvements. In August 2021, ISCA, in collaboration with ACRA, issued Audit Guidance Statement 13, 'Data Analytics in a Financial Statements Audit', to guide the profession when data analytics is used in audits of financial statements



### ACRA-CSIS-ISCA Corporate Service Providers Outreach 2022

The 4th annual outreach for CSPs jointly organised by ACRA, CSIS and ISCA was held in February 2022 to offer updates on the latest business registry and regulatory developments. About 280 CSPs attended the free webinar. In his keynote address, ACRA's Chief Executive, Mr Ong Khiaw Hong, urged CSPs to continue to upskill and raise the professional standing of the sector, and digitalise and innovate to speed up the pace of transformation for the CSP sector.



▲ ACRA-CSIS-ISCA Corporate Service Providers Outreach 2022

### Taking enforcement action to ensure compliance

In ensuring that we have a trusted and vibrant business environment that enhances Singapore's competitiveness, ACRA takes regulatory breaches very seriously. During the year, we took stern action against errant corporate service providers and other players involved.

#### Cancellation of errant filing agent's registration

Registered filing agents play an important role as gatekeepers to prevent illicit activities in the business ecosystem. As such, they must exercise due diligence and ensure internal policies, practices and controls are in place to guard against money laundering and financing of terrorism. As the regulator of business registration and corporate service providers, we have the right to cancel the registration of a filing agent who breaches AML/CFT regulations.

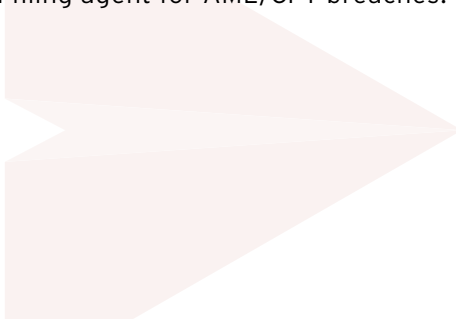
We cancelled the registration of a filing agent and barred him from applying to be a Registered Filing Agent (RFA) for two years, for 29 severe AML/CFT breaches. Any subsequent application will be subject to our review and approval. Cancellation is the most severe measure in the RFA Framework introduced in 2015. This is the first time ACRA has cancelled the registration of a filing agent for AML/CFT breaches.

#### Suspension for filing of false information

We suspended the registration of a Registered Qualified Individual (RQI) for 12 months as we found him to have provided false information in an annual return filed with us. As RQIs are allowed to provide corporate secretariat services for business entities and transact with ACRA on behalf of their clients, they are responsible for ensuring that filings with us are carried out in accordance with instructions from their clients, and that the filings are true and accurate. Those found to have breached their obligations could face financial penalties of up to \$10,000 per breach or have their registration suspended or cancelled.

#### Disqualification of directorship for defaulting in holding annual general meeting and in filing of annual returns

A RQI and Nominee Director of numerous companies was convicted and fined in the State Courts for contravening Section 175 and Section 197 of the Companies Act, for being a company director who knowingly and wilfully permitted his companies to default in holding annual general meetings and in filing of annual returns. The accused was also disqualified for five years from the date of conviction to act as a company director or take part in the management of any local or foreign company.





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ACRA's Chief Executive, Mr Ong urged companies to analyse the underlying root causes of the audit adjustments with the company's management, pay greater attention to common underlying accounting issues more susceptible to adjustments and take actions to prevent these adjustments from occurring and recurring.

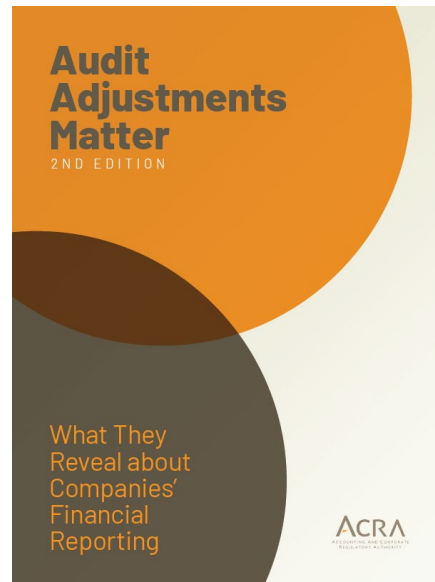
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### Upholding financial reporting integrity

To help companies improve their accounting capability, ACRA has put in place initiatives to raise awareness of the importance of financial reporting and audit quality.

#### An ACRA-commissioned study: "Audit Adjustments Matter: What They Reveal about Companies' Financial Reporting"

We commissioned a study on audit adjustments to the financial statements of listed companies in Singapore. Audit adjustments proposed provide insights into the quality of financial statements prepared by the company, and allow the company's directors, management and finance team to identify gaps and ways to improve their financial reporting process.



◀ ACRA-commissioned study on audit adjustments

The latest ACRA-commissioned study report on audit adjustments, "Audit Adjustments Matter: What They Reveal about Companies' Financial Reporting", was issued in January 2022. Led by researchers from the Singapore Management University and Nanyang Technological University, the study analysed the proposed audit adjustments made by auditors to 1,236 financial statements of 412 Singapore-listed companies from 2018 to 2020. In addition, the study team surveyed almost 280 audit committee chairs and heads of finance of these companies to gather their views on the effectiveness of their companies' finance functions.

According to the study, auditors had proposed close to S\$79 billion of audit adjustments between 2018 and 2020. About \$67 billion or 85% of these proposed adjustments were primarily to correct factual or misclassification errors. The findings highlighted the need for companies to review their financial reporting processes and controls. In the report, ACRA's Chief Executive, Mr Ong urged companies to analyse the underlying root causes of the audit adjustments with the company's management, pay greater attention to common underlying accounting issues more susceptible to adjustments and take actions to prevent these adjustments from occurring and recurring.



### 15th Practice Monitoring Programme report

ACRA plays a key role in monitoring the quality of financial reporting to ensure that investors and other stakeholders are provided with reliable and meaningful financial information. Audit quality is key to market confidence in the reliability of financial information for capital allocation decisions.



▲ 2021 PMP Public Report

Our programme inspects audits by public accountants to ensure compliance with prescribed auditing standards, methods, procedures and other requirements. To help auditors and audit firms improve audit quality, ACRA published in October 2021 our key findings in the 15th PMP report based on observations during audit inspections. To further promote quality audit, we will be enhancing our audit regulatory regime to widen the scope of inspection powers through amendments to the Accountants Act. We shared in our report the key proposed legislative amendments and highlighted observations from our firm-level and engagement inspections, common and recurring deficiencies, and key reminders to guide the audit profession to uphold quality audits.

### Enhanced PMP inspection framework

The PMP inspection framework was last refreshed in 2014. Together with our proposed amendments to the Accountants Act, ACRA revised the current inspection framework, including frequency of inspection and number of public accountants to be assessed for each inspection, and risk-profiling of public accountants. We held a series of engagement and outreach activities from January to March 2022 to gather feedback from stakeholders on our revised framework.



## CHAPTER 03

# Pushing the Frontier, Building the Future

GROWING NEW CAPABILITIES THROUGH INNOVATION AND  
DIGITALISATION TO CREATE SUSTAINABLE SOLUTIONS

► To be a future-ready organisation and a high performing team, ACRA constantly pushes the frontier to grow and strengthen its capabilities with a forward-looking workforce and innovative digital solutions.





## Being digital-to-the-core

As part of ACRA's ongoing digital transformation, we have been building staff capabilities to harness the safe and secure use of technology to help us create digital solutions and rethink business processes.

### Integrating digital skillsets and systems

Since September 2021, we had been developing our Unified Data and Analytics Platform for staff to leverage AI to derive data insights for decision-making and gain a clearer understanding of business entities. In addition, we established a Data analytics, Digital technology and user-centred Design (D3) capability development framework to equip staff with digital skills. The framework helps deepen staff competencies in User Interface/User Experience design and Artificial Intelligence/Machine Learning. Our D3 community comprising officers of varying seniority also assists staff to integrate their digital skillsets into work processes.



◀ Data analytics, Digital technology and user-centred Design (D3) capability development framework

To enable a digitally-confident workforce, we held an inaugural D3 hackathon for staff. At the April 2022 finals of the hackathon, 10 project teams comprising officers from ACRA and Singapore Accountancy Commission (SAC) showcased their prototypes with AI, data analytics and design concepts as part of learning and sharing.

We also developed a competency framework, and a training and development roadmap for our compliance and enforcement staff in line with our integrated Compliance and Enforcement Strategy. To keep abreast of industry and technological developments in audit, we attached an officer to one of the Big Four accounting firms for nine months under our Industry Attachment Programme.

### Developing and upskilling our human resource

During the year, we continued to enhance our staff competencies to ensure that we have a high performing and innovative workforce.

### Upskilling and capability development

As part of our ongoing key training programmes to help staff adapt and adjust to the evolving global landscape, we held in March 2022 a customised virtual course, 'Leading with Agile Masterclass', for our leaders. Based on our core value of Agility – being resilient and adapting to changes swiftly to do what is best for ACRA – the course focused on

developing the agility to seize opportunities amidst challenges. Several in-house courses were organised for staff to reinforce our core competencies and change management skills.



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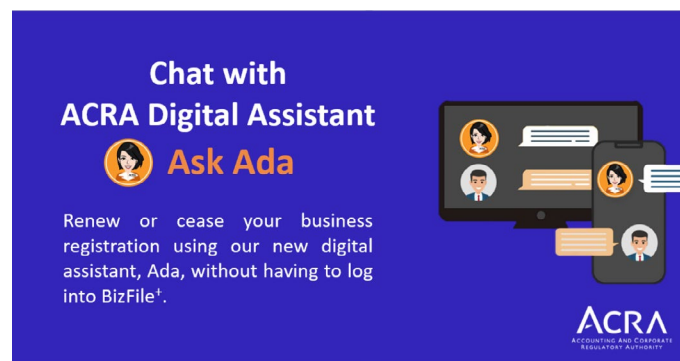


## Meeting and anticipating customer needs

We continued to focus on making our services more accessible, convenient and responsive by anticipating and meeting customers' needs through seamless integrated digital services.

### "Ask Ada" digital service

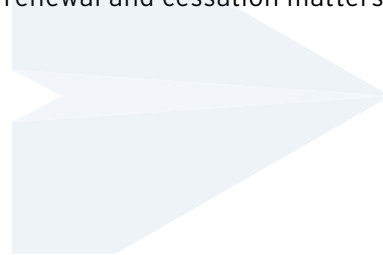
In line with the Digital Government Blueprint, we have been exploring the use of AI technology, including the use of virtual intelligent chat services. In February 2021, we piloted our digital assistant service, Ask Ada, on our Unique Entity Number (UEN) portal. With the successful pilot, we expanded the service to cover more of our products and services. Since January 2022, customers can chat interactively with Ada on queries and requests ranging from enquiries on sole-proprietorships and partnerships to applications for business registration renewal.



▲ ACRA Facebook post on Ask Ada

Ada is the first public service virtual assistant to be enabled with Corppass authentication, Singapore's authorisation system for business entities to manage digital service access for corporate transactions. The Ask Ada service not only leverages processing and analytical tools to create a user-friendly platform for customers to request help with their queries, but it also harnesses the use of AI to help with transactions. In this way, business owners can easily renew or cease their business registrations seamlessly within the chat interface and do so at any time without the need to seek assistance from our helpdesk. We will continue to incorporate Ada into the rest of ACRA's digital services, and eventually integrate Ada with the knowledge databases of other government agencies to form a one-stop government-related enquiry service.

Since its launch in January 2022 (for informational services) and February 2022 (for business renewal and cessation transactions), more than 41,000 chat sessions and a total of 735 transactions have been completed through Ask Ada. Customers have given positive feedback on the services. There was a 10.5% reduction in the number of customers' calls to our helpdesk on business renewal and cessation matters.



### Video chat support at ACRA service counters

As part of our continual efforts to deliver personalised service to our customers, we launched in October 2021 a video chat service for customers who visit our service counters at Revenue House. By using video chat, staff are able to launch and display ACRA's filing portal, Bizfile\* and directly guide our customers through the transactions. In this way, we reduce the need for face-to-face engagements during pandemic times. Video interactions also allow our supervisors to offer real-time support to customer service representatives who need to escalate the more complex issues for their assistance. In addition, recorded sessions of customer engagements can be used for training and audit purposes. Since the launch of the video chat support, we have received positive feedback on our new customer service channel.



◀ Video chat support at ACRA service counters



### Co-creating business guide content with stakeholders

We launched a new initiative to co-create content for online self-help guides together with stakeholders such as aspiring entrepreneurs. ACRA officers from different departments first analysed customer calls to determine key common queries and mapped out service journeys so as to identify information gaps and better address customers' needs.

The team also engaged customers that included aspiring or existing business owners, company directors and corporate service providers via online surveys to better understand their informational needs in areas such as starting a company. Taking an iterative approach, revised content outlines and drafts were shared with the stakeholders for further inputs and refined further.

In the first six months of the launch of the new self-help guides, calls to ACRA's helpdesk for informational assistance on matters relating to company incorporation saw a 23% reduction.



**We will continue to focus on improving the areas of resourcing, teamwork, workload and staff well-being.**



### Committing to environmental sustainability

In line with the Singapore Green Plan and global moves towards sustainability, we are expanding our capabilities from financial reporting and assurance to include sustainability reporting and assurance. As a start, we have developed our Environmental Sustainability Policy Statement to reflect our commitment to promoting environmental sustainability.

The statement articulates ACRA's commitment to promoting environmental sustainability in the organisation and beyond. We aim to do this by

- Incorporating environmentally sustainable practices in the way we deliver service and interact with stakeholders
- Working with stakeholders to shape the corporate reporting landscape for sustainability-related information
- Minimising our environmental footprint and fostering a culture of sustainability across our organisation

Together with the Singapore Exchange Regulation (SGX RegCo), we are establishing a national infrastructure for sustainability reporting to support Singapore's transformation into a greener and more sustainable city. We are looking into co-creating with the private sector a Sustainability Reporting Roadmap for Singapore companies. ACRA will seek feedback in 2023 through public consultations on our recommendations for the Sustainability Reporting Roadmap.



▲ Staff conducting a quiz on sustainability as part of OneACRA Day

### Nurturing a sense of pride and belonging

Having held virtual events for two years during the COVID-19 pandemic, ACRA staff were glad to gather in person as an organisation to look forward to our future plans and a fresh start at our new workplace designed to support an adaptable and high performing OneACRA team.

#### Employee Engagement

We launched the Public Service Employee Engagement Survey for our staff in October 2021. We achieved a 100% response rate to the survey, and saw our results improving in eight out of 11 categories as compared to the results of the 2018 survey. Areas that showed improvement included leadership, nature of work, career and professional development, and supervisory practices. We will continue to focus on improving the areas of resourcing, teamwork, workload and staff well-being.



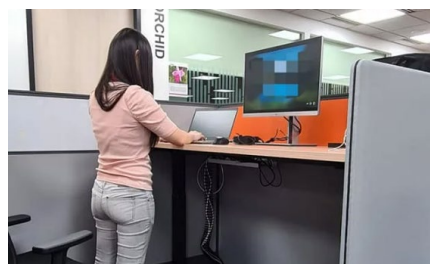


### Merging of ACRA, SAC and the Accounting Standards Council

In July 2021, Ministry of Finance (MOF) announced the merger of SAC and the Accounting Standards Council (ASC) Secretariat with the accountancy-related units of ACRA into a strengthened accountancy function under one entity. The merged entity under ACRA aims to further strengthen regulatory effectiveness, standards-setting, and development of the accountancy sector. We have organised engagement sessions to update staff on the merger and also events to promote interactions at the staff level.

### Relocating to Revenue House

Together with the SAC and ASC Secretariat, ACRA relocated its office from International Plaza to Revenue House in October 2021. The new office is designed to support hotdesking, a hybrid working arrangement, and working across teams to promote innovation and collaboration. With our registration, filing and information services available online 24/7, we continued with our hybrid working arrangements of offering customers both on-site and remote services. Customers who wish to seek assistance at ACRA's service counters located at the Taxpayer and Business Service Centre in Revenue House can make appointments in advance.



◀ Ergonomic desk to support staff well-being at work



▲ Hangout at ACRA office in Revenue House

### Good workplace norms

In line with the government's measures on living with COVID-19 in our midst, we developed a set of hybrid work arrangement guidelines for ACRA staff. We also curated measures for a safe working environment in line with government guidelines on good workplace norms. In addition, we provided timely and regular updates to keep all stakeholders informed on the COVID-19 developments and safe distancing measures.

### OneACRA Day

We held our OneACRA Day on 8 April 2022 to update staff on our current and upcoming initiatives. Our staff members were happy to gather as one to update one another on our office relocation and sustainability efforts, and engage in bonding games. Chief Executive, Mr Ong thanked staff for their resilience and collegiality during the COVID-19 pandemic, and congratulated staff on ACRA's smooth transition to its new location, business processes and systems. He emphasised key priorities for the new financial year. They include engaging stakeholders on our policies and legislative changes to boost Singapore's competitiveness, co-creating solutions with our stakeholders and developing our new system to better support businesses, working with international bodies and domestic stakeholders to develop a roadmap for sustainability reporting; and strengthening and partnering the accountancy sector to raise the quality of audit and accounting.



▲ OneACRA Day

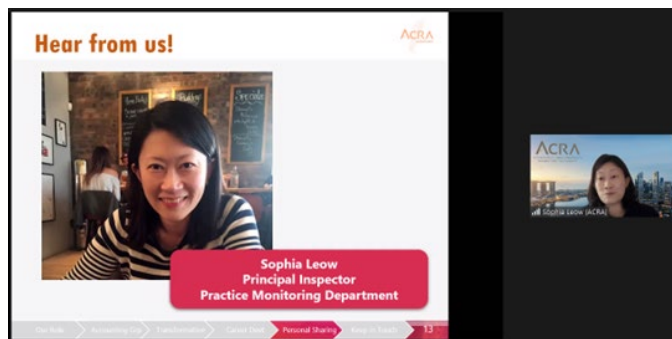


## ACRA Open House

Also held in April 2022 was the ACRA Open House, a corporate event to raise awareness of our functions and showcase our new office and new way of working. We took the opportunity to enhance our partnership with agencies in the accounting sector and other public agencies.

## Public Sector 5 recruitment events

Together with MOF, the Accountant-General's Department, Auditor-General's Office and IRAS, ACRA held virtually in September 2021 a combined recruitment drive for the five government agencies. The event provided a good platform for each agency to showcase their work and career opportunities in government finance. About 140 students from the Singapore Management University, National University of Singapore and Nanyang Technological University attended the recruitment sessions.



▲ Session with SMU on 2 September 2021

## Recognising staff innovation and service excellence efforts

During the year, our staff were recognised for their work achievements that exemplified excellent innovation and service efforts.



## PUBLIC SECTOR TRANSFORMATION (PST) AWARDS 2022

The following projects were presented PST awards:

### AGILITY AWARD

Investigative Approach Against Money-laundering Syndicates

### EXEMPLARY INNOVATOR AWARD

ACRA's Data, Design, Digital (D3) Programme to drive innovation throughout ACRA

### ONE PUBLIC SERVICE AWARD

Seamless Filing of Statutory Returns to ACRA and IRAS

### REGULATORY EXCELLENCE AWARD

Reducing Compliance Burden of Annual Obligations for Companies during COVID-19

### REGULATORY EXCELLENCE AWARD

Revised Penalty Framework for Annual and Ad-hoc Lodgements

### SERVICE DELIVERY EXCELLENCE AWARD

ACRA's Anticipatory Digital Assistance (Ask Ada)



Two of our colleagues also received the PST Awards 2022 at the award ceremony held on 6 July 2022.

### Exemplary SkillsFuture @ Public Service Award

Ms Karen Lee, Senior Manager from our Corporate Communications Department, took on the challenge of creating ACRA's social media channels and leading ACRA's corporate website revamp. Despite not having any background in information technology, she actively acquired digital competencies by learning about digital and social media management and website front end management. She also learnt graphics design to create web visuals for our social media platforms cost-effectively. In addition, she proactively joined the Whole-of-Government Application Analytics (WOGAA) community as ACRA's Agency Champion to access and learn the latest data analytics tools to measure and raise the performance of ACRA's corporate website.

### Exemplary Service Excellence Award - MOF Family Group Level and ACRA

Ms Sally Loo, Manager from our Registry Services Department, oversees ACRA's service counters at the Taxpayer and Business Service Centre at Revenue House. Besides leading and managing the counter operations team, she handles enquiries on registry and compliance matters. Throughout the COVID-19 pandemic, she was instrumental in ensuring our service counter staff continued to provide quality service while staying mentally strong during stressful times. Sally also spearheaded the Video Conferencing initiative launched in end-2021 to reduce contact between staff and customers.



## NATIONAL DAY AWARDS 2021

Three of our staff members were conferred National Day honours at the National Day Investiture Ceremony 2021 for their dedicated service to Singapore.

### THE COMMENDATION MEDAL

**Ms Helen Lee**

Assistant Director, Registry Systems Unit, Customer Experience Division

### THE EFFICIENCY MEDAL

**Mr Koh Chan Poh**

Manager, Administration Department, Corporate Services Division

### THE LONG SERVICE MEDAL

**Mdm Rusiah Bte Yusoff**

Officer, Registry Services Department, Customer Experience Division



# FINANCIAL HIGHLIGHTS

## (A) FINANCIAL PERFORMANCE

### 1. Operating income

The income was \$86.6m, \$7.0m higher than FY2020. The main areas of increase/decrease were:

- (a) **Company incorporation and related fees** increased by \$6.1m from \$33.4m in FY2020 to \$39.5m mainly from higher fee income from Extension of Time (EOT) to hold Annual General Meeting (AGM) and file annual return (\$4.5m). The higher EOT was due to a blanket 60-day EOT granted to companies in the previous financial year during COVID-19 while the higher annual filing fee income (\$0.9m) was due to a larger base of incorporated companies;
- (b) **Information service fees** increased by \$0.9m from \$15.8m in FY2020 to \$16.7m primarily due to the increase in sales volume of information products;
- (c) **Variable Capital Company (VCC) incorporation and related fees** increased by \$0.9m mainly due to higher VCC incorporations compared to FY2020; and
- (d) **Other income** decreased by \$0.3m mainly due to lower interest income (\$1.0m) from our funds managed under Accountant General's Department (AGD) under Centralised Liquidity Management (CLM) framework. This was partially offset by the reimbursements (\$0.4m) from Singapore Accountancy Commission (SAC) for their share of the co-location costs to Revenue House.

### 2. Operating expenditure

The expenditure was \$73.9m, \$2.2m higher than FY2020. The main areas of increase/decrease were:

- (a) **Staff costs** increased by \$3.0m mainly due to payment of Annual Variable Component (AVC) and higher performance bonus payment. In FY2020, there was no AVC payment, and there was an across-the-board reduction in performance bonus;
- (b) Expenditure on **Services** decreased by \$0.8m mainly due to one-off expenses in FY2020 on consultancy services (\$0.5m) for reviews on data architecture, and audits on Information Services Providers. In addition, Helpdesk related costs (\$0.5m) were higher in FY2020, mainly attributable to the spike in the number of enquiries on EOT to file annual return during COVID-19, and on matters relating to the new requirements to lodge Register of Registrable Controllers (RORC) information, etc;
- (c) **Depreciation and amortisation** increased by \$1.3m mainly due to a 6.5-month overlapping of office leases for International Plaza and Revenue House, from 15 June to 31 December 2021 (\$1.4m); and



# FINANCIAL HIGHLIGHTS

- (d) **Other operating expenditure** decreased by \$1.4m mainly due to lower maintenance expenditure (\$4.4m) as the BizFile+ Technology Refresh system was under warranty in FY2021. This was partially offset by an increase in one-off expenditure from office renovation (\$1.4m) and higher payment to Monetary Authority of Singapore (MAS)<sup>1</sup> (\$1.1m) for the additional VCC fees collected over the corresponding expenditure incurred.

### 3. Net surplus

Table 1 shows the operating and net surplus for FY2021 and FY2020:

**Table 1: Income and Expenditure Summary**

Item	FY2021	FY2020
Operating Income	86.6	79.6
Expenditure	73.9	71.7
<b>Surplus Before Government Grants</b>	<b>12.7</b>	<b>7.9</b>
Government Grants	1.7	1.9
<b>Surplus before Contribution to Government Consolidated Fund</b>	<b>14.4</b>	<b>9.8</b>
Less: Contribution to Government Consolidated Fund (i.e. 17% of operating surplus)	2.5	1.7
<b>Net Surplus</b>	<b>11.9</b>	<b>8.1</b>

<sup>1</sup>Under the VCC MOU, MAS will reimburse ACRA any excess of expenditure incurred for administering the VCC regime over the fees we receive. Conversely, any excess of fees over the expenditure incurred will need to be returned to MAS.



# FINANCIAL HIGHLIGHTS

## (B) FINANCIAL POSITION (See Table 2 for details)

### 4. Assets

As at 31 March 2022, the amount of total assets was \$262.5m, \$23.8m higher than FY2020, mainly attributable to the following :

- (a) **Cash and cash equivalents** increased by \$6.7m mainly due to higher cash generated from operating activities offset by lower interest received. In addition, there was no dividend paid in FY2021 (FY2020: \$5.2m) in accordance with the Capital Management Framework for Statutory Boards outlined in the Finance Circular Minute No. M26/2008; and
- (b) **Fixed and intangible assets** increased by \$16.8m mainly due to the recognition of right-of-use asset for office space (\$24.0m) and IT infrastructure/network for office (\$2.6m) at Revenue House and offset by depreciation and amortisation (\$10.1m) for the financial year.

### 5. Liabilities

As at 31 March 2022, the liabilities increased \$11.8m to \$42.5m in FY2021, mainly attributable to the following:

- (a) **Trade and other payables** decreased by \$7.7m mainly due to payment of project milestones for BizFile<sup>+</sup> Technology Refresh (\$9.2m) which was commissioned in FY2020;
- (b) **Lease liabilities** increased by \$20.3m due to recognition of right-of-use asset for office space at Revenue House (\$23.4m) and interest expenses on lease liabilities (\$0.5m). The balance as at 31 March 2022 was \$21.8m after payment (\$3.6m) of principal leased amount;
- (c) **Deposits** decreased by \$2.0m mainly due to refund of balance in monies placed in the Deposit Service Accounts (DSA) which was ceased on 1 October 2021; and
- (d) **Contribution to Government Consolidated Fund** increased by \$0.8m due to higher net surplus for FY2021.

<sup>2</sup> Deposit Service Accounts (DSA) service is one of the payment options available for customers transacting with BizFile<sup>+</sup> and ACRA iShop.



# FINANCIAL HIGHLIGHTS

**Table 2: Balance Sheet Summary**

Item	31 March 2022	31 March 2021
Share Capital	8.6	8.6
Accumulated Surplus	211.4	199.4
<b>Capital and reserves</b>	<b>220.0</b>	<b>208.0</b>
Non-Current Assets	44.2	27.4
Current Assets	218.3	211.3
<b>Total Assets</b>	<b>262.5</b>	<b>238.7</b>
Current Liabilities	21.8	29.8
Non-Current Liabilities	20.7	0.9
<b>Total Liabilities</b>	<b>42.5</b>	<b>30.7</b>
<b>Net Assets (i.e. Total Assets less Total Liabilities)</b>	<b>220.0</b>	<b>208.0</b>



# FINANCIAL HIGHLIGHTS

## 6. Cash flows

For the year ended 31 March 2022, ACRA's net cash increased by \$6.7m.

See Table 3 for details.

**Table 3: Summary of Statement of Cash Flows**

Item	FY2021	FY2020
(i) Cash and cash equivalents at beginning of year	205.5	206.1
(ii) Net cash from operating activities	22.3	16.3
(iii) Net cash used in investing activities	(12.2)	(9.7)
(iv) Net cash used in financing activities	(3.4)	(7.2)
Cash and cash equivalents as at year end i.e. (i) + (ii) + (iii) + (iv)	212.2	205.5
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6.7</b>	<b>(0.6)</b>

## 7. Auditor's opinion

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. The audit reports are signed by the relevant Auditors engaged for the audit.