

RT LLP

Review Times

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New Identity

**With effect from
4 August 2013,
LTC LLP is called
RT LLP.**

**Our contact details and
address remains the
same. An official notification
letter will be mailed to
you soon.**

Part 1: Financial Reporting

1.1 ON THE INTERNATIONAL FRONT

IASB issues Discussion Paper on Conceptual Framework

On 18 July 2013, the International Accounting Standards Board (IASB) published for public comment a Discussion Paper (DP/2013/1A) exploring possible changes to the IASB's *Conceptual Framework for Financial Reporting*. The Discussion Paper is the first step towards issuing a revised *Conceptual Framework*.

The *Conceptual Framework* sets out the concepts that underlie the preparation and presentation of financial statements. It identifies principles for the IASB to use when it develops and revises its International Financial Reporting Standard (IFRS).

The existing *Conceptual Framework* has enabled the IASB to develop high quality IFRS that have improved fi-

ancial reporting. However, it does not cover some important areas and some guidance needs updating.

In 2011, the IASB carried out an extensive public consultation to assist in identifying priorities for its agenda. Most respondents to that consultation identified work on the *Conceptual Framework* as a high priority.

This Discussion Paper is designed to obtain initial views and comments on important issues that the IASB will consider as it develops an Exposure Draft of a revised *Conceptual Framework*. The issues include:

- definitions of assets and liabilities;
- recognition and derecognition;

- the distinction between equity and liabilities;
- measurement;
- presentation and disclosure; and
- other comprehensive income.

The Discussion Paper: *A Review of the Conceptual Framework for Financial Reporting* is available for comment until 14 January 2014.

The Discussion Paper and a high level 'Snapshot' summary of the Discussion Paper are available at the following location:

<http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-publishes-a-Discussion-Paper-on-the-Conceptual-Framework.aspx>.

Our new
look!



Chartered Accountants

1.2 LOCAL UPDATES

1.2.1 ASC issues INT FRS 121 Levies

On 18 July 2013, the Singapore Accounting Standards Council (ASC) issued Interpretation to Financial Reporting Standard (INT FRS) 121 *Levies*. This was following the issuance of IFRIC 21 by the IASB on 20 May 2013.

INT FRS 121 is an interpretation of FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*. FRS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies

that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The Interpretation includes guidance illustrating how the Interpretation should be applied. INT FRS 121 is effective for annual periods beginning on or after 1 January 2014. For a copy of INT FRS 121, please access the ASC website at www.asc.gov.sg.

1.2.2 ASC issues minor amendment to FRS 36

On 18 July 2013, the ASC issued "*Amendments to FRS 36 (Jul 2013): Recoverable Amount Disclosures for Non-Financial Assets*"

This was following the publication on 29 May 2013 by the IASB of the document "*Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)*". These narrow-scope amendments to FRS 36 *Impairment of Assets* address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. For a copy of INT FRS 121, please access the ASC website at www.asc.gov.sg.

Part 2: Auditing and Assurance and Ethics

IAASB Proposes Standards to Fundamentally Transform the Auditor's Report

On 25 July 2013, the International Auditing and Assurance Standards Board (IAASB) released proposals to enhance future auditor's report. The IAASB's Exposure Draft, *Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing (ISAs)*, responds to calls from investors, analysts, and other users of audited financial statements in the wake of the global financial crisis for the auditor to provide more relevant information in the auditor's report based on the audit that was performed.

The IAASB's deliberations on the proposed new and revised ISAs were informed by international research, two public consultations,

stakeholder outreach including three public roundtables held in 2012, and the 165 responses to the June 2012 Invitation to Comment: *Improving the Auditor's Report*.

The Exposure Draft includes a new proposed ISA titled *Communicating Key Audit Matters in the Independent Auditor's Report*. This proposed ISA directs auditors of financial statements of listed entities to communicate in their report those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements.

Among other enhancements, the IAASB is also proposing requirements for auditors to include specific statements about going concern in their reports, to

make an explicit statement about the auditor's independence from the audited entity and, for listed entities, to disclose the name of the engagement partner in the auditor's report. The Exposure Draft includes example reports that illustrate the application of the proposed new and revised ISAs in various circumstances.

To access the Exposure Draft, please refer to here:

<http://www.ifac.org/news-events/2013-07/iaasb-proposes-standards-fundamentally-transform-auditors-report-focuses-communi>.

Comments on the Exposure Draft are requested by 22 November 2013.

Part 3: Taxation

The Singapore Institute of Accredited Tax Professionals (SIATP) has issued the following Tax Alerts on its website (<http://www.siatp.org.sg/index.php/tax-news>) since the previous issue of our LTC Newsletter (2013/7):

- ◆ Singapore and Barbados Sign Agreement for Avoidance of Double Taxation (15 Jul 2013) [\[Read more\]](#)
- ◆ Protocol to the Standing Agreement for the Avoidance of Double Taxation (DTA) between Singapore and Turkey (8 Jul 2013) [\[Read more\]](#)
- ◆ Year of Assessment 2013 Basic Corporate Tax Calculator is now available (4 Jul 2013) [\[Read more\]](#)
- ◆ FAQs on Withholding Tax (For Payments Made to Non-Resident Companies) (4 Jul 2013) [\[Read more\]](#)
- ◆ What Documents Need to be Prepared and Filed (4 Jul 2013) [\[Read more\]](#)
- ◆ Documents to be Retained and Submitted to IRAS upon Request (4 Jul 2013) [\[Read more\]](#)
- ◆ FAQs on PIC Bonus (2 Jul 2013) [\[Read more\]](#)
- ◆ Payment of PIC Bonus (2 Jul 2013) [\[Read more\]](#)
- ◆ Singapore and the Czech Republic Revise Agreement for the Avoidance of Double Taxation (26 Jun 2013) [\[Read more\]](#)
- ◆ Tax Treatment of Employee Stock Options And Other Forms of Employee Share Ownership Plans (Second Edition) (24 Jun 2013) [\[Read more\]](#)

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