

PRACTICE DIRECTION NO. 1 OF 2014
REVISION IN FILING REQUIREMENTS OF FINANCIAL STATEMENTS IN
XBRL WITH ACRA

This Practice Direction seeks to inform companies of the revisions to the filing requirements for financial statements in eXtensible Business Reporting Language (XBRL) on or after 3 March 2014 for Singapore-incorporated companies which are either unlimited or limited by shares.

1.2 The following matters are set out within this document:

- A. Background of ACRA's XBRL filing requirements
- B. Revision of filing requirements for financial statements in XBRL
- C. Changes to the law
- D. BizFin^x Filing System
- E. Transition from FS Manager
- F. Changes to Annual Return (AR) form
- G. More time to hold Annual General Meeting (AGM) or file Annual Return (AR) form
- H. Training
- I. Further clarification

1.3 The revised XBRL filing requirements will not apply to:

- Companies limited by guarantee; and
- Foreign companies and their local branches

A. Background of ACRA's XBRL filing requirements

2.1 Corporate financial reporting in XBRL format was first implemented in 2007 to enable a pro-enterprise financial reporting environment for businesses in Singapore and a value-enhancing information flow to the local and international business community. The revisions to the filing requirements for financial statements in XBRL seek to build on this foundation to further enhance the corporate financial reporting process in Singapore.

2.2 Before 3 March 2014, Singapore incorporated companies which are either unlimited or limited by shares submitting financial statements to ACRA were required to submit them in XBRL format.

There were however, specific groups of companies exempted from filing their financial statements in XBRL format and will file their financial statements in PDF format instead. They are as follow:

- Companies which are (1) Commercial Banks; (2) Merchant Banks; (3) Registered Insurers; and (4) Finance Companies, that are regulated by the Monetary Authority of Singapore; and
- Companies allowed by law to prepare accounts in accordance with accounting standards other than SFRS, SFRS for Small Entities or IFRS (International Financial Reporting Standards).

2.3 Companies could choose from two XBRL filing options in filing their financial statements together with the AR form. The filing options were:

- Option A – Full XBRL: A full set of financial statements in XBRL format; or
- Option B – Partial XBRL: A minimum of the Statement of Financial Position and Statement of Comprehensive Income in XBRL, together with a PDF copy of the financial statements.

2.4 ACRA provided a free online tool, FS Manager, to enable companies to prepare and file their financial statements in XBRL format. FS Manager was also a financial statements preparation tool, which allowed companies to prepare their financial statements for tabling at AGM purposes.

B. Revision of filing requirements for financial statements in XBRL format

Applicability of revised XBRL filing requirements

3.1 Under the revised XBRL filing requirements which takes effect from 3 March 2014, Singapore incorporated companies (unlimited or limited by shares) which are required to file their financial statements with ACRA will be required to file a full set of financial statements in XBRL format according to a minimum requirement list within the new ACRA Taxonomy 2013. Filing in Option B, which was a filing option available under the FS Manager filing system, will no longer be available.

3.2 The following types of companies are exempted from filing their full set of financial statements in XBRL but will file their AGM financial statements in PDF together with Financial Statements Highlights in XBRL format instead:

- Companies which are (1) Commercial Banks; (2) Merchant Banks; (3) Registered Insurers; and (4) Finance Companies, that are regulated by the Monetary Authority of Singapore; and

- Companies allowed by law to prepare accounts in accordance with accounting standards other than SFRS, SFRS for Small Entities or IFRS (International Financial Reporting Standards).

3.3 Insolvent exempt private companies (EPCs) have the following options to file their financial statements with ACRA:

- A full set of financial statements in XBRL format; or
- A full set of financial statements in PDF with Financial Statements Highlights in XBRL format.

3.4 Solvent EPCs are exempted from filing their financial statements with ACRA. If they choose to voluntarily file their financial statements with ACRA, they have the following options:

- A full set of financial statements in XBRL format / PDF format; or
- Financial Statements Highlights in XBRL format.

Applicable financial periods

3.5 The revised XBRL filing requirements will be applicable for companies filing financial statements with periods ending on or after 30 April 2007. Companies filing financial statements relating to financial periods ending before 30 April 2007 will continue to file their financial statements in PDF format and their financial highlights in their AR form.

Minimum requirement list

3.6 The minimum requirement list is a set of elements within the ACRA Taxonomy 2013 which companies are required to file if the information is available in the financial statements. Companies may choose to report more information in XBRL format than the minimum requirement list.

3.7 The minimum requirement list is designed based on a needs-driven principle, which means elements are only included for collection if they are sought after by consumers of financial information. A comprehensive cost-benefit analysis weighing the interests of all stakeholders was conducted before the minimum requirement list was derived.

3.8 The minimum requirement list as explained in the table below, comprises a combination of:

- a text block element to allow companies to submit their entire set of financial statements; and

- detailed information elements to allow companies to submit information within individual sections of the financial statements.

Information required	Minimum Requirement List
Text block information	An entire set of financial statements submitted using a <u>single text block element</u>
Detailed information (Statutory reports)	Statement by directors Independent auditors' report
Detailed information (Primary financial statements)	Statement of financial position (<i>note 1</i>) Income statement (<i>note 1</i>) Statement of cash flows (<i>note 2</i>)
Detailed information (Disclosure notes)	Corporate and general information Trade and other receivables (<i>note 1</i>) (<i>note 3</i>) Trade and other payables (<i>note 1</i>) (<i>note 3</i>) Provisions (<i>note 1</i>) (<i>note 3</i>) Share capital (<i>note 1</i>) (<i>note 4</i>) Revenue (<i>note 1</i>) Government grants (<i>note 1</i>) Employee benefits expense (<i>note 2</i>) Operating segments (<i>note 1</i>) Property, plant and equipment (<i>note 1</i>) (<i>note 4</i>) Selected income and expense (<i>note 2</i>)

Note 1: Preparers are required to submit the complete information or breakdown in accordance to the Minimum Requirement List for the section. Concepts for "others" may be available to facilitate the disclosure of full information or breakdown.

Note 2: Only selected elements are included in the Minimum Requirement List. Hence the completed elements do not have to sum up.

Note 3: Preparers are not required to provide the breakdown of the trade and other receivables, trade and other payables and provisions according to different classes of parties.

Note 4: In contrast to note 3, preparers are required to provide the breakdown into different classes for property, plant and equipment, and share capital.

3.9 Please note that the applicability of each section listed above for submission will depend on the set of financial statements and the disclosures within. ACRA advises preparers to understand their financial statements to determine the relevant sections for submission in order to facilitate more efficient preparation.

Ensuring accuracy of information

3.10 Ensuring the correctness and accuracy of the information, including financial statements in XBRL, filed with ACRA is the responsibility of the directors of the companies. Directors should

therefore ensure that the financial statements in XBRL format or Financial Statements Highlights are prepared by one who possesses the requisite accounting knowledge. Directors are also advised to check the information to be filed before authorising their company filers to submit the information to ACRA when filing the AR form.

C. Changes to the Law

4.1 In conjunction with the revised XBRL filing requirements, changes have also been made to the Eighth Schedule to the Companies Act to ensure that the information collected continues to be relevant for ACRA's needs and those of persons who rely on information from ACRA. The changes that have been made are as follow:

(a) Removal of the following particulars:

- (i) a statement as to whether the company has any share-based payment plan (paragraph 1(o));
- (ii) a statement as to whether the company has undergone any merger or acquisition (paragraph 1(p)); and
- (iii) if the company is listed on a securities exchange, a statement as to whether the company is within its first year of an initial public offer (paragraph 1(r));

(b) Modification of the requirement to state the particulars of the principal activities in the course of the financial year to a requirement to state the principal activities as at the date to which the accounts are made up and as at the date of the AR form; and

(c) Introduction of the following new particulars:

- (i) a statement as to whether the company (or the group to which it belongs where the company prepares consolidated accounts) has more than 50 employees;
- (ii) in the case of a company listed in a security exchange in Singapore, year of appointment of auditor who signed off the accounts of the company (as required by the listing manual); and
- (iii) in the case of a company listed in a security exchange in Singapore, the aggregate amount of auditors' fees paid, which shall include an itemised breakdown of the fees which are attributable to audit and non-audit services respectively (as required by the listing manual).

D. BizFin^x Filing System

5.1 Under the enhanced BizFin^x filing system, companies can prepare their XBRL financial statements offline via the **BizFin^x preparation tool** or any third party software tools suitable for preparing financial statements in accordance with the revised XBRL filing requirements. After preparation, companies will need to submit the financial statements to ACRA through the online **BizFin^x Portal**.

BizFin^x Preparation Tool

5.2 The BizFin^x preparation tool, an XBRL tool, is provided by ACRA free-of-charge to facilitate companies' preparation of XBRL financial statements in accordance to the revised XBRL filing requirements.

5.3 The system requirements for the installation of the BizFin^x preparation tool are as follow:

Minimum Software Requirements		
Operating System and Software	Windows XP, Windows Vista, Windows 7, Windows 8	
Microsoft .net Framework	Framework 3.5 Service Pack 1 or later, installed	
Microsoft Office	MS Office 2003	Professional
	MS Office 2007	Standard, Small Business, Professional, Professional Plus, Ultimate, Enterprise
	MS Office 2010	Home and Business, Standard, Professional, Professional Plus
	MS Office 2013	Home and Business, Standard, Professional, Professional Plus
Minimum Hardware Requirements		
Processor	2.0GHz Core 2 Duo, i3, i5 or i7	
RAM	2GB	
Hard Disk Space	200 MB of free space for Prep Tool	
Monitor Resolution	1280 x 800 and above	

BizFin^x Portal

5.4 BizFin^x portal is a one-stop portal for all matters that are related to filing XBRL financial statements. It allows companies to submit XBRL financial statements in accordance with revised XBRL filing requirements. This portal will accept XBRL financial statements prepared from any XBRL preparation tool as long as it is created in accordance to the specifications determined by ACRA.

E. Transition from FS Manager

6.1 ACRA understands that companies may use previous financial statements as a template for preparation of financial statements for the current period. Companies which had used FS Manager to prepare their AGM financial statements under Option A (Full XBRL) can request a copy of their Option A XBRL financial statements in MS Word format from ACRA. Companies will then be able to use this Word copy to prepare the necessary financial statements in accordance with the revised filing requirements.

6.2 Companies may submit their request by emailing ACRA_xbri_general@acra.gov.sg.

The subject title of the email should be "Request for XBRL financial statements – Option A filed with ACRA in Word format"

The application must include a scanned copy of a letter with the following details:

- Company Name
- Company Registration Number
- Financial Year End of the relevant Option A financial statements filed
- A copy of the relevant Option A financial statements (in XBRL format)

This letter must be signed off by a director of the company and prepared using the company's letterhead.

No fee is required and processing will take approximately 7 working days.

Filing of Notice of Error for XBRL financial statements

6.3 If there are typographical / clerical errors in XBRL financial statements which have been filed with ACRA, companies can rectify these errors by filing a Notice of Error.

- Where the erroneous XBRL financial statements have been filed before 28 February 2014 2359 hours through FS Manager, companies should select the option to file under Option C (Full PDF format) as "other companies which have been approved by ACRA" within the Notice of Error – Annual Return form and attach their AGM financial statements in PDF. The date of approval should be indicated as "3 March 2014".

- Where the XBRL financial statements are filed on or after 3 March 2014¹ through BizFin^x portal, companies may rectify these errors by filing a Notice of Error, attaching the amended XBRL financial statements.

F. Changes to Annual Return (AR) form

7.1 Other than the changes to AR form due to the amendments to the Eighth Schedule in paragraph 4.1, there are also other changes such as the collection the following information within the main AR form instead of the XBRL financial statements:

- Whether the financial statements is exempted from audit, and details of the auditor:
 - Name of public accounting entity that audited the financial statements, and
 - Name of public accountant who audited and signed off the financial statements

G. More time to hold Annual General Meeting (AGM) or file Annual Return (AR) form

8.1 ACRA will allow companies other than public listed companies² more time to hold their AGM and to file their AR form. The fee waiver in paragraph 8.2 or penalty waiver in paragraph 8.3 is given to allow more time for companies to prepare a full set of financial statements in XBRL, under the revised filing requirements for the first time. As such, it will only be applicable for companies filing a full set of financial statements in XBRL format during the first year of implementation of the revised XBRL filing requirements (i.e. 3 March 2014 to 2 March 2015).

8.2 All companies, other than public listed companies, filing a full set of financial statements in XBRL format under the revised filing requirements will be eligible for a fee waiver when they apply for a 30-day extension of time under the following Companies Act requirements. This fee waiver will be available for companies applying for extension of time:

- (a) To hold AGM (under Section 175 of the Companies Act); and
- (b) To lay the financial statements before the shareholders (under Section 201 of the Companies Act).

8.3 For a company other than a public listed company that holds its AGM and has laid its financial statements before the shareholders within the prescribed period in Companies Act, ACRA will not be imposing any late penalty if it files a full set of financial statements in XBRL, provided the AR form

¹ No Annual Return filings can be made to ACRA on 1 and 2 March 2014 due to system maintenance.

² Those listed or quoted on a securities exchange in Singapore.

which the financial statements accompany is filed not more than 30 days after the period within which the AR form is required by law to be filed under Section 197 of the Companies Act. Where the company has applied for and has been granted an extension of time under Sections 175 and 201 of Companies Act, no waiver of late penalty under section 197 will be available. Notwithstanding the penalty waiver, the company's colour-coded compliance rating will be **✗** if the company has breached the provisions under section 175, 197 or 201.

H. Training

9.1 A \$1.8million training fund has been set up to facilitate companies' transition to full XBRL filing under the revised filing requirements. ACRA has organised and will continue to organise training seminars in collaboration with professional bodies. Companies can sign up for the free training seminars and heavily-subsidised training courses on the revised filing requirements and the new BizFin^x filing system. Please visit <https://www.acra.gov.sg/xbml-filing-and-resources/help-resources> for information on training seminars and training courses.

I. Further clarification

10.1 For further enquiries, please visit our interactive virtual assistant, Ask Jamie@ACRA on www.acra.gov.sg or you may contact ACRA's Helpdesk at 6248 6028.

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Kenneth Yap (Mr)

Chief Executive and Registrar of Companies
Accounting and Corporate Regulatory Authority