TRANSFORMATION TAKING FLIGHT

STAYING STRONG, SUPPORTING BUSINESSES

ANNUAL REPORT 2020/2021

ACRA
Accounting And Corporate
Regulatory Authority

ABOUT ACRA

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

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

CORPORATE 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.

CONTENTS

> ACRA's vision – Singapore: The Best Place for Business – has taken on added significance and urgency as we joined in national efforts to support businesses through the pandemic and chart a brighter way forward.

ACRA IN THE AGE OF COVID-19

2020 saw the global spread of COVID-19, with unprecedented and wide-ranging impact on businesses, livelihoods, and markets. Singapore experienced our worst recession since independence, and businesses across all sectors were affected. One year on, the world is still grappling with heightened economic and public health risks, and preparing for the possibility of an endemic COVID-19 situation.

The dark cloud of crisis has a silver lining: it has wrought digital transformation and demonstrated the possibilities from harnessing of data and technology, and the benefits of collaboration. Let us lock in the gains, by investing in our people, refreshing and rebuilding our systems, and nurturing an innovative culture. Let us make the best of the adaptations stood up in crisis, turn them into strengths, and emerge even more determined to build back better.

ACRA's vision – Singapore: The Best Place for Business – has taken on added significance and urgency as we joined in national efforts to support businesses through the pandemic and chart a brighter way forward. When crisis struck, ACRA responded swiftly with support measures to provide relief to businesses and the accountancy profession. Entity formation did not let up through FY2020 and in fact exceeded that of FY2019 – testament that Singapore remains one of the easiest places in the world to start a business, and to do business.

ACRA, A BUSINESS ENABLER

In FY2020, as part of its transformation journey, ACRA embraced digitalisation and data as a strategic asset. This encompasses reviewing policies to cater to new business models; introducing end-to-end digital processes to obtain data from source and ease compliance burden for businesses; piloting and speeding up the use of digital solutions and data analytics tools to provide better service; and equipping staff with new skills. Last year, ACRA conducted a public consultation on proposed legislative amendments, including changes to facilitate digitalisation for companies.

To facilitate sustainable business growth, ACRA will continue making it easy to start a business, and help businesses "start it right". In April 2020, together with the Ministry of Trade and Industry, GovTech and the Smart Nation and Digital Government Office, ACRA introduced the "e-Adviser for Starting a Business" and the "e-Adviser on Business Structure" on the Whole-of-Government GoBusiness portal. These interactive tools help new and aspiring business owners better understand their business options and statutory obligations before they set up a business. The team will roll out more e-services on the GoBusiness portal by the end of the year.

ACRA has proactively collaborated with government agencies and partners to co-create innovative solutions. To make compliance simple for businesses, ACRA has successfully piloted the Seamless Filing initiative to help small and medium enterprises automate the preparation and filing of statutory returns with ACRA and the Inland Revenue Authority of Singapore (IRAS).

CHAIRMAN'S MESSAGE

DIGITAL-TO-THE-CORE

As the business registry of one of the most vibrant economies in the world, ACRA strives to make data useful to our users. In FY2020, more than 495,000 Application Programming Interface (API) calls were successfully made, allowing businesses to harness ACRA's business entity data in designing their service journeys.

To enhance its services to the business community, ACRA has refreshed its BizFile⁺ system to allow customers to access the system at their convenience; moved its system to the Government Commercial Cloud; and piloted a new digital assistant. Looking ahead, ACRA is aiming to go 100% paperless in its correspondences with businesses by 2025. More convenience, less waste.

ACRA is also striving to be a smart regulator by adopting technology to strengthen enforcement. The ACRA team has developed various Robotic Process Automation projects to automate the application of summons and conduct Continuing Professional Education compliance checks for public accountants. ACRA staff were trained in Artificial Intelligence/Machine Learning and developed a risk profiling model that will enable ACRA to detect non-compliance and make early interventions. I congratulate ACRA colleagues for attaining the Public Sector Transformation Regulatory Excellence Award for the project.

TRUSTED BUSINESS ENVIRONMENT: STRENGTHENING FINANCIAL REPORTING AND AUDIT

A trusted and resilient business environment gives the Singapore economy a competitive edge. Singapore is among the top-ranked countries on the Corporate Governance Watch 2020. To benchmark with regulators in comparable economies, ACRA continues to play an active role in international organisations, such as the International Forum of Independent Audit Regulators (IFIAR) Board. In April 2021, ACRA was re-elected to the IFIAR Board for another four-year term. ACRA chairs the IFIAR Board's Human Resources and Governance Committee, and is part of IFIAR's Global Audit Quality Working Group and the IFIAR Technology Taskforce.

Beyond its Financial Reporting Surveillance Programme and the Practice Monitoring Programme, ACRA has also reached out to accounting firms and professional bodies to encourage audit innovation. An outcome of this was the collaboration with the Institute of Singapore Chartered Accountants to provide guidance on how auditing standards could be met when data analytics were deployed.

The impending merger of the Accounting Standards Council Secretariat and the accountancy-related units of ACRA and the Singapore Accountancy Commission will further strengthen regulatory effectiveness, standards-setting, and development of the accountancy sector.

IN APPRECIATION

I am grateful for the invaluable support and contributions of our key stakeholders and partners throughout this challenging year. I thank our Board members for their guidance to the Management team as ACRA progresses on its transformation journey. I would like to express my deep appreciation to the Board members who completed their terms in end-March 2021. To Mr Adrian Chan, Mr Ho Meng Kit, Mr Lee Boon Ngiap, Mr Bruce Liang and Mr Tham Sai Choy, thank you for your time and contributions. I welcome our new Deputy Chairman, Mr Ong Chong Tee, and four Board members, Mr Glen Francis, Mr Lam Yi Young, Ms Catherine Lee and Ms Lock Yin Mei who joined the Board in April 2021.

On behalf of the Board, I would like to commend the OneACRA team for rising to the challenge posed by the pandemic. I am heartened to see everyone adjusting and adapting to the new normal and rallying together in support of ACRA's mission to provide a trusted and vibrant business environment in Singapore.

Tan Ching Yee
Chairman

CHIEF EXECUTIVE'S MESSAGE

> "I am very proud of my fellow ACRA colleagues for demonstrating a can-do spirit during these tough times and staying true to the values of ACRA and the Public Service."

Despite the disruptions caused by COVID-19 in the past year, ACRA delivered on our work plan and remained focused on our OneACRA Redefined journey. The transformation initiatives we had embarked on to enthuse staff in emerging technologies prepared us well for the unanticipated switch to remote working. We stayed committed to providing a vibrant and trusted business environment, conducive for enterprise.

BUILDING ON OUR VIBRANT AND TRUSTED BUSINESS ENVIRONMENT

We are continuously working on innovations and improvements to enhance our business environment. We launched the online registration and filing portal to facilitate the registration of variable capital companies (VCCs). The portal is a new corporate structure introduced together with the Monetary Authority of Singapore, to strengthen Singapore's competitiveness as a global fund management centre. Together with the Intellectual Property Office of Singapore, we are working with industry to co-create and roll out a framework for intangible asset (IA)/ intellectual property (IP) disclosure. This will improve how the value of IA/IP is unlocked and communicated, and position Singapore as a global hub for IA/IP. Working hand in hand with partner agencies, we aim to do our part to grow Singapore's economic space for current and future generations.

On the compliance side, we implemented the central non-public Register of Registrable Controllers. We will also introduce new laws to reduce opportunities for the misuse of corporate entities for illicit purposes. We continue to enlist all our stakeholders to collectively raise our game and improve corporate governance. Together with the Institute of Singapore Chartered Accountants, the Singapore Exchange Regulation and the Singapore Institute of Directors, we published a report on the profile of audit committees of listed companies in Singapore in January this year. The report highlighted the role of audit committees in strengthening corporate governance and corporate reporting. The report also highlighted factors such as competency and tenure of members of audit committees, that companies could consider.

LEVERAGING TECHNOLOGIES TO IMPROVE SERVICE AND COMPLIANCE

Being a lean agency, we have to continually streamline our processes and leverage technology to better fulfil our mandate. We are committed to providing efficient and seamless services to the business community. Besides making it easy to start and do business, we want to make it simple and fuss-free for our stakeholders to comply with their statutory obligations. Over the past year, in collaboration with our partner agencies, we worked on several initiatives to improve service delivery and ease compliance burden at all stages of the business life cycle from starting up to venturing abroad.

Our mission-critical BizFile+ system performed 2.2 million transactions in 2020. It is now enhanced to be mobile-responsive, to streamline filing of annual returns, and to reduce manual input of data by drawing on relevant government databases.

Besides the BizFile+ system, aspiring entrepreneurs can now go to the Whole-of-Government GoBusiness portal as the first stop for starting a business. The portal

CHIEF EXECUTIVE'S MESSAGE

guides entrepreneurs on selecting a suitable business structure that meets their needs. They will soon be able to complete business registration on the portal. Our machine learning-based Singapore Standard Industrial Classification (SSIC) Recommender, now in prototype stage, will guide businesses in selecting a SSIC code that best describes their business activity. In addition, business users will be able to chat interactively with "Ask Ada", our intelligent virtual assistant that is currently being trained with Unique Entity Number (UEN) information.

Companies can now prepare and file their annual statutory returns to both ACRA and IRAS via their accounting software. This seamless filing is made possible with the use of API. The initiative received the Innovation (Commendation) Award from the Corporate Registers Forum (CRF), an international organisation for administrators of corporate and securities registries. To ease the compliance burden for more companies, we will scale up and have APIs with more accounting and corporate secretarial software vendors in the next phase of development.

We are using a range of technologies to facilitate data accuracy and verification. For example, we are piloting an API service to allow private companies to update their share ownership information in real-time and seamlessly from source to ACRA's register. We have also adopted blockchain technology for our TrustBar e-service. The new e-service will enable users to verify the data in business information products. When this authentication e-service is available, businesses venturing abroad can economise on the time needed for notarising business profiles or incorporation certificates while overseas.

TOWARDS A FUTURE-READY ACRA

We have set the wheels in motion for our multi-year transformation roadmap to make the strategic shift from being an information provider to a business enabler. This strategic shift will be realised through building a new business registry and regulatory system that can meet the future needs of ACRA and the business community. It will deliver business insights, better service, and integrated compliance and enforcement actions. In designing our new system, our business and IT teams applied the Domain Driven Design methodology and took a user-centric approach.

To build a future-ready workforce, we place strong emphasis on digital capabilities in our training roadmap. Many of our staff have completed Robotic Process Automation (RPA) end-user training, applied their learning to hands-on RPA projects, and implemented the projects in their work. We have also established a Data analytics, Digital technology and user-centred Design (D3) Community comprising officers of varying seniority to develop and deepen data and digital competencies in ACRA. We are building a data analytics platform to provide a holistic view of business entities registered with ACRA.

We are also tapping on external sources of innovation and talent. In 2020, we organised a virtual hackathon with the Smart Nation and Digital Government Office and Amazon Web Services, engaging 13 teams of polytechnic students to create innovative digital solutions, one of which continued to be refined in an internship project with ACRA.

ONEACRA SPIRIT

To support the community during the COVID-19 pandemic, our staff and their families and friends came together to raise funds for the Singtel-Singapore Cancer Society Race Against Cancer 2020. Several of our staff volunteered as safe-distancing ambassadors, distributed masks, and handled applications for the government's Temporary Relief Fund. One of our staff also helped in dormitory management.

While we had been working from home, we stayed in touch with one another through online activities, ranging from lunchtime health talks, art and craft workshops to fitness exercises. We celebrated our annual OneACRA Day by bringing together all our staff to showcase their creativity and artistic talents in depicting their aspiration for ACRA, through a virtual telematch.

At the end of this year, we will relocate to Revenue House. The physical relocation signifies a new beginning. It marks the next phase of our transformation journey towards a new organisation and our future workplace.

ACKNOWLEDGEMENTS

I would like to convey my deep appreciation to the ACRA Board for their guidance and support.

On behalf of ACRA, I thank our key partners, the Institute of Singapore Chartered Accountants, Singapore Institute of Directors, the Chartered Secretaries Institute of Singapore (CSIS), Securities Investors Association (Singapore), Monetary Authority of Singapore, Singapore Exchange Regulation and the Commercial Affairs Department, for their continuous support in our efforts to meet our regulatory responsibilities.

I am very proud of my fellow ACRA colleagues for demonstrating a can-do spirit during these tough times and staying true to the values of ACRA and the Public Service.

Ong Khiaw Hong
Chief Executive

BOARD MEMBERS

As at 1 April 2021

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

DEPUTY CHAIRMAN
Mr Ong Chong Tee

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,
Wong Partnership 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 2021

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 2021

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

DIVISIONS AND DEPARTMENTS

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

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.

FY2020 AT A GLANCE

In 2020/2021, we put in place measures to provide relief to support businesses and the accountancy profession during the COVID-19 pandemic. We also enhanced our policies and rules to maintain a pro-enterprise environment for businesses, and ensure delivery of quality service by harnessing digital solutions.

United in Purpose during COVID-19

● Extended the time for companies to hold Annual General Meetings (AGMs) and file Annual Returns

● Granted temporary relief under the COVID-19 (Temporary Measures) in partnership with SGX RegCo, MAS and MinLaw

● Introduced alternative arrangements to facilitate conduct of AGMs via digital means

● Introduced the Simplified Insolvency Programme, together with MinLaw, to provide simpler, faster, and lower-cost ways for micro and small companies to restructure their debts or wind up in an orderly manner

● Issued a Financial Reporting Practice Guidance to help directors assess the impact of COVID-19 on financial statements, in collaboration with ISCA and CSIS

● Issued an Audit Practice Bulletin for public accountants to highlight audit areas that could be impacted by the COVID-19 outbreak

FY2020 AT A GLANCE

Co-creating a Business-Friendly Environment to Support Enterprises

- Piloted TrustBAR service to allow customers to verify data authenticity of information products conveniently at their fingertips

- Facilitated the incorporation of Variable Capital Companies (VCC) and improved customer experience with the launch of the VCC online portal

- Piloted seamless filing – the automation of preparation and filing of statutory returns with ACRA and IRAS – with a group of SMEs

- Sought public feedback on proposals to streamline filing process, update regulatory requirements, and enable use of data and technology to ensure that our corporate regulatory framework stays competitive

- Developed a Start-up Guide and two e-advisers – Business Structure and Starting a Business – on the GoBusiness portal so aspiring entrepreneurs can start fast and start right

Enhancing Our Regulatory Framework to Promote High Compliance

- 2,601 qualified corporate service providers underwent AML/CFT programme and proficiency test to be registered or renewed as registered filing agents

- Enhanced corporate transparency by requiring all companies and limited liability partnerships to lodge Register of Registrable Controllers information with ACRA's central register

- Supported good corporate governance practices in a study on audit committees, in collaboration with ISCA, SGX RegCo and SID

- Highlighted root causes of non-compliance with accounting standards in the 3rd Financial Reporting Surveillance Programme Report to improve the quality of financial statements

- Helped auditors and audit firms to improve audit quality through sharing inspection findings in the 14th Practice Monitoring Programme Report

FY2020 AT A GLANCE

Staying Ahead of the Curve to Serve Our Customers

- Enabled easier and faster access to information on business entities by refining the free business entity search function on iShop@ACRA

- Enhanced customer experience with easy-to-use and mobile responsive e-services with completion of BizFile+ Technology Refresh

- Introduced new transactional APIs for name application, incorporation of local company, allotment and transfer of shares to be filed seamlessly from enterprise systems

- Delivered smoother online shopping experience at iShop@ACRA through streamlined process for online purchase of Business Profiles and new customer-centric user interface

- Increased filing speed and convenience for 14 BizFile+ e-services by enabling data to be drawn from relevant government agencies

- Piloted the new Ask Ada Digital Assistant on the UEN portal to deliver personalised experience and assist customers with their queries
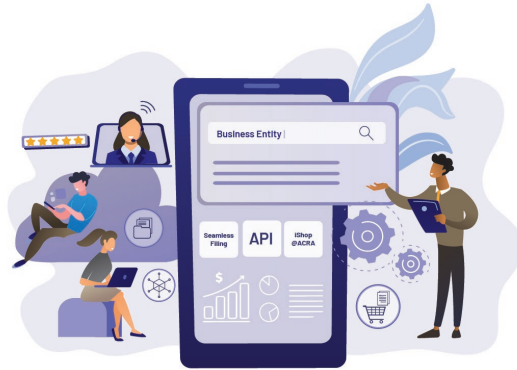
Developing an Innovative and Future-Ready Team

- Completed D3 training programme to integrate new capabilities and skills into work processes

- Achieved savings of 1,200 man-hours with 10 pilot projects using Robotic Process Automation

- Built our new business model for business registration and regulation by leveraging on an automated Business Process Mapping Tool

- Enhanced staff capabilities in current and future service delivery functions through the new Service Delivery Competency Framework

- ACRA staff recognised for innovation and service excellence: 2 National Day Awards, 2 Public Sector Transformation Awards, 6 Ministry of Finance Awards

OUR VIBRANT ECOSYSTEM
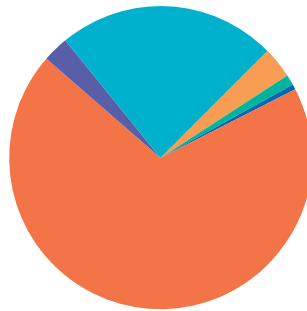
Key Registration Statistics as at 31 March 2021

542,583
Live Entities on ACRA's Register as at 31 Mar 2021

129,264 (23.82%)
Sole-Proprietorships

15,976 (2.94%)
Partnerships

378,636 (69.78%)
Companies

17,971 (3.31%)
Limited Liability Partnerships

496 (0.09%)
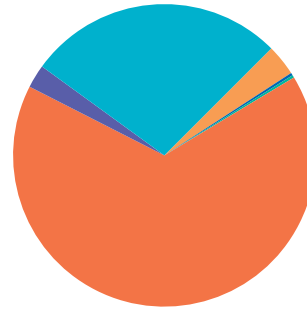Limited Partnerships

240 (0.04%)
Variable Capital Companies

65,987
Live Entities Formed in FY2020

18,212 (27.60%)
Sole-Proprietorships

1,779 (2.70%)
Partnerships

43,533 (65.97%)
Companies

2,132 (3.23%)
Limited Liability Partnerships

127 (0.19%)
Limited Partnerships

204 (0.31%)
Variable Capital Companies

7%
Growth of business entities formation from FY2019 to FY2020

Top 3 industry groups with highest increase in business entities in FY2020

Retail Trade

Food & Beverage Service

Manufacturing

1,163
Registered Public Accountants

717
Registered Public Accounting Entities

3,224
Registered Qualified Individuals

2,649
Registered Filing Agents

DIGITAL SERVICE FOR BETTER CUSTOMER EXPERIENCE

Key Service Statistics as at 31 March 2021

2 MILLION

transactions made in BizFile+ and iShop

495,727

API calls via ACRA API Mall

34

services in ACRA API Mall

8 MILLION

searches on ACRA's registry data

93%

of digital services completed digitally end-to-end

99.97%

of digital services completed via e-payments

81%

of customers satisfied with digital service for annual returns filing

80%

of customers satisfied with digital service for purchase of business profiles

87%

of customers satisfied with digital service for change in particulars

100%

of customers attended to within 30 min from their appointments

99%

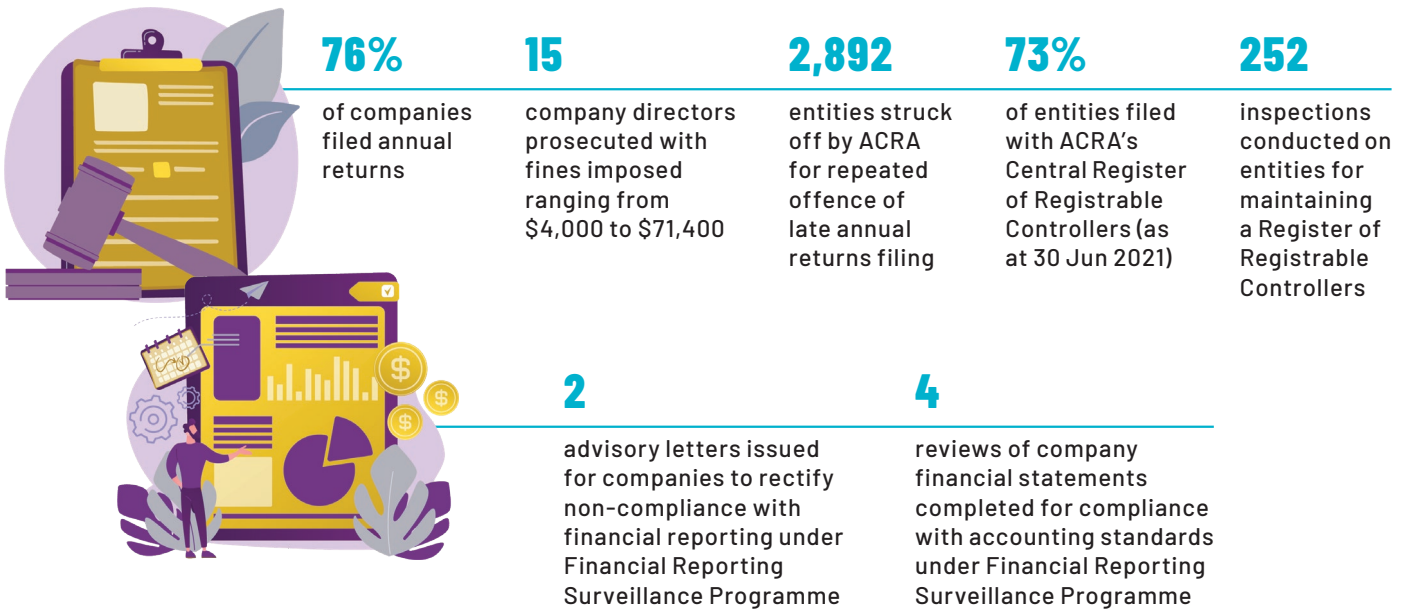of customer emails replied within 3 working days
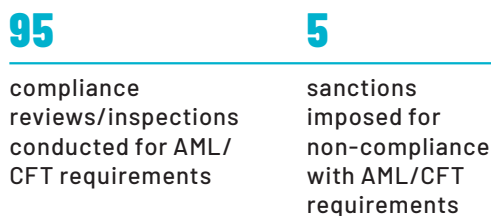
91%

of customer calls answered within 30 sec

14

IMPROVING REGULATORY COMPLIANCE
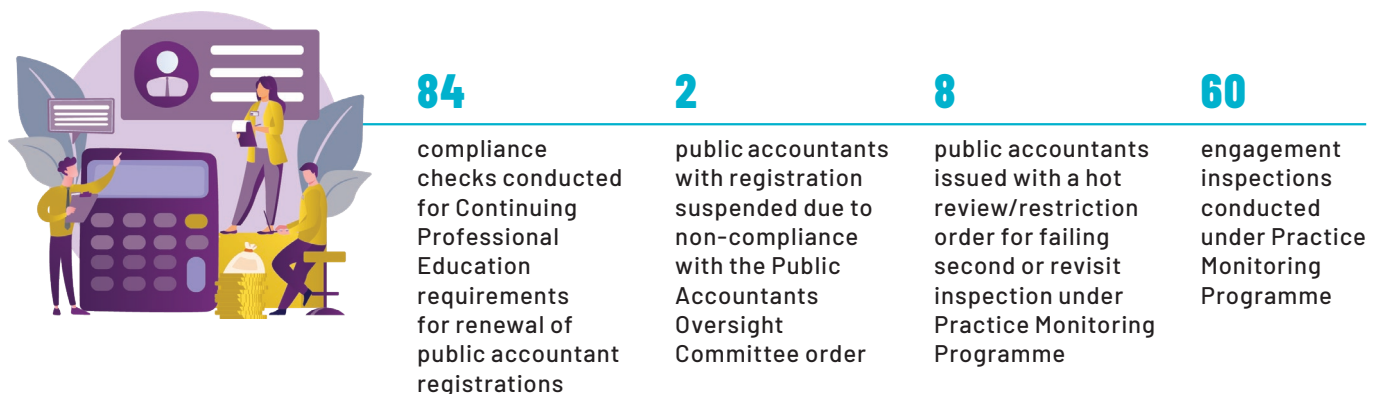
Key Compliance Statistics as at 31 March 2021

Business Entities

76%
of companies filed annual returns

15
company directors prosecuted with fines imposed ranging from $4,000 to $71,400

2,892
entities struck off by ACRA for repeated offence of late annual returns filing

73%
of entities filed with ACRA's Central Register of Registrable Controllers (as at 30 Jun 2021)

252
inspections conducted on entities for maintaining a Register of Registrable Controllers

2
advisory letters issued for companies to rectify non-compliance with financial reporting under Financial Reporting Surveillance Programme

4
reviews of company financial statements completed for compliance with accounting standards under Financial Reporting Surveillance Programme

95
compliance reviews/inspections conducted for AML/CFT requirements

5
sanctions imposed for non-compliance with AML/CFT requirements

Registered Filing Agents

Public Accountants

84
compliance checks conducted for Continuing Professional Education requirements for renewal of public accountant registrations

2
public accountants with registration suspended due to non-compliance with the Public Accountants Oversight Committee order

8
public accountants issued with a hot review/restriction order for failing second or revisit inspection under Practice Monitoring Programme

60
engagement inspections conducted under Practice Monitoring Programme

UNITED IN PURPOSE DURING COVID–19

The COVID-19 pandemic brought unprecedented and wide-ranging impact on trade and markets, affecting businesses across all sectors. For ACRA, our vision to make Singapore the Best Place for Business took on added significance and urgency as we joined in national efforts to navigate through the pandemic and help Singapore emerge stronger.

ACRA officers rallied together and responded swiftly to roll out measures to support businesses and the accountancy profession, to provide relief to those who were affected by COVID-19. We made quick adjustments to working from home and ensured that our day-to-day work continued to be done effectively. Our officers also supported the community by volunteering their services as one public service, helping to enforce safe distancing, distributing masks and grocery vouchers, and assisting citizens to apply for relief support.

Supporting businesses as One Public Service

We partnered with the Singapore Exchange Regulation, the Monetary Authority of Singapore and the Ministry of Law (MinLaw) to grant temporary relief under the COVID-19 (Temporary Measures). To help businesses comply with their statutory obligations, alternative arrangements were introduced to allow companies to conduct meetings via digital means, with checklists issued to guide companies in the conduct of meetings. We also extended the time for companies to hold their Annual General Meetings and file their Annual Returns. To assist businesses in financial distress, we worked with MinLaw on the Simplified Insolvency Programme to provide simpler, faster, and lower-cost ways for micro and small companies to restructure their debts or to wind up in an orderly manner.

To better understand the challenges faced by the business community, ACRA actively engaged our stakeholders for feedback on areas that might affect their business or impede their ability to comply with statutory obligations. We held regular dialogues with our key professional bodies to discuss issues and concerns facing the business community and audit profession due to the COVID-19 outbreak, and ACRA's measures to provide support to these groups. Through these dialogues, we also kept our partners updated on ACRA's recent and upcoming initiatives, and other regulatory developments.

Facilitating compliance on audit and financial reporting

ACRA officers rallied together and responded swiftly to roll out measures to support businesses and the accountancy profession, to facilitate compliance and provide relief to those who were affected by COVID-19.

We issued a Financial Reporting Practice Guidance to help directors in their review of financial statements, on indicators of non-compliance with accounting standards and areas to look out for when assessing the impact of COVID-19 on financial statements. An Audit Practice Bulletin was also issued to highlight to public accountants the audit areas that could be impacted by the COVID-19 outbreak. Developed in consultation with the Institute of Singapore Chartered Accountants' (ISCA) Auditing and Assurance Standards Committee and Financial Reporting Committee as well as the Chartered Secretaries Institute of Singapore (CSIS), these and other support measures have been welcomed by the business community.

Supporting public accountants and public accounting entities

We reached out to public accounting entities to understand the challenges they faced and provided them with more time to respond to queries from audit inspection under the Practice Monitoring Programme. We also extended the time for public accountants to meet the Continuing Professional Education requirements for the renewal of their registration. More time was also granted to companies to respond to findings under our Financial Reporting Surveillance Programme (FRSP).

A shared sense of pride and belonging

With COVID-19, the way we work has changed. To smoothen the transition to working remotely, we tapped on a suite of virtual collaboration tools and stayed in touch with one another through online activities. We exchanged daily moments on the Workplace, the government's social network. We also organised lunchtime health talks, art and craft workshops, team games, fitness exercises and even virtual birthday celebrations to stay connected and help each other keep well.

Our officers continued with their learning and skill-upgrading virtually. We conducted virtual training workshops on "Domain Driven Design" where our officers learnt about

the process re-engineering concept which required the collaboration of both the information technology and business teams in designing new services or processes. The whole of ACRA was involved in reviewing and documenting our processes in preparation for our new registry and regulatory system.

ACRA officer Mr Wong Kee Wei and his family with Prime Minister Lee Hsien Loong – Both Kee Wei and his wife Carol have transited smoothly to working from home due to the COVID-19 situation, with the grandparents helping to take care of their young children.

(MCI Photo by Zinkie Aw)

We quickly adapted our recruitment processes and started conducting virtual recruitment interviews and onboarding processes. To facilitate job opportunities for Singaporeans during COVID-19, we made available traineeship positions and temporary job opportunities under the SGUnited Job initiatives.

Our OneACRA spirit remained strong during this period as our officers stepped up to the call of duty and stayed true to the values of ACRA and the Public Service. We provided support to the community by volunteering our service as safe-distancing ambassadors. Some of our officers also helped out at community centres to distribute masks and receive applications for Temporary Relief Fund, or assisted with dormitory management.

ACRA officers stepped up to the call of duty and stayed true to the values of ACRA and the Public Service such as volunteering our service as safe-distancing ambassadors

Our Staff Well-being Committee initiated a fund-raising campaign among staff to support and raise awareness for the programmes under Giving.Sg. Our staff participated enthusiastically in the Singtel-Singapore Cancer Society Race Against Cancer 2020 virtual charity run in September 2020, and exceeded our target of 2,025km, raising more than $23,500 for the charity run.

ACRA officers participated in the Singtel-Singapore Cancer Society Race Against Cancer 2020 virtual charity run in September 2020, and helped to raise more than $23,500.

CO-CREATING A BUSINESS-FRIENDLY ENVIRONMENT TO SUPPORT ENTERPRISES

Supporting businesses with business-friendly policies and rules, and reliable and accurate business data

ACRA continually reviews its processes to ensure that it provides access to accurate and timely business data. We ensure that our policies and rules are business-friendly and progressive, to support enterprises and promote Singapore as the best place for business.

Developing a progressive and responsive regulatory regime

We aim to strike a balance between our role as a regulator and a business enabler by minimising compliance burden and ensuring Singapore's corporate laws and regulatory framework stay competitive. To keep our corporate laws current and relevant to businesses, we launched a public consultation in July 2020 to garner feedback on proposed amendments to the Companies Act. The proposed amendments include 36 legislative changes reviewed by the Companies Act Working Group, comprising members from local and international law firms, industry regulators and associations. The proposed changes aim to streamline filing process, update regulatory requirements, and enable the use of data and technology.

## Leveraging technology to improve data quality and use

ACRA manages more than 1.7 million entity records in our business registry which we make available to the public and businesses in the form of information products, such as Business Profiles and Business Certificates. We leveraged blockchain and API technology to pilot the TrustBAR service to help customers verify the data authenticity of the information products. Users of the service will be prompted if there is a more up-to-date copy at ACRA's information service portal, iShop.

ACRA piloted the TrustBAR service to allow customers to verify data authenticity of information products conveniently at their fingertips

Enhancing Singapore's attractiveness as a fund management hub

Some 300 VCCs have been set up since the framework for the new structure was launched in January 2020 to enhance Singapore's attractiveness as a fund management hub. An online registration and filing portal was launched in February 2021 to provide customers with access to e-services, including the e-services for application for VCC names and incorporation of VCCs, as well as a directory search function to enable users to search for registered VCCs or their sub-funds easily.
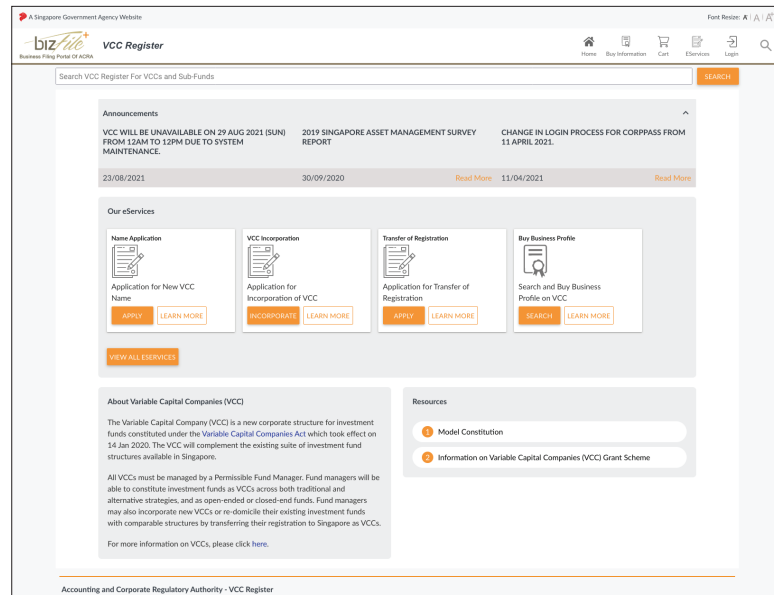
ACRA facilitated the incorporation of Variable Capital Companies and improved customer experience with the launch of the VCC online portal

Making our processes simple and easy

We completed the pilot phase of the seamless filing initiative to help small and medium enterprises (SMEs) automate the preparation and filing of statutory returns with ACRA and the Inland Revenue Authority of Singapore (IRAS) through their natural systems. Smaller companies are able to reduce the time needed to prepare and file annual return with financial statements in XBRL format with ACRA, and Corporate Income Tax Return (Form C) with IRAS, from nine hours to about 30 minutes. The initiative also improves the accuracy and timeliness of the information filed with ACRA.


ACRA piloted seamless filing to help SMEs automate preparation and filing of statutory returns with ACRA and IRAS

New GoBusiness feature to guide business start-ups

Together with the Ministry of Trade and Industry, the Smart Nation and Digital Government Office and the GoBusiness technical team, ACRA developed a Start-up Guide and two e-advisers for "Business Structure" and for "Starting a Business" on the GoBusiness portal in April 2021 to help businesses start fast and start right. The e-Advisers provide simple information to new and aspiring business owners about their business options and statutory obligations. The new guide provides aspiring entrepreneurs with contextualised data to guide them in selecting suitable business structure, address, reserve business name, register business, register Corppass Administrator account and open corporate bank account at the pre-registration stage. Such data are drawn from relevant government services and business information from ACRA's registers.

Aspiring entrepreneurs can now start fast and start right with our Start-up Guide and two e-advisers for "Business Structures" and for "Starting a Buisness" on the GoBusiness portal
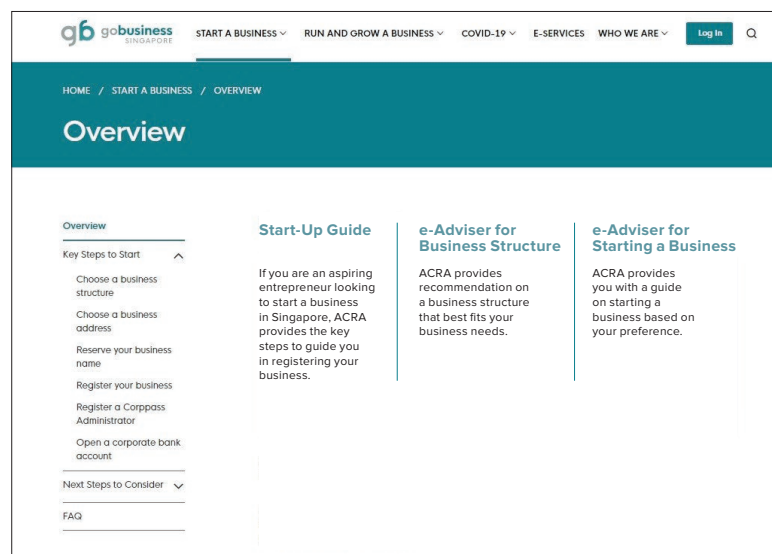
New e-services to facilitate new corporate insolvency and restructuring regime

As the corporate register for all companies in Singapore, ACRA requires all filings of corporate insolvency and restructuring documents to be made via our online business registration and filing portal, BizFile+. Following the introduction of the Insolvency, Restructuring and Dissolution Act in July 2020 to strengthen Singapore as an international centre for debt restructuring, we rolled out eight new filing services in BizFile+ to facilitate the filing of corporate insolvency and restructuring documents, and made enhancements to other related e-services.

Enhancing data accuracy and customer experience

As part of our ongoing efforts to ensure data accuracy and improve customer experience, we made enhancements to 14 e-services in our BizFile+ in April 2020. One such enhancement helps to cut down the time required for filers

to fill out e-forms and ensures the accuracy of information submitted. For example, business filers no longer have to manually key in biodata such as the NRIC and FIN details of their position-holders as such information would be obtained by ACRA directly from the relevant government agencies.

Enhancing Singapore's global and regional positioning

We continue to participate actively in the international arena by sharing best practices and representing Singapore at key international regulatory forums. In October 2020, ACRA was re-elected to the Corporate Registers Forum (CRF) Executive Committee for another two-year term. CRF is an international not-for-profit organisation for administrators of corporate and securities registers. ACRA is one of the longstanding elected members of the CRF Executive Committee, supporting CRF to contribute towards the common goal of reforming business registration and transforming the business register. In April 2021, ACRA was re-elected to the International Forum of Independent Audit Regulators (IFIAR) Board for another four-year term. We chair the IFIAR Board's Human Resources and Governance Committee and are also part of IFIAR's Global Audit Quality Working Group and the IFIAR Technology Taskforce.

ACRA was re-elected to the Corporate Registers Forum (CRF) Executive Committee for another two-year term at the CRF AGM in October 2020
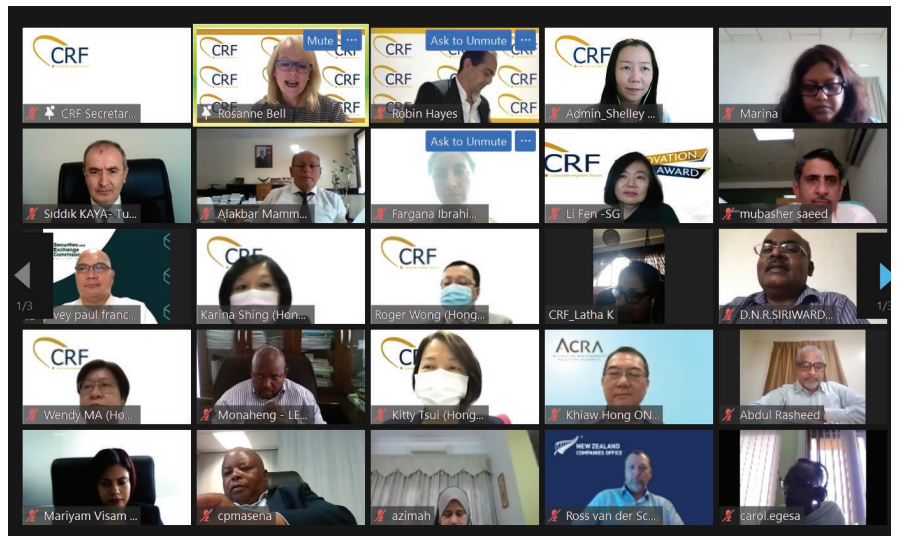
Developing an Intangible Assets disclosure framework

Under the Singapore IP Strategy 2030, we co-chair an inter-agency committee with the Intellectual Property Office of Singapore, that will collaborate with the industry to develop and implement an Intangible Assets (IA) disclosure framework. This is in recognition of the growing importance of intangible assets to financial statements and enterprise value, and to position Singapore as a jurisdiction for trusted, credible IA valuation.

REGULATORY EXCELLENCE AWARD

- **Public Sector Transformation Awards 2021**
- **MOF-Family Group Level Awards 2021**
- **ACRA Awards 2021**

PROJECT TITLE

Artificial Intelligence enabled risk profiling of companies to facilitate proactive enforcement

TEAM MEMBERS

Ms Bong Yap Kim, Mr Teo Ming Sing, Ms Tan Wee Khim, Mr Adrian Teng, Ms Sandrea Lim, Ms Fazlinah Nasi and Mr Alan Zhang

Our team developed a model using artificial intelligence (AI) to better predict and identify companies at risks of insolvency, to allow for early detection and intervention. Tapping on machine learning, the team is able to expand its scope to review 65,000 financial statements for insolvency disclosure and identify breaches, compared to 50 financial statements reviewed manually per year. The AI model facilitates detection of companies at risk of financial distress, where the company directors or auditors may not make early-warning disclosures. Through timelier intervention, this could limit the financial damages to investors or creditors, thus safeguarding Singapore's reputation as a trusted financial hub. To recognise their efforts to reduce regulatory burden through digitalisation and use of new business models, the team was presented with Public Sector Transformation Awards 2021 and MOF-Family Group Level Awards 2021 for Regulatory Excellence.

Award Category : **REGULATORY EXCELLENCE**

PUBLIC SECTOR TRANSFORMATION AWARDS CEREMONY 30th JULY 2021

ENHANCING OUR REGULATORY FRAMEWORK TO PROMOTE HIGH COMPLIANCE

Continuing to enhance our regulatory framework to provide a progressive and responsive regulatory regime

We continue to enhance our regulatory framework to ensure it remains efficient and effective. During the year, we simplified our rules and processes to facilitate voluntary compliance, and collaborated with stakeholders to promote high financial reporting standards and audit quality.

Improving corporate transparency

With effect from 30 July 2020, all companies and limited liability partnerships, unless exempted, are required to lodge the information maintained in their Register of Registrable Controller with ACRA's central non-public register. This is an enhancement to the measures introduced in May 2017 to require entities to maintain the Register of Registrable Controller in their registered office address or at the office of their authorised filing agent. It is part of our ongoing efforts to improve the transparency of ownership and control of corporate entities, to uphold Singapore's reputation as a trusted international financial and business centre.

ACRA further enhanced corporate transparency by requiring all companies and limited liability partnerships to lodge information in their Register of Registrable Controller with ACRA's central non-public register

Reminder to File:
Register of Registrable Controllers (RORC)

All companies/LLPs are required to file their RORC information with ACRA by **30 June 2021**.

Corporate service providers (CSPs) play a key role in preventing abuse of our financial systems and services for illicit purposes. To strengthen the sector's capabilities to help combat money laundering and terrorism financing, ACRA has implemented mandatory training for filing agents since 2018. CSPs must attend a mandatory AML/CFT programme conducted by ISCA and CSIS. In addition, those seeking to be registered or renewed as a Registered Filing Agent with ACRA are required to pass a proficiency test. As at 31 March 2021, 96% of the CSPs had attended the mandatory training and passed the proficiency test.

Raising quality of audit and financial reporting

Audit quality is the cornerstone of market confidence in the reliability of financial information for capital allocation decisions. To provide assurance to the market on the quality of work of public accountants, ACRA's Practice Monitoring Programme inspects the audits by public accountants to ensure compliance with prescribed auditing standards. Our inspectors conducted a total of 69 inspections on public accountants and accounting entities in FY2020, including 46 inspections on non-public interest entities. We also conducted 30 inspections on accounting entities for compliance with AML/CFT requirements. For disciplinary proceedings against public accountants, two disciplinary hearings of public accountants were completed during the year, resulting in one public accountant being given a strong censure and the other public accountant being given a one-year suspension.

To help auditors and audit firms improve audit quality, we published the key findings observed during audit inspections in the 14th Practice Monitoring Programme Report in October 2020. Recognising the challenges faced by auditors in performing audit and complying with auditing standards amid the COVID-19 pandemic, we highlighted in the report, emerging trends that auditors should take note of in order to deliver high quality audits.


ACRA
ACCOUNTING AND CORPORATE
REGULATORY AUTHORITY

PRACTICE MONITORING PROGRAMME

14th PUBLIC REPORT

October 2020

ACRA's 14th Practice Monitoring Programme Report helps auditors and audit firms improve audit quality through sharing inspection findings

We continued to safeguard the reliability and integrity of financial information through the Financial Reporting Surveillance Programme. During the year, we undertook a review of financial statements of 18 companies.

In July 2020, ACRA issued the Financial Reporting Surveillance Programme report on findings from the non-compliances with accounting standards identified in financial statements for 2016 to 2018 filed by listed companies. There was room for improvement in the quality

of financial statements. The lack of deep knowledge and due care by preparers and directors were found to be the root causes contributing to material non-compliances with the accounting standards.

ACRA published the 3rd Financial Reporting Surveillance Programme Report for companies to take note of the root causes of non-compliances with the accounting standards so as to improve the quality of financial statements
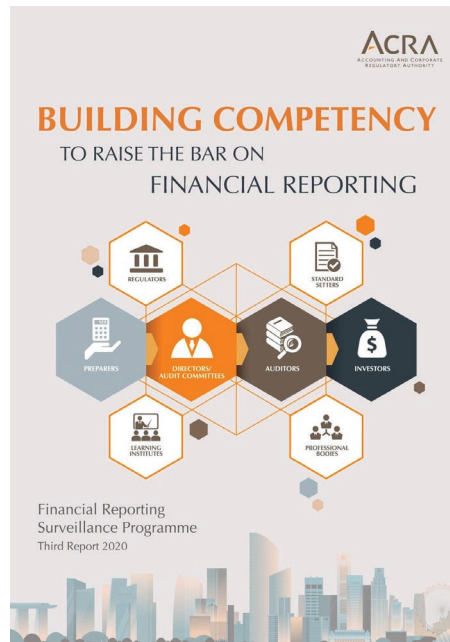
Audit committees play an instrumental role in ensuring the integrity of companies' financial reporting; an effective audit committee can enhance the governance and oversight of the company's corporate reporting function. To better understand the role and attributes of an effective audit committee, ACRA collaborated with SGX RegCo, ISCA and SID to commission a study on the profile of audit committees. The study done by the Singapore Institute of Technology found that listed companies in Singapore had made good progress in adopting corporate governance best practices to improve the effectiveness of their audit committees.

ACRA collaborated with SGX RegCo, ISCA and SID to commission a study on the profile of audit committees, to better understand the role and attributes of an effective audit committee.

Coordinated enforcement to improve compliance

To establish a trusted corporate environment, our enforcement and regulatory actions must be timely and swift. In FY2020, our enforcement team issued summonses against 65 companies and 22 directors for non-compliance with statutory obligations, including failure to hold annual general meetings and file annual returns. The State Courts had imposed fines ranging between $9,000 and $71,400 for 11 cases brought against directors.

We also carried out 252 inspections on companies and LLPs to ensure that they comply with the requirements to maintain a Register of Registrable Controller. Five Registered Filing Agents were imposed with fines ranging from $4,000 to $12,000 for breaches of AML/CFT regulations.

Public accountants are required to meet the Continuing Professional Education (CPE) requirements when renewing their professional membership, to ensure that they maintain adequate level of knowledge, skills and abilities to carry out their work competently and professionally. During the year, ACRA conducted 84 CPE compliance checks on public accountants. Six public accountants did not meet the CPE requirements and were not allowed to renew their professional memberships for 2021 until they account for the CPE shortfall.

iSPARK AWARD

ACRA Awards 2021

PROJECT TITLE

Leveraging digital solutions to improve efficiency for enforcement

TEAM MEMBERS

Mr Adrian Teng, Mr Muhammad Firdaus, Ms Serene Seah, Mr Eddy Edzwan

Our team won the ACRA iSpark Award for developing an innovative digital solution to reduce the time required to identify companies that are in breach of regulations and require enforcement action to be taken. Following a process review, the team created a digital solution using artificial intelligence and data analytics that will

help reduce the time taken by 99% and increase data accuracy by 90% to 99% when extracting relevant information and analysing the financial statements filed by companies. This solution has enabled ACRA to pinpoint companies that require enforcement action in a more accurate and timely manner.

Collaborative efforts to sustain professional standards

In November 2019, ACRA and the MAS set up a Joint Monitoring and Surveillance Committee to facilitate a coordinated review of the financial statements, audits and related disclosures of listed issuers. A total of 16 complex cases had been reviewed to date.

ACRA, together with the Economic Development Board, Public Service Division and Singapore Accountancy Commission, engaged accounting firms and professional bodies to encourage the adoption of audit innovation, and address any regulatory concerns faced in such audit innovation efforts.

Ensuing from such engagements, we partnered with ISCA to issue guidance on how auditing standards can be met when data analytics are deployed. We also reviewed the CPE syllabus for public accountants, and will be including Information Technology as a core expertise area to signal its importance and accelerate the rate of adoption, particularly by small and medium practices. We also adopted the Restructured Code of Professional Conduct and Ethics for public accountants and public accounting entities to align with international ethics standards.

Working with our stakeholders to promote compliance

ACRA continued to share best practices and exchange ideas with professional bodies, stakeholders and overseas partners on raising compliance, audit quality and standards of financial reporting.

To help CSPs keep abreast of the latest registry and regulatory developments, ACRA, CSIS and ISCA jointly held two virtual outreach sessions for more than 1,600 CSPs on 26 February 2021. We updated CSPs on new business registry initiatives to help the sector accelerate their digital transformation, and shared on upcoming regulatory changes that might impact CSPs and their clients.
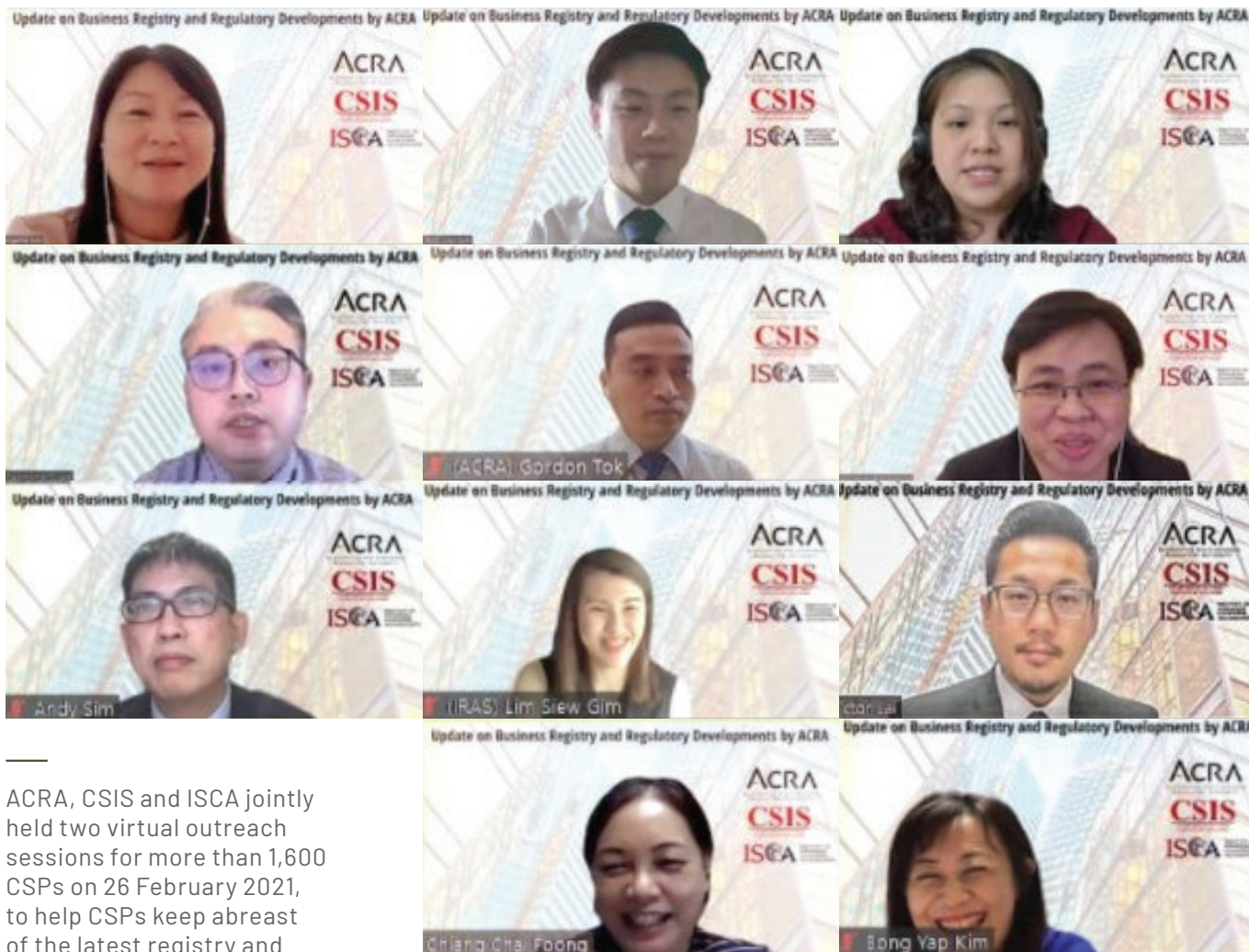
ACRA, CSIS and ISCA jointly held two virtual outreach sessions for more than 1,600 CSPs on 26 February 2021, to help CSPs keep abreast of the latest registry and regulatory developments.

At the CSP virtual conference organised by CSIS on 18 November 2020, ACRA's Chief Executive Mr Ong Khiaw Hong called on CSPs to digitalise and innovate, so as to speed up the pace of transformation for the CSP sector. Mr Ong also urged CSPs to stay vigilant to emerging risks and trends in money laundering and terrorism financing.

As Audit Committees play a key role in ensuring the quality of audits and financial reporting, it is important for their members to stay updated on the latest regulatory developments. Together with SGX RegCo and SID, we organised the Audit Committee Seminar on 12 January 2021. The virtual event was attended by more than 400 Audit Committee members and directors. Our Chief Executive urged Audit Committees to use the audit process as an independent line of defence. He also called on them to work with external auditors to address significant audit risks faced by their companies.

ACRA, SGX RegCo and SID organised the virtual Audit Committee Seminar on 12 January 2021, which was attended by more than 400 Audit Committee members and directors.

Ong Khiaw Hong
2021-01-12 09:39:59

On 19 August 2020, ACRA partnered SID to organise a webinar for Audit Committee members to discuss key findings from the latest cycle of our Financial Reporting Surveillance Programme. We also shared insights to help audit committees identify red flags in the financial statements and manage the complex accounting issues arising from the COVID-19 pandemic.
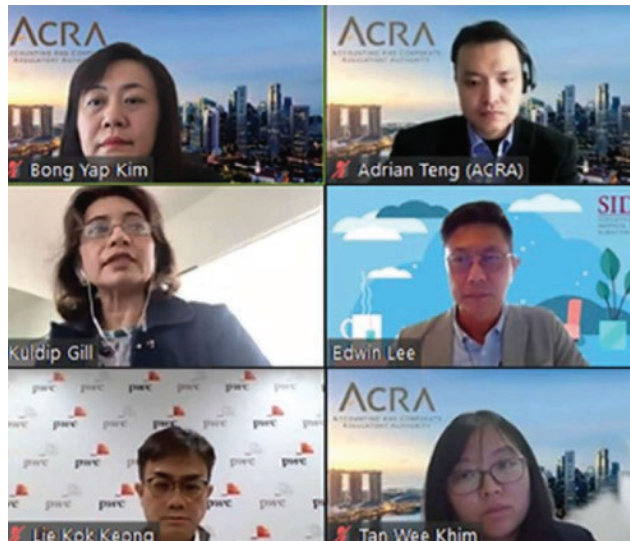
ACRA partnered SID to organise a webinar for Audit Committee members on 19 August 2020, to discuss key findings from the latest cycle of our Financial Reporting Surveillance Programme.

At ISCA's Practitioners Conference held on 22 October 2020, our Assistant Chief Executive for Accounting and Compliance Group Ms Kuldip Gill shared key findings from our Practice Monitoring Programme inspection, as well as key areas that practitioners should focus on to deliver high quality audits amid the challenges posed by the pandemic.

ACRA's Assistant Chief Executive for Accounting and Compliance Group Ms Kuldip Gill shared key findings from our Practice Monitoring Programme inspection at ISCA's Practitioners Conference held on 22 October 2020.

We also reached out to the larger business community. As a member of IFIAR, we hosted a virtual focus group session on 17 November 2020 on behalf of the IFIAR's Investor and Other Stakeholders Working Group. The discussion brought together audit regulators and investors from the Asia Pacific region to discuss the role of auditor against fraud, and how auditors and audit regulators could provide information for investors. A total of 16 investors representing 13 organisations from Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore and Thailand as well as audit regulators from the ASEAN Audit Regulatory Group participated in the virtual discussion.

STAYING AHEAD OF THE CURVE TO SERVE OUR CUSTOMERS

Staying in tune with customer needs to enhance their experience with ACRA's processes

We stay in tune with the needs of our customers by providing easy-to-use, seamless and secure digital services. During the year, we enhanced our service delivery to provide seamless integrated service, and collaborated with our industry partners and stakeholders to co-create and pilot new solutions to meet the evolving needs of our customers.

Providing seamless integrated service with API technology

We continued to roll out solutions to spur businesses towards adopting digital solutions and to improve efficiency. With the use of API technology becoming more pervasive, we are developing more APIs to enable businesses to transmit their data seamlessly to ACRA through their natural systems. Following the introduction of the API for the filing of Annual Returns, ACRA has launched four other transactional APIs to facilitate name application, incorporation of a local company, allotment and transfer of shares. In this way, businesses benefit from the ease of filing, while the public can access more timely and reliable business data. The additional transactional APIs also better facilitate data sharing and collaboration within public agencies.

ACRA enabled businesses to file transactions seamlessly with us through their natural systems with 4 new transactional APIs to facilitate name application, incorporation of a local company, allotment and transfer of shares.

SERVICE DELIVERY EXCELLENCE AWARD

- **MOF-Family Group Level Awards 2021**
- **ACRA Awards 2021**

PROJECT TITLE

Seamless and fuss-free filing of annual returns for businesses

TEAM MEMBERS

Ms Helen Lee, Mr Li Shengjie, Mr Jason Png, Ms Sia Su Chun, Mr Eddy Edzwan, Mr Damien Chong and Ms Nurhayati Nongchik

ACRA strives to help companies meet their statutory filing obligations in a seamless and fuss-free manner so that they can focus on their business. An inter-department team embarked on a project to simplify and make the annual statutory filing process seamless so as to further reduce the filing burden for over 200,000 companies. The team redesigned our annual return filing e-service by improving the user interface, and reducing the number of steps from 24 to six to complete the transaction. The team also tapped on API technology to allow seamless filing of annual returns through the customers' natural systems, from their accounting software or corporate secretarial software. This helps to reduce filing time and eliminate data entry errors. For their innovative efforts to improve service delivery, the team won the Service Delivery Excellence Award at the Ministry of Finance's Family Group Level Awards 2021.

Better experience with easy-to-use digital services

In line with Singapore's Digital Government Blueprint, we made strides with our e-services to improve customer experience. In December 2020, we completed the BizFile+ Technology Refresh to provide e-services that are mobile-responsive and easier to use. We also enhanced e-forms for 14 BizFile+ e-services and drew data from the relevant government agencies so that our customers no longer needed to manually key in the required personal particulars.

Enhanced customer experience with easy-to-use and mobile-responsive e-services with the completion of the BizFile⁺ Technology Refresh

iSPARK AWARD

ACRA Awards 2021

PROJECT TITLE

Leveraging RPA to optimise efficiency for system testing

TEAM MEMBERS

Registry Systems Unit; Registry Services, Enforcement, Finance, Financial Information, Investigation and InfoComm Technology departments

BizFile⁺ portal, ACRA's online filing and information retrieval system, enables the public to access a suite of over 300 e-services. When BizFile⁺ was scheduled to undergo a Technology Refresh in December 2020 to extend the lifespan of the system, one of the key tasks was to conduct user acceptance tests to validate various aspects of the new system before it was launched. Leveraging RPA bots, the team was able to focus on testing the critical functions of the new system while the automated bots ran the tests on the other functions. This has improved the quality of the test processes and shortened the downtime required for the cut-over to the new system by 50%. The team was recognised for achieving significant time savings in this project.

Streamlined shopping experience at ACRA iShop

New customer-centric user interface for iShop@ACRA to improve the online shopping experience for customers

We launched a new customer-centric user interface for iShop@ACRA to improve the online shopping experience for customers. The process for the buying of Business Profiles has been further streamlined allowing customers to complete their purchases with just three clicks. The enhanced service also offered customers the options to authenticate the data in the business information products and enquire on the status of their purchases. We further refined our free business entity search function to make it easier and faster to search the business register for information on a business entity.

Meeting and anticipating customer needs

To improve service delivery to our customers and enable them to better navigate our e-services, we explored the use of artificial intelligence (AI) technologies and the use of virtual assistants. In February 2021, we piloted a new Ask Ada Digital Assistant on the Unique Entity Number (UEN) portal to allow users to experience the next generation Virtual Intelligent Chat Assistant (VICA). The Ask Ada digital assistant is powered by natural language processing and predictive analytics, and is able to engage users in personalised conversations, as well as understand and interact with users better. We are working on a proof-of-concept to develop the VICA to assist customers to transact with ACRA seamlessly by performing selected transactions such as business renewal and cessation.

DEVELOPING AN INNOVATIVE AND FUTURE-READY TEAM

Empowering our staff to leverage technology for innovative solutions and to be future-ready

Guided by our transformation roadmap, ACRA has been leveraging digital technology to drive innovation and enhance our effectiveness. During the year, our officers stayed strong and resilient as OneACRA as we made concerted efforts to raise our data and digitalisation capabilities to build a digitally-confident team.

Building Data, Digital and Design competencies

To boost the digital capabilities of our officers, we launched the D3 programme to train staff in data analytics, digital technology, and user-centred design; and to integrate these capabilities into our work processes.

To date, over 80% of our officers have been trained in RPA, and we have embarked on more than 20 RPA and data analytics projects, such as using RPA to analyse offsite submissions from audit firms and to conduct risk-based assessments on public accountants. Although some of our staff did not have an information technology (IT) background, they were determined to learn RPA and completed 10 hands-on pilots that achieved a total savings of 1,200 man-hours over the year.

Our business and IT teams also attended Domain Driven Design workshops to streamline and re-design our processes, and used Business Process Mapping Tool to build our new business model for business registration and regulation.

AGILITY AWARD

- **MOF-Family Group Level Awards 2021**
- **ACRA Awards 2021**

PROJECT TITLE

Collaborative IT and Business efforts to redesign work processes using Domain Driven Design

TEAM MEMBERS

Mr Tan Soon Peow, Mr Richard Kong, Mr Jason Lu, Ms Helen Lee, Ms Veron Lai, Mr Alan Chua, Mr Tan Yong Tat, Mr Lee Ho Ming and Ms Corinne Loo

The innovative application of a new software development methodology, known as Domain Driven Design (DDD), to different work processes won our team the Agility Award at the Ministry of Finance's Family Group Level Awards 2021. Despite being unfamiliar with the DDD methodology, the team took up the challenge to complete all the training and facilitation in-house to learn about the process re-engineering concept. Agility was key in implementing DDD, and both the IT and business units within ACRA collaborated to gather the business requirements and to redesign more effective business processes with the aim of consolidating BizFile⁺ and four other existing systems into a single business system. Tapping virtual collaboration tools, the team swiftly conducted more than 50 virtual DDD workshops within five months to redesign work processes, with 65 process requirements validated.

Encouraging innovation and entrepreneurship

In exploring new ways to sustain a pro-business environment in Singapore, we supported initiatives to promote interest from local tertiary students in developing innovative business ideas. ACRA partnered with the Smart Nation and Digital Government Office and Amazon Web Services to organise the inaugural Live Smart Singapore Hackathon for polytechnic students.

Held from 16 July to 6 August 2020, the hackathon saw 70 polytechnic students pitching their proposals to digitalise business processes to boost productivity and improve customer satisfaction. The top prize went to a team from Nanyang Polytechnic for its prototype of a serverless web application. One of the team members took up our internship offer and worked with us to develop a model using AI to better predict and identify companies at risks of insolvency for early intervention.

DARE TO DO AWARD

- **MOF-Family Group Level Awards 2021**
- **ACRA Awards 2021**

PROJECT TITLE

ACRA Hackathon

TEAM MEMBERS

Ms Serene Seah, Ms Sally Loo, Mr Jeff Foo, Mr Benjamin Cheng, Ms Yee Sai Leng, Mr Herman Lee, Mr Alan Chua, Ms Loh Lee Kheng

We won the "Dare To Do" Award at the Ministry of Finance's Family Group Level Awards 2021, for being the first government agency to host a virtual hackathon in the midst of the COVID-19 pandemic in 2020. Working with the Smart Nation and Digital Government Office and Amazon Web Services, our team held the Live Smart Singapore Hackathon in July and August 2020 for 70 polytechnic participants to develop innovative digital solutions. Taking the uncertainties arising from the pandemic in stride, the team planned for contingencies, managed risks and adjusted and adapted their plans to ensure the smooth running of the virtual hackathon. The team has since been sharing virtual event ideas and digital know-how with their colleagues to get ACRA ready for more virtual outreach events.

Deepening our core competencies

During the year, we continued to enhance our staff competencies to ensure that we have a high-performing and future-ready team.

Upskilling and capability development

To meet changing organisational needs and support staff development, we encouraged our staff to upgrade their skillsets. We reviewed our Training and Sponsorship Framework and developed a new set of core competencies and related training roadmaps for the critical competencies required of ACRA staff. We also developed a Service Delivery Competency Framework for current and future service delivery functions as a guide for staff to enhance their capabilities. In addition, we rolled out an Industry Attachment Programme to enable our accountancy/audit specialists to gain insights and experiences in the latest industry practices.

Digitalising work processes

Building on ongoing efforts to drive digital transformation and streamline our processes to improve work efficiency, we started the use of electronic signatures for our financial statements and other documents relating to our finance business processes such as billing, assets management and accounts receivable and payables, as well as documents involved in our human resource processes including welcome letters for new hires and contract renewal letters. We also put in place processes to prepare for the launch of our new Human Resource and Payroll system in mid-2021.

Our staff deepen their core competencies by improving their skillsets, and continue to drive digital transformation and streamline our processes to improve work efficiency.

Recognising staff innovation and service excellence efforts

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Public Sector Transformation Awards 2021

In FY2020, we were recognised for our achievements in various areas of our work that exemplified excellent innovation and service efforts.

We received two Public Sector Transformation (PST) Awards 2021 at the award ceremony held on 30 July 2021.

Regulatory Excellence Award

A team of our officers from the Financial Reporting Surveillance Department, Practice Monitoring Department and Information Resource Department came up with a risk profiling model using AI to allow for early detection and intervention for companies at risk of financial distress. The AI model facilitates proactive enforcement actions which helps to reduce regulatory burden of businesses, and safeguards Singapore's reputation as a trusted financial hub. The team won the Regulatory Excellence Award at the PST Awards 2021 and the MOF-Family Group Level Awards 2021.

Exemplary SkillsFuture@Public Service Award

Mr Yao Jingyong, Manager from our Information Resource Department, put in extra efforts to learn new digital technology and data skills to develop new services and products for our customers. He received the Exemplary SkillsFuture@Public Service Award at the PST Award 2021 and the MOF-Family Group Level Awards 2021.

EXEMPLARY SKILLSFUTURE@PUBLIC SERVICE AWARD

- **Public Sector Transformation Awards 2021**
- **MOF-Family Group Level Awards 2021**
- **ACRA Awards 2021**

WINNER

Mr Yao Jingyong, Manager, Information Resource Department

Unique Entity Numbers or UENs are the identification numbers generated for entities registered in Singapore. As the UEN service manager, Jingyong handles enquiries from a large number of customers and provides support to the technical team on UEN

requirements. Although he did not have any IT background, he demonstrated learning agility by quickly picking up digital and data skills to develop new services for our customers. Jingyong put himself through machine learning and coding training, learnt Google Dialogueflow and conversational design, and developed the new UEN Chatbot, Ada, that helps provide direct responses to customers.
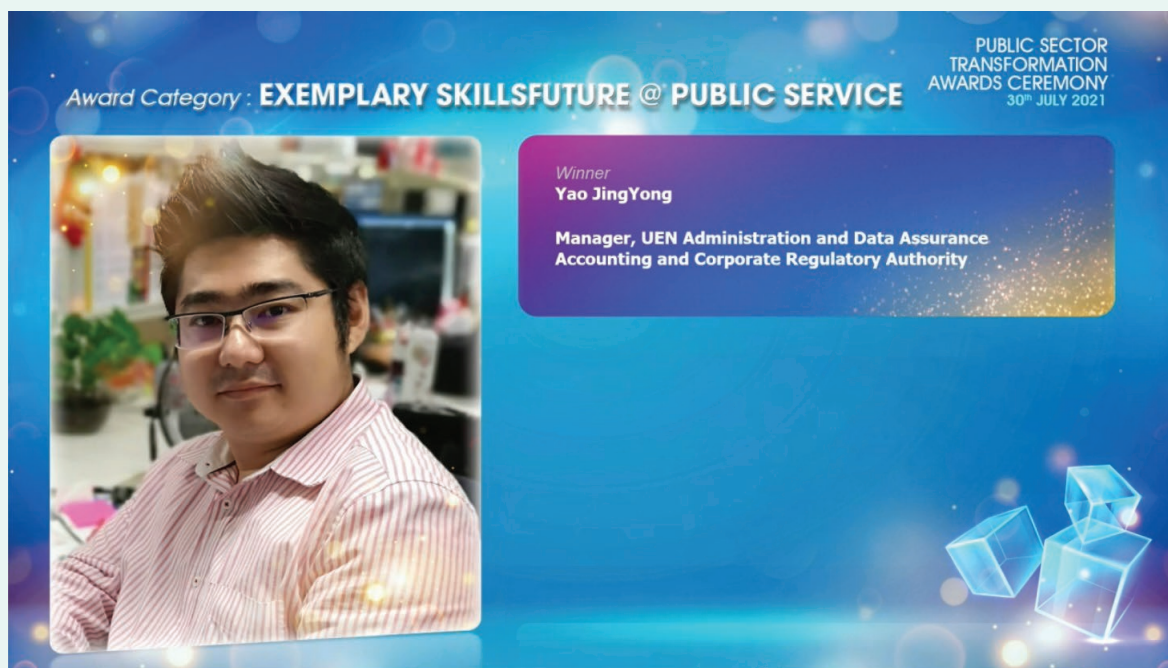
National Day Awards 2020

Two of our staff members were conferred National Day awards at the virtual National Day Investiture Ceremony 2020 held on 19 July 2021 for their dedicated service to Singapore.

Commendation Medal

Ms Amy Quek
(Assistant Director, Administration Department)

Efficiency Medal

Ms Shamila K
(Senior Officer, Information Resource Department)

Nurturing a shared sense of pride and belonging

We held our OneACRA Day virtually on 9 April 2021 to update our officers on the current and upcoming initiatives for the year ahead. The highlight was the virtual telematch between four cross-department teams, each representing one of ACRA's four corporate goals – Sustainable Business Growth, High Compliance, Excellent Customer Experience, and High Performing Team. The teams depicted their aspirations for ACRA in creative ways, through songs or videos. The teams also created designs depicting the corporate goals and posted them on our internal social network. The day culminated with our Chief Executive sharing on our strategic framework and key directions.

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Staff-designed banner, posted on our internal social network. The design depicts our aspiration to be a High Performing Team and shows our ACRA family in a collage of staff photographs forming the word, "OneACRA".

FINANCIAL HIGHLIGHTS

(A) FINANCIAL PERFORMANCE

1. Operating income

The income was $79.6m, $3.6m lower than FY2019. The decrease was mainly due to the following:

(a) **Company incorporation and related fees** decreased by $3.7m from $37.1m in FY2019 to $33.4m. Fewer companies were incorporated and the fees from extension of time (EOT) dropped because of the blanket 60-day EOT granted to companies for holding AGM and filing AR. The decrease was offset by an increase of $1.2m in the income from annual filing due to a larger base of incorporated companies.

(b) **Business registration and related fees** decreased by $0.2m from $6.9m in FY2019 to $6.7m. This was primarily due to the triennial renewal option taken up by businesses in FY2019. The decrease was offset by an increase of $0.6m in business (sole proprietorships and partnerships) registration income.

(c) **Public accountant registration and related fees** reduced by $0.5m as the Practice Monitoring Programme on Public Accountants had slowed down considerably during the circuit breaker period and resumed in July 2020.

(d) **Other income** decreased $1.0m mainly due to lower interest income from our funds managed under the Accountant-General's Department's Centralised Liquidity Management (CLM) framework.

2. Operating expenditure

The expenditure was $71.7m, $9.6m higher than FY2019. The increase was mainly attributable to:

(a) **Services** increased by $6.1m mainly due to:

    i) Helpdesk and related services increased by $1.1m. More than half of this increase was due to higher contracted rates in the new helpdesk contract awarded in FY2019 while the remainder of the increase was largely due to a higher call volume due to the system slowness in Sep 2020 and queries received on lodgements relating to the new central Register of Registrable Controllers (RORC).

    ii) Hosting charges at Government Commercial Cloud (GCC) were $1.3m higher as there were more applications being hosted in GCC. The migration onto GCC is in line with the Whole-of-Government (WOG) cloud-first strategy where government agencies, as a default, use commercial cloud for ICT systems classified "restricted and below" by 2023. The hosting charges at Government Data Centre (GDC) were $2.8m higher due to the overlapping period of hosting Bizfile+ and Bizfile+ Technology Refresh system. There was also an increase in Government Private Cloud (GPC) hosting activity ($0.2m) as well as data backup services ($0.2m).

    iii) Service request charges increased by $1.5m due to the migration of applications ($0.6m) to GCC and more systems changes to cater to legislative requirements and service enhancements, including implementation of new Insolvency Restructuring and Dissolution Act (IRDA), Personal Data Protection Act (PDPA), Beneficial Owner Register and XBRL taxonomy.

(b) **Staff and other costs** increased by $3.6m mainly due to:

    i) **Staff costs** increased by $2.2m, due to higher additional average headcounts in FY2020.

    ii) **Rental, maintenance and supplies** higher by $0.4m in FY2020 mainly due to increase in the contracted fees for the maintenance of Bizfinx and E-Registry[1] systems.

    iii) **Depreciation and amortisation** increased by $0.5m mainly from the depreciation of BizFile+ Technology Refresh system which was commissioned in Dec 2020.

    iv) **Other expenditure** increased by $0.3m was due to higher amount of irrecoverable GST ($0.6m) which corresponded to higher operating and development expenditure in FY2020. The increase was partially offset by lower overseas travel expenses incurred in FY2020 ($0.3m) as trips were cancelled due to COVID-19.

[1] E-Registry is an internal document filing system

FINANCIAL HIGHLIGHTS

3. Net surplus

Table 1 shows the operating and net surplus for FY2019 and FY2020:

Table 1: Income and Expenditure Summary for FY2020

	FY2020	FY2019
Operating Income	79.6	83.2
Expenditure	71.7	62.1
Surplus Before Government Grants	**7.9**	**21.1**
Government Grants	1.9	2.0
Surplus before Contribution to Government Consolidated Fund	**9.8**	**23.1**
Less: Contribution to Government Consolidated Fund (i.e. 17% of operating surplus)	1.7	3.9
Net Surplus	**8.1**	**19.2**

(B) FINANCIAL POSITION

4. Assets

The total assets amounted to $238.7m, $13.5m higher than FY2019, mainly attributable to the following items:

(a) **Cash and cash equivalents** reduced by $0.6m mainly due to higher cash used for capital expenditure and higher dividends paid coupled with lower cash generated from operating activities.

(b) **Fixed and intangible assets** increased by $15.9m mainly due to the commissioning of the BizFile⁺ Technology Refresh system in Dec 2020 and recognition of Right-of-use assets of our office lease. This is offset by depreciation and amortisation for the financial year.

(c) **Other current assets** reduced by $1.8m mainly due to lower interest receivables for funds placed under the AGD-CLM, improved efficiency in managing trade receivables.

5. Liabilities

As at 31 March 2021, ACRA's total liabilities increased $10.7m to $30.7m in FY2020, mainly attributable to the following:

(a) **Trade and other payables** increased by $13.5m mainly due to higher operating and capital expenditure to the vendors.

(b) **Deposits** decreased by $0.4m due to lower funds deposited by the business entities and the corporate service providers for payment of filing transactions.

(c) **Contribution to Government Consolidated Fund** decreased by $2.3m due to lower net surplus for FY2020.

Table 2: Balance Sheet Summary as at FY2020

	31 March 2021	31 March 2020
Share Capital	8.6	8.6
Accumulated Surplus	199.4	196.6
Capital and reserves	**208.0**	**205.2**
Non-Current Assets	27.4	11.5
Current Assets	211.3	213.7
Total Assets	**238.7**	**225.2**
Current Liabilities	29.8	18.6
Non-Current Liabilities	0.9	1.4
Total Liabilities	**30.7**	**20.0**
Net Assets (i.e. Total Assets less Total Liabilities)	**208.0**	**205.2**

FINANCIAL HIGHLIGHTS

6. Cash flows

For the year ended 31 March 2021, ACRA's net cash decreased by $0.6m. See Table 3 for details.

Table 3: Summary of Statement of Cash Flows for FY2020

		FY2020	FY2019
(i)	Cash and cash equivalents at beginning of year	206.1	189.3
(ii)	Net cash from operating activities	16.3	21.4
(iii)	Net cash used in investing activities	(9.7)	0.3
(iv)	Net cash used in financing activities	(7.2)	(4.9)
Cash and cash equivalents as at year end i.e. (i) + (ii) + (iii) + (iv)		205.5	206.1
Net increase in cash and cash equivalents		**(0.6)**	**16.8**

7. Auditor's opinion

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