

making it *happen*

**ACRA**

Accounting and Corporate Regulatory Authority  
Annual Report 2008/2009

# ACRA

Accounting and Corporate Regulatory Authority

Penguasa Pengawasan Perakaunan dan Korporat

会计与企业管制局

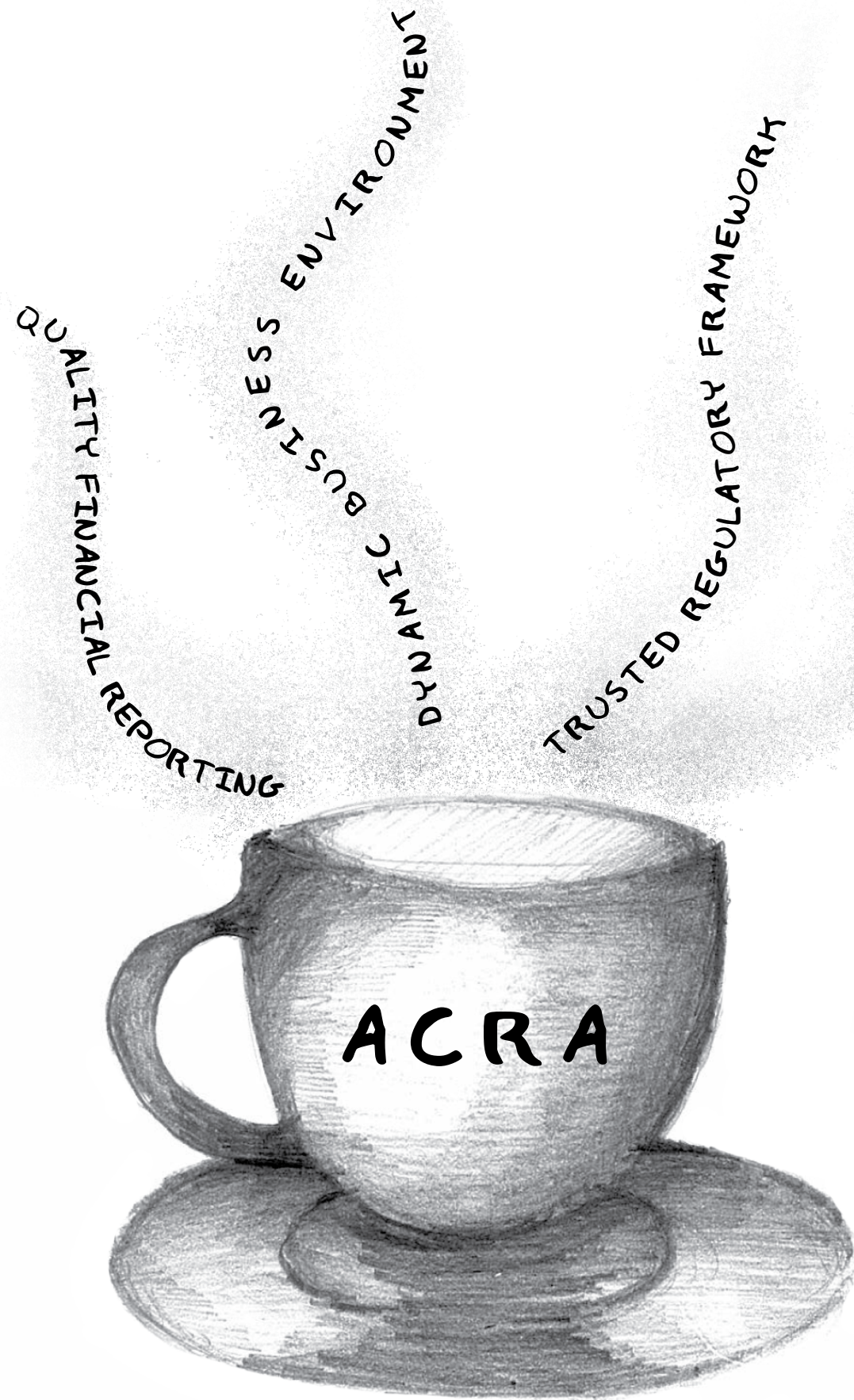
கணக்கியல், நிறுவன ஒழுங்குமுறை ஆணையம்

## our mission statement

To provide a responsive and trusted regulatory environment for businesses and public accountants

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ACRA's vision: transforming Singapore into the world's trusted and best place for business.

Our initiatives, policies and regulatory frameworks are all developed and reviewed with this vision in mind – to provide a robust and resilient environment where new businesses can take off with the least effort and existing ones continue to flourish, coupled with the appropriate regulatory oversight to instil confidence and trust in our stakeholders.

In the face of the current global economic climate, this vision has never stood stronger. It is during such times of uncertainty that we strengthen our foundation and develop our capabilities even further.

Our vision – **making it happen** – is the organisational mantra.

# chairman's message

## ACRA has played a leading role in making Singapore internationally respected and recognised as a trusted and attractive place to do business.

In 2009, for the fourth year running, the World Bank has named Singapore as the world's easiest place to do business. Initiatives such as BizFile – ACRA's electronic business filing and information retrieval system – have helped Singapore emerge as the most business-friendly of 178 economies in the World Bank's annual study in 2008. The World Bank's "Celebrating Reform 2008 – Doing Business Case Studies" publication also singled out BizFile as a prime example of how regulatory reform, systems re-engineering and leveraging information technology can reduce regulatory burden and costs, increase efficiency and cut red tape. Entrepreneurs are then able to focus on making investment decisions, which, in turn, creates jobs and spurs growth. These accolades are reflections of the world's business community on Singapore's positive corporate environment.

Singapore's standing in the international business arena attests to ACRA's success in helping to shape Singapore into a pro-business and pro-enterprise environment. ACRA will build on this strong foundation and continue to seek improvements by leveraging on new technologies and better understanding customer needs. One example is the adoption of the eXtensible Business Reporting Language (XBRL), and the intention to move business

reporting in Singapore to one single reporting format. Such a single reporting approach will help to produce long-term benefits for the business community. Engaging the business and business reporting community has played an important part in the successful implementation of XBRL, and will similarly help us implement other improvements.

As part of its ongoing efforts to better serve the business and accountancy communities, ACRA is currently reviewing the Companies Act, the Business Registration Act and the Accountants Act. In addition, the Government has also set up a high-level committee known as the Committee to Develop the Accountancy Sector (CDAS), to position Singapore as the leading international hub in Asia for accountancy services and professionals.

Building international relationships is important in positioning Singapore as a trusted place to do business, as the international business environment has an ever-increasing influence on our corporate governance ecosystem. ACRA is an active member of the International Forum of Independent Audit Regulators (IFIAR), which shares knowledge on the audit market environment, as well as practical experiences in independent auditing regulations. ACRA has also been elected as a member of the inaugural IFIAR's Advisory Council in 2008. In addition, as a member of the Corporate Registers Forum (CRF), ACRA has successfully hosted a two-day CRF executive committee meeting in Singapore in November 2008. Recognising ACRA's active participation in the international audit environment, ACRA's Chief Executive, Juthika Ramanathan, has been elected once again as a member of the CRF Executive Committee in 2008, for another one-year term of office.

In addition to its regulatory roles, ACRA has also taken on the enhanced roles of developer and facilitator to grow the business environment and accountancy sector. ACRA recognises its enhanced roles, and is committed to facilitating and developing Singapore as a pro-enterprise environment and the leading accountancy hub, by streamlining administrative and business processes.

We will not let up in our efforts to ensure that Singapore remains the best place in the world to do business. We will continue to help our businesses by reducing administrative speed bumps and removing regulatory roadblocks wherever possible.

ACRA will remain true to its mission, and continue to develop Singapore as a vibrant and trusted business environment.

Teo Ming Kian  
Chairman, ACRA



# chief executive's message

As the regulator of businesses and public accountants, ACRA's mission is to provide a responsive and trusted regulatory environment for businesses and public accountants. This mission guides not only the development of our regulatory frameworks and business services, but also our public engagement with our stakeholders and customers.

Essential to achieving this mission is the continual strengthening of the integrity of our regulatory framework, through the reviewing and refining of the said framework, as well as through effective corporate regulatory actions, while keeping business costs reasonably low.

To be responsive and continually strengthen our framework, we take public engagement and feedback seriously. This helps us to stay in tune with business needs. It also helps us to facilitate business and promote a pro-enterprise environment. Besides responding to feedback, we also keep up to date with international developments, so that Singapore's business environment is attractive and trusted internationally. We have organised more than 10 such public engagement seminars and talks in FY08/09. These events aim to facilitate and promote entrepreneurship, and create awareness about the legal requirements of businesses, operational procedures, and the motivations behind them.

Through regular dialogue sessions, we have further understood the perspectives of our stakeholders. A Customer Experience Study conducted by ACRA enabled us to better understand our customers' needs and expectations. Such forms of communication are especially vital during the current economically turbulent times, because it is during such times that we must further strengthen Singapore's position in the business arena.

Our mission, international developments and stakeholder feedback have driven us through several important reform projects over the past year.

In FY08/09, a steering committee, under the chairmanship of Attorney-General Professor Walter Woon, was set up to review the Companies Act. The aim of the review is to retain an efficient and transparent corporate regulatory framework that supports Singapore's growth as a global hub for both businesses and investors, while keeping the costs of compliance low and manageable. Five broad areas of reform, namely, directors' duties, shareholders' rights and meetings, capital maintenance (including amalgamations and takeovers), accounts and audits, and the administration of companies, have been identified as part of the review to keep Singapore's corporate regulations relevant in this rapidly evolving ecosystem. The last time the Companies Act went through a comprehensive review was in 1999.

In addition to regulatory reform, ACRA also constantly looks at how existing processes can be further reduced or streamlined to benefit the business community. ACRA is currently working with external parties to provide a tool for the business community, which allows financial information in eXtensible Business Reporting Language (XBRL) to be transformed into meaningful visual reports for benchmarking and trend analyses. We will be making this available by the end of 2009, to help the stakeholders in the business community make better business decisions, especially during such economically difficult times.

More recently, ACRA, as one of the key initiators of the Government's Unique Entity Number (UEN) initiative, has made interaction between business entities and government agencies much easier and more convenient. With UEN, business entities only need one number to interact with government agencies.

We have been revamping BizFile, our electronic business filing and information retrieval system, in phases to make the system more user-friendly. In addition to simplified e-forms and reducing steps to complete the e-forms, we have introduced value-added services such as displaying review pages, allowing filers to check and verify particulars before proceeding to make payment.

The Public Accountants Conference (PAC) 2008 was a success, with record attendance and good reviews. A number of key reports on ACRA's regulatory and development work pertaining to the audit oversight and the accountancy sector also received positive interest.

ACRA sees itself as not just a regulator of businesses and public accountants, but also as a business facilitator, playing a part in ensuring that entrepreneurship remains an attractive alternative. We take added measures to create more awareness about compliance issues, such as sending automated reminders to company directors to hold Annual General Meetings (AGMs) on time, publishing guidelines on our website on applying for extensions for holding AGMs, and sending out congratulatory letters to newly appointed directors showing compliance with statutory requirements, etc.

I would like to take this opportunity to extend my gratitude to all who have worked with us in the past year – especially our staff, professional bodies, industry associations and government agencies – for their tenacity and continuous support, as well as all members of the business community and public who have taken the time to give us invaluable feedback.

We look forward to a new year and another excellent occasion of making it happen. All of us at ACRA are heartened that our efforts to serve the public better have not gone unnoticed. Nine ACRA employees received the Excellent Service Award (EXSA) from SPRING Singapore last year for their outstanding service. This award seeks to develop service models for staff to emulate, create service champions and professional services. I would like to express my appreciation to each and every staff member of ACRA for their dedication and commitment in serving the public.

Thank you. It is together with you that we make our vision a reality.

Juthika Ramanathan  
Chief Executive, ACRA



# board members



Mr Teo Ming Kian



Ms Juthika Ramanathan



Mr Thean Lip Ping



Ms Chua Geok Wah



Mr Ong Yew Huat



Dr Ernest Kan



Mr Kon Yin Tong



Professor Pang Yang Hoong

# board members



Mr Loh Hoon Sun

Mr Lawrence Kwan

Mr Lam Yi Young

Mr Steven Chong



Mr Dilhan Pillay Sandrasegara

Dr Andrew Khoo

Mr Olivier Lim

Ms Kristin Elizabeth Paulson

## ACRA board

# public accountants oversight committee (PAOC)

### Chairman:

Mr Thean Lip Ping

### Members:

Mr Ong Yew Huat

Ms Chua Geok Wah

Dr Ernest Kan

Mr Kon Yin Tong

Professor Pang Yang Hoong

The PAOC promotes audit quality and protects the public interest through such functions as the registering of public accountants, the determining of standards and other professional requirements, the administering of the Practice Monitoring Programme (PMP), and complaints and disciplinary procedures. The PAOC meets on a monthly basis.

The PAOC's highlights in the past year include:

- Decisions with respect to the PMP reviews of 49 public accountants. The PAOC's work with respect to PMP is reported in ACRA's Annual PMP Public Reports;
- Adopting an enhanced Code of Professional Conduct and Ethics based on the Code of Ethics of the International Federation of Accountants, a global benchmark for ethical and independence requirements. The enhanced Code of Professional Conduct and Ethics will come into effect on 1 August 2009;

- The enhanced oversight of the Audit and Assurance Standards Committee (AASC) of the Institute of Certified Public Accountants of Singapore, which develops the auditing standards to be applied by public accountants. The PAOC's oversight of the key processes of the AASC is intended to ensure a robust and credible standards setting process; and
- The amendments to the Accountants (Public Accountants) Rules, including one to enable more flexibility in the recognition of practical experience, so as to facilitate the entry of suitably experienced auditors into the profession.

## ACRA board

# strategic planning and policy committee (SPPC)

### Chairman:

Mr Teo Ming Kian

### Members:

Ms Juthika Ramanathan

Mr Thean Lip Ping

Ms Kristin Elizabeth Paulson

Mr Dilhan Pillay Sandrasegara

Mr Steven Chong

The SPPC helps to set ACRA's strategic direction to promote a business-friendly environment in Singapore. The SPPC also provides guidance and oversees initiatives to strengthen Singapore's corporate governance framework and disclosure standards. The SPPC also ensures that ACRA's policies are responsive, sound and effective, and supported by an effective monitoring and enforcement regime.

The SPPC's highlights in the past year include:

- Approving a proposed strategy for the promotion of growth and development in Singapore's accountancy sector;
- Endorsing the strategic approach for the regulation of auditors, which will set the direction for the review of the Accountants Act;

- Supporting the initiative to review defunct local companies that meet ACRA's criteria for striking-off;
- Considering various strategies to raise the level of voluntary compliance and reviewing penalties and fines;
- Supporting ACRA's initiated collaboration with a private-sector service provider to explore how ACRA can leverage software to unlock the value of XBRL, and eventually introduce dynamic business intelligence to benefit the business community; and
- Considering quarterly surveillance conducted on legal policies of the business legislations in various leading jurisdictions. These surveillance reports were forwarded to the secretariat of the Steering Committee reviewing the Companies Act (SC) for its consideration. In addition, the SPPC was also informed about the progress of SC's review and other law reform reviews.



## ACRA board

# audit committee (AC)

### Chairman:

Mr Ong Yew Huat

### Members:

Mr Lawrence Kwan

Mr Loh Hoon Sun

Mr Kon Yin Tong

The AC provides an independent review of ACRA's financial reporting, which includes reviewing the effectiveness of ACRA's internal controls and the sufficiency of ACRA's external and internal audits. The AC helps ACRA to develop an overall audit strategy based on ACRA's risk exposure.

The AC's highlights in the past year include:

- Endorsing the process for monitoring risks, reviewing the risk register and deriving the list of audit tasks for the revised risk-based audit plan;

- Completing five internal audit reviews of ACRA's operational processes and outsourcing four audit tasks to review certain audit scopes from the risk-based audit plan – in accordance with the audit plan; and
- Reviewing ACRA's statutory financial statements for FY08/09 before the ACRA Board endorses and approves the financial statements.

## ACRA board

# human resource committee (HRC)

### Chairman:

Mr Lam Yi Young

### Members:

Ms Juthika Ramanathan

Dr Ernest Kan

Professor Pang Yang Hoong

Dr Andrew Khoo

ACRA, being a Category 2 Statutory Board, independently sets its salaries and other conditions of service, including performance bonuses and new employment schemes. The HRC provides guidance on HR matters, namely, recruitment and appointment, appraisal and deployment, training and development, reward and recognition, benefits, code of conduct, disciplinary actions, industrial relations and release. At the same time, the HRC ensures that ACRA has fair and rigorous HR systems aimed at positioning ACRA as a competitive employer of choice. The HRC also ensures that personnel decisions adhere to the core values of meritocracy, impartiality and incorruptibility.

The HRC's highlights in the past year include:

- Reviewing and revising the approving authorities for personnel matters to provide for more effective and efficient HR processes; and
- Endorsing the revision of ACRA's performance bonus framework to enable the organisation to use the performance bonus as a management tool to reward better performing officers.

## ACRA board

# investment committee (IC)

### Chairman:

Mr Steven Chong

### Members:

Mr Olivier Lim

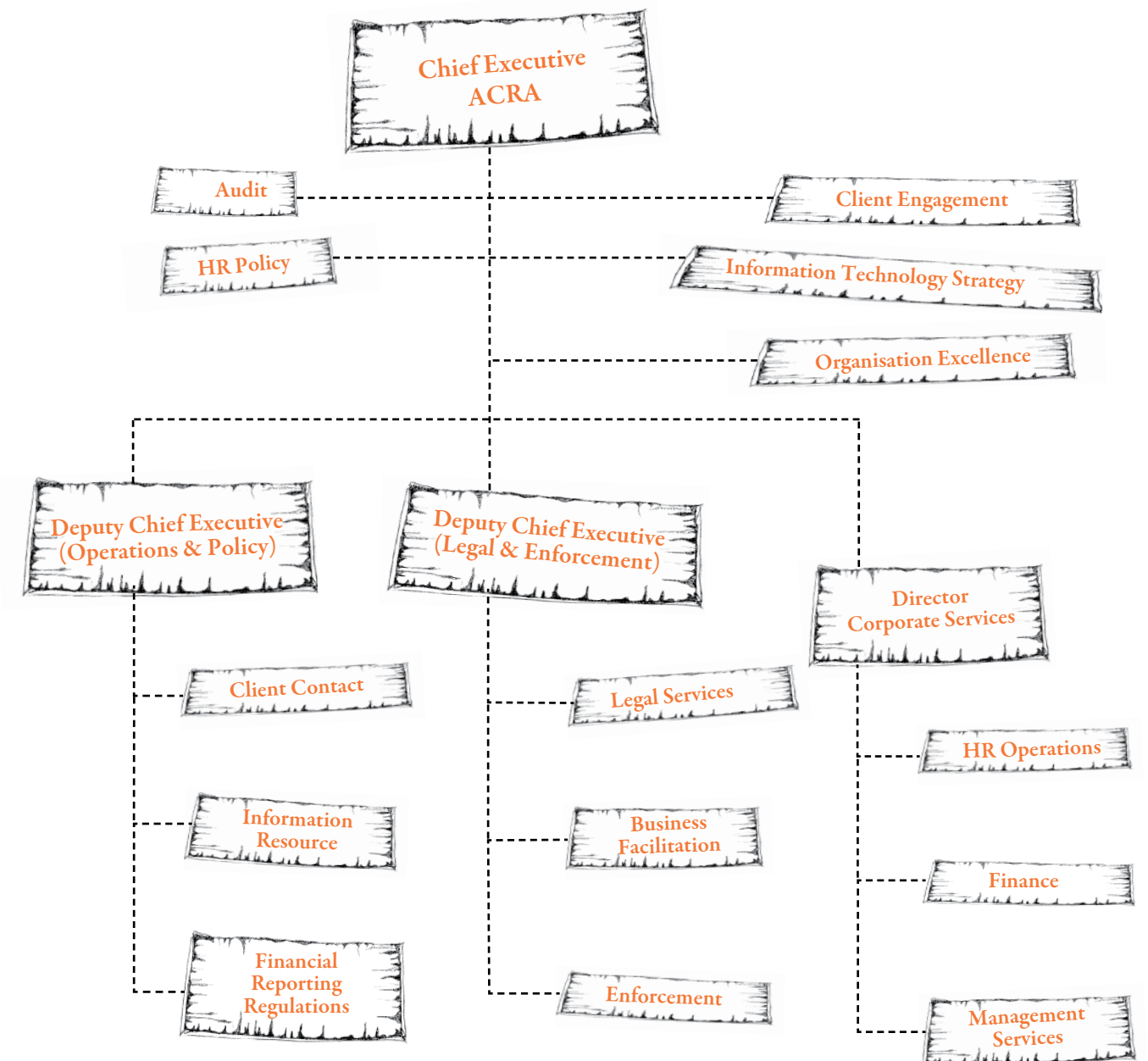
Ms Juthika Ramanathan

The IC was newly set up on 1 April 2008 to assist the ACRA Board in the investment of its funds.

The IC's highlights in the past year include:

- Developing guidelines for investment;
- Co-opting investment professionals into the IC to provide expert advice on investment-related matters which the ACRA Board has endorsed. Mr Peter Ng Loh Ken, a financial advisory professional, has been co-opted into the IC, as of 24 February 2009; and
- Evaluating suitable investment proposals that meet ACRA's risk-return profile.

# organisation structure



# senior management



**Ms Juthika Ramanathan**  
Chief Executive



**Mr Muhammad Hidhir Abdul Majid**  
Deputy Chief Executive  
Legal & Enforcement



**Mr Ow Fook Chuen**  
Deputy Chief Executive  
Operations & Policy



**Mr William Lee**  
Head  
Enforcement



**Mrs Chng-Lee Soon Gim**  
Head  
Management Services



**Mr Ho Shee Yan**  
Head  
Audit



**Ms K Latha**  
Head  
Business Facilitation



**Ms Vivien Chow**  
Head  
Client Contact



**Mr Dave Lau**  
Head  
Finance



**Mr Terence Ong**  
Head  
General Counsel



**Ms Toh Wee San**  
Head  
Legal Policy & Reform



**Ms Lam Chien Ju**  
Head  
Profession Oversight



**Ms Wee Puay Hwa**  
Head  
Human Resource



**Mr Manoj Abraham**  
Head  
Information Technology Strategy



**Mrs Loy Wei Sun**  
Head  
Information Resource



**Mr Ivan Koo**  
Head  
Financial Reporting Oversight



**Ms Shirlynn Loo**  
Head  
Strategy & Planning

# about ACRA

The Accounting and Corporate Regulatory Authority, Singapore (ACRA) is the national regulator of businesses and public accountants in Singapore. It was formed on 1 April 2004, following the merger of the former Registry of Companies and Businesses (RCB) and the Public Accountants' Board (PAB).

For FY08/09, we have reviewed our strategic framework with a particular emphasis on our role as a developer vis-à-vis business entities and the public accountancy profession. Arising from that review, our primary role and secondary roles have been repositioned, i.e.:

**Primary role** – regulator of business entities and the public accountancy profession

**Secondary role** – facilitator for the development of business entities and the public accountancy profession

As a regulator and facilitator, ACRA constantly strives to create a vibrant, trusted and secure environment for businesses, and to make Singapore truly the best place for doing business. Thus, it came as no surprise when Singapore topped the "Ease of Doing Business" category in the World Bank's "Doing Business 2009" international survey for the fourth consecutive year in 2009.

ACRA continues to develop a responsive and trusted pro-enterprise environment through the following key functions:

- **Regulating Businesses**

An environment steeped in trust and integrity is pivotal for the rapid and steady growth of Singapore's businesses. Through the administration of the Accountants Act, the Business Registration Act, the Companies Act, the Limited Liability Partnerships Act and the Limited Partnerships Act, ACRA plays a leading role in making Singapore a trusted and attractive place to do business.

- **Advising on Regulatory Policies**

Working closely with both business entities and public accountants, ACRA is keenly aware of what is going on within Singapore's economic ecosystem. This strategic position makes ACRA a vital organisation that advises the Government regarding regulations and policies pertaining to Singapore's business environment and accountancy sector.

Through ACRA's active involvement, these policies and regulations are shaped, refined and improved, enhancing the awareness of our stakeholders, and increasing voluntary compliance within the business sphere. Through such initiatives, Singapore's economic ecosystem is strengthened, enhancing its regional and worldwide presence.

- **Creating a Dynamic Business Environment**

One of ACRA's key goals is to develop the strength and dynamism of Singapore's business environment. By facilitating the ease of starting, doing and growing businesses in Singapore, we create a truly vibrant ecosystem which draws both entrepreneurs and investors. This is made even stronger through ACRA's initiatives to improve and grow Singapore's accountancy sector, resulting in the internationally trusted business and financial hub that Singapore has evolved to become today.

- **Maintaining Excellence in Auditing and Financial Reporting**

Through ACRA's committed involvement and strategic policies, we constantly promote and maintain a high standard of auditing and corporate financial reporting within Singapore's economic ecosystem, building confidence in Singapore's corporate financial reports, as well as the integrity of its economic system.

- **Becoming an Effective Force Supporting the Market**

ACRA passionately believes in operating with the highest levels of effectiveness and efficiency, to strengthen and build the economic presence of Singapore regionally, as well as around the world.

Through our active involvement in international engagements and organisations, such as being one of the founding members of the International Forum of Independent Audit Regulators (IFIAR), and maintaining strong relations and constant interaction with our international counterparts, we ensure that we are always up to date with worldwide developments and initiatives, ensuring that we stay at the forefront of our field.

# our divisions

## Audit Division

The Audit Division (AD) reports to the Audit Committee (AC) and assists the ACRA Board by performing independent and objective financial reviews of ACRA. Its critical role includes determining recommendations to improve internal quality control mechanisms, so as to aid ACRA in realising its full competencies.

## Business Facilitation Division

The Business Facilitation Division (BFD) oversees the registration of business entities, i.e. sole proprietorships/partnerships, local companies, foreign branches, limited partnerships and limited liability partnerships in Singapore. The BFD also manages the registration of documents, notices, and returns filed by business entities through its electronic filing system, BizFile. The division also participates regularly in outreach events organised by ACRA and other agencies. These events serve as a platform for public education for the business community and aspiring entrepreneurs.

## Client Contact Centre

The Client Contact Centre (CCC) delivers value to the business community by providing customers with a one-stop, focused and effective interface for queries and dealings with ACRA. The CCC leverages research and statistical analysis of transaction data and customers' feedback to continually review and improve its service delivery. The division also focuses on effective corporate communication strategies to advance the image of ACRA.

## Client Engagement Unit

As a bridge between ACRA and its stakeholders, the Client Engagement Unit (CEU) builds business awareness and compliance through various engagement initiatives. The CEU organises year-round forums, conferences and dialogues to promote greater awareness about the roles of ACRA, thereby enhancing ACRA's visibility as a proactive partner of the business community. Some of the regular events organised by the CEU include the Start-Up Conferences and Seminars, the Essentials for Business Seminars, the ACRA @ The Heartlands Seminars and Talks, etc.

## Enforcement Division

The Enforcement Division (ED) strives to encourage voluntarily compliance. Driven by voluntary compliance resulting from public education and awareness programmes, the ED regulates with a firm, yet compassionate, approach. When enforcement is necessary, the ED is swift and just. The division comprises two units – the Representations & Summons (R&S) Unit and the Investigation Unit.

The R&S Unit plays a crucial role in ensuring that business entities registered with ACRA comply with timely disclosures of information. It looks after the general compliance of the businesses and individuals that ACRA regulates. In addition, the R&S officers consider legal representations made in connection with enforcement actions such as the imposition of penalties and the issuance of summonses.

The Investigation Unit investigates complaints lodged about non-compliance under the various legislations administered by ACRA, e.g. the failure to notify ACRA regarding changes in business addresses or registered office addresses of companies, resignations of directors/secretaries, and other irregularities, such as the conducting of business without registration or non-disclosure of substantial shareholdings.

## Finance Division

The Finance Division (FD) takes charge of all aspects of ACRA's budgetary decisions and accounting processes. Exercising financial prudence, the FD ensures optimal allocation of monetary resources to meet ACRA's operational needs and organisational objectives.

## Financial Reporting Regulations Division

High quality audit and corporate financial reporting are vital elements of a trusted business environment and pillars of an international financial centre. The Financial Reporting Regulations Department (FRRD) seeks to achieve this strategic outcome for ACRA and Singapore through regulatory roles in the areas of corporate financial reporting, auditor oversight, and policy review and formulation.

In addition, the FRRD supports the Public Accountants Oversight Committee (PAOC) in the registration and regulation of public accountants and public accounting entities, and regulates the public accountancy profession in Singapore.

## Human Resource Division

The Human Resource Division (HRD) works towards building ACRA's reputation as a choice employer. The HRD designs ACRA's HR structure to realise the organisation's full potential. The HRD's goals are aligned with ACRA's mission and strategic outcomes, and it focuses on every HR function, from recruiting officers to developing and retaining talent.

## Information Resource Division

As custodians and managers of business information, the Information Resource Division (IRD) protects the integrity and preservation of data. The IRD also provides value-added services to meet the changing demands of the business community. Being a trusted depository of records on registered business entities and public accountants in Singapore, the IRD facilitates business development through the provision of timely, accurate and consistent information. The division constantly reviews information needs and provides value-added information to meet the changing demands of the business community. It has established strategic alliances with information service providers to meet the information needs of the fast-growing marketplace.

## Information Technology Strategy Division

The Information Technology Strategy Division (ITSD) capitalises on the latest IT solutions and works closely with all divisions to facilitate ACRA's operations and service deliverables to the business community. The ITSD also advises ACRA regarding new IT initiatives in alignment with ACRA's strategic directions and Singapore's e-Government strategies.

## Legal Services Division

The Legal Services Division (LSD) advances ACRA's mission and strategic goals by providing legal services regarding ACRA's policies and operational matters. The division comprises two units – the General Counsel's Unit (GCU) and the Legal Policy and Reform Unit (LPRU). The units oversee two major areas of work.

The GCU deals with the provision of sound and timely legal advice and services. This includes the interpretation of laws, drafting and vetting legal documents, and liaising with external parties and lawyers regarding legal matters affecting ACRA. The unit also provides guidance for enforcement officers in their investigations, as well as ACRA officers in disciplinary matters under the Accountants Act. In addition, the GCU represents ACRA in both criminal and civil proceedings.

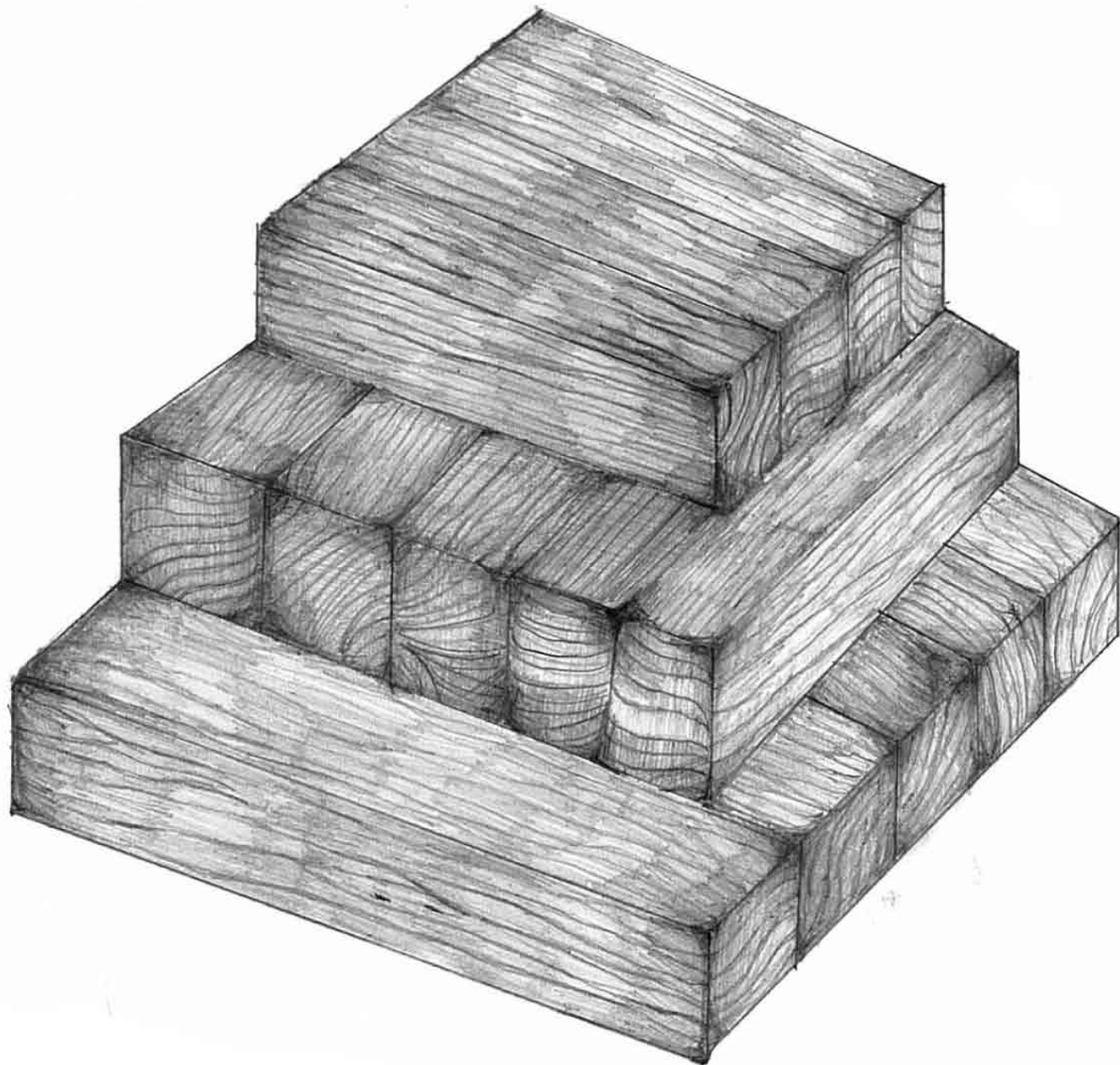
The second area of work, which is undertaken by the LPRU, involves reviewing business laws and formulating legal policies to meet evolving business needs, as well as educating the business community about such reforms. The unit actively monitors and studies legal developments in Singapore and leading jurisdictions to further enhance Singapore's corporate regulatory framework, and improve the Republic's international competitiveness. The LPRU also served as the secretariat for the ACRA Board as well as one Board committee.

## Management Services Division

The Management Services Division (MSD) provides support architecture to the organisation, managing ACRA's records, tangible assets and facilities, thereby creating favourable situations for ACRA to execute its strategic outcomes and activities. It also administers the Electronic Registry System (ERS), an automated workflow and document management system that aims to shorten turnaround time and improve ACRA's responsiveness to customers' written communication.

# building upon a strong foundation

The trust and confidence our stakeholders have in us is the result of the integrity of the business and public accounting regulatory frameworks that we have developed over the years. Through constant review and refinement of our legislation and policies, we build upon our reputation as an internationally trusted business and financial hub.



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## **Elena Yeo**

Legal Service Officer (Legal Services Division)

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I am part of a team that reviews business laws and formulates legal policies to facilitate business in Singapore, through the active monitoring and analysis of legal developments – both in Singapore and other leading countries. My team engages and reaches out to the relevant professionals and business community through consultations and dialogues. We also strive to advance Singapore's corporate regulatory framework and improve Singapore's international competitiveness.

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### Steering Committee to Review the Companies Act

The Minister for Finance has appointed a Steering Committee to review the Companies Act to build an efficient and transparent corporate regulatory framework that supports Singapore's growth as a global hub for businesses and investors. The Steering Committee was appointed in October 2007, and is chaired by Attorney-General Professor Walter Woon. The Steering Committee is made up of members from the private sector, business community, academia and public agencies, including ACRA. The Steering Committee is supported by a joint secretariat comprising Ministry of Finance (MOF), the Attorney-General's Chambers (AGC) and ACRA.

The Steering Committee has identified five broad areas of reform, namely, directors' duties, shareholders' rights and meetings, capital maintenance (including amalgamations and takeovers), accounts and audit, and the administration of companies, and it has formed five working groups to examine them. ACRA leads one of the working groups and participates in the remaining working groups. ACRA is also responsible for the research and secretariat work for three of the working groups. The Steering Committee is expected to issue its proposals for public consultation in the first half of 2010, and a new Companies Bill will be drafted following the policies adopted. The Companies (Amendment) Bill 2008, which was originally targeted for FY07/08, has been deferred to be merged with the new Companies Bill from this project.

### Study on Directors' Duties

ACRA initiated and completed a study on the responsibilities and duties of directors in July 2008.

The study reviewed the responsibilities of company directors for internal controls, accounting policies and estimates that are relevant to companies' financial statements, and how these responsibilities should be reflected in the law, considered if the codification of directors' general duties in the United Kingdom (UK) Companies Act 2006 was suitable for adoption in Singapore, as well as other related areas. A two-part report containing 23 recommendations has since been submitted to the Ministry of Finance and the Chairman of the Review of the Companies Act Steering Committee.

### Review of the Regulatory Regime for Branches of Foreign Entities

ACRA and the Companies Act Rewrite Steering Committee Working Group 5 have completed the review of the existing regulatory regime for branches of foreign entities registered in Singapore under the Companies Act. The review included new areas which were not consulted in a previous consultation conducted in 2007. The recommendations will be issued for consultation in FY09/10.

### Developing New Initiatives to Raise the Level of Voluntary Compliance

ACRA has completed a review of its regime for regulatory filings, and has developed new strategies to emphasise the importance of timely and accurate disclosures of corporate and financial information. The strategies incorporate the carrot-and-stick approach in the filing of such information. Some of the measures include cleaning up the register of defunct companies, assisting financially-stricken companies, promoting greater public education about compliance issues and re-engineering behavioural changes by introducing incentives such as Certificate of Good Conduct for voluntary compliance, or imposing greater penalties for recalcitrant non-compliance.

## Growth and Development of the Accountancy Sector

### Strong Professional Environment

ACRA's efforts in promoting a strong professional environment for Singapore's public accountancy profession had a good beginning in FY08/09, when we held constructive discussions through focus group sessions with key stakeholders, including public accountants and the Economic Development Board (EDB), the International Enterprise (IE) Singapore, the Institute of Certified Public Accountants of Singapore (ICPAS), CPA Australia, Association of Chartered Certified Accountants (ACCA), the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Australia and Ministry of Manpower (MOM).

An oversight framework for the Public Accountant Oversight Committee (PAOC)'s oversight of ICPAS' Audit and Assurance Standards Committee (AASC), which develops the auditing standards to be adopted by ACRA, has been finalised, with PAOC approving AASC's Terms of Reference, and the ICPAS Council formally adopting the Terms of Reference in January 2009. This process is designed to enhance the robustness of, and public confidence in, the auditing standard setting process.

ACRA's efforts in promoting a strong professional environment for the Singapore accountancy sector yielded positive results when ACRA and EDB successfully attracted the Institute of Chartered Accountants in England and Wales to set up its first South East Asia Hub in Singapore.

### Committee to Develop the Accountancy Sector

In December 2008, the Government set up a high-level committee known as the Committee to Develop the Accountancy Sector (CDAS) to undertake a comprehensive review of the accountancy services sector, in order to position Singapore as the leading international centre in Asia for the provision of professional accountancy services as well as the development of top-notch accountancy professionals. Minister for Finance, Mr Tharman Shanmugaratnam, believes the CDAS' recommendations will "chart the future directions for the sector, consistent with our goal of enhancing Singapore's role as a leading international financial and business hub".

The full composition of the CDAS comprises leading members of the accounting profession, the business community, academia and the public sector. Mr Bobby Chin, formerly Managing Partner of one of the leading accounting practices in Singapore and currently serving as Chairman of the Tote Board (Singapore Totalisator Board), chairs the CDAS. The Committee will issue its final report in February 2010.

### Review of the Accountants Act

ACRA has commenced a comprehensive and fundamental review of the Accountants Act. The review aims to develop an Act that provides a modern supervisory framework for regulating the auditing profession, taking into account developments in leading jurisdictions.

### Code of Ethics for Public Accountants

The ACRA Board and Minister for Finance approved an enhanced Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities in FY08/09, which will come into effect on 1 August 2009. The enhanced Code will replace the existing Code of Professional Conduct and Ethics currently contained in the Fourth Schedule to the Accountants (Public Accountants) Rules. The enhanced Code assures the public that public accountants undertake their work with integrity, objectivity, competence, due care, confidentiality and proper professional behaviour, and provides a more comprehensive framework for public accountants and accounting entities to manage ethical and independence issues.



# enhancing an effective framework

The success of an organisation is largely dependent on its understanding of its customers' needs and reviewing existing frameworks to provide better service. At ACRA, we always strive to do our best and operate in the most effective and efficient way possible to serve our stakeholders.

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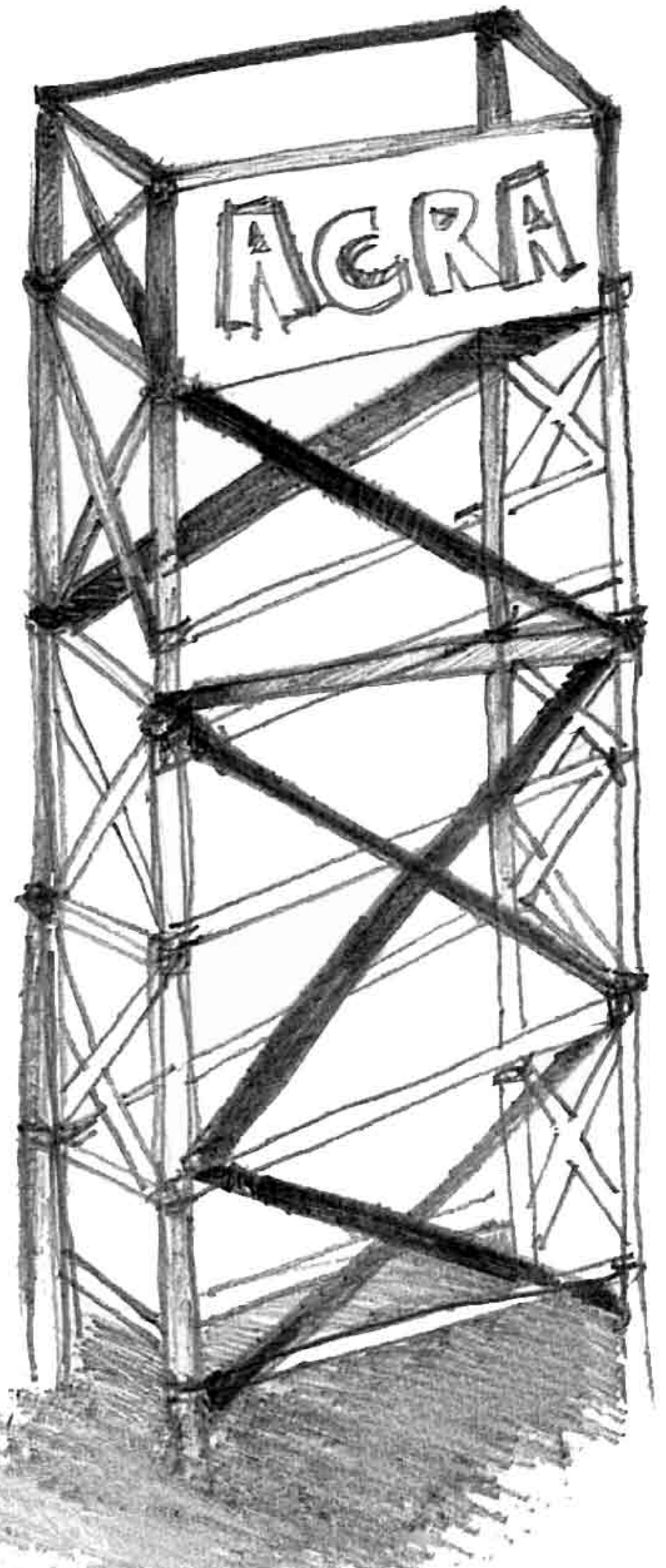
## Jane Thien

Manager, Projects (Business Facilitation Division)

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I am one of the managers in charge of projects. In support of ACRA's public education efforts, I give presentations on "Doing Business in Singapore" at outreach events. I am a member of the Limited Partnerships Working Committee and played a key role in the launch of this new business vehicle. In addition, I am the coordinator for the ACRA-SAICSA dialogues, as well as a member of the ACRA Business Continuity Management team. I am honoured to have been nominated to be part of the MOF President's Challenge Committee, which has been formed to raise funds for the President's Challenge 2009, in conjunction with MOF's 50<sup>th</sup> Anniversary Celebrations this year.

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### Upgrading of BizFile

Our award-winning electronic filing and information retrieval system, BizFile, reflects one of ACRA's key endeavours to serve the business community better. The BizFile offers close to 300 e-services, serving as a one-stop facilitator for businesses. With the integration of e-services with multiple agencies such as the Singapore Customs, Inland Revenue Authority of Singapore, Spring Singapore and Singapore Government Network Information Centre, business owners can now be GST-registered, reserve their web domain name or activate their customs account, among other business processes. To meet the needs of the dynamic business community and promote a pro-enterprise movement in Singapore, the upgrading of BizFile has been rolled out in phases.

The BizFile project was also featured in the World Bank publication, "Celebrating Reform 2008", sharing the success of ACRA's experience with other countries. In his speech at the ACE Bluesky Festival 2008, Prime Minister Lee Hsien Loong celebrated the success of the BizFile and encouraged more public sector agencies to do likewise. He also commented that the BizFile project is a good example of public sector innovation.

### Review of BizHub

BizHub is a system that enables both government agencies and the private sector to purchase data in bulk from ACRA's database to meet their operational and business needs. As part of the Integrated Government 2010 (iGov2010) initiative regarding Enhancing Capacity and Synergy in Government, the BizHub has leveraged interoperable format Extensible Markup Language (XML) to enhance its sharing of structured business data with agencies. Since January 2009, BizHub agencies have been able to share information between different kinds of systems and applications without the need to pass through layers of conversion. Currently, the BizHub is reviewing the potential of utilising the XML validation capability to embed business rules in the XML data schema for data quality assurance.

### Development of Compliance Surveillance Program for Foreign Companies

To be in line with our objective of being more proactive in our enforcement, ACRA has expanded its scope and taken on more proactive roles in the area of annual filings of foreign companies. Greater awareness is created through the use of educational letters targeting local agents. A Compliance Surveillance Program is also in place to track and deal with defaulters, through the use of composition offers and other forms of penalties. If this fails, ACRA will then proceed with prosecution action against the agents of these foreign companies.

### Operationalisation of Investigation Manual

ACRA has completed its effort to customise an Investigation Manual for ACRA officers to enhance their investigation capabilities. The Manual was operationalised in February 2009. The Manual ensures better consistency and increased efficiency in the handling of investigation cases. It also serves as reference material and a training tool for new officers joining the Enforcement Division. During the course of drafting the Investigation Manual, ACRA also reviewed its investigation processes. As a result of the review, ACRA has implemented a new ISO procedure for investigations and has set new service standards to measure the efficiency of its investigation work, so as to ensure that all investigation cases and enforcement actions are executed swiftly.

### Limited Partnerships Act

Local and foreign investors were given greater flexibility in their business structures when the Singapore Parliament passed the Limited Partnerships Bill on 18 November 2008 to enact the Limited Partnerships Act 2008. ACRA launched the new business vehicle, "Limited Partnerships", on 4 May 2009. The distinct feature of the LP is for the partnership to have at least one general partner and one limited partner. An LP does not have a separate legal entity from the partners, i.e. it cannot sue or be sued or own property in its own name. With the LP, four different types of business entities, namely, sole proprietorships and general partnerships, limited partnerships, limited liability partnerships, and companies, are available for registration or incorporation as business entities in Singapore.

### Review of Defunct Local Companies

ACRA carried out a review of the defunct local companies on the register in FY08/09. Based on the striking-off criteria, the result showed a total of 13,328 defunct companies. In September 2008, ACRA sent striking-off notices to the first batch of 116 companies as part of a pilot project. From October 2008 to March 2009, ACRA completed sending out the striking-off notices to about 8,000 companies. These were companies with no outstanding summonses or charges. ACRA sent out striking-off letters to the first batch of 500 companies with outstanding summonses in March 2009. Next, ACRA will be moving on to companies with charges. The entire review exercise is expected to be completed by 30 September 2009, when ACRA would have reviewed another 2,700 companies with no directors or no locally resident directors. The completion of this exercise will help ACRA to maintain an up-to-date register of companies as well as raise the compliance rate of the companies on ACRA's register.

### Review of Defunct Foreign Companies

Following an internal review, ACRA has identified a total of 205 foreign companies which were not in compliance with filing requirements, and which satisfied the striking-off criteria. The striking-off exercise for defunct foreign companies was carried out in June 2008. A total of 191 foreign companies were struck off the register in January 2009. ACRA did not proceed with the striking-off of the remaining 14 companies as we had received objections from IRAS and other creditors. Moving forward, ACRA will carry out the review on an annual basis.

### Information Technology Governance

As part of our continuing efforts to improve ACRA's internal systems and processes, and to better align our IT initiatives with our business objectives, ACRA has been strengthening its Information Technology (IT) Governance framework. The IT Governance framework oversees various policies, such as the data classification policy that has been adopted to effectively promote stronger awareness about data protection measures according to the relevant data classification codes. Through such policies initiated as part of the IT Governance framework, ACRA is able to plan ahead and mitigate risks associated with information residing in our systems and that which is exchanged with external parties.

### Customer Experience Study

To gain a better understanding of the needs and expectations of our customers, ACRA conducted a customer experience study in 2008. The initiative entailed a focus group study to determine the key elements of customer experience and their relative importance. The study was affirmed by a quantitative study involving an expectation-performance gap analysis, and the determination of ACRA's value propositions to customers and its customer experience statement. The study was completed by an action plan formulated to address the identified gaps and a customer experience strategy to implement the value propositions and customer experience statement.

### Enhanced Service Delivery Model

ACRA's service delivery model leverages on 24/7 self-help services such as information retrieval from ACRA websites and the Interactive Voice Response System (IVRS), electronic filing and the interactive web enquiry service (Ask ACRA), supplemented by customer assistance through the call centre, e-mails, faxes and counter enquiries. To serve our customers well, we constantly enhance our self-help services and customer touchpoints to deliver customer-centric, intuitive and prompt services. These enhancements include upgrading the call centre's features and facilities, revamping the ACRA website, renovating the reception area to provide more customer-friendly features, and enriching the interactive web enquiry service with the addition of frequently asked questions.

### Enhanced Service Quality

To improve the quality of replies and achieve first-call resolution, ACRA conducts monthly service quality audits to assess its agents' product knowledge and soft skills. ACRA Helpdesk agents go through structured and comprehensive training before they are allowed to take calls. Existing agents undergo refresher courses and immersion programmes, and are updated on new projects, changes in policies, procedures and daily operational issues together with ACRA officers. The agents also undergo routine online tests to refresh and assess their product knowledge. In addition, ACRA has implemented an after-call survey to assess customers' ratings of each agent's performance and their call experience. ACRA has also constructed a knowledge management portal as a reference guide for the agents, as well as to facilitate knowledge transfer.

### Redesigning and Enhancing of the ACRA Website

ACRA is one of the 10 pilot agencies selected to participate in the iGov2010 Strategic Framework: e-Information Maturity Framework study, which seeks to improve the content of government websites. This study included research with citizens and participating agencies regarding website content. We will be enhancing our web content based on the best practices and guidelines identified from the study, as well as feedback gathered from our customers, so that information can be presented in a more comprehensive and user-friendly manner.

### Filing of Financial Statements in XBRL

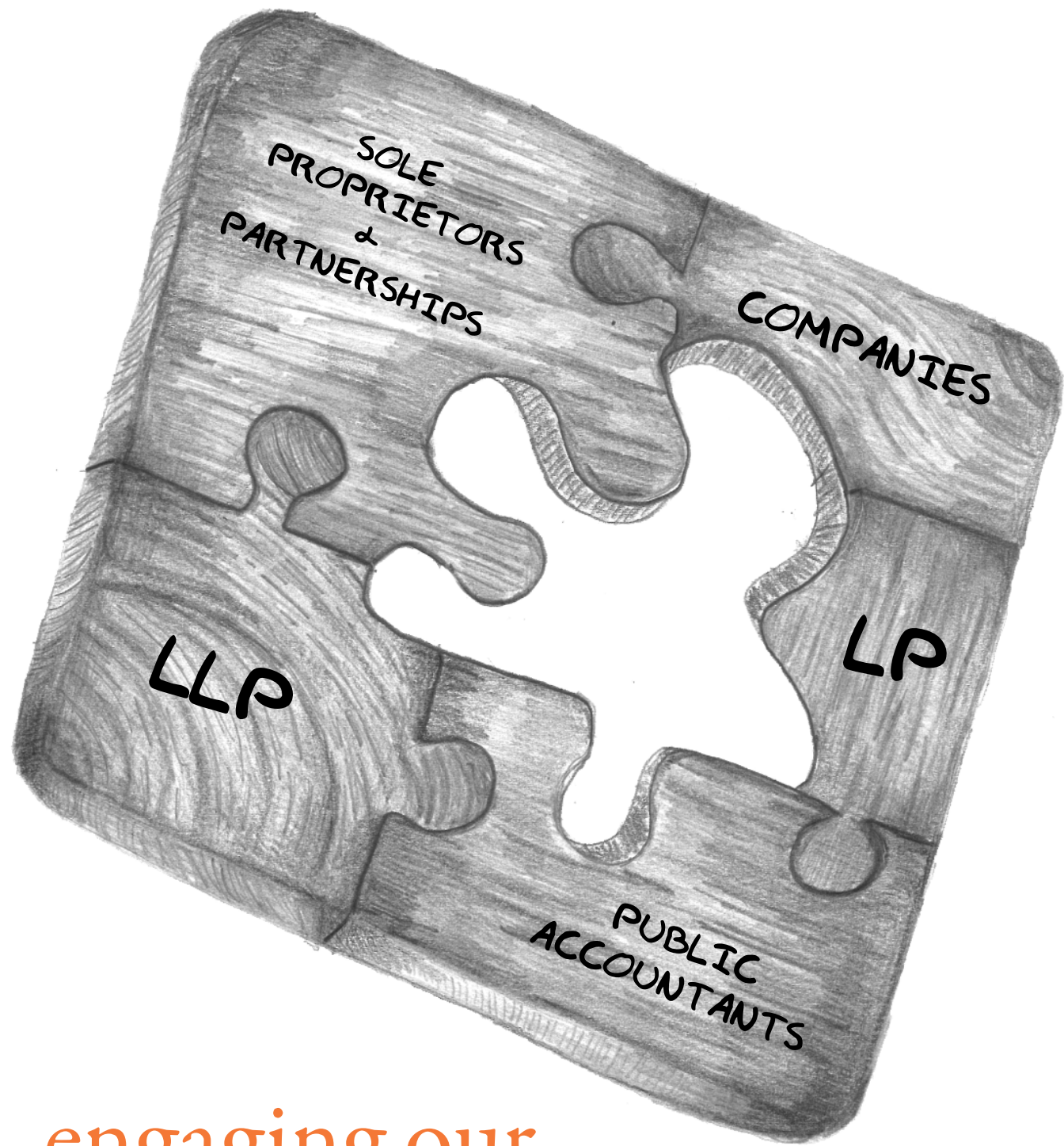
ACRA issued Practice Direction No. 3 of 2008, titled "Filing of financial statements in XBRL: Extension of option 'A' and 'B' filings and revisions to ACRA Taxonomy", on 29 October 2008. As a means of encouraging more companies to prepare and file their full set of financial statements in eXtensible Business Reporting Language (XBRL), ACRA will allow a company to file a full set of financial statements in XBRL that is identical in content to the set used for their annual general meeting. This reflects our intent to move corporate financial statements in Singapore to one single reporting format, which will produce long-term benefits for the nation's business community.

A public consultation was launched by ACRA from 13 October 2008 to 12 December 2008, to obtain feedback regarding the revisions to the ACRA Taxonomy, taking into account the latest changes in the Singapore Financial Reporting Standards (FRS). As part of the public consultation, ACRA participated in a forum organised by the Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA) on 20 November 2008 to present salient points of the consultation paper to its members and gather feedback. Through such public consultations and industry focus group discussions, ACRA has gathered feedback on possible revisions regarding the preparation and filing requirements for financial statements in XBRL in Singapore. In total, seven responses were received from professional associations, accounting and corporate secretarial firms, and members of the public.

ACRA has reviewed the consultation responses, and aims to complete the revisions to the ACRA Taxonomy by the third quarter of 2009.

### Economy Drive and Best Sourcing

ACRA has succeeded in meeting the Whole of Government Economy Drive target of 1% set for public agencies. The total savings amounted to \$435,217.55, which is 1.09% of ACRA's operating budget. The achievement was achieved through various economy drive initiatives, including the recycling of consumables such as toners, switching to lower density paper, better contractual terms for Service-Wide Hosting Environment (SHINE) services, the ceasing of certain prosecution actions, and promotional activities to encourage our officers to cut any wastage and achieve more with every public dollar spent.



## engaging our stakeholders

At ACRA, public education and outreach programmes are part of our holistic approach to creating a business environment. It is with this approach that we engage not only working professionals, but students as well.

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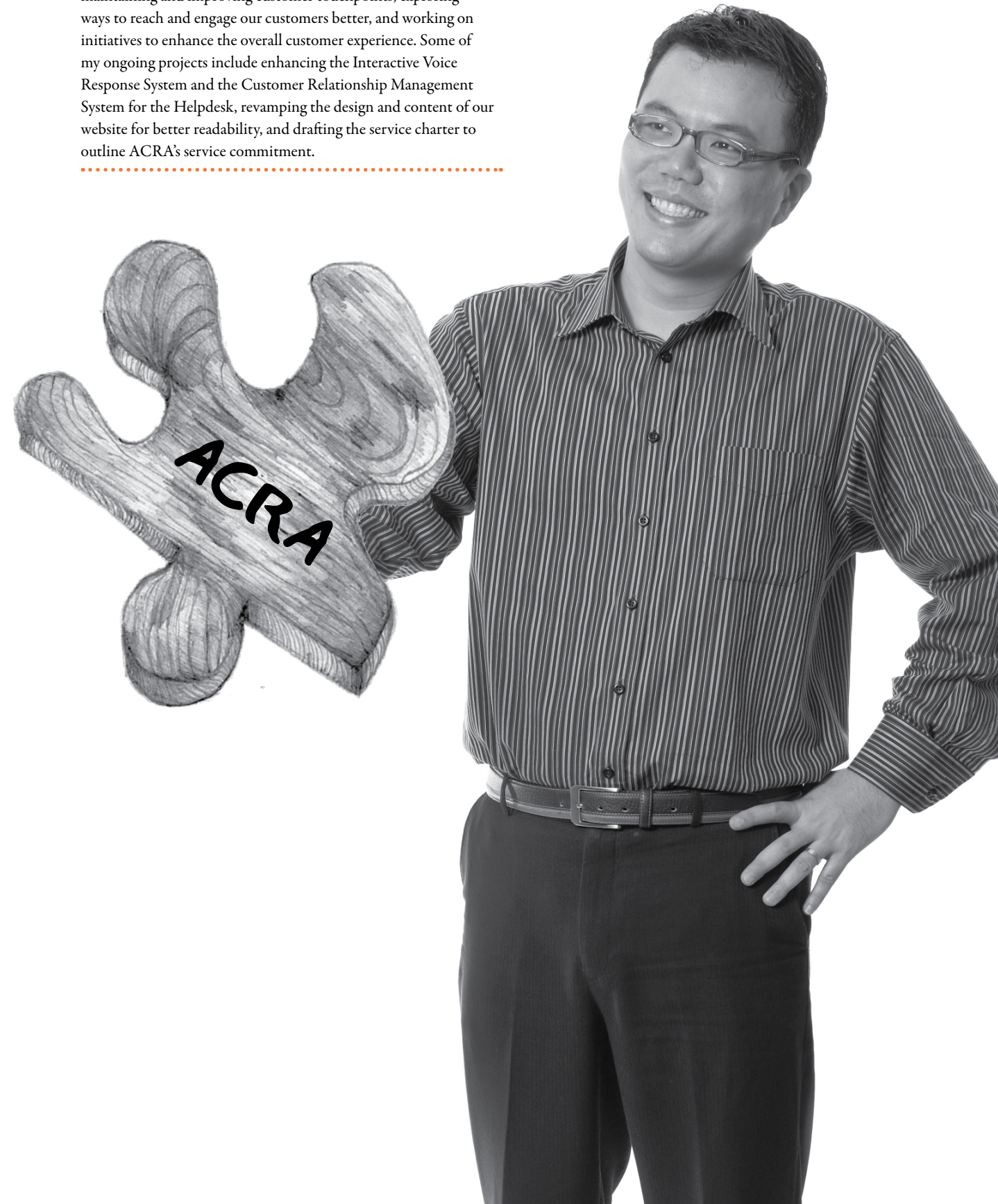
### Roy Tang

Customer Care Manager (Client Contact Centre)

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As a Customer Care Manager, I attend to customer enquiries via calls, e-mails and over the counter. I am actively involved in maintaining and improving customer touchpoints, exploring ways to reach and engage our customers better, and working on initiatives to enhance the overall customer experience. Some of my ongoing projects include enhancing the Interactive Voice Response System and the Customer Relationship Management System for the Helpdesk, revamping the design and content of our website for better readability, and drafting the service charter to outline ACRA's service commitment.

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## Start-Up Conference and Seminars

ACRA organises year-round talks and seminars to promote greater awareness about entrepreneurship as well as to share knowledge about the different types of business entities and statutory requirements in place for doing business in Singapore. Some of these talks and conferences are targeted specially at certain groups with a prescribed objective.

The above events promote public awareness about regulatory responsibilities and key compliance requirements for businesses. ACRA also invites other agencies such as the Inland Revenue Authority of Singapore (IRAS), the Central Provident Fund Board (CPF), Spring Singapore and the Infocomm Development Authority of Singapore (IDA) to share about the services they offer for new enterprises. The annual Start-Up Conference with DP Bureau and the Action Community for Entrepreneurship (ACE), for example, shares key findings of the annual Start-up Enterprise Survey with the participants.

## Essentials for Business Seminars

The Essentials for Business Seminars target directors and key decision makers of companies and businesses, promoting awareness relating to regulatory responsibilities and voluntary compliance issues, as well as sharing information about business growth and sustainability. ACRA held three Essentials for Business Seminars in FY08/09 – two in English and one in Mandarin, targeted at the Chinese-speaking business community. On average, the English seminars attracted 248 attendees and saw the participation of 15 agencies, setting up business booths and clinics. The Mandarin seminar was held in collaboration with the Singapore Chinese Chamber



of Commerce & Industry. The Essentials for Business Seminars are always a hit as participants find the topics covered about the roles and responsibilities of directors very useful and educational. The segregation of the second English seminar in “track” format also received overwhelming support from the participants.

## The Living Courthouse

The Supreme Court organised an open house titled “The Living Courthouse” from 14 to 15 March 2009. The event included a series of legal talks on a variety of topics, and ACRA was invited to give a talk on “Doing Business in Singapore”. Officers from ACRA gave the presentation and answered questions from the attendees of the event. Each attendee was also given a free copy of the ACRA Regulatory & Business Guide for Start-Ups.

## ACRA @ The Heartlands



As part of ACRA’s ongoing efforts to engage the community, ACRA organises regular talks and seminars at the heartlands to promote entrepreneurship among Singaporeans. These talks and seminars are normally organised in partnership with community and grassroots organisations. ACRA organised three such talks in FY08/09. Two of the talks were held at the community clubs (CC), namely, Nee Soon South CC and Marine Parade CC. On average, 180 resident participants, including youths, attended the talks. The third ACRA @ The Heartlands saw the record participation of over 5,000 people. The talk was part of the People’s Association Narpani Pearavai’s Entrepreneurship Carnival held at the Republic Polytechnic. ACRA was one of the 30 private and public agencies that conducted business clinics and workshops at the event. ACRA’s Chief Executive,

Ms Juthika Ramanathan, presented on “Ease of Doing Business” to a full-capacity crowd, and was also one of the panellists, together with MP Inderjit Singh and local businessmen and entrepreneurs. Minister for Finance, Mr Tharman Shanmugaratnam, was the Guest-of-Honour at the event.

## Engaging Students

Moving beyond the heartlands, ACRA also focuses on youth and educational institutions. ACRA participated at the Singapore Management University (SMU)’s Career Choice Seminar on 21 February 2009. ACRA’s Chief Executive, Ms Juthika Ramanathan, was one of the panellists at the Accounting Forum, “The Global Financial Crisis: Accounting at the Crossroads”, held as part of the Career Choice Seminar.



As part of ACRA’s efforts to prepare and educate the youth for a career in accounting, ACRA collaborated with Ngee Ann Polytechnic and organised two XBRL competitions for its students in FY08/09. The inaugural ACRA-Ngee Ann Polytechnic XBRL Competition was held in July 2008. Students researched on global XBRL implementations for the competition, which was also part of their modular requirements.

## Public Accountants Conference

ACRA hosted the Public Accountants Conference as a full-day seminar for the first time in 2008. Themed as “Singapore Accountancy: Riding on the Possibilities”, the two main focuses of the 2008 annual conference were the growth and development of the accountancy profession and high quality financial reporting and auditing. The conference included



presentations and panel discussions from local and international leaders from the accountancy profession, as well as the audit committee and the directors’ community. A record number of 726 participants, including public accountants, company directors and investors, attended the conference. Representatives from CPA Australia and the Association of Chartered Certified Accountants (ACCA) also shared their local industries’ experiences in overcoming challenges to grow and develop the accountancy profession in their respective jurisdictions.

## Public Reports

At the Public Accountants Conference 2008, ACRA launched five reports to engage the accountancy profession and the wider business community and ensure that ACRA’s work is visible – (i) Key Facts and Trends of Singapore’s Accountancy Profession and Market; (ii) Practice Monitoring Programme – Second Public Report; (iii) ACRA’s Regulatory Strategy: Audit Services & Corporate Financial Reporting; (iv) The Registration Framework for Public Accountants “Path to Becoming a Public Accountant”; and (v) ACRA’s Transparency Report: Regulation and Oversight of Audit Services and Corporate Financial Reporting (Financial Year 2007/8).

## JobsCentral Career & Learning Fair 2008

To promote ACRA’s brand and presence, a focus group was formed to play an active role in the JobsCentral Career & Learning Fair 2008. The event provided an excellent opportunity for ACRA to engage in recruitment and a branding exercise with professional job seekers in Singapore.

# growing with our counterparts

ACRA engages relentlessly in the exchange of knowledge with business and accountancy bodies from around the world, ensuring that its capabilities and professionalism are kept up to date and at a world-class level.



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## **Paulien Ge**

Policy Analyst (Financial Reporting Regulations Division)

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I am mainly responsible for analysing and formulating policy recommendations in areas of strategic interest to ACRA, especially in accounting and auditing policies, which involve developing policy papers, briefing notes and presentations, among others. I also provide secretariat support for committees such as the high-level Committee to Develop the Accountancy Sector.

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## Corporate Registers Forum

As a member of the Corporate Registers Forum (CRF), ACRA attended the annual CRF in Vancouver, Canada, in April 2008. CRF organises annual conferences for the purpose of sharing best practices and new developments in the member jurisdictions. Representatives from different corporate registries in the Asia Pacific Region, Canada, UK and European countries participated in the forum, exchanging updates on recent developments in their respective jurisdictions. ACRA's Chief Executive, Ms Juthika Ramanathan, was elected once again as a member of the CRF Executive Committee in 2008, for another term of one year.

ACRA played host to the CRF Executive Committee meeting in Singapore from 20 to 21 November 2008.



## International Forum of Independent Audit Regulators

The International Forum of Independent Audit Regulators (IFIAR) is a global forum for independent audit regulators with an interest in audit quality to share their knowledge and experiences in relation to the audit market environment.

Ms Juthika Ramanathan, ACRA's Chief Executive, was appointed as a member of the first IFIAR Advisory Council, together with other members from France, Norway, Germany, Japan and the United States.

ACRA played an active role in two key IFIAR projects leading up to the meeting, by being a member of the IFIAR Future Directions Taskforce and the Audit Quality Working Group. Active partnership in IFIAR plays a key role in ACRA's continuing efforts to ensure that our auditor oversight framework is internationally reputable and moves in tandem with international norms and developments in the global financial reporting framework.

## Joint Inspections and Collaboration with the ACRA-US Public Company Accounting Oversight Board

ACRA and the US Public Company Accounting Oversight Board (PCAOB) jointly cooperated in audit inspection arrangements for auditing firms that fall within their jurisdictions in FY08/09. ACRA also participated in and made meaningful contributions at the US PCAOB Audit Regulatory Institute in Washington, DC, in May 2008. ACRA's Chief Executive, Ms Juthika Ramanathan, was the co-moderator of a panel session regarding the Asian model of auditing oversight, which involved auditing regulators from China, Malaysia and India. ACRA was also invited to share its best practices on auditing inspection, together with speakers from other leading jurisdictions from Canada, Germany, France and the Netherlands.

## International Association of Commercial Administrators Conference

ACRA officers attended the International Association of Commercial Administrators Conference in Salt Lake City, Utah, from 18 to 23 May 2008. The event allowed ACRA to foster closer ties with its foreign counterpart, as well as engage in an exchange of ideas.

## XBRL International Conferences

ACRA participated in the 17<sup>th</sup> and 18<sup>th</sup> XBRL International Conferences in FY08/09. The 17<sup>th</sup> conference, "The Evolution of Business Reporting: XBRL in Action" was held in Eindhoven, the Netherlands, in May 2008, while the 18<sup>th</sup> conference, "Business Reporting for Better Decisions: by Managers, Investors, Governments and Citizens", was held in Washington, DC, in October 2008.

At the 17<sup>th</sup> conference, ACRA's Head of Financial Reporting participated in a securities regulators panel discussion and gave a presentation about XBRL adoption in Singapore at the Government Regulators track session. The participation at the 18<sup>th</sup> conference allowed ACRA to be plugged into the international XBRL community discussion and knowledge sharing on the latest developments in the XBRL specifications, initiatives and progress of XBRL implementations in other jurisdictions. The international conferences also served as a platform for ACRA to share its experiences with other interested global regulators that have implemented or are considering implementing XBRL.

## XBRL Collaborations

ACRA joined XBRL International Inc. (XII) as a direct participant on 14 October 2008. XII is a not-for-profit consortium of approximately 550 companies and agencies worldwide, working together to build and maintain XBRL, as well as to promote and support its adoption. With this participation, ACRA aims to tap onto the international XBRL community and identify possible collaborative efforts with other jurisdictions that have adopted XBRL. ACRA's long-term strategy is to enable Singapore to become a regional knowledge hub of XBRL expertise, especially since XBRL is the future of business reporting.

ACRA partnered CPA Australia to contribute an article to the CPA Australia magazine in November 2008, titled "XBRL: One Year On". The article was co-authored by ACRA's Deputy Chief Executive (Legal & Enforcement), Mr Muhammad Hidhir Abdul Majid, and Head of Financial Reporting, Mr Ivan Koo. The article examined the impetus for the adoption of XBRL in Singapore, Singapore's XBRL implementation approach, the rationale behind the development of the ACRA Taxonomy, and Singapore's plans for XBRL in the future. This collaboration facilitated ACRA in engaging the business community with our thought process behind the adoption of XBRL. It also allowed ACRA to enhance the transparency of the formulation of our policies.

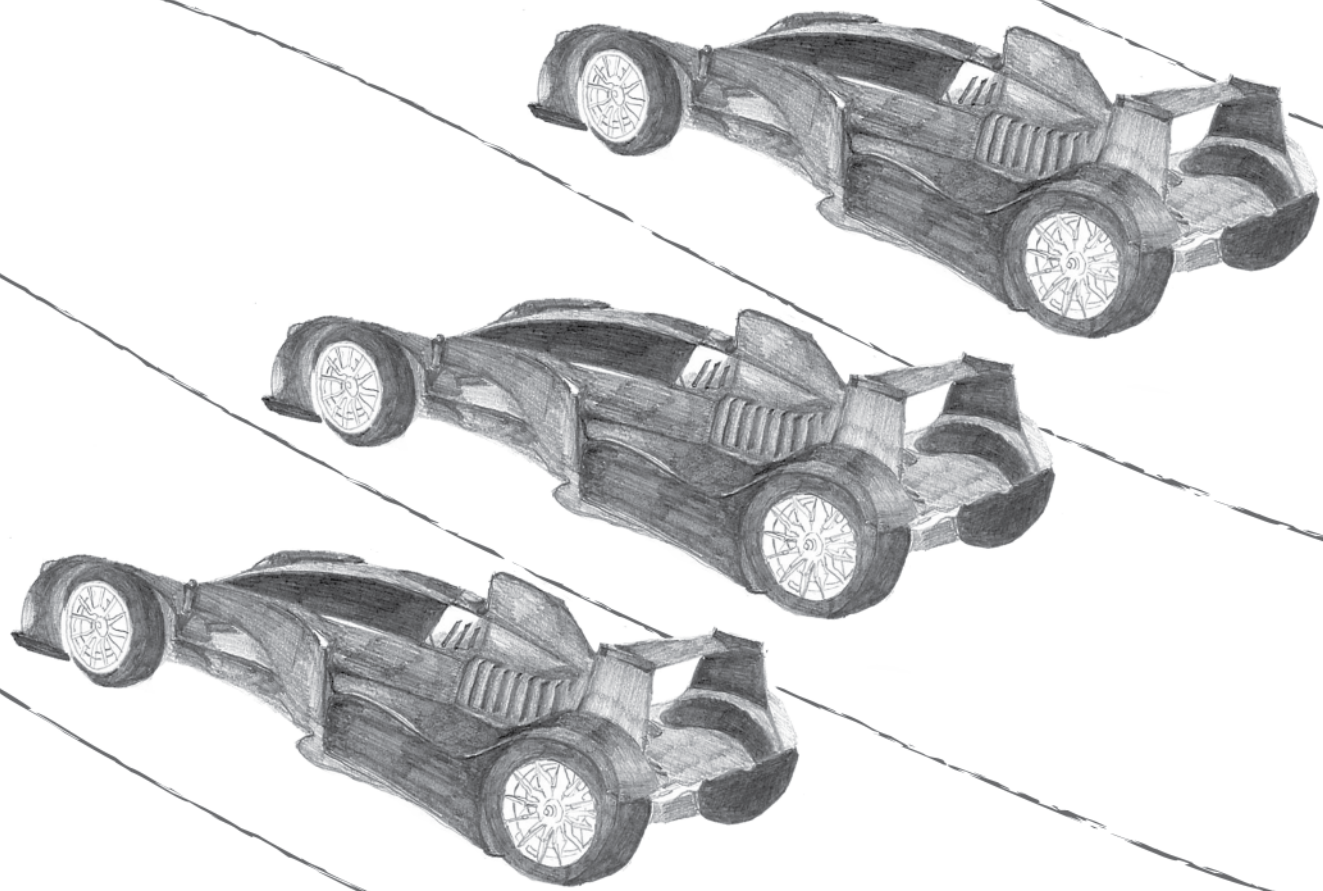
## XBRL Webinar

In collaboration with ACRA, CPA Australia developed a webinar to assist Singapore companies in preparing and submitting their financial statements in XBRL. CPA Australia launched the webinar in April 2008.

## Visits from Overseas Counterparts

ACRA's high regard for its relationship with its stakeholders extends beyond our shores. Besides sharing its experience, ACRA also facilitates in-house training attachments to foreign delegates on official trips to Singapore. In FY08/09, ACRA hosted official delegations from Afghanistan, India, Dubai and Bangladesh.





## advancing together

ACRA's journey in making it happen for businesses and public accountants is an ongoing journey. We move with the times to continually review our policies in making Singapore the best place for doing business and practising accountancy.

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### **Tan Hong Sern**

Unit Head, Data Policy and Administration  
(Information Resource Division)

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My job is to administer the integrity and quality of ACRA's corporate information and formulate policies to ensure that the management of data within ACRA is done orderly, consistently and securely. I also oversee the sharing of data between Government Agencies and Information Service Providers. As part of the iGov2010 Masterplan, I am involved in the implementation of the newly introduced Unique Entity Number (UEN).

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# ACRA's partners

## BizFile in World Bank Report

The World Bank, together with the US Agency for International Development, has published 17 case studies in a report entitled "Celebrating Reform 2008", to inspire countries to carry out business regulation reforms. In the report, ACRA's electronic filing and information retrieval system, BizFile, was featured as a successful government initiative for businesses. The case study entitled "Harnessing the Internet to streamline procedures" was authored by Ms Latha K, Head of the Business Facilitation Division. The report detailed how ACRA had progressed from a manual registration system to a successful online business registration system. The case study provided a platform for other countries to learn from ACRA's experience in going online.

## UEN – One ID to Deal with All Government Agencies

ACRA successfully rolled out the Unique Entity Number (UEN) project for local companies, foreign companies, businesses, limited liability partnerships, public accounting firms and unregistered local and foreign entities on 1 January 2009. The introduction of UEN has streamlined the way business entities and organisations deal with government agencies.

As a result, all business entities operating in Singapore now only need one identification number for all dealings with the government, instead of having to contend with multiple reference numbers from different government agencies. Businesses and local companies currently registered with ACRA will retain their ACRA Registration Number as their UEN. The reason for this is to minimise the impact of UEN, as these two entities constitute 85% of all registered entities in Singapore. All other registered entities have been issued with a new UEN.

Since 1 January 2009, 56 government agencies have started using UEN to interact with 385,000 entities. The rest of the government agencies are expected to adopt the new system from July 2009 onwards. The UEN initiative was led by Ministry of Finance (MOF) and ACRA, in collaboration with more than 20 public agencies. The project is part of the iGov2010 Masterplan initiative. Business entities can find out more about UEN at [www.uen.gov.sg](http://www.uen.gov.sg).

## Joint Enforcement Action with Ministry of Manpower for Bogus Companies

On top of administering its own enforcement action against defaulters, ACRA also works closely with government agencies, assisting them in their enforcement work. An example was the joint enforcement action by ACRA with Ministry of Manpower (MOM) in the crackdown of a syndicate that illegally procured Employment Passes (EP) for People's Republic of China (PRC) nationals in FY08/09, i.e. forging documents to support applications of EP, and the registration of "bogus" companies. ACRA worked with MOM and assisted the organisation with information regarding the individuals and entities in our Register that were suspected of being involved in the scam. At the same time, ACRA initiated a striking-off exercise in August 2008 to strike-off the bogus companies from our Register. This ensured the maintaining of a clean Register, which helps to protect the interests of our stakeholders.

## ACRA would like to thank the following organisations for their invaluable assistance:

Association of Small and Medium Enterprises	Monetary Authority of Singapore
Attorney General Chambers	Nanyang Technological University
Building and Construction Authority	Ngee Ann Polytechnic
Chartered Institute of Management Accountants, Singapore Branch Contact	People's Association
Central Provident Fund	Securities Investors Association of Singapore
Commercial Affairs Department	Singapore Accounting Standards Council
Corrupt Practices Investigation Bureau	Singapore Business Federation
CPA Australia	Singapore Chinese Chamber of Commerce & Industry
Crimsonlogic Pte Ltd	Singapore Computer Systems
DP Bureau Pte Ltd	Singapore Exchange
DP Information Network Pte Ltd (DPI)	Singapore Institute of Directors
Dun & Bradstreet (Singapore) Pte Ltd (D&B)	Singapore International Chamber of Commerce
Immigration and Checkpoints Authority	Singapore Management University
Infocomm Development Authority of Singapore	Singapore Network Information Centre
Inland Revenue Authority of Singapore	Singapore Police Force
Insolvency and Public Trustee's Office	Singapore Prison Service
Institute of Certified Public Accountants of Singapore	Singapore Tourism Board
International Enterprise Singapore	SPRING Singapore
Investment Management Association of Singapore	Subordinate Courts
Law Society of Singapore	The Association of Banks of Singapore
Majlis Ugama Islam Singapura	The Association of Chartered Certified Accountants
Ministry of Defence	The Association of International Accountants, Singapore Branch
Ministry of Education	The Institute of Company Accountants, Singapore
Ministry of Finance	The Singapore Association of the Institute of Chartered Secretaries and Administrators
Ministry of Manpower	The World Bank
Ministry of Trade and Industry	



awards & accolades

# future plans

## Excellent Service Award 2008

A total of 11 of our officers were awarded Excellent Service Awards in 2008 for their service excellence. Of them, two – Ms Linda Lee and Annie Liang – were presented with the Star award. One officer was presented with the Gold award, while the rest received the Silver award.

Organised by SPRING Singapore, the Excellent Service Award (EXSA) is a national award that recognises individuals who have delivered outstanding service. It seeks to develop service models for staff to emulate, create service champions and professionalise services.

## Singapore Quality Class Certification

On 30 October 2008, ACRA earned the certification for Singapore Quality Class (SQC). As an organisation, the process of SQC certification has affirmed our strengths and highlighted areas for improvement. Moving forward, action plans to achieve the said improvement will be proposed.

The proposal is also in preparation for the mid-term review for SPRING Singapore, which will take place in April 2010, as part of the SQC requirements.

## People Developer Re-certification

In June 2008, ACRA successfully achieved the re-certification of People Developer (PD). Launched in 1998, the PD is the certification for the business excellence niche standard for people. The niche standard provides organisations with a holistic approach to managing people and achieving high performance through their people systems. The PD re-certification allows ACRA to benchmark its own people management systems and practices against the niche standard.

## MOF Innovator Award

One of ACRA's Work Improvement Team Scheme (WITS) Teams, Beez@Biz, won the MOF Innovator Award for its WITS project on "One Stop Business Facilitation". With the completion of this project, a person who registers a new business entity can, at the

same time, apply for a business profile at a reduced price of \$3, reserve a domain name, apply for GST registration, activate a Customs Account and sign up for the free Enterprise One newsletter service with ACRA.

## Most Improved Agency Award 2008

ACRA won the Most Improved Agency Award for showing significant improvement in terms of WITS, staff suggestions and initiatives to promote innovation and creativity at ACRA. ACRA received the award at the MOF Productivity Day 2008.

## MOF Best Project Award 2008

ACRA achieved the MOF Best Project Award in 2008 for the project called "To better manage the call volume of ACRA Helpdesk through Interactive Voice Response System (IVRS)".

The objective of the project was to better manage the service performance of ACRA Helpdesk staff when there is an increase or surge in the number of enquiries or calls.

## WITS Achievements

A total of 22 WITS projects were submitted during FY08/09. On 26 March 2009, three ACRA teams participated in the National Innovation & Quality Circle (NIQC) Convention, and achieved one Silver and two Bronze awards.

## CIO Award

Among the world's corporations and organisations, ACRA's prominence as an organisation leading in leveraging business technology was once again fortified when it was included in the CIO 100 Index in March 2009. ACRA earned the accolade for implementing the XBRL system, an online service for business entities to prepare the financial statements for their annual return submissions to ACRA. The CIO 100 Index recognises the top 100 organisations in Asia that have effectively utilised technological innovation to effect strategic changes and significant growth.

ACRA has further consolidated and strengthened its position over the past year, in providing a responsive and trusted regulatory environment for businesses and public accountants. ACRA will continue to build upon this solid foundation to make Singapore the best place for doing business.

Moving forward, ACRA will further enhance and fine-tune its initiatives to promote and support entrepreneurship. We hope the publishing of the second edition of the Regulatory and Business Guide for Start-Ups will serve as a useful resource for Singapore's entrepreneurs and fledgling businesses. ACRA will also continue to engage its stakeholders to better understand their needs and provide quality service.

ACRA's fundamental role as regulator entails a close and constant surveillance of corporate and business entities to ensure that they comply with Singapore's robust laws and policies administered by ACRA. To improve its investigative efficiency and capability, ACRA will be looking at developing an electronic workbench for its enforcement arm – a platform which combines the use of business intelligence and IT tools to facilitate the compilation of case files and their management. Other initiatives aimed at improving compliance rate include the introduction of an End of Financial Year reminder for private/unlisted companies, issuing of a new "Certificate of Good Conduct" to companies with good filing records, providing the business community with a company's compliance information on ACRA's Homepage, etc.

ACRA's efforts to improve the regulating processes pertaining to Singapore's public accountancy sector are also seeing good progress. With the issuing of a new set of ethics rules, public accountants will be more aligned with international standards, and the Code of Professional Conduct and Ethics will provide better guidance for public accountants in how to evaluate independence and set safeguards. In September 2009, ACRA will be hosting a three-day International Forum for Independent Audit Regulators (IFIAR) Plenary Meeting in Singapore for independent audit regulators to share their knowledge and experiences regarding the audit market environment.

Having made XBRL filing a reality, ACRA is now embarking on the next phase of turning XBRL information into dynamic business intelligence for the business community. The long-term strategic goal is to achieve seamless business reporting for business entities filing their information with ACRA in one single open standard format, and elevate the ACRA Taxonomy to capture data that would meet the decision-making needs of the business community. Through such an approach, ACRA hopes to add value to the economy as a corporate registry of an international financial centre.

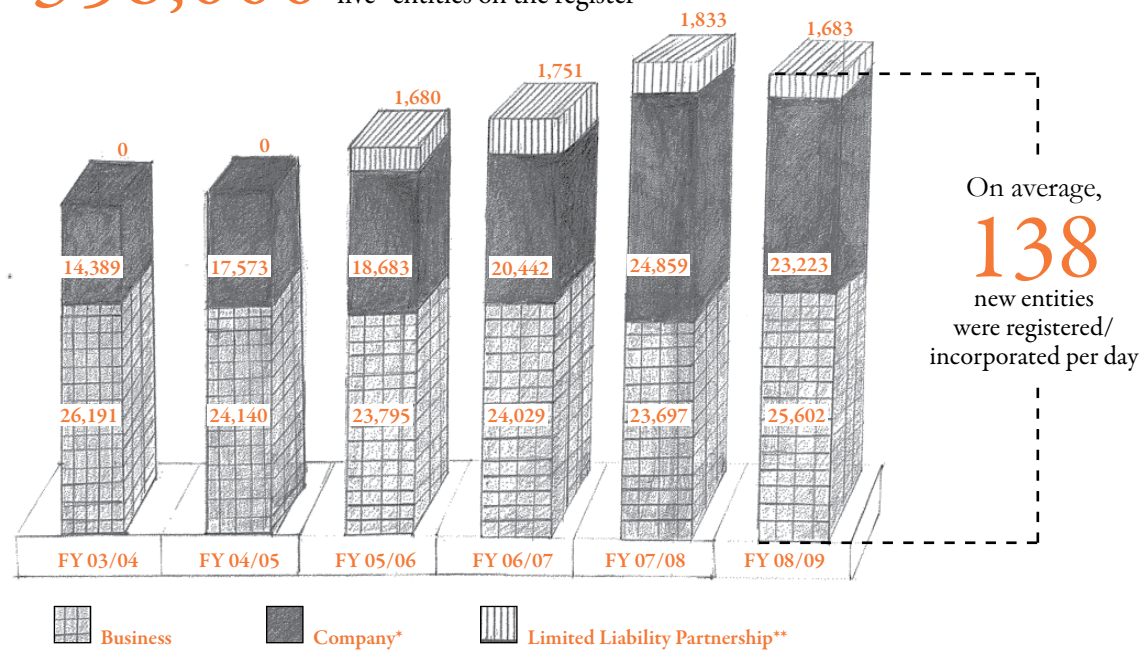
As part of an ongoing process, ACRA will conduct further reviews of corporate and accounting legislations to make Singapore an internationally reputable business and accounting hub. Overseeing and facilitating both Singapore's business arena and public accountancy sector, ACRA stands ready to take Singapore's business environment to the next level.



# key statistical highlights

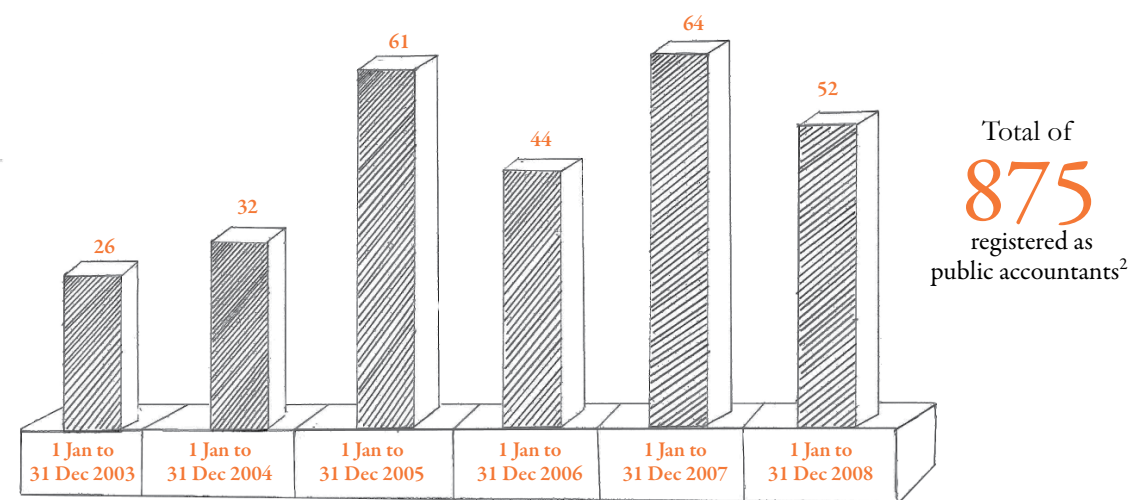
## Trend of New Entities Registered/Incorporated

**358,000** "live" entities on the register<sup>1</sup>



\*Includes Public Accounting Corporations and Branches of Foreign Registered Corporations  
 \*\*Includes Accounting LLP  
<sup>1</sup>As at 31 March 2009

## Number of New Public Accountants Registered

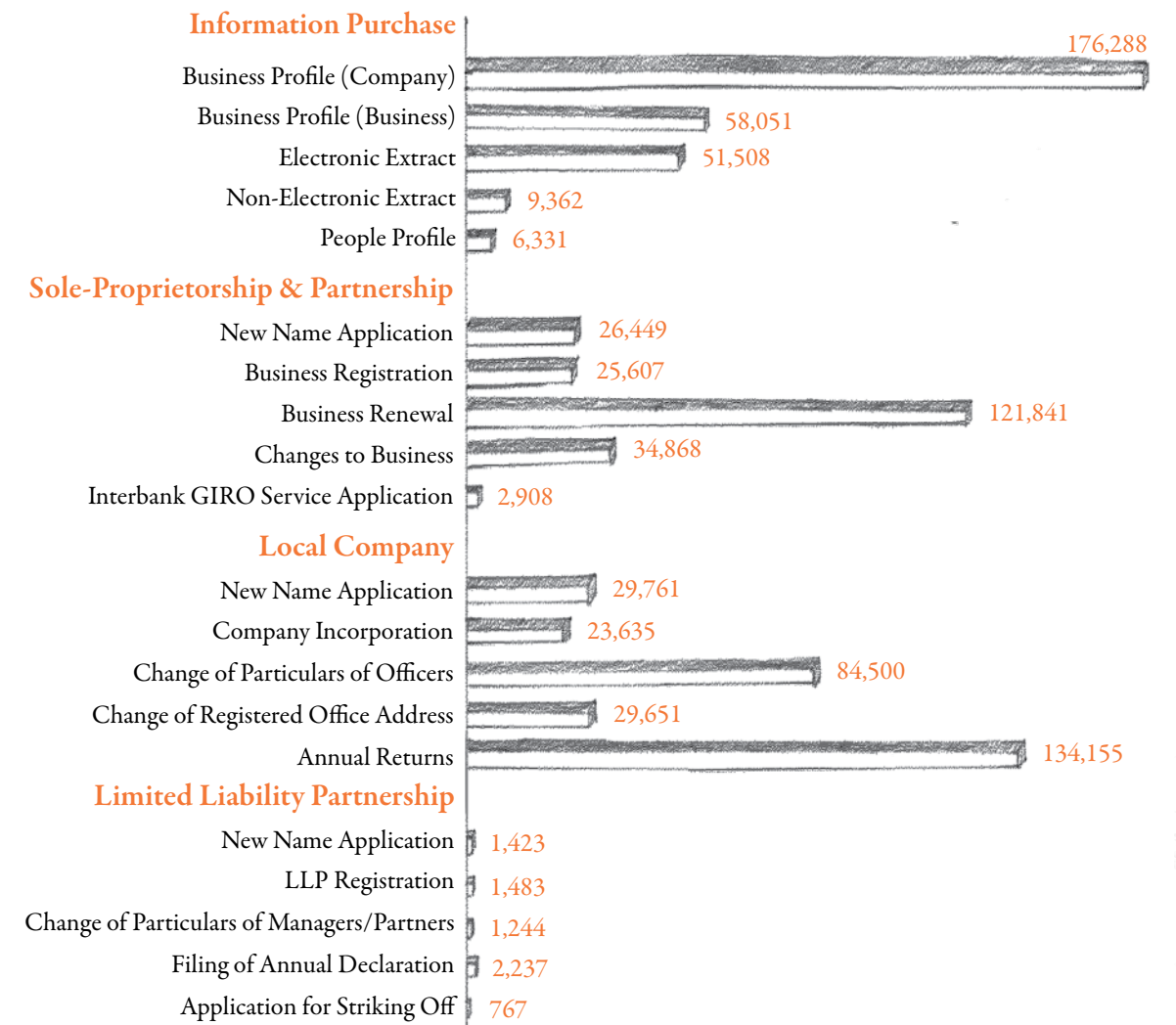


<sup>2</sup>As at 31 March 2009

## BizFile Transaction Volume for FY08

**1,014,860** transactions in the year  
**2,780** transactions per day  
**116** transactions per hour

## Common BizFile Transactions for FY08



# financial highlights

## Financial Results

### Income

Income increased by S\$1.7 million or 4% to S\$46.5 million in FY2008/09 (FY2007/08: S\$44.8 million). This comprises Company Registration and related fees (34%), Fines and Penalties (32%), Information Service fees (19%), Business Registration and related fees (11%), Public Accountants Registration and related fees (2%) and interest income (2%).

Generally, there has been growth in the various income streams. The main increase arises from the information sales of S\$1.2m (16%) to S\$9.0 million in FY2008/09 (FY2007/08: S\$7.8 million). This is mainly due to increase in sales to information resellers which includes a new service launched – Enhanced Individual Search. During the financial year, there has also been an increase in the number of business information purchased.

Late filing fines and prosecution penalties from companies rose by about S\$1.0 million (8%) from the last financial year. ACRA's efforts in initiating the striking-off of companies that were deemed dormant<sup>1</sup> have seen companies that do not want to be struck-off coming forward to file multiple returns and paying the late filing fees. ACRA also commenced enforcement action on foreign companies with effect from this financial year, which also resulted in late filing fees and composition fines being imposed on errant foreign companies.

The increases are offset by reductions in Company Registration and related fee and Other Income. Company registration fee decreased by S\$0.2 million (1%) to S\$15.9 million in FY2008/09 (FY2007/08: S\$16.1 million). Other Income – essentially interest income – decreased by S\$0.6 million (39%) to S\$0.9 million in FY2008/09 (FY2007/08: S\$1.5 million), in line with the decline in bank deposit rates.

### Expenditure

Operating expenditure increased by S\$2.1 million (9%) to S\$25.8 million in FY2008/09 (FY2007/08: S\$23.7 million). This is made up of Staff Costs (39%), Services (31%), Rental, Maintenance and Supplies (14%), Other Expenditure (9%) and Depreciation and Amortization Expenses (7%).

Staff cost increased by S\$1.1 million (13%) to S\$10.0 million in FY2008/09 (FY2007/08: S\$8.9 million). About half of the increase is due to a full-year effect in salaries and related cost experienced in FY2008/09. 67% of new hires in FY2007/08 joined in the third quarter of FY2007/08. The other half is a result of new officers recruited in FY2008/09. This increase in headcount is within ACRA's approved headcount budget of 133.

Services increased by S\$0.9 million (10%) to S\$8.1 million in FY2008/09 (FY2007/08: S\$7.2 million). The increase is mainly due to higher computer service charges relating to the Unique Entity Number ("UEN") project, enhancements to IT systems (XBRL, BizFile, AskACRA); IT consultancy services as well as consultancy services incurred to review and recommend changes to the Practice Monitoring Programme and Regulatory Strategies and Policies.

### Operating Surplus

The operating surplus declined S\$0.3 million (2%) to S\$20.7 million in FY2008/09 (FY2007/08: S\$21.0 million).

Net surplus after contribution to Government Consolidated Funds correspondingly decreased by S\$0.3 million (2%) to S\$16.9 million in FY2008/09 (FY2007/08: S\$17.2 million).

### Capital Expenditure

In FY2008/09, ACRA incurred about S\$1.2 million (FY2007/08: S\$0.4 million) on computer hardware and system and another S\$0.8 million on development projects-in-progress (FY2007/08: S\$0.7 million).

Capital commitments for development projects which have been approved but not yet recorded as expenditure in the financial statements amounted to S\$10.0 million (FY2007/08: S\$10.8 million). These are mainly for MyBizFile portal, Limited Partnership Module, Enterprise Portal as well as renovation of office space to cater to the needs of an expanded manpower establishment.

### Income and Expenditure Summary

Year ended 31 March 2009	S\$ million
Income	46.5
Services	(8.1)
Staff Costs	(10.0)
Other Costs	(7.7)
<b>Expenditure</b>	<b>(25.8)</b>
Surplus	20.7
Less: Contribution to Govt Consolidated Fund	(3.8)
<b>Net Surplus</b>	<b>16.9</b>

## Financial Position

### Assets

As at 31 March 2009, total assets increased by S\$16.9 million (21%) to S\$99.6 million, of which fixed assets, intangible assets and development projects-in-progress account for about 5%. The remaining 95% consisted of cash at banks and receivables.

Cash at banks includes fixed deposits placed with banks amounted to S\$85.8 million as at 31 March 2009. This represents an increase of S\$12.0 million (16%) from S\$73.8 million in FY2007/08.

### Liabilities

ACRA's only long term liability is the pension provision of S\$0.7 million (FY2007/08: S\$0.6 million). Current liabilities are S\$0.2 million (2%) higher at S\$9.0 million (FY2007/08: S\$8.8 million) and consist mainly of trade and other payables (S\$3.4 million), deposits placed with the Authority (S\$1.4 million) and provision for contribution to Government Consolidated Fund (S\$3.8 million).

### Cashflow

There is an overall net cash inflow of S\$16.4 million during the financial year: S\$18.2 million from operating activities offset by an outflow of S\$1.8 million from investing and financing activities.

### Balance Sheet Summary

As at 31 March 2009	S\$ million
Fixed and Intangible Assets	3.7
Development Projects-In-Progress	0.9
Current Assets	95.0
<b>Total Assets</b>	<b>99.6</b>
Less:	
Current Liabilities	(9.0)
Non-current Liabilities	(0.7)
<b>Net Assets</b>	<b>89.9</b>
Share Capital	8.6
Accumulated Surplus	81.3
<b>Capital and Reserves</b>	<b>89.9</b>

<sup>1</sup> A company is deemed dormant if the date the last accounts was made up to is more than 6 years old; or where a company was incorporated 6 years ago and has not filed any Annual Return since incorporation.

# ACRA

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**Feedback Website**

[www.acra.gov.sg/feedback](http://www.acra.gov.sg/feedback)

**Enquiry Website**

[www.acra.gov.sg/askacra](http://www.acra.gov.sg/askacra)

