ABOUT ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. ACRA also facilitates the development of business entities and the public accountancy profession. As a regulator and facilitator, ACRA constantly strives to provide a responsive and trusted regulatory environment for businesses, public accountants and corporate service providers and make Singapore the best and trusted place for doing business. ACRA’s role is to achieve synergies between the monitoring of corporate compliance with disclosure requirements and regulation of public accountants performing statutory audit. ACRA’s goal is to make good corporate governance, quality corporate financial reporting and high quality audit the hallmarks of our financial and corporate sectors.
2016/2017 saw ACRA roll out several regulatory and business facilitation initiatives. We continue to strive to make good corporate governance, high quality financial reporting and high quality audit the hallmarks of Singapore’s financial and corporate sectors. Our achievements for the year include:

FY2016 At A Glance

PROMOTING A TRUSTED REGULATORY ENVIRONMENT

- Established new requirements for companies to maintain registers of beneficial owners
- Commenced Compliance Review inspections of corporate service providers
- Organised inaugural Corporate Service Providers Conference to raise professional standards of corporate service providers
- Adopted international target to reduce number of audit inspections with at least one finding for listed company audits, by 25% over a four-year period (2015-2019)

STAYING RESPONSIVE TO BUSINESS NEEDS

- Introduced Six Audit Quality Indicator targets as audit quality benchmarks
- Released the 10th Practice Monitoring Programme report on ACRA audit inspections and the 2nd report by the Financial Reporting Surveillance Programme on reviews of companies’ financial statements for FY2015
- Hosted the 2016 International Forum of Independent Audit Regulators interim meeting

GEARING UP FOR THE FUTURE

- Introduced exemption from the requirement to hold AGMs for private companies
- Simplified the timelines for companies to hold AGMs and file annual returns
- Introduced a framework for foreign corporate entities to re-domicile in Singapore
- Issued the first set of Registrar’s Interpretations of specific provisions under the Companies Act to provide practical guidance and certainty to practitioners
- Established the Institute of Corporate Law Journal to encourage active discussion on the practice of corporate law in Singapore
- Established the ACRA Academy to train and raise compliance levels of key stakeholder groups

Acquired new capabilities in user experience design and restructured customer engagement programmes

Established the Usability Lab and the iHear Programme to attain better customer insights

Streamlined processes and redesigned services and operations to make it easier for businesses to set-up and comply with obligations

Raised productivity with digital solutions
As Singapore undergoes economic restructuring to adapt to changing conditions, it is crucial that Singapore continues to stand out globally as an attractive place for business and investment. We must continue to have a sound regulatory framework that inspires trust and confidence in investors and other market stakeholders.

Taking Corporate Regulation Forward

Last year, the Ministry of Finance and ACRA undertook a review of the Companies Act to ensure our regulatory regime remains robust, relevant and in line with international norms. As with previous reviews, views of stakeholders from the industry, professional bodies, societies and academia were actively sought to ensure that our corporate regulatory framework retains a fair balance between the needs of business and those of investors, and engenders trust in the business environment. This culminated in the enactment of the Companies (Amendment) Act 2017. The legislative amendments seek to reduce regulatory burden on companies, improve the ease of doing business in Singapore and improve corporate transparency.

One key set of legislative amendments which took effect from 31 March 2017 requires locally incorporated companies and foreign companies registered in Singapore to maintain registers of their beneficial owners. This information must be made available to public agencies upon request. With growing international attention over possible abuse of financial systems and services for illicit purposes like tax evasion, money laundering and terrorism financing, this will further boost Singapore’s on-going efforts to maintain our standing as a trusted and transparent financial hub.
Facilitating Business

To keep Singapore business friendly and competitive, later this year, foreign companies can choose to re-domicile to Singapore besides the current options of setting up a subsidiary or branch in Singapore. In 2018, private companies in Singapore will be exempted from holding annual general meetings subject to specified safeguards. The statutory requirements for filing of annual returns will also be simplified.

Raising Audit and Financial Reporting Quality

On the financial reporting front, we have stepped up efforts to give investors and other stakeholders continued assurance in the reliability and integrity of business and financial information they receive. With support from the Big-Four audit firms, Singapore has adopted a key audit quality target set by the International Forum of Independent Audit Regulators. The target is for the Big-Four audit firms to achieve a 25% reduction in the percentage of inspected audit engagements with at least one finding over a four-year period (2015-2019). Six Audit Quality Indicator targets were also set to provide audit firms and audit committees with a common yardstick to compare audit quality.

Harnessing Data for Public Benefit

Looking ahead, ACRA will be taking steps to make better use of the vast amounts of business data filed with us for the benefit of the corporate sector and the general public. We will be progressively sharing our data with the public and also tap on advances in digital technology and data analytics, to see how we can create better business solutions with the public and private sectors. We believe that facilitating such open information flows will also enhance corporate transparency.

In Appreciation

I would like to acknowledge the contributions of our key stakeholders and partners. We value their feedback and support which have allowed us to make policy changes for the benefit of all our stakeholders.

My deepest appreciation also goes to our board members for their invaluable contributions to ACRA. I would like to express our gratitude to Mr Yap Chee Keong and Professor Ho Yew Kee, who have stepped down from the Board after serving with us for many years, for their insightful advice and dedicated service. I also warmly welcome ACRA’s new board members: Ms Ameera Ashraf and Mr Lee Wai Fai.

I would like to take this opportunity to express our deep appreciation to Mr Kenneth Yap who served as Chief Executive of ACRA from February 2013 to April 2017. Under Kenneth’s leadership, ACRA raised corporate compliance levels, strengthened the financial reporting value chain and enhanced audit quality but in a collaborative way with the industry. I also warmly welcome on board, Mr Ong Khiaw Hong, the new Chief Executive.

On behalf of the Board, I would also like to extend our heartfelt appreciation to the staff of ACRA for their commitment and hard work as we continue to uphold Singapore’s standing as a trusted marketplace where business can remain competitive and grow.

MS LIM SOO HOON
Chairman
Financial Year 2016 was a busy year for ACRA. We continued to evolve our corporate and audit regulatory framework in line with the rapidly changing business environment. Legislation and policies were reviewed and where necessary, amended. Our aim is to keep the Singapore business environment transparent and trusted so that investors have confidence in our markets, and businesses can be set up easily and grow.

Enhancing Corporate Governance in Companies

To improve corporate governance, in March 2017, we introduced regulatory requirements to instil greater transparency in the ownership and control of corporate entities. To further boost investors’ confidence in the quality of audits and financial reporting in Singapore, we announced in August 2016, that we would publish the names of public accountants who failed a second or revisit inspection and were issued a hot review or restriction order. In March 2017, together with the Securities Investors Association of Singapore and the Institute of Singapore Chartered Accountants (ISCA), we also produced a guide to help investors identify significant risk areas in listed companies’ financial statements and understand audit opinions.
Staying Attuned to Business Needs

To stay responsive to business needs, we continued to engage our key stakeholders and the wider public to seek their feedback and share our plans to improve the regulatory regime. In May 2016, we organised the inaugural Corporate Service Providers (CSP) Conference with the Chartered Secretaries Institute of Singapore. Over 450 CSPs attended and heard lively discussions on the latest Anti-Money Laundering and Counter Financing of Terrorism developments, challenges and issues relevant to the sector. In August 2016, ACRA partnered ISCA to organise the Singapore Accountancy Convention. More than 900 accountants and auditors participated in discussions on key issues affecting the auditing and financial reporting landscape in Singapore. We established the ACRA Academy in October 2016 to train and help various stakeholders in the business community better understand the regulations and encourage good corporate compliance. We continued to reach out to aspiring and new business owners through our ACRA@The Heartlands public talks where we partner government agencies to provide information on statutory obligations and various assistance schemes that businesses can tap on.

Acknowledgement

I would like to thank the ACRA Board and our stakeholders for their support and all our staff for their dedication and contributions to ACRA.

ONG KHIAW HONG
Chief Executive
BOARD MEMBERS
as at 1 April 2017

Ms Lim Soo Hoon (Chairman)
Mr Ong Khiaw Hong (Chief Executive)
Mr Sajjad Akhtar
Ms Ameera Ashraf
Mr Adrian Chan
Mr Ho Meng Kit
Ms Melissa Khoo
Mr Lee Boon Ngiap
Mr Lee Wai Fai

Mr Max Loh
Ms Chandra Mallika
Mr Alan Rupert Nisbet
Mr Ow Fook Chuen
Mr Muthukrishnan Ramaswami
Prof Tan Cheng Han
Mr Tham Sai Choy

BOARD COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Adrian Chan (Chairman)
Ms Ameera Ashraf
Ms Melissa Khoo
Mr Alan Rupert Nisbet
Mr Muthukrishnan Ramaswami

PUBLIC ACCOUNTANTS OVERSIGHT COMMITTEE

Prof Tan Cheng Han (Chairman)
Mr Sajjad Akhtar
Mr Lee Wai Fai
Mr Max Loh
Mr Alan Rupert Nisbet
Mr Ow Fook Chuen
Mr Tham Sai Choy

HUMAN RESOURCE AND FINANCE COMMITTEE

Ms Lim Soo Hoon (Chairman)
Mr Ho Meng Kit
Mr Lee Boon Ngiap
Ms Chandra Mallika
Mr Ong Khiaw Hong
BOARD MEMBERS

AS AT 1 APRIL 2017

CHAIRMAN
MS LIM SOO HOON

CHIEF EXECUTIVE
MR ONG KHIAW HONG

MR SAJJAD AKHTAR  
MS AMEERA ASHRAF  
MR ADRIAN CHAN  
MR HO MENG KIT

MS MELISSA KHOO  
MR LEE BOON NGIAP  
MR LEE WAI FAI  
MR MAX LOH  
MS CHANDRA MALLIKA

MR ALAN RUPERT NISBET  
MR OW FOOK CHUEN  
MR MUTHUKRISHNAN RAMASWAMI  
PROF TAN CHENG HAN  
MR THAM SAI CHOY
ACRA MANAGEMENT

AS AT 1 APRIL 2017

OUR VISION

Singapore: The trusted and best place for business

OUR MISSION

To provide a responsive and trusted regulatory environment for businesses, public accountants and corporate service providers.

OUR CORPORATE VALUES

We believe in upholding the following corporate values in our daily work. We are guided by ACRA’s corporate values known as “I-ACRA”.

Integrity
We are honest, upright and impartial in everything we do as individuals and as an organisation

Alert & 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
CUSTOMER EXPERIENCE AND ENGAGEMENT DIVISION

Drives ACRA's service excellence and innovation efforts and oversees ACRA's service delivery standards and policies.

ACRA Academy
Conducts training and outreach sessions for company directors, corporate service providers, international partners, aspiring business owners and ACRA staff.

Business Innovation Department
Reviews and enhances ACRA's business processes and service quality standards. Manages key customer service-related projects.

Business Registration Department
Oversees the registration processes for business entities in Singapore and supports ACRA's public education business outreach efforts.

Customer Relations Department
Manages key customer touch points for ACRA including the ACRA Helpdesk, service counters and online assistance services.

ACCOUNTANCY AND FINANCE DIVISION

Finance Department
Responsible for all aspects of ACRA's budgetary decisions, accounting processes and financial reporting and ensures optimal allocation of monetary resources.

Financial Information Department
Oversees the eXtensible Business Reporting Language (XBRL) Financial Reporting framework including development and management of the online XBRL filing system, BizFinx.

LEGAL SERVICES AND PROSECUTION DIVISION

Oversees the provision of legal and prosecutorial support to the ACRA Board, and of ACRA's regulatory approach and enforcement strategy.

Financial Reporting Surveillance Department
Reviews audited financial statements of listed and non-listed companies and takes enforcement action against directors who breach the Financial Reporting Standards.

Practice Monitoring Department
Conducts practice reviews of statutory audits carried out by public accountants in Singapore to help audit firms identify key performance gaps and systemic audit quality issues.

Professional Oversight Department
Oversees the registration and disciplinary of public accountants and accounting entities and reviews the adoption of ethical standards for public accountants in Singapore.

Strategy and External Relations Department
Drives ACRA's research and engagement plans to promote audit quality on a local and global level.

Civil Advisory Department
Provides legislative and civil advisory support to the ACRA Board, Public Accountants Oversight Committee and other ACRA divisions and departments.

Compliance Department
Oversees ACRA's enforcement actions against non-compliance of ACRA administered laws and promotes voluntary corporate compliance through public education initiatives.
BUSINESS INFORMATION AND TECHNOLOGY DIVISION

Oversees the development and maintenance of ACRA’s IT systems. Drives ACRA’s IT roadmap strategy and oversees the provision of trusted business data and solutions to the public.

Information Resource Department
Preserves and protects the integrity of all business data filed with ACRA and facilitates public access to trusted and reliable data to meet the public’s information needs.

Information Services Department
Delivers value added information services to the public. Partners stakeholders including the private sector to develop practical data driven business solutions.

Investigation Department
Oversees compliance and governance matters of registered business entities and investigates into alleged breaches of the various laws under ACRA’s purview.

Law Reform Department
Oversees ACRA’s law reform work. This includes formulating and reviewing legal policies and legislation under ACRA’s purview.

Institute of Corporate Law
Develops corporate law literature, fosters scholarly and professional discussions on corporate law issues and manages educational efforts on corporate law.

Prosecution Department
Renders prosecution advisories, applies to court for summonses and undertakes prosecution of some of the offences under ACRA-administered legislation.

CORPORATE COMMUNICATIONS DEPARTMENT

Oversees ACRA’s public communications efforts. Also responsible for ACRA’s international engagement efforts and manages ACRA’s stakeholders relations and public outreach efforts.

Information Technology Strategy Department
Develops and manages application systems for ACRA, ICT Governance, and technical services.

eServices Department
Manages projects and end-to-end system testing for ACRA’s IT systems. Reviews new IT developments to enhance ACRA’s service delivery channels.

CORPORATE SERVICES DIVISION

Oversees the provision of human resource and corporate administrative support to the organisation.

Corporate Services Providers
Enforcement and Regulation Department
Regulates the corporate service providers (CSPs) sector including conducting compliance inspections and investigations for breaches and imposing sanctions on errant CSPs.

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WE STRIVE TO UPHOLD SINGAPORE’S STANDING AS A TRUSTED MARKETPLACE WHERE BUSINESSES CAN REMAIN COMPETITIVE AND GROW, AND THERE IS STRONG MARKET CONFIDENCE.

CHAPTER 01

PROMOTING A TRUSTED REGULATORY ENVIRONMENT
ENHANCING CORPORATE TRANSPARENCY

To provide greater transparency on the ownership and control of corporate entities, ACRA implemented a key legislative amendment effective from 31 March 2017. It requires all companies, foreign companies and limited liability partnerships (LLPs) (unless exempted by legislation, such as listed companies and Singapore financial institutions) to each maintain a register of beneficial owners. Companies are also required to maintain a register of nominee directors. The registers must be made available to the Registrar and public agencies upon request.

To help the business community prepare for the change, several steps were taken. Detailed information on how to set up and maintain the register was disseminated. ACRA also partnered with various professional bodies, including the Association of Small and Medium Enterprises, the Chartered Secretaries Institute of Singapore and CPA Australia, to organise six outreach sessions. Close to 1,200 stakeholders attended the sessions to gain a better understanding of the key legislative amendments and to provide feedback.
PUTTING A LID ON ILLICIT CORPORATE ACTIVITIES

Corporate Service Providers (CSPs) play a key role in the global fight against the abuse of financial systems and services for illicit purposes such as tax evasion and money-laundering. In May 2015, an enhanced regulatory framework for CSPs was introduced. Under the framework, CSPs are required to register with ACRA as Registered Filing Agents (RFAs) and Qualified Individuals (QIs).

To help CSPs better perform their professional duties as well as apprise themselves of latest Anti-Money Laundering and Counter Financing of Terrorism developments in the sector, ACRA and the Chartered Secretaries Institute of Singapore jointly organised the inaugural CSPs Conference on 31 May 2016 attended by over 450 CSPs.

2016 also saw the commencement of the Compliance Review Programme for CSPs which monitors CSPs’ compliance with the new CSP regulatory regime. More than 800 compliance reviews and inspections of RFAs were conducted in 2016.
KEEPING THE AUDIT OVERSIGHT FRAMEWORK RELEVANT AND EFFECTIVE

In August 2016, we released our 10th Practice Monitoring Programme (PMP) annual report on audit inspections. Audits of listed entities continued to show improvements. However, the non-listed company segment continued to display a high incidence of recurring audit deficiencies. To deter this and spur audit quality improvements, it was announced that ACRA will publish online the names of public accountants who fail a second or revisit inspection and who are issued a hot review or restriction order. This is applicable to inspections commencing on or after 1 April 2017.

This practice will give credence to the vast majority of public accountants who maintain high audit quality. It will also allow market stakeholders, such as audit committees, to be better informed when engaging the services of an auditor.

Senior Minister of State for Law and Finance, Ms Indranee Rajah announced these new regulatory initiatives at the Singapore Accountancy Convention on 25 August 2016. The event was attended by 900 representatives from the accountancy sector.
Singapore’s efforts to raise the bar for audit quality have not gone unnoticed. The Corporate Governance Watch 2016 report released by the Asian Corporate Governance Association on 29 September 2016 noted that ACRA’s Practice Monitoring Programme “continue(s) to be among the best in the region”. To ensure that public accountants in Singapore continue to hold themselves to high audit quality standards, the following measures were also implemented:

(a) A target was set for the six largest international networks of audit firms that perform listed company audits, to reduce the number of inspected engagements with at least one finding by at least 25% over a four-year period (from 2015 to 2019); and

(b) Six Audit Quality Indicator targets were introduced to provide firms and audit committees with a common yardstick to benchmark audit quality.

六项审计质量指标目标，供审计委员会于2016/2017年度启动讨论审计质量

**公司级目标**

- 保留率：75% 至 80%
- 员工与合伙人比 <15
- 员工与经理比 <5
- 列表公司审计与同一财政年度结束的公司审计数：5

**任务级目标**

- 高风险审计的领导合伙人时数：≥ 13小时
- 常规风险审计的领导合伙人时数：≥ 10%
- 常规风险审计的合伙人和经理时数：≥ 20% 的总时数
In September 2016, ACRA’s Financial Reporting Surveillance Programme (FRSP) issued its second annual report on its review of companies’ financial statements for FY2015. Encouragingly, there were fewer warning letters issued for non-compliance with accounting standards. Companies also proactively took steps to rectify and close financial reporting gaps identified by ACRA.

Awareness on the importance of quality financial reporting is also growing. The 3rd annual Audit Committee Seminar jointly organised by ACRA, the Singapore Exchange and the Singapore Institute of Directors had a record attendance of over 500 directors and senior management of listed companies. Held on 13 January 2017, the seminar also saw ACRA announcing the adoption of a “restatement first” approach under FRSP. This is a change from the previous approach where the first course of action was to sanction directors for financial reporting gaps.

Effective from 1 April 2017, where financial statements reviewed are found to contain material findings or findings of significance, ACRA will work with the company to restate the financial statements. In situations where a company refuses to remediate within the prescribed timeline or in egregious cases, ACRA will consider enforcing directors’ duties under the Companies Act and where necessary, issue notices to inform the public as well.
In 2016, more than 200 retail and institutional investors were surveyed on their views and needs on financial reporting, audit and corporate governance. The study showed that investors place a premium on audited financial statements and want more engagement with board and management. The study was commissioned by ACRA and the Institute of Singapore Chartered Accountants (ISCA) and conducted by the National University of Singapore (NUS) Business School.

In March 2017, a new guide was launched to help retail investors better understand audit reports, so that they could pose more insightful questions relating to financial reporting to company directors and management during annual general meetings. The guide was jointly produced by ACRA, ISCA and the Securities Investors Association (Singapore).
STRENGTHENING REGIONAL EFFORTS TO RAISE AUDIT QUALITY AND TO FACILITATE CROSS-BORDER BUSINESS

ACRA is a member of the newly formed ASEAN Task Force on "Starting a Business" which focuses on regional efforts to streamline business registration. At the 48th ASEAN Economic Ministers Meeting on 3 August 2016, ASEAN economic ministers endorsed the taskforce as part of on-going efforts to strengthen ASEAN economic integration.

On 26 August 2016, ACRA hosted a meeting between audit firms and audit regulators from the ASEAN region. More than 100 participants attended the meeting, including other regulators from Hong Kong and China as well as leaders of the Global Public Policy Committee audit firms. The World Bank participated in the meeting for the first time to discuss collaborations that will further raise the standard of audit quality in ASEAN.

Four ASEAN members also affirmed their commitment to audit quality in February 2017. Audit regulators and the Big Four audit firms (PwC, Deloitte, EY and KPMG) from Indonesia, Malaysia, Singapore and Thailand agreed to work towards reducing the number of listed companies’ audits with inspection findings by at least 25%.
SUPPORTING INTERNATIONAL AUDIT REGULATORY EFFORTS

From 31 October to 4 November 2016, ACRA hosted over 70 audit regulators from 10 jurisdictions as well as the Global Public Policy Committee audit firms in Singapore for the International Forum of Independent Audit Regulators (IFIAR) Interim Meeting and Global Audit Quality Working Group under IFIAR. They met to discuss initiatives to further raise the quality of audits worldwide.
WE CONSTANTLY ENGAGE BUSINESSES, SEEKING THEIR FEEDBACK AND WORKING WITH PROFESSIONAL PARTNERS AND BUSINESS ASSOCIATIONS TO ENSURE OUR REGULATORY REGIME REMAINS ROBUST AND RELEVANT TO THE REALITIES OF OUR BUSINESS ENVIRONMENT.

CHAPTER 02

STAYING RESPONSIVE TO BUSINESS NEEDS
In October and December 2016, ACRA and the Ministry of Finance conducted two rounds of public consultations seeking feedback on proposed legislative changes. Some of these changes sought to reduce the regulatory burden on companies and limited liability partnerships (LLPs). On 10 March 2017 Parliament passed the Companies (Amendment) Bill and Limited Liability Partnerships (Amendment) Bill.

Effective 31 March 2017, companies and LLPs are no longer required to use common seals for the execution of documents, such as deeds and share certificates.

In 2018, another set of amendments will be brought into force. All private companies will be exempted from holding AGMs subject to specified safeguards. The timelines for holding Annual General Meetings (AGMs) and the filing of annual returns will be aligned with the company’s financial year end. This provides better clarity and certainty for companies as previously, the deadline for holding AGMs and filing annual returns could change every year.

**REDUCING BUSINESS COMPLIANCE COSTS**

- Removed the requirement for a common seal
- Introduced exemption from the requirement to hold AGMs for private companies
- Simplified the timelines for companies to hold AGMs and file annual returns
ADDRESSING THE PRACTICAL NEEDS OF BUSINESSES

In June 2016, ACRA issued its first set of Registrar’s Interpretations (RIs). The aim is to provide practical guidance and certainty to practitioners on non-contentious matters relating to provisions under the Companies Act and other business legislation, without the need to clarify the law through litigation. To ensure that these RIs provide real practical benefits to the business community, they were developed with inputs from the panel members of ACRA’s Institute of Corporate Law (ICL), which comprises experienced legal and business professionals, academics and representatives from the private and public sectors.

Under the guidance of the ICL Panel, the Institute of Corporate Law Journal was launched online on 31 March 2017. The web journal carries articles on corporate law and practice written by academics, practitioners and regulators. The aim is to encourage active discussion and debate leading to enhancements in the practice of corporate law in Singapore.

From February and April 2017, Registered Filing Agents (RFAs) and Registered Qualified Individuals (RQIs) respectively can choose to renew their registration for two years instead of just one year. This regulatory change benefits some 5,000 renewals a year.

By the fourth quarter of 2017, a new legislative change will enable foreign companies to transfer their registration to Singapore, instead of setting up subsidiaries, and still retain their corporate identity and history.

New mobile filing and information services were added to the revamped ACRA-On-The-Go mobile app in November 2016. These included the renewal of business registration, filing of annual declarations, changing business address, purchase of information and checking the status of applications.

INSTITUTE OF CORPORATE LAW JOURNAL

ACRA added new mobile filing and information services to the revamped ACRA-On-The-Go mobile app in November 2016.
Stepping up our engagement with the business community, an inaugural dialogue-cum-feedback session was organised with members from the Association of Small and Medium Enterprises on 16 February 2017. More than 40 directors of small and medium enterprises participated in the discussion. We now also hold regular sharing and feedback sessions with corporate service providers. The first session was held on 10 March 2017 with a group of 34 corporate service providers.

In 2016, we organised five ACRA@The Heartlands and ACRA@NACLI public talks for about 1,500 entrepreneurs, new business owners and grassroots leaders.

In October 2016, the ACRA Academy was set up to conduct training and outreach sessions for company directors, corporate service providers, international partners and aspiring business owners.

Working with our professional partners, ACRA officers participate in dialogue sessions and speak at seminars and other events to provide updates as well as seek feedback on current and upcoming regulatory initiatives.
CHAPTER 03

GEARING UP FOR THE FUTURE

WE CONSTANTLY SEEK TO DEEPEN AND WIDEN THE CAPABILITIES OF OUR OFFICERS SO THAT THEY ARE EQUIPPED TO MEET THE CHALLENGES AHEAD. WE ALSO CONTINUE TO FOSTER A SERVICE CULTURE THAT KEEPS PACE WITH THE NEEDS OF OUR CUSTOMERS.
ENHANCING OUR SERVICE DELIVERY

We continue to strive for service excellence and in January 2016, a service delivery blueprint was drawn up to chart our service journey. We have invested in new capabilities such as user experience design. Our customer engagement programmes were restructured in order to attain better customer insights and streamline processes so as to deliver even better service to our customers.

The *iHear* programme was implemented in the third quarter of 2016. Officers from the operations departments undergo stints at our call centre to better understand operational issues faced by customers who call the ACRA Helpdesk. Processes are then streamlined and service enhanced. We set up a usability laboratory in February 2017. Industry practitioners and users of ACRA’s systems participate in system enhancement tests and test out prototypes of new mobile apps and information products.

More service delivery initiatives are being launched progressively. A virtual assistant for the BizFile system and website will be rolled out in the third quarter of 2017 to better address customer queries round the clock. We continue to review key ACRA correspondences and redesign them for better clarity and to offer more insightful information to our customers.
STREAMLINING PROCESSES FOR OUR CUSTOMERS

In April 2016, ACRA embarked on a review of our operations to streamline processes. Some initiatives are aimed at enhancing work productivity while others seek to make the delivery of our services to the public more efficient.

One such initiative which taps on digital technology has drastically reduced the service delivery time for business information products to the public. The public can now purchase and instantly receive certified electronic copies of information products that can also be authenticated online with ACRA instantly via QR codes. This initiative won a Gold Award at the 2016 Public Sector Pro-Enterprise Initiative Award.
Our drive to keep improving work processes was also recognised at the Ministry of Finance Productivity Day Awards Ceremony held in November 2016. Officers from the accountancy, enforcement and legal departments clinched two Most Innovative Projects Awards – one for developing the Audit Quality Indicators Disclosure Framework to help audit committees better evaluate auditors’ quality and skills, and the other for designing a calibrated approach to conduct compliance checks on corporate service provider firms.

In 2016, ACRA attained the Business Excellence Re-certification (SQC STAR, PD and S-Class certifications) as well as renewed the ISO 9001:2008 certification.
ACRA officers continue to actively contribute to the local community. On 17 March 2017, our staff visited elderly residents at ACRA’s adopted charity, Geylang East Home for the Aged. ACRA also sponsored a list of daily necessities that went towards running the activities enjoyed by the residents.

ACRA staff raised $4,350 to sponsor 150 children from needy families, under the “Bless a Child” project initiated by Care Community Social Service and Singapore Corporation of Rehabilitative Enterprises. Our staff also took time off their busy schedules to pack and hand deliver schoolbags and stationery to the four project centres.

In recognition of our officers’ efforts to cultivate environmentally-friendly habits, ACRA received our first ever Eco-Office Certification from the Singapore Environment Council in October 2016.
KEY STATISTICAL & FINANCIAL HIGHLIGHTS
KEY STATISTICAL & FINANCIAL HIGHLIGHTS

65,112 New business entities were formed in FY2016/17
475,490 Business entities as at 31 March 2017
1,096 Public accountants in the Register as at 31 March 2017
2,292 Registered Filing Agents as at 31 March 2017
2,607 Registered Qualified Individuals as at 31 March 2017

NEW ENTITIES REGISTERED/INCORPORATED

ENTITY COUNT

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Business</th>
<th>Company</th>
<th>Limited Liability Partnership</th>
<th>Limited Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014/15</td>
<td>35,046</td>
<td>37,679</td>
<td>2,990</td>
<td>103</td>
</tr>
<tr>
<td>FY2015/16</td>
<td>29,838</td>
<td>34,056</td>
<td>2,201</td>
<td>82</td>
</tr>
<tr>
<td>FY2016/17</td>
<td>26,513</td>
<td>35,994</td>
<td>2,465</td>
<td>140</td>
</tr>
</tbody>
</table>

Entity count has grown about 3.6% annually since FY2008/09.

BIZFILE+ TRANSACTION VOLUME

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2014/15</th>
<th>FY2015/16</th>
<th>FY2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014/15</td>
<td>459,053</td>
<td>468,083</td>
<td>475,490</td>
</tr>
<tr>
<td>FY2015/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2016/17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Over a million transactions were done each year since FY2005/06 and there has been a general upward trend.
COMMON BIZFILE® TRANSACTIONS
In FY2016/17, there were 1,830,949 online transactions.

### INFORMATION PURCHASE
- **Business Profile (Company)**: 447,887
- **Business Profile (Business)**: 101,064
- **Extract**: 71,830
- **People Profile**: 13,426
- **Business Profile (LLP)**: 8,208
- **Non Electronic Extract**: 6,487

### LOCAL COMPANY
- **Annual Returns**: 216,604
- **Change in Company Information**: 201,767
- **Notice to Update EROM and Paid Up Share Capital**: 143,933
- **Company Name Application**: 39,024
- **Company Incorporation**: 35,995

### SOLE-PROPRIETORSHIP & PARTNERSHIP
- **Business Renewal**: 116,102
- **Changes to Business**: 28,780
- **Business Registration**: 26,521
- **Application for a New Business Name**: 17,034

### LIMITED LIABILITY PARTNERSHIP
- **Change in LLP Information**: 5,605
- **LLP Registration**: 2,465
- **Filing of Annual Declaration**: 2,147
PROFILE OF NEW REGISTERED PUBLIC ACCOUNTANTS (FY2016)

**No. of accounting entities as at 31 March 2017**

- Big (audited 30 or more listed corporations): 8
- Medium-sized (audited 5 or more listed corporations but less than 30): 5
- Small (audited less than 5 listed corporations): 671
- **Total**: 684

**Total no. of new registered PAs from 1 April 2016 to 31 March 2017**: 43

**Total no. of PAs registered as at 31 March 2017**: 1,096
INCOME AND EXPENDITURE SUMMARY

INCOME

Our income for FY2016/17 is S$77.7 million, or S$11.3 million more than FY2015/16. The increase is due to:

(1) **Company registration and related fees**
   This has increased by S$6.9 million to S$30.7 million due to the full year effect from company annual filing fees revised on 3 January 2016 (FY2015/16: 3 months’ effect). This is offset by other filings previously chargeable and made free of charge (effective 3 January 2016) such as change in particulars, shareholdings and registered office.

(2) **Business registration and related fees**
   This has increased by S$1.2 million to S$7.3 million due to the full year effect from business registration fees and renewal fees revised on 3 January 2016 (FY2015/16: 3 months’ effect).

(3) **Information service fees**
   This has increased by S$1.2 million to S$14.4 million. The demand for business information remains strong, even as the first phase of an initiative to provide more free business information was rolled out on 3 January 2016 in which businesses were given free access to view their own business profiles data.

EXPENDITURE

Our expenditure for FY2016/17 is S$55.4 million, or S$6.2 million lower than FY2015/16. This is due to:

(1) **Service costs**
   This has decreased by S$8.9 million to S$15.3 million due to one-time cost of S$9.0 million incurred in FY2015/16 to extend the use of the old BizFile system by one year.

(2) This is offset by **Other costs** that has increased by S$2.0 million to S$17.7 million due mainly to:

   (a) **Depreciation and amortisation**
      This has increased by S$3.4 million to S$6.5 million due mainly to the full year effect from depreciating or amortising Phase 1 of the new BizFile® system that was commissioned on 3 January 2016.

   (b) **Rental, maintenance & supplies**
      This has decreased by S$2.1 million to S$4.0 million as the new BizFile® system is under warranty in FY2016/17 and hence, no maintenance cost is incurred.
## INCOME AND EXPENDITURE SUMMARY

(ALL IN S$ MILLION)

<table>
<thead>
<tr>
<th></th>
<th>FY2016/17</th>
<th>FY2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>77.7</td>
<td>66.4</td>
</tr>
<tr>
<td>Less: Expenditure</td>
<td>55.4</td>
<td>61.6</td>
</tr>
<tr>
<td>Staff Costs</td>
<td>22.4</td>
<td>21.7</td>
</tr>
<tr>
<td>Services</td>
<td>15.3</td>
<td>24.2</td>
</tr>
<tr>
<td>Other costs</td>
<td>17.7</td>
<td>15.7</td>
</tr>
<tr>
<td>Surplus</td>
<td>22.3</td>
<td>4.8</td>
</tr>
<tr>
<td>Less: Contribution to Government Consolidated Fund</td>
<td>3.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Net Surplus</td>
<td>18.5</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Our net surplus for FY2016/17 is S$18.5 million, or S$14.5 million more than FY2015/16. This is due mainly to increase in income and decrease in expenditure.
ASSETS

Our total assets has increased by S$9.7 million to S$217.7 million as at 31 March 2017.

(1) Fixed and intangible assets
This has decreased by S$3.5 million to S$23.8 million due to:

(a) Completed assets
This has decreased by S$6.5 million to S$20.8 million due mainly to the full-year depreciation and amortisation for Phase 1 of the new BizFile+ system. This is offset by:

(b) Development projects-in-progress
This has increased by S$3.0 million to S$3.0 million due mainly to work completed under Phase 2 of the new BizFile+ system.

(2) Cash and cash equivalents
This has increased by S$12.3 million to S$186.5 million as at 31 March 2017. The increase is due to net cash generated from operating activities of S$25.7 million, offset by net cash used in investing activities and dividends payment of S$9.5 million and S$3.9 million, respectively.
LIABILITIES

Our current liabilities has increased by S$28.4 million to S$56.5 million as at 31 March 2017 due mainly to the provision of ring-fenced composition sums and penalties of S$33.9 million collected from 1 April 2010 to 30 April 2015 due for return to the Government Consolidated Fund. The amount has been reclassified from accumulated surplus and paid on 24 May 2017.

CAPITAL AND RESERVES

As at 31 March 2017, our capital and reserves are made up of accumulated surplus of S$149.5 million and share capital of S$8.6 million. During the year, we paid dividends of S$3.9 million to the Government Consolidated Fund.

Since the inception of Statutory Board Approved Scheme in FY2011/12, we have invested our accumulated surplus to develop the industry in areas such as building capability and competency. As at 31 March 2017, we have further committed an additional S$12 million to be invested by 31 March 2018:

<table>
<thead>
<tr>
<th>Investments since FY2011/12</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Capability Development Fund</td>
<td>S$19.6 million</td>
</tr>
<tr>
<td>Accountancy Development Fund</td>
<td>S$9.0 million</td>
</tr>
<tr>
<td>Business Competency Fund</td>
<td>S$1.9 million</td>
</tr>
<tr>
<td>ACRA XBRL Facilitation Fund</td>
<td>S$0.6 million</td>
</tr>
</tbody>
</table>

Total $31.1 million

1On 25 April 2017, the Minister for Finance issued a notice under Section 3 of the Statutory Corporations (Contributions to Consolidated Fund) Act 3(b) for ACRA to return the ring-fenced composition sums and penalties of S$33.9 million collected from 1 April 2010 to 30 April 2015.