

Review Times

FEBRUARY 2014



RT LLP

PART 1: FINANCIAL REPORTING

1.1 INTERNATIONAL DEVELOPMENTS

1.1.1 IASB issues IFRS 14 Regulatory Deferral Accounts

On 30 January 2014, the International Accounting Standards Board (IASB) issued an interim standard, IFRS 14 Regulatory Deferral Accounts. The aim of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities.

Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. This can include utilities such as gas,

electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity's revenue.

International Financial Reporting Standards (IFRS) do not provide any specific guidance for rate-regulated activities. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure.

IFRS 14 permits first-time adopters to continue to recognise amounts re-

lated to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRSs and do not recognise such amounts, IFRS 14 requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply IFRS 14.

IFRS 14 Regulatory Deferral Accounts is effective from 1 January 2016, with early application permitted.

For further details, please click [here](#)

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1.1.2 IASB begins public consultation on Post-implementation Review of IFRS 3

On 30 January 2014, the IASB began the public consultation stage of its review of IFRS 3 *Business Combinations* by publishing a Request for Information (Rfi) on experience with, and the effect of, implementing IFRS 3 ("the Standard").

The Rfi seeks feedback on whether the Standard provides information that is useful to users of financial statements, whether there are areas of the Standard that represent implementation challenges and whether unexpected costs have arisen when preparing, auditing or enforcing the requirements of the Standard.

In addition to publishing the Rfi, the IASB will also undertake a range of outreach activities internationally to gather further feedback on the effect of implementing IFRS 3.

The Rfi is open for public consultation until 30 May 2014 and can be accessed [here](#)





1.2 LOCAL DEVELOPMENTS

1.2.1 ASC issues amendments to FRS 19

On 29 January 2014, the Singapore Accounting Standards Council (ASC) issued Amendments to FRS 19: Defined Benefit Plans: Employee Contributions, effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans, and would simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. To access a copy of the amendments, please click [here](#)

1.2.2 ASC issues Improvements to FRSs (January 2014)

On 29 January 2014, the ASC issued Improvements to FRSs (January 2014). The effective date of each amendment is included in the issued document.

The following table shows the topics addressed by these amendments:

FRS	Subject of amendment
FRS 102 <i>Share-based Payment</i>	Definition of vesting condition
FRS 103 <i>Business Combinations</i>	Accounting for contingent consideration in a business combination
FRS 108 <i>Operating Segments</i>	Aggregation of operating segments
	Reconciliation of the total of the reportable segments' assets to the entity's assets
FRS 16 <i>Property, Plant and Equipment</i>	Revaluation method—proportionate restatement of accumulated depreciation
FRS 24 <i>Related Party Disclosures</i>	Key management personnel
FRS 38 <i>Intangible Assets</i>	Revaluation method—proportionate restatement of accumulated amortisation

To access a copy of the amendments, please click [here](#)





1.2.3 More companies come under ACRA's surveillance for Financial Reporting with new ACRA-ISCA MOU

On 16 January 2014, the Accounting and Corporate Regulatory Authority (ACRA) and the Institute of Singapore Chartered Accountants (ISCA) signed a Memorandum of Understanding (MOU) that will further strengthen the quality of financial reporting by companies.

The MOU between ACRA and ISCA sees both sides combining resources and sharing expertise to increase the breadth and depth of the financial reporting surveillance regime in Singapore. Under the MOU, ISCA will share its observations on potential non-compliances in financial statements with ACRA, which will deliberate and take enforcement action against directors under the Companies Act, if necessary.

Amongst other things, this collaboration will allow ACRA to expand its financial reporting surveillance programme to the following areas:

- ⇒ Financial statements with "clean" audit reports of listed companies, as well as non-listed companies that are of public interest. Since its establishment in 2011, ACRA's financial reporting surveillance programme has focused primarily on financial statements of listed companies with modified audit reports. Audit reports are modified when auditors detect material uncertainties in the financial statements, including non-compliance(s) with accounting standards. However, financial statements with "clean" audit reports can also contain financial reporting deficiencies that may impair the reliability of the financial statements.
- ⇒ Financial statements with modified audit reports of non-listed companies that are of public interest, as accounting failures in such statements may have significant public impact on stakeholders such as creditors, lenders, customers and employees.

For further information, please click [here](#)

PART 2: REGULATORY AND BUSINESS

2.1 Launch of BizFinx portal on 3 March 2014

On 3 February 2014, ACRA announced that its new business financial information portal, BizFinx will be launched on 3 March 2014 and Singapore incorporated companies (unless exempted) will be required to file a full set of financial statements in XBRL based on the revised filing requirements through BizFinx at www.bizfinx.gov.sg.

To recap, BizFinx was originally due to be launched on 2 December 2013 but was postponed.

Prior to the launch of BizFinx, companies can continue to file their financial statements in the following options:

- (a) Full XBRL format (option A) using FS manager,
- (b) Partial XBRL format (option B) using FS manager; or
- (c) Full PDF format (option C) - select

"Other companies which have been approved by ACRA", with the date of approval as "1 December 2013" and reason stated as "Transitional arrangement for BizFinx launch".

With the launch of BizFinx, the above filing options will cease and FS Manager will be phased out. Companies planning to file their Annual Return using any of the above filing options, must complete their Annual Return transaction before 28 February 2014, 2359 hours (Singapore time).

To assist companies in transiting to the revised XBRL filing requirements, companies other than public listed companies, will be given more time to hold their Annual General Meeting (AGM) or to file their Annual Return (AR) form. This assistance is applicable for companies filing a full set of financial statements in XBRL format during the first year of implementation of the revised filing requirements. Details on extension of time to hold AGM

and penalty waiver for late filing of AR are available [here](#).



2.2 Singapore issues inaugural report on money laundering and terrorist financing risks

On 10 January 2014, Singapore issued its inaugural national risk assessment (NRA) report on money laundering and terrorist financing risks in the country. The assessment found that many sectors have in place a robust regime to combat money laundering and terrorist financing. The regime is grounded in tough regulations, rigorous supervision, and effective enforcement. Nonetheless, there are a number of areas where controls need to be strengthened, and efforts are underway to address them.

The report is the culmination of a government-wide exercise over the last two years and covers 14 financial sub-sectors and eight non-financial sectors in Singapore. The assessment takes into account Singapore's economic and geographical environment; its legal, judicial and institutional framework; as well as crime trends. Emerging risks have also been identified for further study.

For further information and to access a copy of the NRA, please click [here](#)

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 the RT Review Times (2014/1):

- ⇒ Income Tax / GST - Public Survey on Publishing of Advance Rulings (4 Feb 2014) [\[Read more\]](#)
 - Survey Form for Publishing of Advance Rulings [\[Read More\]](#)
- ⇒ GST - Updated Content on e-Commerce (3 Feb 2014) [\[Read more\]](#)
- ⇒ GST - Updated Content on Gift and Sample (30 Jan 2014) [\[Read more\]](#)
- ⇒ GST - Updated Content on Notifying IRAS of Changes to Business (30 Jan 2014) [\[Read more\]](#)
- ⇒ Updated Content on Conditions for Claiming Input Tax (29 Jan 2014) [\[Read more\]](#)
- ⇒ Updated Content on New Concession on Simplified Tax Invoices for F&B (29 Jan 2014) [\[Read more\]](#)
- ⇒ Updated Content on Conditions for Claiming Input Tax (29 Jan 2014) [\[Read more\]](#)
- ⇒ Updated Content on the Current GST Rate (28 Jan 2014) [\[Read more\]](#)
- ⇒ Updated Content on How GST Works (28 Jan 2014) [\[Read more\]](#)
- ⇒ Revised GST e-Tax Guide on General Guide for Businesses (Second Edition) (28 Jan 2014) [\[Read more\]](#)
- ⇒ GST - Tourist Refund Scheme (28 Jan 2014) [\[Read more\]](#)
- ⇒ Income Tax Treatment of Virtual Currencies (27 Jan 2014) [\[Read more\]](#)
- ⇒ GST - Sale of Virtual Currency (27 Jan 2014) [\[Read more\]](#)
- ⇒ GST - Tourist Refund Scheme (24 Jan 2014) [\[Read more\]](#)
- ⇒ GST - Waiver of Penalty (24 Jan 2014) [\[Read more\]](#)

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- ⇒ GST - Co-funding for ACAP (24 Jan 2014) [\[Read more\]](#)
 - ⇒ GST - ACAP Incentives (24 Jan 2014) [\[Read more\]](#)
 - ⇒ GST - GST Assisted Compliance Assurance Programme (ACAP) (24 Jan 2014) [\[Read more\]](#)
 - ⇒ IRAS Responds to Taxpayers' Feedback (24 Jan 2014) [\[Read more\]](#)
 - ⇒ Revised GST e-Tax Guide on Assisted Compliance Assurance Programme (ACAP) (Fourth Edition) (24 Jan 2014) [\[Read more\]](#)
 - ⇒ GST - New Content on Sales of Virtual Currency (23 Jan 2014) [\[Read more\]](#)
 - ⇒ Updated Content for Tax Deduction for Medical Expenses (20 Jan 2014) [\[Read more\]](#)
 - ⇒ GST - Updated Content for Mistakes in Import Declaration (20 Jan 2014) [\[Read more\]](#)
 - ⇒ Updated ECI Forms for YA 2014 and New ECI Forms for YA 2015 (20 Jan 2014) [\[Read more\]](#)
 - ⇒ PIC Cash Payout Application (20 Jan 2014)
 - latest instructions on applying for the PIC cash payout [\[Read more\]](#)
 - New PIC Cash Payout Application Form [\[Read more\]](#), accompanying notes [\[Read more\]](#) and user guide [\[Read more\]](#)
 - ⇒ Updated List of Approved Singapore Branches of Non-resident Banks (16 Jan 2014) [\[Read more\]](#)
 - ⇒ Check the Status of Income Tax Return (Form C/ Form C-S) Submission and Tax Assessment (15 Jan 2014) [\[Read more\]](#)
 - ⇒ Singapore-Morocco Avoidance of Double Taxation Agreement Comes into Force (15 Jan 2014) [\[Read more\]](#)



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