



# Review Times

April 2016



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# 1. *Financial Reporting*

## 1.1 Singapore ASC issues amendments to FRS 7 and 12

On 11 March 2016, the Singapore Accounting Standards Council (ASC) issued *Amendments to Financial Reporting Standard (FRS) 7: Disclosure Initiative and Amendments to FRS 12: Recognition to Deferred Tax Assets for Unrealised Losses*.

The amendments to FRS 12 clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.

The amendments to FRS 7 require companies to provide information about changes in their financing liabilities and come as a response to requests from investors for information that helps them better understand changes in a company's debt. The amendments will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).

Both the above amendments are effective for annual periods beginning on or after 1 January 2017. To access the two amendments, please visit the following URL: <http://ow.ly/10qGiX>

# 2. *Auditing & Assurance*

## 2.1 ISCA seeks comments on ED AGS 11

On 28 March 2016, the Institute of Singapore Chartered Accountants (ISCA) issued an exposure draft (ED) on Audit Guidance Statement (AGS) 11 *Comfort Letters and Due Diligence Meetings*.

AGS 11 is intended to provide guidance to reporting auditors on the procedures to be performed to provide comfort in respect of the integrity of certain information disclosed in the investment circular, or to comment on changes in selected financial statement items subsequent to the latest period reported on in the reporting auditors' report. Such procedures are encompassed in the comfort letter issued by the reporting auditors, for an offering of securities in Singapore. AGS 11 also provides guidance to reporting auditors taking part in a due diligence or verification meeting for an offering of securities in Singapore.

AGS 11 is intended to provide guidance to reporting auditors in the context of an offering of securities in Singapore, where the reporting auditors are not required, or have not been requested to provide limited assurance on subsequent changes in specified financial statement items from the end of the period for which relevant financial statements have been subject to an audit or a review in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements.

Independent auditors should also follow the guidance in AGS 11 when requested to issue a comfort letter or take part in a due diligence or verification meeting in connection with an offering of debt securities, collective investment schemes authorised by the Monetary Authority of Singapore (MAS) (such as real estate investment trusts or REITs) and business trusts registered by MAS; and made pursuant to an investment circular.

ISCA takes a leading role in advocating the views and proposals of the audit community in Singapore. ISCA would hence like to seek views from key stakeholders in Singapore on the above proposal. ISCA requires all comments to be submitted to [technical@isca.org.sg](mailto:technical@isca.org.sg) by **27 April 2016**.

For more information, please visit the following URL: <http://ow.ly/10qGnf>

## 2.2 ISCA issues conforming amendments to AGS 9 following the enhanced auditor reporting project

On 7 March 2016, ISCA issued the amended Audit Guidance Statement (AGS) 9, *Opinion on Receipts, Expenditure, Investment of Moneys and the Acquisition and Disposal of Assets by Statutory Boards*. AGS 9 provides guidance on the audit approach for work to be performed by the auditors of financial statements of statutory boards on whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by statutory boards are in accordance with the provisions of the statutory board acts.

The amendments made to AGS 9 are conforming amendments arising from the new and revised auditor reporting standards and Singapore Standard on Auditing (SSA) 720, *The Auditor's Responsibilities Relating to Other Information* which were issued by ISCA in July 2015 and November 2015 respectively.

The key conforming amendments to AGS 9 are as follows:

- Expansion on the provisions covering the auditor's report, in line with the changes to SSA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* (paragraphs 41 to 49)
- The auditor's report for a statutory board comprises (1) "Report on the Audit of the Financial Statements" section and (2) "Report on Other Legal and Regulatory Requirements" section that covers the compliance audit.
  - o Amendments to (1) have been made accordingly based on the enhanced auditor's report format, except for the description of management's responsibilities over going concern. As a statutory board is of a very different nature to that of a regular company, alternative wordings have been proposed for a statutory board.
  - o The following amendments have been made to (2):
    - Ordering of sections follow SSA 700 (Revised), i.e. the "Opinion" section is presented first
    - A new "Basis for Opinion" section has been created.

This amended AGS 9 is effective for audits of financial statements for **periods ending on or after 15 December 2016**, in line with the effective date for the new and revised auditor reporting standards.

For more information, please visit the following URL: <http://ow.ly/10qGlo>

## 2.3 IAASB finalizes changes for engagements to report on summary financial statements following the enhanced auditor reporting project

On 24 March 2016, the International Auditing and Assurance Standards Board (IAASB) released International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*, which deals with the auditor's responsibilities relating to an engagement to report on summary financial statements derived from financial statements audited in accordance with ISAs by that same auditor.

The limited amendments to ISA 810 (Revised) leverage the additional transparency in the auditor's report on the audited financial statements resulting from the IAASB's new and revised Auditor Reporting standards issued in January 2015, in particular ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, and new ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*.

ISA 810 (Revised) will become effective at the same time as the auditor reporting standards addressing general purpose financial statements—for engagements to report on summary financial statements for periods ending on or after December 15, 2016.

For more information on the above, please visit the following URL: <http://ow.ly/10qHtN>

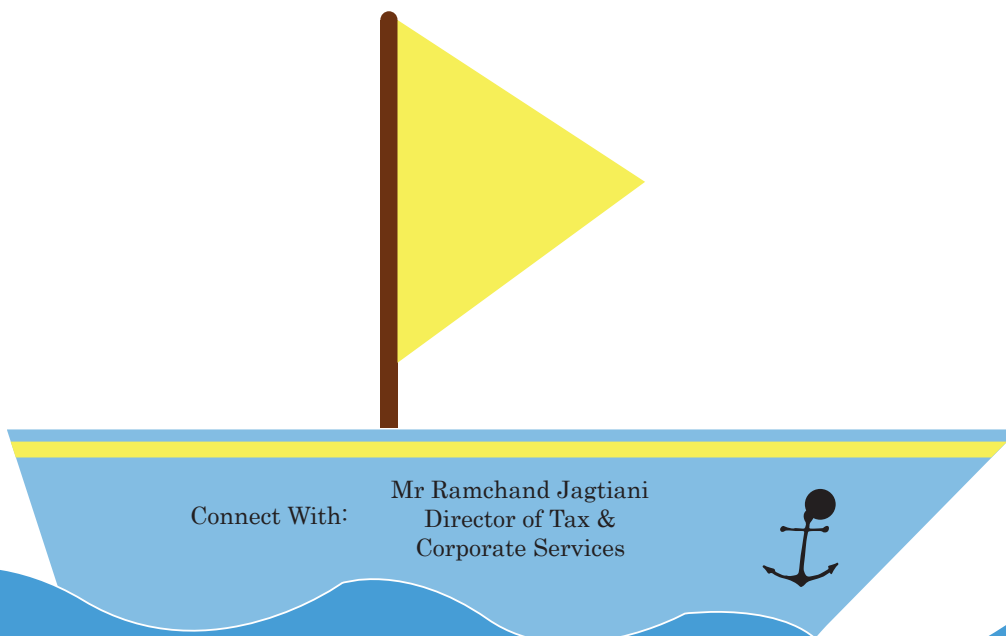
## 3. Taxation

### 3.1 Updated IRAS e-Tax Guide on Group Registration for GST

IRAS has issued the Second Edition of its e-Tax Guide on Group GST Registration on 5 April 2016.

The e-Tax Guide explains the mechanism and qualifying conditions for group registration. Such registration allows companies within a group to centralise their GST functions of administration and reporting by filing one GST return. This can make GST reporting and the payment/refund process more efficient.

Briefly, group registration allows two or more companies within a group to file GST returns as a group instead of individually. One of the companies in the group will be the “representative member” and supplies of goods or services made by or to any member of the group is treated as being made by or to the representative member and accounted for by the representative member.



# Events



## Birthday Celebration For March Babies



**Check out our attempt to surprise our CEO in this video:**

**<http://ow.ly/10qPfv>**

From left to right

Mr Andrew Chua – Head of Quality Control & Technical Partner  
 Mr Ravi Arumugam – Managing Partner & CEO  
 Mr Ramchand Jagtiani – Director of Tax & Corporate Services

**RT LLP Chartered Accountants**  
**RT ASEAN Pte Ltd**  
**RT Academy Pte Ltd**

**RT Advisory Pte Ltd**  
**RT Business Advisory Sdn. Bhd.**  
**RT Links Pte Ltd**

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