

# Review Times

APRIL 2014



## PART 1: FINANCIAL REPORTING

### 1.1 ISCA publishes FAQs from the FSRC seminar held on 3 October 2013

The Institute of Singapore Chartered Accountants (ISCA) has published a list of frequently asked questions (FAQs) collated from the Financial Statements Review Committee (FSRC) seminar organised by ISCA on 3 October 2013. To read more about these FAQs, please click [here](#).

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### 1.2 IASB publishes ED outlining proposed amendments to IAS 1 *Presentation of Financial Statements*

On 25 March 2014, the International Accounting Standards Board (IASB) published its first exposure draft (ED) for 2014. The ED is known as ED/2014/01 *Disclosure Initiative (Proposed amendments to IAS 1)*.

Many respondents to the IASB's *Agenda Consultation 2011* had asked the IASB to review the disclosure requirements in existing International Financial Reporting Standards (IFRS) and to explore ways to improve disclosures. Consequently, in 2013 the IASB started the Disclosure Initiative, a package of several projects aimed at improving the disclosure of financial information. The proposals in the ED are the result of one of several short-term projects under the IASB's Disclosure Initiative.

The ED proposes narrow-focus clarifying amendments to International Accounting Standard (IAS) 1 to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when preparing their financial statements.

The proposed amendments are as follows:

⇒ Clarify the materiality requirements in IAS 1, including an emphasis on the potentially detrimental effect of overwhelming useful information with immaterial information.

⇒ Clarify that specific line items in the

statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated.

⇒ Add requirements for how an entity should present subtotals in the statement(s) of profit or loss and other comprehensive income and the statement of financial position.

⇒ Clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order.

⇒ Remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.

The ED can be accessed [here](#). The deadline for submitting comments to the IASB is on 23 July 2014.

The Singapore Accounting Standards Council (ASC) is also inviting feedback for the above ED. The deadline for submitting comments to the ASC is on 18 June 2014.

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## PART 2: AUDITING AND ASSURANCE

### 2.1 ISCA publishes practical guide to obtaining confirmation from key management personnel on related party disclosures

ISCA has published a practical guide to obtaining confirmation from key management personnel (KMP) on related party disclosures.

With the objective of enhancing consistency among auditors and within the financial reporting community, ISCA has developed a practical guide to assist auditors and companies obtain the required and relevant information pertaining to related party transactions, arrangements and balances, from identified KMP. This practical guide has been designed to facilitate compliance with the disclosure requirements of Singapore Financial Reporting Standard (FRS) 24 "Related Party Disclosures", Singapore Companies Act and Singapore Exchange Listing Manual with regards to KMP. This practical guide does not provide guidance on the identification of KMP. Auditors are required to perform separate audit procedures to ensure that all KMP are appropriately identified.

Please click [here](#) for the practical guide. To facilitate the use of the guide, please click [here](#) for the confirmation templates.

### 2.2 ISCA SEEKS COMMENTS ON ED SAP 2 (REVISED)

The Exposure Draft (ED) on Statement of Auditing Practice (SAP) 2 (Revised), *Auditors and Public Offering Documents* provides guidance on the general principles governing engagements in the context of public offering documents. SAP 2 was revised for the purpose of incorporating revisions to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 ("SFR") and better reflecting existing industry practice. SAP 2 (Revised) also contains more example reports (in Appendix 1 of the SAP) to provide illustrative guidance to the reporting auditors.

ISCA welcomes comments on the proposed SAP 2 (Revised). ISCA requires all comments to be submitted to [technical@isca.org.sg](mailto:technical@isca.org.sg) by **Monday, 21 April 2014, 5 pm**. Please click [here](#) to access ED SAP 2 (Revised).

## PART 3: TAXATION

### Updates on SIATP website

The Singapore Institute of Accredited Tax Professionals (SIATP) has issued a significant number of Tax Alerts since the previous issue of the RT Review Times (2014/3).

For details of these tax alerts, please refer to SIATP's website: <http://www.siatp.org.sg/index.php/tax-news>





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