

# Review Times

MARCH 2015



## PART 1: AUDIT AND ASSURANCE

### ISCA issues ED SSAE 3000 (Revised) and ED Singapore Framework for Assurance Engagements

The Institute of Singapore Chartered Accountants (ISCA) has issued an exposure draft (ED) on Singapore Standard on Assurance Engagements (SSAE) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

ED SSAE 3000 (Revised) is adopted from the International Standard on Assurance Engagements (ISAE) 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) in December 2013. ED SSAE 3000 is effective for assurance reports dated on or after 15 December 2015.

ED SSAE 3000 (Revised) covers a wide variety of engagements, ranging from assurance on statements about the effectiveness of internal control, for example, to assurance on sustainability reports and possible future engagements addressing integrated reporting. The standard covers both reasonable and limited assurance engagements, and introduces guidance designed to help readers better understand these two levels of assurance.

ED SSAE 3000 (Revised) is the overarching standard for current and future topic-specific SSAEs and assurance engagements where no separate SSAE exists. As a result, the revision involved striking an appropriate balance between ensuring that the standard is sufficiently robust, and that it is able to also facilitate innovation in the dynamic and evolving field of assurance.

Accompanying the release of ED SSAE 3000 (Revised) are conforming amendments to the *Singapore Framework for Assurance Engagements* in which ISCA has also published an ED.

The key proposed revisions made to the extant SSAE 3000 include:

- ⇒ ED SSAE 3000 (Revised) aligns the structure of the standard to that of the clarified Singapore Standards on Auditing (SSAs) – it has a section on the Application and Other Explanatory Material.
- ⇒ ED SSAE 3000 (Revised) provides more guidance (e.g. includes definition of terms used) compared to extant SSAE 3000.
- ⇒ Extant SSAE 3000 provided a brief description on the differences between reasonable assurance and limited assurance in terms of engagement risk levels whereas ED SSAE 3000 (Revised) went a step further to define limited assurance with reference to material misstatement in the subject matter information and procedures performed (ref: ED SSAE 3000 (Revised), paragraph 12(a)(i) (b) which would add greater clarity.

The comment period for ED SSAE 3000 (Revised) was closed on Monday, 2 March 2015. Please click [here](#) to access ED SSAE 3000 (Revised) and [here](#) to access ED Singapore Framework for Assurance Engagements.

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## ***PART 2: FINANCIAL REPORTING***

### **IASB issues ED to clarify how entities should classify debt, particularly when it is coming up for renewal**

On 20 February 2015, the International Accounting Standards Board (IASB) published Exposure Draft (ED) 2015/1 *Classification of Liabilities* (Proposed amendments to IAS 1), which clarifies how entities should classify debt, particularly when it is coming up for renewal.

The proposed amendments are designed to improve presentation in financial statements by clarifying the criteria for the classification of a liability as either current or non-current. The proposed amendments do this by:

- ⇒ clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period; and
- ⇒ making clear the link between the settlement of the liability and the outflow of resources from the entity.

The proposals are open for public comment up to 10 June 2015. The Exposure Draft can be accessed [here](#).

## ***PART 3: REGULATORY AND BUSINESS***

### **MAS issues Consultation Paper on Guidelines on Good Drafting Practices for Prospectuses**

On 5 February 2015, the Monetary Authority of Singapore (MAS) issued for consultation, guidelines on good drafting practices for prospectuses. These drafting guidelines aim to encourage the use of plain English and presentation of information in prospectuses in a clear, concise and logical manner.

Please click [here](#) to view the *Guidelines on Good Drafting Practices for Prospectuses*. Comments on the Guidelines should reach MAS by 13 March 2015. Interested parties may email their comments to [PartXIIISFA\\_SFR\\_amendments@mas.gov.sg](mailto:PartXIIISFA_SFR_amendments@mas.gov.sg).





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