

**WELCOME AND OPENING ADDRESS**  
**BY MR ONG KHIAW HONG, CHIEF EXECUTIVE,**  
**ACCOUNTING AND CORPORATE REGULATORY AUTHORITY**  
**ON 10 JANUARY 2024, 9:30AM**  
**AT THE ACRA-SGX-SID AUDIT AND RISK COMMITTEE SEMINAR**  
**2024**

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Distinguished guests  
Ladies and gentlemen

Good morning. On behalf of ACRA and my fellow organisers – welcome to the 10<sup>th</sup> Audit and Risk Committee Seminar.

**Background**

1. Our business landscape today is defined by very complex transactions, continuous macroeconomic and geopolitical uncertainties. Amidst all these challenges, there are calls for organisations to act responsibly, not only to shareholders but also to the wider community. As stewards of your organisation, you play an important role not only for the success and growth of your company but also for its ethical conduct and impact on society.

2. Today, I will cover how your leadership in 3 areas is crucial in fostering sustainable and ethical practices in your organisation. These are promoting sustainability disclosures, strengthening voluntary compliance and combating illicit financial activities.

## **Promoting Sustainability Disclosures**

3. In line with the theme today – “Climate Reporting & Assurance”, it is important for directors to raise the bar on sustainability related disclosures as this will foster greater accountability, ensuring that present day decisions consider the long-term wellbeing of our planet and of course, our future generation.

4. In November last year, ACRA issued a [Financial Reporting Practice Guidance](#) (Guidance) to guide directors, like yourself and especially audit committees, in their review of the FY2023 Financial Statements. One pertinent area highlighted in the Guidance is how climate change may have an impact on financial reporting in FY2023 and areas like green financing, impairment and provisions. As audit committees overseeing the financial reporting process, it is important, and I think you would agree, that you consider how these climate-related risks may have a material impact on your company’s operations and its financial performance.

5. Last year, I also shared that ACRA has set up the Sustainability Reporting Advisory Committee that will recommend a sustainability reporting roadmap for Singapore-incorporated companies. We have since received over 180 responses from various stakeholders, a testament to the strong interest on this topic. We are in the midst of considering the feedback and will finalise the recommendations later this year.

6. ACRA has also collaborated with NUS on a study to understand the current maturity and quality of climate-related disclosures, including whether climate-related risks and opportunities identified have been linked

to financial reporting, and we have done these for selected Singapore listed companies. Later, my colleague will be sharing some of the better disclosure practices by these organisations and I hope that the sharing will be useful for all of you.

### **Strengthening Voluntary Compliance**

7. Next, voluntary compliance. Those who have attended previous years' seminar would know how fond I am of this topic as I have consistently emphasised it every year. You will be relieved to know that this will be the last time you will be hearing from me on this but rest assured that I will drop the incoming CE a note on this.

8. As directors, I urge each of you to view voluntary compliance not as an obligation but as an opportunity – an opportunity to do the right thing and to build a strong culture of trust that others can look up to.

9. Having people with the right skill sets will help you strengthen voluntary compliance. For example, as audit committees, you rely on your finance team to ensure that your organisation not only meet the financial reporting requirements but adhere to the highest professional standards. Therefore, it is important that people in the finance team are appropriately qualified with recognised professional accounting qualifications who possess not only the necessary knowledge but are also well versed in ethical considerations surrounding financial practices.

10. In ACRA, we encourage businesses to embrace voluntary compliance by providing clear guidelines, sharing best practices and I may add, even sending reminders. At the same time, we recognise that there

will always be some bad hats. And as I said every year, in such instances, we and our fellow regulators will not hesitate to penalise the wrongdoers swiftly and decisively to send a clear message that misconduct will not be tolerated.

### **Combating Illicit Financial Activities**

11. Last year, the Singapore authorities carried out one of the world's largest money laundering probes, leading to the arrest of 10 individuals and over \$2.8 billion of assets seized or frozen.

12. Following this, the government announced the set-up of an inter-ministerial committee to review Singapore's anti-money laundering regime to ensure that it stays up to date with these increasingly sophisticated crimes. ACRA is also looking at imposing restrictions on nominee directorships as well as other measures to ensure they are fit and proper in carrying out their duties.

13. As company directors, you play a crucial role in establishing robust anti-money laundering policies and procedures. Regular training programs, internal audits, due diligence processes and whistleblower protection mechanisms are essential components of this effort. Your commitment to upholding the highest ethical standards will not only help you fulfil your legal obligations but will also contribute to Singapore's broader efforts to combat illicit financial crimes.

### **Conclusion**

14. In closing, I would like to emphasise again the crucial role that you play as directors in shaping sustainable and ethical practices in your

companies. Of course, it is easier said than done. But I am optimistic and I am hopeful that as leaders in your organisation, you will embrace the responsibility that comes with this influence to not only build a successful business, but to engender a sustainable one that will uphold the highest standard of integrity and ethical conduct.

15. On this note, I wish you a productive seminar this morning and hopefully a fulfilling year ahead. Thank you.

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