

PART 1: FINANCIAL REPORTING

1.1 ON THE INTERNATIONAL FRONT

IASB and FASB announce intention to re-expose leasing proposals

On 21 July 2011, the International Accounting Standards Board (IASB) and the US-based Financial Accounting Standards Board (FASB) announced their intention to re-expose their revised proposals for a common leasing standard. Re-exposing the revised proposals will provide interested parties with an opportunity to comment on revisions the boards have undertaken since the publication of an exposure draft on leasing in August 2010. Even though the boards have not completed all of their deliberations, the decisions taken to date were sufficiently different from those published in the exposure draft to warrant re-exposure of the revised proposals. The boards intend to complete their deliberations, including consideration of the comment period, during Q3 2011 with a view to publishing a revised exposure draft shortly afterwards.

Further details will be available shortly from the leases project sections of the IASB and FASB websites.

1.2 LOCAL UPDATES

Singapore Accounting Standards Council (ASC) invites comments on the IASB ED *Improvements to IFRSs* (ED/2011/2)

On 11 July 2011, the ASC invited submission of comments on this ED. Comments should be submitted to the ASC no later than 19 August 2011. The ED can be viewed at the following link: <http://www.asc.gov.sg/draft.htm#11Jul2011>

PART 2: AUDITING AND ASSURANCE

2.1 Release of ACRA's Practice Monitoring Programme's ("PMP") Fifth Public Report

On 26 July 2011, the Accounting and Corporate Regulatory Authority (ACRA) organised the Public Accountants Conference (PAC) at the Raffles City Convention Centre. During the PAC, ACRA released its Practice Monitoring Programme's Fifth Public Report ("PMP Report"). In the PMP report,

ACRA stated that they have identified 20 public interest entities (PIE) firms which audit, amongst the entities that fall within the definition of PIEs, listed companies and the larger charities in Singapore. Amongst these 20 firms is LTC LLP.

ACRA's PMP audits of PIEs are performed through two methods – Firm Level Reviews and Engagement Reviews. The PMP Report covered PIE firms reviewed in the period from 1 April 2010 to 31 March 2011.

Based on the findings for the firm level reviews, ACRA highlighted two areas that they consider to be particularly important and discusses a number of needed improvements within each area. These two areas are:

- Acceptance and Continuance of Client Relationships and Specific Engagements; and
- Human Resources

Based on the findings for the engagement reviews, ACRA selected two of the more prevalent and significant areas of concern to elaborate on the deficiencies and how public accountants can avoid these deficiencies by strengthening professional scepticism and audit rigour. These two areas are:

- Documentation of Audit Evidence; and
- Using the Work of An Expert

The PMP report also highlighted two areas of future focus for the public accountancy profession. These two areas are:

- Special Considerations - Audits of Group Financial Statements (including the Work of Component Auditors); and
- Related Parties

Please click on the following link for the full PMP report:

<http://www.acra.gov.sg/NR/rdonlyres/7EA4BFD5-2505-4A0A-A729-BA1541C345B4/0/PMPReport2011AllSectionsv6final.pdf>

2.2. Practice Monitoring Programme – Common Findings for Non-PIE Segment

ACRA regulates, and facilitates the development of, the public accountancy profession in Singapore. As an independent auditor regulatory authority, ACRA monitors the audit quality of public accountants through the Practice Monitoring Programme (PMP) since April 2005.

From the common PMP observations noted in 2010 and 2011 for the segment on non-public interest entities (non-PIEs), the Institute of Certified Public Accountants of Singapore has introduced various initiatives, including Audit Practice Guidance (APG) and seminars from its Continuing Professional Education (CPE) programme.

Public accountants who audit non-PIEs are encouraged to read the APG or attend relevant seminars should they encounter problems in the specific topics identified. To access the document, please click here:

<http://www.icpascaa.org.sg/wp-content/uploads/2011/07/CAA-Non-PIE-Segment-PMP-Findings-2011.pdf>

PART 3: TAXATION

3.1. Issuance of e-Tax Guides

IRAS issued the following e-Tax Guides in July 2011:

- e-Tax Guide on Tax Deduction for Shares used to fulfill obligations under an Employee Equity-Based Remuneration Scheme: [July E-Tax Guide 1](#)
- e-Tax Guide on Qualifying Conditions for Pension/Provident Funds to be Approved under Section 5 of the Income Tax Act: [July E-Tax Guide 2](#)
- e-Tax Guide (Revised) on Productivity and Innovation Credit: [July E-Tax Guide 3](#)

3.2. Singapore and India Enhance Tax Cooperation

Singapore and India signed a Protocol to incorporate the internationally-agreed Standard for the exchange of information for tax purposes, upon request, in their standing Agreement for the Avoidance of Double Taxation. The Protocol was signed in New Delhi between Singapore's High Commissioner to India, Ms Karen Tan, and the Chairman of India's Central Board of Direct Taxes, Shri Prakash Chandra.

For more information, please go to the following:

<http://www.iras.gov.sg/irasHome/page03a.aspx?id=12328>

PART 4: REGULATORY & BUSINESS

SGX Introduces Sustainability Reporting Guide to Support Listed Companies

Singapore Exchange (SGX) introduced a Sustainability Reporting Guide for its listed companies. This follows a public consultation, issued in August 2010 that received widespread attention and positive feedback in support of disclosure and accountability for operating and developing businesses in a sustainable manner.

Please click [here](#) for the SGX press release.

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