

## PART 1: FINANCIAL REPORTING

### 1.1 IASB launches a public consultation on its future work programme

On 25 July 2011, the International Accounting Standards Board (IASB) launched a public consultation to seek broad public input on the strategic direction and overall balance of its future work programme. Since the creation of the IASB in 2001, International Financial Reporting Standards (IFRSs) have increasingly become the internationally accepted financial reporting language around the world. As the number of jurisdictions applying IFRSs increases, stakeholders have identified new accounting issues for consideration by the IASB.

The consultation document asks deliberately open questions to gather views on the IASB's future work programme from all those involved in or affected by financial reporting. In particular, the IASB is seeking feedback on how it should balance the development of financial reporting with the maintenance of IFRSs and—with consideration of time and resource constraints—those areas of financial reporting that should be given the highest priority for further improvement.

The consultation period on the future work programme of the IASB closes on 30 November 2011.

The Agenda Consultation 2011—Request for views document is available for download from <http://www.ifrs.org/Current+Projects/IASB+Projects/IASB+agenda+consultation/agenda+consultation+2011/agenda+consultation+comment+letters+2011.htm>

### 1.2 IASB proposes adjustment to effective date of IFRS 9

On 4 August 2011, the IASB published for public comment an exposure draft of proposals to adjust the mandatory effective date of IFRS 9 *Financial Instruments*. The exposure draft proposes an effective date of 1 January 2015 (currently 1 January 2013) for IFRS 9.

In publishing the exposure draft, the Board noted the importance of aligning all phases of the project (both completed and ongoing) to have the same effective date. The comment period of the exposure draft closes on 21 October 2011. The exposure draft, ED/2011/3: *Mandatory Effective Date of IFRS 9 (Proposed Amendment to IFRS 9 (November 2009) and IFRS 9 (October 2010))*, is available for download from the following website:

<http://www.ifrs.org/Current+Projects/IASB+Projects/Financial+Instruments+A+Replacement+of+IAS+39+Financial+Instruments+Recognitio/Phase+I++Classification+and+measurement/ED+effective+dates+August+2011/ED+and+comment+letters.htm>

The proposed deferral would only change the date when IFRS 9 would be mandatory. Entities could still elect to use IFRS 9 before 2015.

### **1.3 IASB proposes to exempt investment entities from consolidation requirements**

On 25 August 2011, the IASB published proposals to define investment entities as a separate type of entity that would be exempt from the accounting requirements in IFRS 10 *Consolidated Financial Statements*.

Investment entities are commonly understood to be entities that pool investments from a wide range of investors for investment purposes only. Currently, IFRS 10 *Consolidated Financial Statements* would require consolidation if an investment entity controls an entity it is investing in. However, when developing IFRS 10, investors commented that this would not provide them with the information they need to assess the value of their investments. To address this issue, the exposure draft proposes criteria that would have to be met by an entity in order to qualify as an investment entity. These entities would be exempt from the consolidation requirements and instead would be required to account for all their investments at fair value through profit or loss. The exposure draft also includes disclosure requirements about the nature and type of these investments. If adopted, the proposals would be integrated into IFRS 10.

The exposure draft ED/2011/4 *Investment Entities* is open for public comment until 5 January 2012 and can be accessed at the following website:

<http://www.ifrs.org/Open+to+Comment/International+Accounting+Standards+Board+-+Open+to+Comment.htm> .

## **PART 2: AUDITING AND ASSURANCE**

### **2.1 Revision of Statement of Auditing Practice (SAP) 25 *Audit of Listed Companies***

SAP 25, which provides guidance to auditors in respect of the audit of listed companies, was revised by the Institute of Certified Public Accountants of Singapore arising from developments in the Singapore Standards on Auditing (SSAs). The substantive revisions included updates to the references made to the Clarified SSAs, Singapore Financial Reporting Standards (FRSs) and Singapore Standards on Review Engagements (SSREs) as well as additional references to guides such as the Guidebook for Audit Committees in Singapore, Code of Corporate Governance and the Singapore Exchange (SGX) Listing Manual. Additional guidance was also provided on the definition of an "interested person" to be consistent with the SGX-ST Listing Manual and the Code of Collective Investment Schemes.

To access the revised SAP 25, please go to: <http://www.icpascaa.org.sg/standards/sap>

### **2.2 IFAC SMP Committee Updates Quality Control Implementation Guide**

On 1 August 2011, The Small and Medium Practices (SMP) Committee of the International Federation of Accountants (IFAC) released an updated version of its *Guide to Quality Control for Small- and Medium-Sized Practices* (QC Guide). Intended to help SMPs successfully and cost effectively implement International Standard on Quality Control (ISQC) 1, the third edition of the

guide features enhancements to the two sample manuals as well as other refinements for clarity and consistency with ISQC 1.

First released in 2009 and developed with CGA-Canada, the guide contains the requirements set out in the standard in addition to implementation guidance, including discussion material and a case study that can be used as a basis for training. It also contains a range of tools, including checklists and two sample manuals, which have been modified to better illustrate their compatibility with ISQC 1.

The updated QC Guide, as well as an article with tips for implementing ISQC 1, can be downloaded free of charge from the SMP Publications and Resources area of IFAC's website. See the Translations Database for translations of the guides by member bodies and other organizations. In addition to the guide, the International Center for Small and Medium Practices provides access to numerous free resources from IFAC and our member bodies.

The press release may be accessed at the following: <http://press.ifac.org/news/2011/08/ifac-smp-committee-updates-quality-controls-implementation-guide>

## **PART 3: TAXATION**

### **3.1. Issuance of e-Tax Guides**

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

#### **3.1.1 e-Tax Guide on Pharmaceutical Manufacturing Industry: Tax Treatment of Research & Development and Intellectual Property-Related Expenditures: [E-Tax Guide 1](#)**

This e-Tax guide provides guidance on tax treatments for the following items common to pharmaceutical manufacturing companies in Singapore:

- (a) Deduction of R&D expenditure under Sections 14D and 14DA of the Singapore Income Tax Act ("SITA");
- (b) Writing down allowances under Sections 19B and 19C of the SITA;
- (c) Provision of research and development ("R&D") services;
- (d) Deduction of royalty payments and withholding tax implications.

#### **3.1.2 e-Tax Guide on Revision of e-Tax Guide: Electronic Tourist Refund Scheme (eTRS) [E-Tax Guide 2](#)**

The guide covers the following:

- a) Description of process and data flow under eTRS;
- b) Conditions and fees applicable for participation in the eTRS;
- c) Descriptions of what the existing CRAs and retailers should do during the transitional period;
- d) Application procedures under eTRS; and
- e) Overview of the system requirements under eTRS

### **3.2 Avoidance of Double Taxation Agreements**

- Second Protocol to the Standing Agreement for the Avoidance of Double Taxation between Singapore and India to enter into force:  
<http://www.iras.gov.sg/irasHome/page03a.aspx?id=12434>
- Singapore-Albania Avoidance of Double Taxation Agreement Comes Into Force:  
<http://www.iras.gov.sg/irasHome/page03a.aspx?id=12408>

## **PART 4: REGULATORY & BUSINESS**

### **ACRA Launches First Handbook for Directors**

On 28 July 2011, the Accounting and Corporate Regulatory Authority (ACRA) launched its first handbook for directors titled “ACRA & I – Being an Effective Director”. The handbook is written for new or aspiring directors as well as those who have no formal training, to help them better understand their responsibilities and duties. It serves as a practical hands-on guide for directors on the know-how in performing their statutory duties and meeting their legal and compliance requirements, with useful information including the requirements of directors, common statutory requirements, as well as step-by-step guides for electronic form filings.

Please click [here](#) for more information on the book.

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