

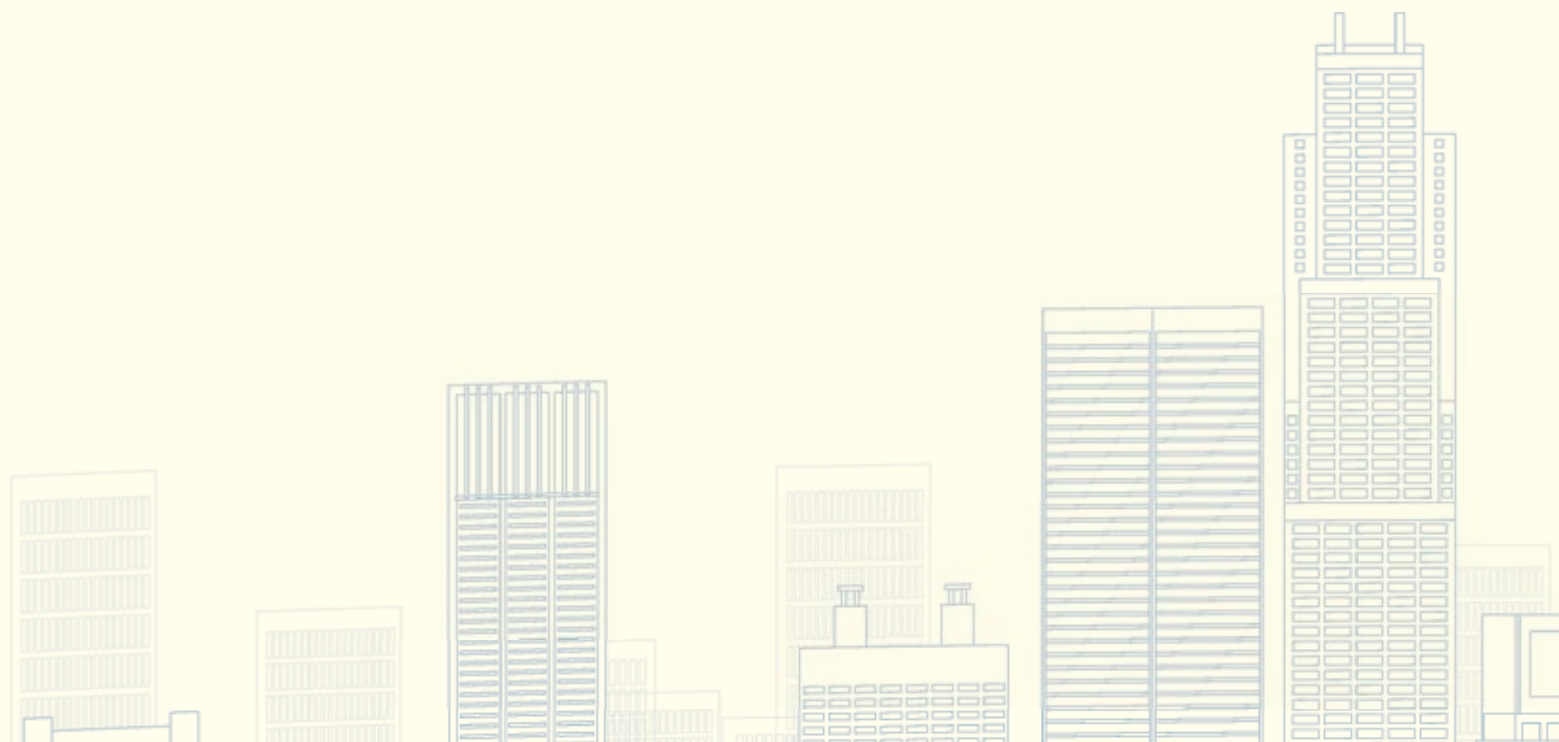
**BUILDING
BUSINESS
CONFIDENCE
SPURRING
OPPORTUNITIES**

Annual Report
2014/2015



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EXECUTIVE SUMMARY

Building Business Confidence, Spurring Opportunities

In FY2014/15, ACRA strove towards making a positive impact on its stakeholders, through its goal to strengthen professional standards, improve the regulatory environment to drive investment, while continuing to facilitate ease in doing business.

Directors

- Launched Director Financial Reporting Essentials course with SID and ISCA
- Trained close to 4,000 first-time offending directors under the Directors Compliance Programme
- Co-organised inaugural Audit Committee Seminar with SID and SGX

Corporate Service Providers (CSP)

- Introduced new CSP regime to raise professional standards
- Conducted industry outreach to smoothly transition 3,400 CSPs
- Developed guidelines for new CSP regime jointly with professional partners

Investors

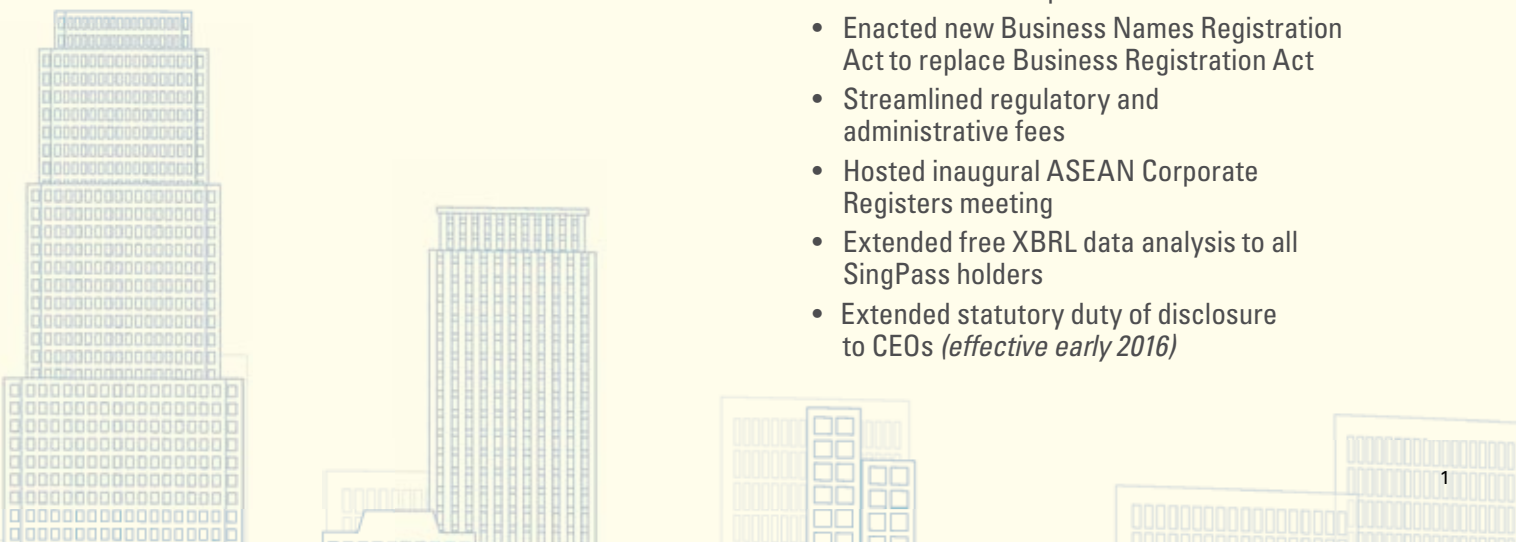
- Stepped up enforcement against directors who breach financial reporting standards
- Introduced multiple proxies regime to enfranchise indirect investors (*effective early 2016*)

Public Accountants

- Raised practical experience requirements for new public accountants
- Implemented stronger measures against money laundering
- Revised Code of Professional Conduct and Ethics
- Reformed Practice Monitoring Programme

Company Management and Entrepreneurs

- Broadened threshold for audit exemptions to benefit small companies
- Enacted new Business Names Registration Act to replace Business Registration Act
- Streamlined regulatory and administrative fees
- Hosted inaugural ASEAN Corporate Registers meeting
- Extended free XBRL data analysis to all SingPass holders
- Extended statutory duty of disclosure to CEOs (*effective early 2016*)



CHAIRMAN'S MESSAGE

This year, we celebrate Singapore's golden jubilee and recognise the contributions of our pioneer generation. Since the early years of nationhood, we have nurtured a business climate that promotes international investment and growth. With the benefit of a pragmatic, honest and efficient government, Singapore has built up its reputation as a trusted business hub where the business environment is friendly and transparent with high standards of corporate governance and strong regulatory frameworks in place.

It is a reputation that we do not take lightly. Indeed, FY2014/15 has been a year in which significant steps have been taken by ACRA to maintain transparency and adequate financial disclosure in our markets. Equally critical are our efforts to ensure that our corporate regulatory regime is not only robust but also supportive of Singapore's continued growth as a global hub for businesses and investors.

KEEPING OUR REGULATORY REGIME ROBUST AND RESPONSIVE

The holistic review of the Companies Act has been the centrepiece of our efforts to maintain a robust regulatory framework that is responsive to business needs. Over 200 legislative changes were proposed and extensive public consultations were held, culminating with the passing of the Companies (Amendment) Bill by Parliament in October 2014. It is the largest number of changes to the Companies Act since it was enacted in 1967.

Crucially, the changes seek to reduce the regulatory burden on companies, provide for greater business flexibility and improve the corporate governance landscape in Singapore. Various stakeholder groups such as companies, small-and-medium enterprises (SMEs), and retail investors will benefit from the changes.

RAISING PROFESSIONAL STANDARDS

Recognising the critical role that key professions play in ensuring good corporate governance and safeguarding the integrity and reliability of corporate and financial information, we have sought to tighten regulatory requirements and raise professional standards and competencies.

Over 2,600 corporate service providers now come under an enhanced regulatory framework that was implemented on 15 May 2015. For the first time, corporate



service providers are required to put in place systems and procedures to conduct due diligence checks on their clients. This is significant as it will reduce the sector's vulnerability to money laundering and terrorist financing.

Transitioning to a new regime is a huge step, and strong support from key professional partners such as the Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA) and the Institute of Singapore Chartered Accountants (ISCA) have helped corporate service providers ease into this transition.

In February 2015, ACRA tightened registration requirements to ensure that all new public accountants have sufficient experience for their audit responsibilities. On 1 July 2015, the Code of Professional Conduct and Ethics for Public Accountants was also strengthened.

PROTECTING INVESTORS' INTERESTS

In July last year, ACRA expanded the scope of its Financial Reporting Surveillance Programme (FRSP). Listed companies with "clean" audit reports of their financial statements, and non-listed companies that are of public interest are now also reviewed under the Programme. The inaugural FRSP report will be released in October this year, highlighting directors' legal responsibility under the Companies Act to ensure that financial reports comply with accounting standards.

To help raise the competency of directors in financial reporting, a regular training course was jointly developed with the Singapore Institute of Directors in December 2014, with half the course fees subsidised by ACRA.

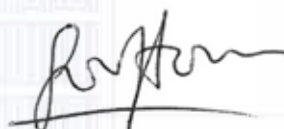
Separately, to ensure directors are aware of their duty to hold annual general meetings and file annual returns, the Directors Compliance Programme was launched in November 2014. This programme trains first-time offending directors on the general duties of directors and common statutory requirements under the Companies Act.

Offending directors are given the choice of either being trained or being prosecuted. So far, close to 4,000 directors have chosen to be trained.

IN APPRECIATION

Finally, I would like to extend my deepest appreciation to our board members for their diligent stewardship over the past financial year. In particular, I would like to thank the retiring members, Ms Chua Geok Wah and Mr Lee Chuan Teck, for their immeasurable and lasting contributions to ACRA. I am also pleased to welcome the new board members, Mr Ow Fook Chuen and Mr Lee Boon Ngiap.

I would also like to express my appreciation to ACRA's key stakeholders and partners, whose support has been key to many of ACRA's regulatory efforts. Looking ahead to the next 50 years, ACRA will remain committed to our mission to make good corporate governance, quality corporate financial reporting and high quality audit the hallmarks of our financial and corporate sectors.



MS LIM SOO HOON
Chairman

CHIEF EXECUTIVE'S MESSAGE

In FY2014/15, ACRA continues to adopt a collaborative and progressive regulatory approach that remains responsive to business needs and boosts market confidence. ACRA is unique because it has oversight over three key components of the financial reporting value chain, namely corporate service secretaries, company directors and management, and auditors. We have adopted a consultative and collaborative regulatory approach to encourage compliance and raise standards in a practical and sustainable manner.

ENCOURAGING COMPLIANCE AND RAISING STANDARDS THROUGH INDUSTRY PARTNERSHIPS

TAPPING ON ACCOUNTING EXPERTISE TO MONITOR FINANCIAL STATEMENTS

The complexity and subjectivity of modern accounting standards require strong oversight to ensure that financial statements present a true and fair account of a company's performance. ACRA's revised Financial Reporting Surveillance Programme, which checks that directors and financial preparers properly discharge their statutory duty in relation to financial reporting, was made possible by tapping on the expertise of senior accounting partners.

Since July 2014, the Institute of Singapore Chartered Accountants' (ISCA) Financial Statements Review Committee, which comprises some 30 senior experienced practitioners from the accountancy sector, has helped to review and raise potential non-compliances in financial statements for ACRA's regulatory action. In complex cases, ACRA further taps on its newly formed Financial Reporting Technical Advisory Panel, comprising senior audit partners, academia, and other finance professionals, to ensure that any findings made are accord with market behaviour and best practices.

CO-CREATING INDUSTRY NORMS

When faced with the task of introducing a

new regulatory regime for corporate service providers, ACRA worked with professional bodies to co-create a set of industry guidelines that would form the basis of our regulatory oversight. Together with ISCA, the Singapore Association of the Institute of Chartered Secretaries and Administrators and the Law Society, ACRA conducted outreach and educational sessions to ensure that more than 3,400 corporate service providers transitioned smoothly to the new regime, while properly appreciating how their new duties would aid in reducing Singapore's exposure to the risks of money laundering and terrorist financing.

When ACRA conducts compliance reviews on the industry, the findings and recommended best practices will also be shared with the entire sector to raise standards collaboratively.

EDUCATION BEFORE ENFORCEMENT

Many directors who fail to hold annual general meetings or file annual returns cite ignorance or inadvertence as the root cause for non-compliance. To engender good corporate compliance, ACRA now offers training in lieu of prosecution for first-time offenders. Provided in conjunction with the Singapore Institute of Directors, the Directors Compliance Programme offers training on key statutory requirements and the business value of compliance. Conversely, persistently non-compliant directors will face firmer measures to deter such recalcitrant behaviour, including raising and tiering composition amounts, and seeking high deterrent fines in court.

ENHANCING MARKET TRANSPARENCY

To introduce more transparency in the marketplace, ACRA in collaboration with ISCA reviewed and issued enhanced auditor reporting standards in July 2015. The enhanced standards will provide greater insights into the audit process and raise the quality of disclosure in financial statements. Under the expanded auditor's report,

auditors will have to communicate key audit matters, beyond the traditional pass or fail audit opinion, such as significant risk areas in the financial statements that are most susceptible to mis-statements.

INNOVATIVE CHANGES TO BUSINESS SYSTEMS AND PROCESSES

Mindful of the need to facilitate business, we continue to take a flexible and facilitative stance when reviewing regulatory obligations. This is exemplified in how ACRA has comprehensively reviewed and streamlined our fee structure for business transactions. Over a hundred ad hoc transactions previously charged under a pay-per-use model, will be made free of charge. This will take effect in the first quarter of next year.

By early next year, major enhancements to our online business registration and filing portal, BizFile+ will also be completed. Handling more than a million transactions a year, the enhanced system will improve the customer experience and reduce administrative burden. Procedures have been streamlined, the customer interface made more intuitive and a range of convenient mobile options will enable businesses and the public to perform a number of transactions on their personal mobile devices. These enhancements will benefit over 450,000 businesses registered with ACRA and the public who access our public registers of business entities.

STAYING THE COURSE

Finally, I would like to thank all the ACRA Board Members for their invaluable insights and contributions. I would also like to express my appreciation to all ACRA staff for their hard work and dedicated service. As public expectations rise and business

needs become more complex, the delivery of quality service that places the customer at the core is more pressing than ever. Fostering a culture of innovation and service excellence is paramount to ensuring we stay globally relevant and competitive, and to safeguarding Singapore's reputation as a trusted and best place for business.



KENNETH YAP
Chief Executive



ABOUT ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. ACRA also plays the role of a facilitator for the development of business entities and the public accountancy profession. The mission of ACRA is to provide a responsive and trusted regulatory environment for businesses and public accountants. ACRA's role is to achieve synergies between the monitoring of corporate compliance with disclosure requirements and regulation of public accountants performing statutory audit.

As a regulator and facilitator, ACRA constantly strives to create a vibrant, trusted and secure environment for businesses, and to make Singapore truly the best place for doing business.

OUR VISION

Singapore: The trusted and best place for business

OUR MISSION

To provide a responsive and trusted regulatory environment for businesses and public accountants

OUR CORPORATE VALUES

We believe in upholding the following corporate values in our daily work. We are guided by ACRA's corporate values, known as '**I-ACRA**':

INTEGRITY

We are honest, upright and impartial in everything we do as individuals and as an organisation

ALERT & AGILE

We are vigilant and responsive to the needs of our stakeholders

COLLABORATIVE

We work with our stakeholders to achieve common goals

RESPECT

We value and respect our stakeholders

ADD VALUE

We make a positive difference for our stakeholders

BOARD

Ms Lim Soo Hoon (Chairman)	Mr Lee Boon Ngiap
Mr Kenneth Yap (Chief Executive)	Mr Max Loh
Mr Sajjad Akhtar	Ms Chandra Mallika
Mr Adrian Chan	Mr Alan Rupert Nisbet
Ms Cindy Goh	Mr Ow Fook Chuen
Mr Ho Meng Kit	Prof Tan Cheng Han
Prof Ho Yew Kee	Mr Yap Chee Keong
Ms Melissa Khoo	Mr Yeoh Oon Jin

COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Yap Chee Keong (Chairman)
Mr Adrian Chan
Ms Cindy Goh
Prof Ho Yew Kee
Ms Melissa Khoo
Mr Lee Boon Ngiap

PUBLIC ACCOUNTANTS OVERSIGHT COMMITTEE

Prof Tan Cheng Han (Chairman)
Mr Sajjad Akhtar
Mr Max Loh
Mr Alan Rupert Nisbet
Mr Ow Fook Chuen
Mr Yap Chee Keong
Mr Yeoh Oon Jin

HUMAN RESOURCE AND FINANCE COMMITTEE

Ms Lim Soo Hoon (Chairman)
Mr Ho Meng Kit
Ms Chandra Mallika
Mr Alan Rupert Nisbet
Mr Kenneth Yap



BOARD MEMBERS



Ms Lim Soo Hoon
Chairman



Mr Kenneth Yap
Chief Executive



Mr Sajjad Akhtar



Mr Adrian Chan



Ms Cindy Goh



Mr Ho Meng Kit



Prof Ho Yew Kee



Ms Melissa Khoo



Mr Lee Boon Ngiap



Mr Max Loh



Ms Chandra Mallika



Mr Alan Rupert Nisbet



Mr Ow Fook Chuen



Prof Tan Cheng Han



Mr Yap Chee Keong



Mr Yeoh Oon Jin

MANAGEMENT

(As at 1st October 2015)



Mr Kenneth Yap
Chief Executive



Ms Julia Tay
Deputy Chief Executive



Mr Andy Sim
Assistant Chief Executive,
Legal Services and Prosecution



Ms Bernice Quek
Senior Director, Business Information and
Technology Division



Ms Tay Bee Sin
Director, Corporate Services
Division



Ms Bong Yap Kim
Director, Financial Reporting Surveillance
Department and Strategy and External
Relations Department



Ms Ang Siok Hui
Director, Corporate Communications
Department



Ms Elena Yeo
Director,
Law Reform Department



Mr Toh Swee Chien
Director, Strategy Policy and Corporate
Planning Department



Ms Sherry Quark
Director, Professional Oversight Department
and Financial Information Department



Mr Thomas Koshy
Director, Civil Advisory Department
/ Institute of Corporate Law



Mr Mohamed Farouk
Director, Customer Experience
and Engagement Division



Ms Quek Siew Eng
Chief Inspector and Director,
Practice Monitoring Department



Ms Arul Selvamalar
Senior Deputy Director, Prosecutions



Ms K Latha
Head, Business Registry and
Facilitation Department



Mr Roy Tang
Acting Head, Client Engagement
Department

MANAGEMENT

(As at 1st October 2015)



Mr Kenny Kung
Head, Compliance Department



Mr Cheok Yu-Liang
Head, Corporate Service Providers
Enforcement and Regulation Department



Mr William Lee
Joint Head, Corporate Service
Providers Enforcement and Regulation
Department



Mr Yong Seng Meng
Head, eServices Department



Mr Dave Lau
Head, Finance Department



Ms Sia Su Chun
Head, Financial Information Department



Ms Tan Wei Ling
Head, Financial Reporting Surveillance
Department



Mr Lee Tze Ming
Head, Information Resource Department



Mr Elan Arunasalam
Head, Information Technology
Strategy Department



Mr Danny Han
Head, Investigation Department



Ms Tan Siok Kheng
Head, Management Services Department



Ms Sophia Leow
Acting Head, Practice Monitoring Department



Mr Wong Kee Wei
Head, Strategy and
External Relations Department



Mr Nicholas Ngoh
Head, Training and
Development Department

OUR ORGANISATION

BUSINESS INFORMATION AND TECHNOLOGY DIVISION

Aligns departments' initiatives and facilitates synergy on matters related to IT systems, and also ensures quality and value of information to meet strategic outcomes.

eServices Department

- Ensures proper project governance and consistency in end-to-end system testing for ACRA
- Brings together IT project managers and departments to ensure that new requirements do not conflict with existing information
- Scans for new developments in the IT market that may be useful to ACRA

Financial Information Department

- Manages the eXtensible Business Reporting Language (XBRL) Financial Reporting
- Oversees the filing process and mechanism of XBRL financial statements, and also provides help resources for preparers and lodgers

Information Resource Department

- Protects the integrity and undertakes the preservation of data on businesses and public accountants in Singapore
- Facilitates business development by reviewing information needs and providing value-added services

Information Technology Strategy Department

- Strategises and actualises value-creating information and communications technology (ICT) solutions
- Key responsibilities include ICT Governance, application systems and technical services management and maintenance

LEGAL SERVICES AND PROSECUTION DIVISION

Provides legal support to the Board and departments, and administers ACRA's laws.

Civil Advisory Department / Institute of Corporate Law

- Advises the ACRA Board and other ACRA departments on legal matters
- Performs statutory functions as Assistant Registrar of Companies, Businesses, Public Accountants, Limited Liability Partnerships and Limited Partnerships
- Develops corporate law literature and fosters discussions on corporate law issues

Compliance Department

- Ensures good corporate governance by overseeing the timely disclosure of corporate and financial information of companies and Limited Liability Partnerships
- Initiates enforcement actions against non-compliance with the Companies Act

Corporate Service Provider Enforcement and Regulation Department

- Administers the enhanced regulatory framework for corporate service providers (CSPs)
- Provides education and training for CSPs

Investigation Department

- Oversees compliance and governance matters of all business entities
- Investigates serious breaches of the laws administered by ACRA

Law Reform Department

- Drives ACRA's systematic approach to law reform
- Formulates and reviews legal policies and legislation under ACRA's purview

Training and Development Department

- Manages developmental policies related to compliance and enforcement
- Trains directors on their duties and responsibilities under the Companies Act

CUSTOMER EXPERIENCE AND ENGAGEMENT DIVISION

Enhances ACRA's service delivery to the public and ensures customer centricity in policy implementation.

Business Registry and Facilitation Department

- Oversees registration of Singapore's business entities
- Manages registration of documents, notices, and returns filed through BizFile
- Develops new initiatives to make it easier to start and do business in Singapore

Client Engagement Department

- Provides customers with a one-stop platform to interact with ACRA
- Reviews initiatives to enhance service delivery and customer experience
- Centrally manages the ISO 9001:2008 Quality Management System within ACRA

CORPORATE SERVICES DIVISION

Sets strategic direction and creates partnerships with departments to enable internal operational efficiency and attainment of common goals.

Human Resource Department

- Undertakes employer branding, manpower planning and recruitment
- Facilitates talent retention and engagement through performance management, training, benefits, and staff communications

Management Services Department

- Provides architecture support to ACRA
- Manages procurements records, tangible assets and facilities

CORPORATE COMMUNICATIONS DEPARTMENT

- Develops and executes communications strategies to promote ACRA's corporate profile and key messages
- Oversees international engagement strategies to establish ACRA as a reputable member of the international corporate regulatory scene, and to advance Singapore's interests abroad

AUDIT DEPARTMENT

- Performs independent audit reviews of ACRA
- Provides assurance and advisory services on risk management

FINANCE DEPARTMENT

- Takes charge of ACRA's budgetary decisions, accounting processes and financial reporting
- Ensures optimal allocation of monetary resources

FINANCIAL REPORTING SURVEILLANCE DEPARTMENT

- Seeks to uphold the integrity and quality of financial reporting in Singapore
- Reviews selected financial statements for compliance with accounting standards
- Takes enforcement action against directors for financial reporting breaches

PRACTICE MONITORING DEPARTMENT

- Performs practice reviews of audits by public accountants
- Monitors events and trends locally and internationally to support ACRA's regulatory efforts

PROFESSIONAL OVERSIGHT DEPARTMENT

- Oversees the registration of public accountants and accounting entities, as well as key aspects of regulation and development of the profession
- Develops practice bulletins to guide public accountants and to supplement prescribed professional standards

STRATEGY AND EXTERNAL RELATIONS DEPARTMENT

- Works with stakeholders to raise audit quality and help maintain a trusted business environment
- Fosters dialogues, publishes articles, organises seminars and joint research projects on audit quality issues

STRATEGY POLICY AND CORPORATE PLANNING DEPARTMENT

- Drives strategic planning, policy formulation and corporate performance
- Coordinates ACRA's enterprise risk management and business continuity planning efforts

DIRECTORS

EMPOWERING DIRECTORS TO MAINTAIN HIGH STANDARDS OF CORPORATE GOVERNANCE AND FINANCIAL REPORTING



Key Highlights:

- Launched Director Financial Reporting Essentials course with SID and ISCA
- Trained close to 4,000 first-time offending directors under the Directors Compliance Programme
- Co-organised inaugural Audit Committee Seminar with SID and SGX



DIRECTORS

EMPOWERING DIRECTORS TO MAINTAIN HIGH STANDARDS OF CORPORATE GOVERNANCE AND FINANCIAL REPORTING

The company director's principal role is to steward the company and steer its course in the best interest of its stakeholders. Directors therefore play a key role in ensuring companies maintain high standards of corporate governance and financial reporting. In FY2014/15, ACRA introduced several training measures to equip company directors with the relevant knowledge and skills to carry out their roles more effectively.

EDUCATION

Directors Financial Reporting Essentials: Training on Financial Reporting

To strengthen company directors' knowledge on financial reporting, ACRA commissioned the Singapore Institute of Directors (SID) and the Institute of Singapore Chartered Accountants to develop and conduct the Directors Financial Reporting Essentials (DFE) course. ACRA also subsidises half of the course fee for directors who attend the course before 31 March 2016.

The one-day course equips non-accounting trained directors with basic accounting knowledge, as well as practical tips and considerations when reviewing their companies' financial statements. It also guides directors on working with auditors to resolve audit findings and complex accounting issues.



The Directors Financial Reporting Essentials course provides directors with basic accounting knowledge and practical tips when reviewing their companies' financial statements.

Directors Compliance Programme: Training on Key Statutory Obligations

ACRA continues to keep up the pressure on errant directors and level the playing field for directors who take their statutory obligations seriously and adhere to regulatory requirements.

In November 2014, ACRA launched the Directors Compliance Programme for first-time errant directors who failed to comply with regulatory requirements. The training is in lieu of prosecution. To date, close to 4,000 directors have been trained. Most of them are directors of small-and-medium-sized enterprises (SMEs) who were not aware of their full statutory responsibilities and the business value of good corporate governance and compliance.



The Directors Compliance Programme is a one-day course on directors' statutory obligations, offered to first-time errant directors in lieu of prosecution.

ENFORCEMENT

Tougher Enforcement Measures on Persistent Offenders

Besides training, ACRA has also stepped up enforcement against repeat offenders. This includes raising and tiering its composition amounts. Since July 2015, directors have been offered compositions of \$300 to \$900 per breach, up from previous amounts of \$60 to \$350 per breach. ACRA now also seeks high deterrent court fines for those who persistently commit repeated or multiple breaches.

When the new legislative amendments to the Companies Act are implemented in the first quarter of 2016, ACRA will pro-actively strike off companies that are not carrying on business or are not in operation. It will also disqualify directors who have three or more of their companies struck off pursuant to reviews initiated by ACRA within five years from acting as directors.

Separately, ACRA will also be able to debar directors and secretaries from taking on new appointments if they are in default of a statutory filing requirement under the Companies Act for a continuous period of at least three months.



Mr Dennis Tan
Managing Director,
Futuris Holdings

“ Many first-time directors of smaller companies fail to comply with statutory obligations due to ignorance of the rules and of the intrinsic value of good corporate governance. Rather than enforcing with a heavy hand, ACRA waives off statutory fines if they attend the Directors Compliance Programme. This course provides them with a good grounding of their statutory duties, and imparts practical tips and skills to help companies maintain a clean record and a sterling business reputation. ”



ACRA will now be empowered to debar non-compliant company directors and secretaries.

DIRECTORS

OUTREACH

Inaugural Audit Committee Seminar: Raising Awareness on Key Corporate Regulatory Developments

In their unique position of overseeing both the company management and auditors, audit committees are critical in ensuring the integrity and quality of corporate reporting.

In January 2015, ACRA jointly organised the inaugural Audit Committee Seminar with the Singapore Institute of Directors and the Singapore Exchange to discuss recent changes and challenges in the ever changing corporate regulatory landscape. Attended by over 150 company directors from listed companies, the seminar explored how directors, in their capacity as audit committee members of their companies, could better collaborate with regulators to boost the quality of financial reporting.

ACRA also shared its observations on financial reporting deficiencies from the Financial Reporting Surveillance Programme (FRSP), which expanded its scope last year to include financial statements of listed companies with "clean" audit reports. The first FRSP report will be released in October 2015.



The Audit Committee Seminar 2015 panel was made up by, from left to right, Mr Willie Cheng, SID Chairman; Mr Yap Chee Keong, Chairman and Audit Committee Member, Netlink Trust; Mr Chaly Mah, Deloitte Asia Pacific Chief Executive Officer; Mr Kenneth Yap, ACRA Chief Executive; Ms June Sim, VP & Head, Listing Compliance of SGX; Dr Themin Suwardy, Associate Professor of Accounting (Practice) and MPA Programme Director of SMU; and Mr Irving Low, Head of Risk Consulting, Partner, KPMG Advisory LLP.



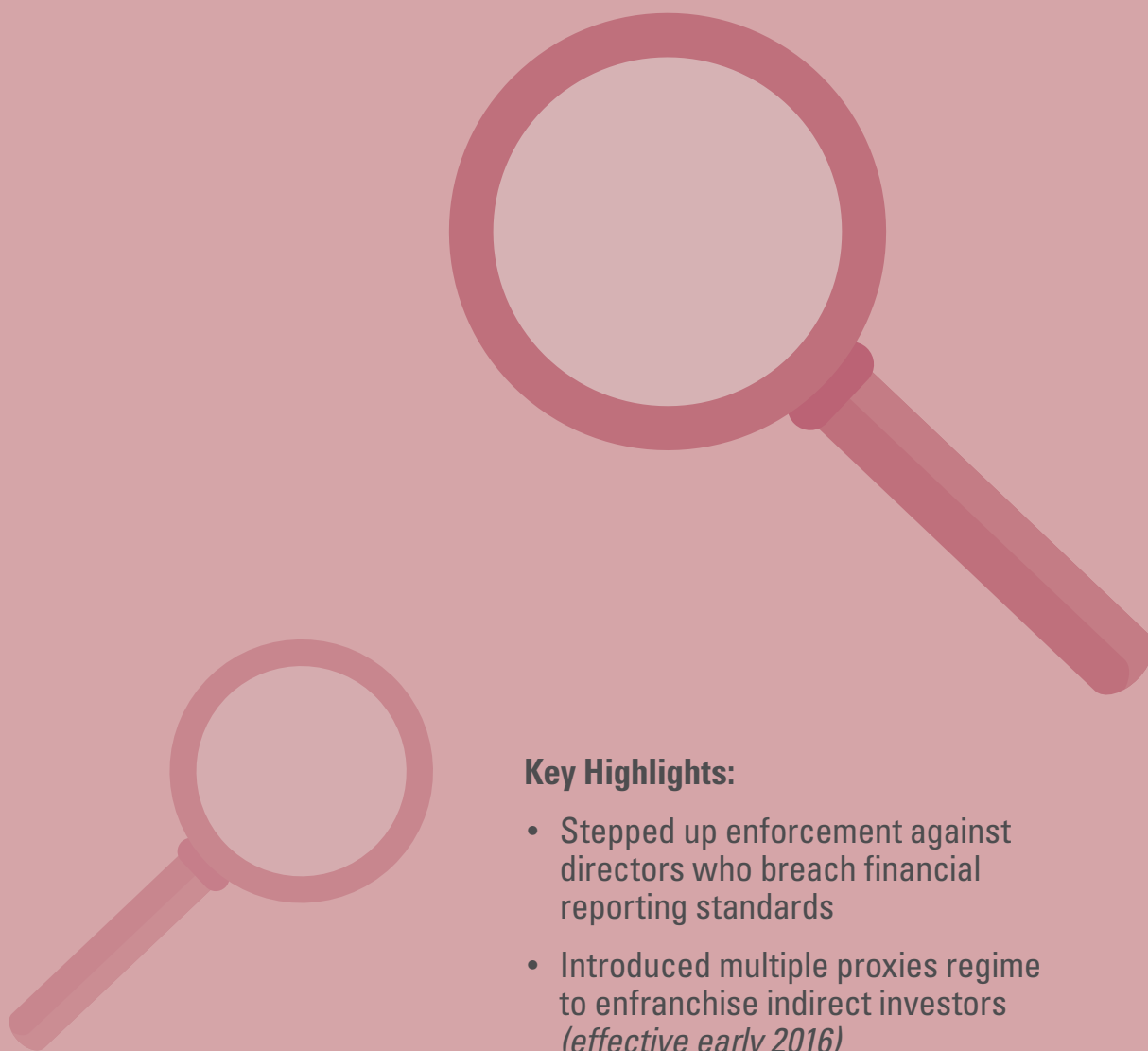
Mr Willie Cheng
Chairman, Singapore
Institute of Directors

“ACRA is a proactive and responsive regulator. SID is grateful for ACRA’s unstinting support and active participation in the Singapore Corporate Awards, the Corporate Governance Guides for Boards in Singapore, and other industry initiatives.

ACRA has been a key partner of SID in the professional development of directors. The Directors Compliance Programme and Directors Financial Reporting Essentials Course were initiated and supported by ACRA and has seen more than 2,000 directors trained so far. The joint ACRA-SGX-SID Audit Committee seminar has become an annual staple.”

INVESTORS

SAFEGUARDING INVESTORS' INTERESTS, BOOSTING MARKET CONFIDENCE



Key Highlights:

- Stepped up enforcement against directors who breach financial reporting standards
- Introduced multiple proxies regime to enfranchise indirect investors (*effective early 2016*)



INVESTORS

SAFEGUARDING INVESTORS' INTERESTS, BOOSTING MARKET CONFIDENCE

For Singapore to maintain its reputation as an attractive and trusted place for business, investors must continue to be assured of the reliability and integrity of the corporate and financial information they receive. ACRA strives to ensure that good quality corporate financial reporting and high quality audit are the hallmarks of our financial and corporate sectors.

TRUSTED FINANCIAL INFORMATION

Protecting the Integrity of Financial Statements

In July 2014, ACRA expanded the scope of its Financial Reporting Surveillance Programme (FRSP) to include reviews of financial statements with "clean" audit reports of listed companies. Prior to July 2014, the FRSP was primarily focused on the review of accounting issues highlighted in the modified audit reports of listed companies.

The key objective of the FRSP is to guide companies to meet requirements in the prescribed Accounting Standards in Singapore. Regulatory sanctions are taken against company directors only when non-compliance(s) have significant impact on the financial statements.

Through a memorandum of understanding with the Institute of Singapore Chartered Accountants (ISCA), ACRA now taps on professional resources and expertise from ISCA's Financial Statements Review Committee (ISCA-FSRC), which used to review financial statements as part of the industry self-regulation efforts. The ISCA-FSRC comprises some 30 senior experienced practitioners from the various audit firms in Singapore, with a majority from the Big Four public accounting firms. ISCA-FSRC shares their observations on potential non-compliances in financial statements with ACRA, which then decides on the regulatory outcome.

When serious non-compliances are considered complex and/or judgemental, they are referred to ACRA's Financial Reporting Technical Advisory Panel for an additional expert opinion to ensure that any serious enforcement decision is not prejudicial to directors. The panel comprises senior partners from the public accounting firms, academia, and other professionals from the financial reporting community.



Ms Cheng Ai Phing
Recently Retired Senior Partner of
Deloitte & Touche LLP
Immediate-Past Chairman,
Financial Statements Review
Committee, Institute of Singapore
Chartered Accountants

“ACRA’s efforts to uphold the integrity, transparency and quality of corporate financial reporting in Singapore is also the Institute of Singapore Chartered Accountants Financial Statements Review Committee’s (ISCA-FSRC) key mission. The collaboration between ACRA and ISCA-FSRC enables resources to be efficiently pooled to provide better guidance to the directors and auditors who are key stakeholders in the financial reporting value chain. It also reflects ACRA’s continued commitment to work with all key stakeholders to raise the standard and quality of corporate financial reporting to levels enjoyed by the investors community in other established jurisdictions.”

RESEARCH

Gaining Insights on the State of Financial Reporting

To get a sensing of the state of financial statements prepared by management before an audit, ACRA commissioned the Singapore Management University to conduct a study on the characteristics, nature and extent of the proposed audit adjustments to the financial statements of companies listed in Singapore. The ground-breaking study, released in August 2014, is the first of its kind to use actual audit adjustments data. The findings – auditors proposed adjustments worth S\$33.9 billion for 257 listed companies. It showed uneven quality amongst financial statements prepared by management before audits with much room for improvement by companies in some sectors.

Following the release of the study's findings, ACRA rolled out new initiatives to improve the quality of financial reporting. This included commissioning the Singapore Institute of Directors (SID) and the Institute of Singapore Chartered Accountants (ISCA) to develop and conduct a new financial reporting training course for directors commencing December 2014.



A Singapore Management University study commissioned by ACRA on audit adjustments, released in August 2014, revealed gaps in companies' preparation of financial statements.

EMPOWERING INDIRECT INVESTORS

Encouraging Responsible Shareholder Activism

Recognising that shareholder activism is an important component of a healthy and well-functioning capital market which helps to further enhance corporate governance, a new multiple-proxies regime will be introduced in early 2016. This regime will enable indirect investors, including CPF investors, to be appointed as proxies to participate in shareholders' meetings. Indirect investors will be given the same rights as direct investors to vote at the shareholders' meetings. These amendments balance the interests of the various stakeholders within the business community while not losing sight of the objective of achieving a competitive business environment.



Mr Yeoh Oon Jin
Executive Chairman,
PricewaterhouseCoopers LLP

“ACRA’s enhanced Financial Reporting Surveillance Programme is a step in the right direction for Singapore to progress towards a world-class capital market where investors can trust competent and responsible preparers of financial statements. The programme is still in its fledgling state and as preparers, auditors and regulators continue on this journey of trust, the right mindset, open communication amongst the stakeholders will be crucial.”

INVESTORS



Mr Petrus Huang
Chairman of Corporate
Practice Committee,
Law Society of Singapore

“The amendments to the Companies Act aid economic efficiency and should help keep Singapore at the top of ease of doing business indices. The amendments have addressed many of the problems encountered in practice and show how corporate law reform continues to be of importance in making Singapore a more efficient and effective base for doing business.”



Mr Max Loh
Managing Partner
(ASEAN and Singapore),
Ernst & Young

“Expanding the breadth and depth of the Financial Reporting Surveillance Programme serves to promote quality financial reporting. Quality financial reporting is core to better decision making, governance and building trust and confidence in our capital markets.”

PUBLIC ACCOUNTANTS

RAISING THE AUDIT QUALITY BAR FOR PUBLIC ACCOUNTANTS



Key Highlights:

- Raised practical experience requirements for new public accountants
- Implemented stronger measures against money laundering
- Revised Code of Professional Conduct and Ethics
- Reformed Practice Monitoring Programme



PUBLIC ACCOUNTANTS

RAISING THE AUDIT QUALITY BAR FOR PUBLIC ACCOUNTANTS

Audit is a cornerstone of public confidence in capital markets. ACRA ensures that audits in Singapore remain of the highest quality by introducing measures to strengthen the audit profession, and raising audit quality standards.

REGULATIONS

Tightening Registration Requirements

The registration requirements for public accountants were tightened with effect from 1 February 2015. Under the revised requirements, an applicant needs at least five years of experience, including specific audit management experience, compared to the previous requirement of three years. These changes were made in consultation with professional accountancy bodies and representatives from both large and small audit firms.

Stronger Measures against Money Laundering and Financing of Terrorism

With money laundering and terrorist financing activities becoming increasingly sophisticated, enhanced mandatory requirements on controls and procedures for anti-money laundering and countering the financing of terrorism were issued by the Institute of Singapore Chartered Accountants (ISCA) in November 2014. The requirements were subsequently adopted by ACRA. This meant that professional accountants, including public accountants and accounting entities regulated by ACRA, must abide by the enhanced requirements. Non-compliance may result in an investigation into the public accountant's or professional accountant's conduct by ACRA or ISCA respectively.

DUTIES

Revised Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities

In January 2015, ACRA issued the Revised Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the ACRA Code) which took effect from July 2015. As a profession that serves the public interest, it is crucial that public accountants act with integrity and independence, and serve as a valued and trusted source of information and advice. The ACRA Code is a set of guiding principles that public accountants can rely on to make the right decisions when they encounter conflicting choices between economic interests and ethical considerations. It also sets out the standard of professional ethics and auditor independence in Singapore.



Mr Gerard Ee
President, Institute of Singapore
Chartered Accountants

“The enhanced Code of Professional Conduct and Ethics issued by ACRA reflects the accounting profession’s dedication towards maintaining high standards of integrity and independence. It acts as a vital set of guiding principles, especially in the current era of economic and business volatility.”



ENFORCEMENT

Reform of Practice Monitoring Programme

In August 2014, ACRA announced key reforms to its 8-year-old Practice Monitoring Programme (PMP). From a one-size-fits-all approach, the PMP now takes a targeted and risk-based approach, focusing on the key challenges faced by each audit firm and public accountant. With the enhancements, ACRA will move away from cover-to-cover inspections and focus only on significant risk areas.

This way, there is less inspection burden on firms and public accountants. At the same time, ACRA can better use its resources to cover more risk areas. To better address the audit risks, ACRA has also introduced a new engagement platform to perform a new post-inspection root-cause analysis.



Professor Tan Cheng Han
Chairman, ACRA's Public Accountants Oversight Committee

“Quality audits play a key role in ensuring sufficient transparency and disclosure in the market. That is why we continue to set the audit quality bar high for audit firms and public accountants. Encouragingly, we have seen progress made by audit firms to boost audit quality. This commitment to uphold and conduct high quality audits will ensure the public accountancy profession continues to thrive and enjoy good public standing.”



Mr Tham Sai Choy
Managing Partner, KPMG in Singapore and KPMG's Chairman for the Asia Pacific region

“We welcome ACRA's enlightened inspection approach which is risk-based and targeted. It focuses on audit quality improvements that would be most impactful for each firm.”



The Public Accountants Conference 2014 was held on 27 August 2014 for over 800 delegates.

PUBLIC ACCOUNTANTS

OUTREACH

Promoting Audit Quality in the ASEAN Region

To engender greater trust in the ASEAN region's financial reporting systems, ACRA and its counterparts in Malaysia and Thailand which together make up the ASEAN Audit Regulators Group (AARG) meet regularly with the regional leaders of the Big Four audit firms to raise awareness of audit quality issues and discuss how to better address them.

In May 2014, the 4th AARG Annual Meeting was held in Bangkok, Thailand where members discussed the persistent trend of common audit deficiencies globally. The meeting also agreed to explore collaborations in key areas such as engagement of audit committees and encouraging greater ownership of financial reporting by companies.

INTERNATIONAL AUDIT ENGAGEMENT

International Forum of Independent Audit Regulators (IFIAR)

ACRA also plays an active role in the International Forum of Independent Audit Regulators (IFIAR) by serving as a member of the Advisory Council. As the thought leader in audit quality, IFIAR closely monitors emerging trends in the global audit landscape and engages audit firms and key stakeholders such as investors to proactively address these issues. At the annual IFIAR plenary meeting in Taipei, Taiwan in April 2015, Singapore's views on audit trends were shared through a panel session jointly hosted by IFIAR's Investors and Other Stakeholders Working Group and the Global Public Policy Committee Working Group. ACRA is a member of both working groups.



Photo taken at the annual International Forum of Independent Audit Regulators plenary meeting in Taipei, Taiwan in April 2015. From left to right: Mr Kenneth Yap, ACRA Chief Executive; Mr Dilhan Pillay, Head, Enterprise Development Group, Temasek International Pte Ltd; Ms Julia Tay, Deputy Chief Executive, ACRA; and Mr Wong Kee Wei, Head, Strategic and External Relations Department, ACRA.



ACRA met its counterparts from Malaysia and Thailand at the 4th ASEAN Audit Regulators Group Meeting, which was held in Bangkok, Thailand in May 2014.



Mr Philip Yuen
Chief Executive Officer,
Deloitte Singapore

“As public accountants, we have an overriding responsibility to the community to uphold public trust and investor confidence through the quality of auditing. The recent adoption of a risk-based approach is a step towards raising the bar in audit quality in Singapore. I would like to commend ACRA for their continuing efforts in elevating the standards of financial reporting by businesses and audit quality by public accountants.”

COMPANY MANAGEMENT AND ENTREPRENEURS

REDUCING REGULATORY AND ADMINISTRATIVE BURDEN ON COMPANIES



Key Highlights:

- Broadened threshold for audit exemptions to benefit small companies
- Enacted new Business Names Registration Act to replace Business Registration Act
- Streamlined regulatory and administrative fees
- Hosted inaugural ASEAN Corporate Registers meeting
- Extended free XBRL data analysis to all SingPass holders
- Extended statutory duty of disclosure to CEOs (*effective early 2016*)

COMPANY MANAGEMENT AND ENTREPRENEURS

REDUCING REGULATORY AND ADMINISTRATIVE BURDEN ON COMPANIES

ACRA has been and continues to strike a fine balance between running a robust regulatory regime that protects the public interest, while facilitating growth and development of the market.

ACRA continues to roll out initiatives aimed at reducing the regulatory burden on companies and businesses, and providing for greater business flexibility and facilitation. All this whilst still ensuring a high level of corporate governance. Administrative processes were also streamlined, and user systems enhanced for greater business efficiency.

REDUCED REGULATORY BURDEN

Impact of Legislative Changes in the Companies Act

To reduce the regulatory burden on small companies and move closer towards a risk-based approach, ACRA introduced a new small company concept under the Companies (Amendment) Act 2014 for exemption from statutory audit. The small company concept will broaden the criteria for determining the requirement for statutory audit.

Under the new Business Names Registration Act – which replaces the previous Business Registration Act – individuals or partners may carry out business under their full names, without having to register with ACRA. Individual applicants can also choose to register and/or renew their registration every three years, instead of every year.

In line with the law reforms to provide more flexibility, ACRA also streamlined its regulatory fee structure to reduce the total number of fees. From the first quarter of 2016, over a hundred ad hoc transactions previously charged under a pay-per-use model, will be made free of charge.



ACRA contributed articles to several professional bodies' publications to update members on the legislative changes in the Companies Act.



Mr Kurt Wee
President, Association
of Small and Medium
Enterprises

“As companies grapple with tough business challenges in this uncertain business environment, having regulators such as ACRA stay responsive to evolving business needs is crucial. For example, ACRA’s broadening of the criteria for exemption from statutory audit will benefit more SMEs and help reduce their business costs.”

BUSINESS FACILITATION

Enhanced BizFile Makes Doing Business Easier

Since the introduction of BizFile in 2003, businesses have benefited from its 24/7 e-services and end-to-end transactions. The enhanced BizFile, due to launch early next year, will offer a more simplified and customised user interface for a better customer experience. Businesses will be able to file more efficiently with our streamlined transactions, such as filing different company changes in one combined transaction. Some of the commonly used transactions such as business renewal and directory search will also be available on ACRA's mobile application, ACRA on the Go.

Expanded One-Stop Shop@ACRA Facilitates Starting of Business

The current suite of value-added services under the One-Stop Shop@ACRA will be expanded to include two new services in the enhanced BizFile: one-stop application for multiple business licences with LicenceOne, and trademark registration with the Intellectual Property Office of Singapore. With inclusion of the two new services, businesses can look forward to greater efficiency and convenience of e-application anytime when they access the value-added services at the enhanced BizFile.

ADDING BUSINESS VALUE

Leveraging the Value of XBRL Data

To allow all businesses to reap the value of XBRL-enabled (eXtensible Business Reporting Language) data, all SingPass holders were granted access to ACRA's new one-stop financials filing portal, BizFin^x, where they can generate a Free Data Analysis (FDA) report. This report was previously available only to company directors and secretaries of companies that file XBRL financial statements with ACRA.

With the FDA, companies can get a snapshot of their business financial health through key indicators such as revenue growth and return on assets. They can also benchmark their performance against their peers and the industry, and assess their companies' financial performance using trend analysis over past financial periods.

More Value-Added Offerings at Enhanced iShop@ACRA

To better serve the varying business information needs of iShop@ACRA customers, ACRA is enhancing its iShop portal in tandem with the new enhanced BizFile. Key features include providing a wider range of products and services such as online product authentication, reduced service delivery time and new premium membership. Officers of an entity who login via SingPass will also be granted free web access to their basic entity profile data and registers (applicable for companies only).

OUTREACH

Reaching Out to Budding Entrepreneurs

Since 2013, ACRA has organised informative public talks to introduce new and aspiring entrepreneurs to the basics of setting up and doing business in Singapore. Last year, over 830 people attended our talks organised with the Bishan North Community Centre and the National Community Leadership Institute. Officers from ACRA, Housing Development Board, Central Provident Fund Board, Inland Revenue Authority of Singapore and SPRING Singapore shared about the different requirements and statutory obligations necessary in order to set up a business, as well as the various assistance schemes which businesses can tap on. Business clinics were also set up during these events to offer advice and address queries posed by the participants.



ACRA@The Heartlands includes a business clinic where members of the audience may approach speakers for help on specific questions.

COMPANY MANAGEMENT AND ENTREPRENEURS

BOOSTING REGIONAL BUSINESS COMPETITIVENESS

As our companies look to expand regionally, ACRA continues to foster closer collaboration with its ASEAN counterparts to improve cross-border business facilitation.

FORGING INTERNATIONAL TIES

ASEAN Corporate Registers Meeting

ACRA hosted the inaugural Meeting of the ASEAN Corporate Registers on 8 September 2014 to explore collaborations in improving business facilitation across the ASEAN nations. It brought together the Heads of the Corporate Registers from Brunei, Cambodia, Malaysia, Myanmar, Philippines and Thailand to share their agencies' latest developments and best practices.

Amongst the proposed projects discussed was the development of a common web-based search platform, which will facilitate business entity searches in the ASEAN region. As ASEAN companies expand into the region, alignment in business registration and administrative processes across the ASEAN members would translate into greater business efficiency and cost savings for them and in turn boost regional business competitiveness.

Corporate Registers Forum 2015

To keep abreast of the latest global corporate registry developments, ACRA was one of 60 delegations which attended the annual Corporate Registers Forum (CRF) held in Abu Dhabi in March 2015. Key discussion topics included development in some jurisdictions of new registers for Beneficial Ownership and Personal Property Securities and exploring a common listing of disqualified directors for CRF members to check against. Insightful findings from the latest international business registry survey involving 93 corporate registries worldwide were also presented at the conference.

As a member of the Executive Committee of the CRF, ACRA was also involved in discussions on expanding the reach of CRF and providing more value to members. In March next year, ACRA will organise an inaugural CRF Technical Workshop where jurisdictions with less developed business registry systems can learn from leading jurisdictions.



ACRA hosted the inaugural Meeting of the ASEAN Corporate Registers on 8 September 2014. It was attended by counterparts from Brunei, Cambodia, Malaysia, Myanmar, Philippines and Thailand.



Mr Ho Meng Kit
Chief Executive Officer,
Singapore Business
Federation

“ In a rapidly changing landscape, it is imperative that businesses are able to thrive in a conducive environment supported by a flexible regulatory framework. To this end, ACRA continues to adopt a pragmatic and balanced approach in maintaining Singapore’s position as a leading global business hub. ”

ENHANCING TRANSPARENCY

Improve Transparency for Better Corporate Governance

As a means to achieve good corporate governance, other legislative amendments have also been introduced to step up disclosure requirements. For instance, Chief Executive Officers (CEO) play an influential role in decision making; sometimes more so than board directors. The statutory duty to disclose conflict of interests in transactions and shareholdings in the company and related corporations will be extended to CEOs, effective early 2016. This statutory duty currently applies only to directors.

ACRA also recognises the crucial role that auditors play in ensuring that companies prepare true and fair financial statements, which are relied upon by the company's stakeholders such as shareholders, bondholders and creditors, and sometimes even employees. Auditors of public interest companies and their subsidiaries, with effect from 1 July 2015, are required to seek ACRA's consent for premature resignation and also disclose the reasons for resigning.



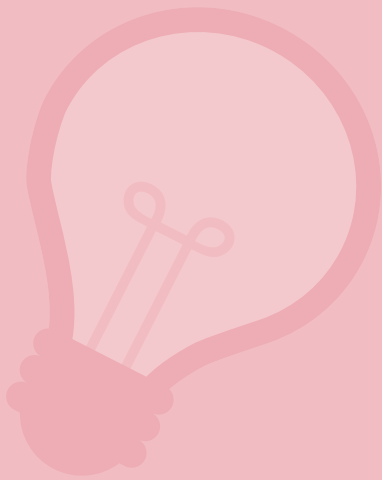
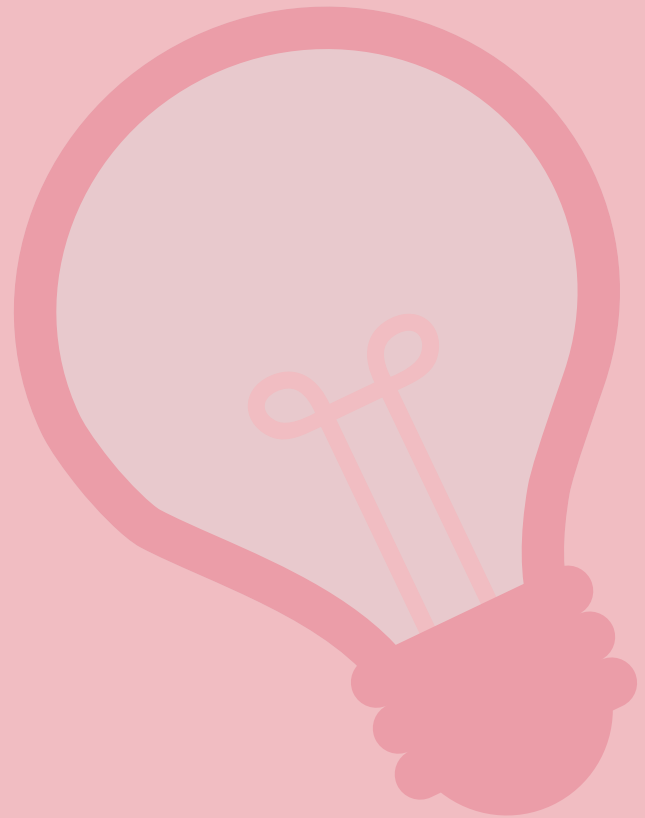
Mr David Gerald
Founder, President and
Chief Executive Officer,
Securities Investors
Association of Singapore

“SIAS supports ACRA’s continued drive to raise the quality of audits and financial reporting which will help boost transparency and disclosure in our markets. On our part, SIAS has been advocating responsible shareholder activism which can provide the necessary check and balance, and encourage better corporate governance practices. The multiple proxies regime that ACRA recently implemented will give shareholder activism in Singapore an important boost.”



CORPORATE SERVICE PROVIDERS

PROFESSIONALISING THE CORPORATE SERVICE PROVIDER SECTOR



Key Highlights:

- Introduced new CSP regime to raise professional standards
- Conducted industry outreach to smoothly transition 3,400 CSPs
- Developed guidelines for new CSP regime jointly with professional partners



CORPORATE SERVICE PROVIDERS

PROFESSIONALISING THE CORPORATE SERVICE PROVIDER SECTOR

In April 2014, Parliament passed the Accounting and Corporate Regulatory Authority (Amendment) Bill. A key legislative amendment was the introduction of a new regulatory framework for corporate service providers. This new regime will go some way in strengthening Singapore's continuing efforts to reduce the risk of money laundering and terrorism funding.

DUTIES

New Industry Requirements for CSPs

Corporate service providers (CSPs) are individuals or business entities who provide a range of services such as corporate advisory, office hosting, corporate secretarial services and statutory filings for their customers. CSPs perform more than half million filing transactions with ACRA annually.

Over 2,600 CSPs now come under an enhanced regulatory framework that was implemented on 15 May 2015. This is significant as it will reduce the sector's vulnerability to money laundering and terrorist financing. CSPs must register as Filing Agents (FA) and Qualified Individuals (QI) before filing statutory transactions with ACRA. They are also required to conduct due diligence checks on their clients, and have robust systems and processes in place to prevent the abuse of corporate vehicles for criminal or other illegitimate purposes.

These new requirements are aligned with the recommendations provided by the Financial Action Task Force (FATF), the global standard setter for anti-money laundering and counter terrorism financing.



Under the new industry requirements, corporate service providers are required to conduct due diligence checks on their clients.



Mr Andrew Khoo
Deputy Managing Director
(Corporate Development)
Monetary Authority of
Singapore (Left)



Mr T Raja Kumar
Deputy Secretary
(International), Ministry
of Home Affairs (Right)

“The enhanced regulatory framework for CSPs includes measures to prevent money laundering and terrorism financing that are aligned with international standards developed by the Financial Action Task Force. This demonstrates Singapore's strong commitment to guard against the flow of illicit funds and uphold our status as a trusted international business and financial centre.”



ACRA conducted 14 outreach seminars for over 3,400 corporate service providers and representatives from law firms and accounting firms to introduce them to the new regime.



The discussion panel for the outreach sessions comprised ACRA's senior management and key staff overseeing the implementation of the new corporate service providers regime.

OUTREACH

Preparing CSPs for the New Regime

Transitioning to a new regime is a huge step and strong support from key professional partners such as Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA) and the Institute of Singapore Chartered Accountants (ISCA) has helped CSPs ease into this transition. With SAICSA and ISCA's help, ACRA conducted 14 outreach seminars in 2014 for over 3,400 CSPs, law firms and accounting firms.

A working group was formed to draft a set of guidelines for CSPs covering areas such as how to establish internal policies, procedures and controls and templates such as the "Know Your Customer" forms for CSPs to perform due diligence checks on their customers. The group comprised representatives from SAICSA, ISCA, Law Society of Singapore, Association of International Accountants, and the Institute of Company Accountants.



Dr Tan Wee Liang
Chairman, Singapore
Association of the Institute
of Chartered Secretaries and
Administrators (SAICSA)

“ACRA must be applauded for marshalling the various stakeholders in the corporate secretarial and governance arena to collaborate with it. As a valued and strategic partner of ACRA, Chartered Secretaries Singapore works closely with ACRA to further corporate secretaryship, enhance timely compliance and advance governance amongst businesses and companies. We treasure this partnership with a government and regulatory authority that engages, listens and is responsive.”

ORGANISATIONAL HIGHLIGHTS

ACRA SERVES WITH PRIDE

Hair for Hope 2014

As a part of ACRA's corporate social responsibility efforts, ACRA participated in Hair for Hope 2014 – an annual fundraising event organised by the Children's Cancer Foundation of Singapore to raise awareness and funds for children with cancer and their families – on 25 July 2014. 14 ACRA officers volunteered to have their heads shaved in the Hair for Hope event. Thanks to the collective support and encouragement of ACRA staff, their friends and family, ACRA raised a total of \$41,841 for this charitable cause.



Our Chief Executive, Mr Kenneth Yap joined 13 other ACRA officers in shaving their heads for Hair for Hope 2014.

Up-cycling Activity

On 1 October 2014, ACRA invited Ms Agatha Lee, an environmentalist and fabric hacker to share practical tips and methods to reduce waste and carbon footprints at home and in office. Ms Lee introduced the concept of up-cycling, a process of converting waste materials or old products into new materials with alternative usage for better environmental conservation. ACRA officers also had a chance to try turning old shirts into bags. They thoroughly enjoyed the hands-on activity which involved learning how to re-use and add value to old and recyclable materials.



Learning to cut down on our consumption by turning unwanted t-shirts into bags.

Healing Touch@ACRA

In support of the Singapore Association of the Visually Handicapped (SAVH), ACRA engaged the services of its mobile massage service on 2 December 2014 for the second year running. This is one of SAVH's initiatives to empower its clients to earn a living independently by engaging instructors from established massage agencies to teach them massage techniques under the Massage Training Programme.



ACRA staff enjoying a rare treat in the office.

Visit to Geylang East Home for the Aged

On 5 March 2015, ACRA staff visited our adopted charity, Geylang East Home for the Aged (GEHA), to celebrate Lunar New Year with them. It was an afternoon of joy and laughter as we paid tribute to our pioneer generation. In total, we raised \$2,980 for the Home.



GEHA residents and ACRA staff enjoying themselves during the sing-along session.



Our staff helped serve lunch to the GEHA residents.

SHARING BEST PRACTICES

ACRA regularly hosts international visitors to exchange ideas and best practices. In the last financial year, the delegates came from:

- South Korea – Embassy of the Republic of Korea, 22 April 2014
- Myanmar – Myanmar Directorate of Investment and Company Administration, 5 May 2014
- Cambodia – Ministry of Commerce, 22 May 2014
- Malaysia – Companies Commission of Malaysia, 28 May 2014
- People’s Republic of China – Sino-Singapore Tianjin Eco-city Administrative Committee, 22 June 2014
- Saudi Arabia - Ministry of Commerce and Industry, 5-6 June 2014
- World Bank and Kuwait National Fund, 10 June 2014
- Zambia – Patents and Companies Registration Agency, 11-12 June 2014
- India – High Commission of India, 12 June 2014
- Cambodia – Ministries of Commerce and Foreign Affairs, 25 June 2014
- Saudi Arabia - Ministry of Commerce and Industry, 4 February 2015
- New Zealand – Companies Office, 17 March 2015
- United States of America – Jersey Financial Services Commission, 18 March 2015
- Sweden – Swedish Companies Registration Office, 8 April 2015
- People’s Republic of China – State Administration for Industry and Commerce, 18 May 2015



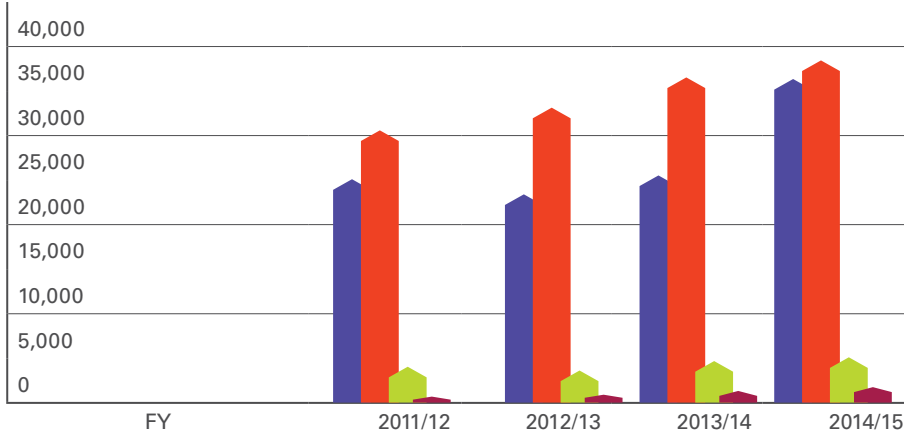
Chief Executive Mr Kenneth Yap giving His Excellency Dr Tawfiq Al Rabiah, Saudi Arabia’s Minister of Commerce and Industry, a tour of ACRA’s office on 4 February 2015.



Chairman Ms Lim Soo Hoon paid a courtesy call on Vice Minister Liu Yuting, State Administration for Industry and Commerce, People’s Republic of China on 18 May 2015.

KEY STATISTICAL HIGHLIGHTS

NEW ENTITIES REGISTERED/INCORPORATED



Business	23,396	22,057	23,910	35,046
Company	30,284	32,076	35,902	37,679
Limited Liability Partnership	2,283	2,253	2,355	2,990
Limited Partnership	38	55	62	103

75,818

new business entities were formed in FY2014/15

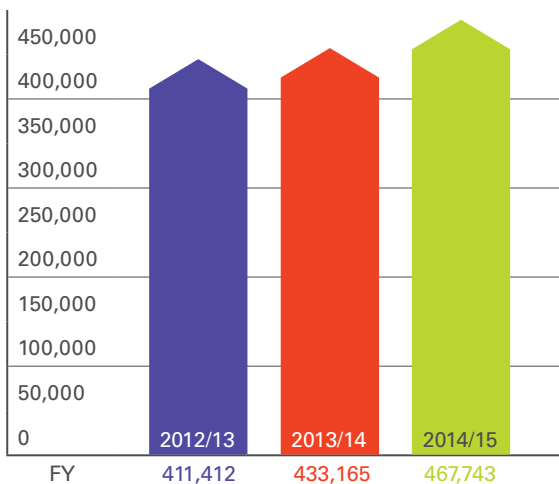
467,743

business entities, as of 31 March 2015

1,050

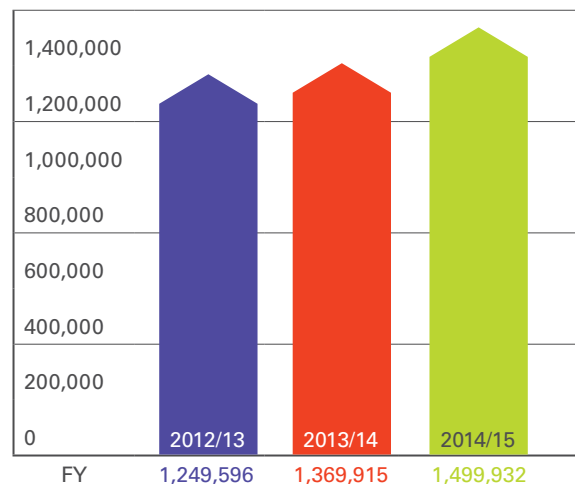
public accountants in the Register, as of 31 March 2015

NUMBER OF REGISTERED ENTITIES



Average annual growth rate of the number of registered entities is **4.5%**

BIZFILE TRANSACTION VOLUME

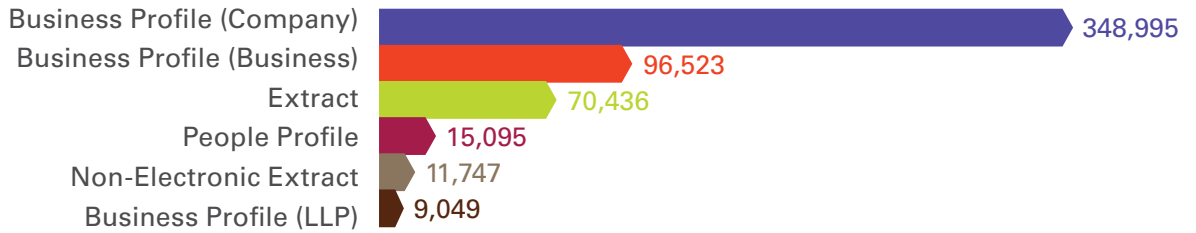


Close to 300 forms are available online through BizFile. Over a million transactions were done each year since FY2005/06 and there has been a general upward trend in the volume.

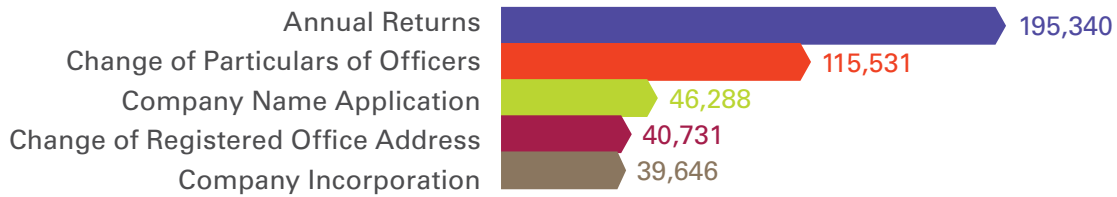
Common BizFile Transactions (FY2014/15)

The chart shows the most common transactions for the top four BizFile categories namely, Information Purchase, Local Company, Sole-proprietorship & Partnership, and Limited Liability Partnership. In FY2014/15, there were 1,499,932 online transactions.

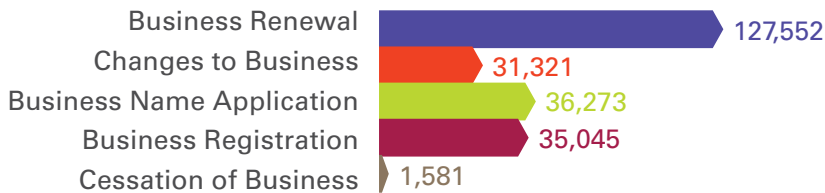
INFORMATION PURCHASE



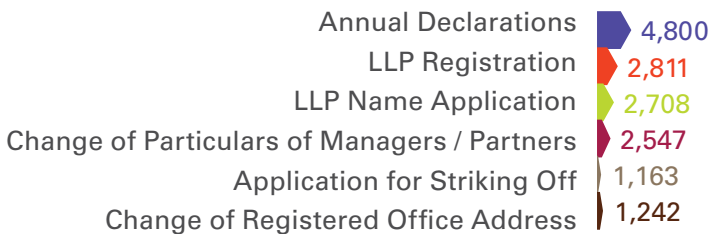
LOCAL COMPANY



SOLE-PROPRIETORSHIP & PARTNERSHIP



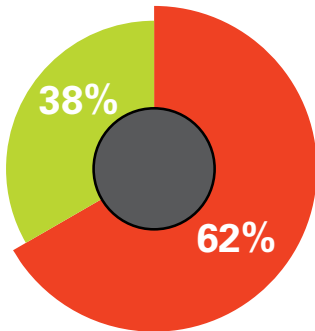
LIMITED LIABILITY PARTNERSHIP



KEY STATISTICAL HIGHLIGHTS

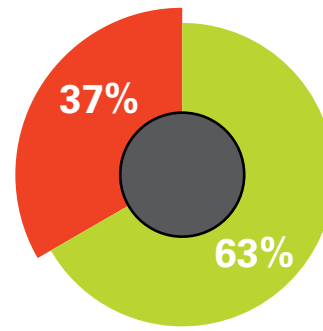
PROFILE OF NEW REGISTERED PUBLIC ACCOUNTANTS

QUALIFICATION PROFILE



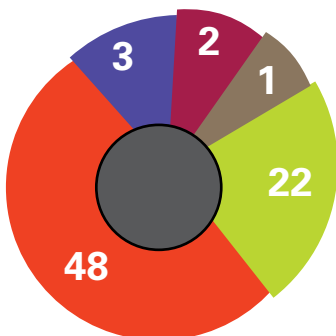
Local	47
Foreign	29

GENDER PROFILE



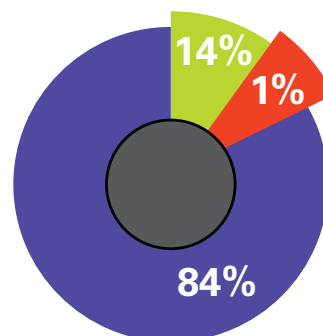
Female	28
Male	48

AGE PROFILE



<31	3
31-40	48
41-50	22
51-60	2
>60	1

INTENDED PRACTICE



Big*	11
Medium**	1
Small***	64

Total number of new registered Public Accountants from 1 April 2014 to 31 March 2015 **76**

Total number of Public Accountants registered as at 31 March 2015 **1,052**

NUMBER OF ACCOUNTING ENTITIES as at 31 March 2015

8 Big accounting entities*

5 Medium-sized accounting entities**

667 Small accounting entities***

680

* audited 30 or more listed corporations

** audited 5 or more listed corporations but less than 30

*** audited less than 5 listed corporations

FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS

Income

For the financial year ended 31 March 2015, total income rose S\$2.4 million or 4% to S\$65.5 million (FY2013/14: S\$63.1 million).

Company registration and related fees grew S\$0.9 million or 4% to S\$23.5 million (FY2013/14: S\$22.6 million), arising mainly from the increase in the number of registration of private companies as well as annual return filings. During the financial year, the number of live companies grew by 20,146 or 8% to 288,068.

Business registration and related fees grew by S\$0.9 million or 17% to S\$6.2 million (FY2013/14: S\$5.3 million). During the financial year, the number of business entities saw a net increase of 12,550 or 8% to 164,754.

Information service fees grew S\$0.4 million or 3% to S\$13.3 million (FY2013/14: S\$12.9 million) mainly attributable to online sales as well as sales to information resellers. This includes information sales to government agencies which saw a decline due to the provision of information free-of-charge to government agencies under the whole-of-government data sharing initiative.

In view of the above, the Authority recorded an agency fee of S\$1.3 million (FY2013/14: NIL) from the Ministry of Finance to defray part of the infrastructure cost incurred by the Authority to provide information services to government agencies under the whole-of-government data sharing initiative.

Fines and penalties decreased by S\$2.6 million or 13% to S\$16.7 million (FY2013/14: S\$19.3 million). The reduction is attributable to the Authority's on-going initiatives to encourage voluntary compliance such as the Directors' Compliance Programme.

After the passing of the Accounting and Corporate Regulatory Authority (Amendment) Act 2014 on 15 May 2015, the following fines and penalties collected by the Authority are to be paid into the Government Consolidated Fund:

- (a) any penalty for late payment or late filing;
- (b) any financial penalty, and interest for late payment of the financial penalty; and
- (c) any sum for the composition of any offence.

Expenditure

For the financial year ended 31 March 2015, operating expenditure increased by S\$6.4 million or 14% to S\$52.3 million (FY2013/14: S\$45.9 million).

Staff costs increased by S\$1.7 million or 9% to S\$20.3 million (FY2013/14: S\$18.6 million) in line with the increased hiring to resource new programmes, namely the Financial Reporting Surveillance Programme and the regulation of Corporate Service Providers. Part of the increase also arose from a salary review against market benchmarks performed during the financial year.

Services comprised IT operating costs for the BizFile system, the BizFin^x system as well as consultancy fees and helpdesk cost. During the financial year, there was an increase in cost of S\$6.0 million or 63% to S\$15.6 million (FY2013/14: S\$9.6 million). This is mainly due to the increase in hosting charges associated with the upgrading of the BizFile system as well as the full year effect of higher helpdesk charges under a new service provider.

FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS

Expenditure (cont'd)

Other costs consisted mainly of depreciation of property, plant and equipment, amortisation of intangible assets, expenses incurred under the Accountancy Development Fund. During the financial year, there was a decrease of S\$1.3 million or 7% to S\$16.4 million (FY2013/14: S\$17.7 million). This was partly due to a lower funding request by the Singapore Accountancy Commission for the Singapore Qualification Programme which the Authority had committed to support.

There was also an increase in depreciation costs due to the commissioning of the BizFin^x system (S\$0.8 million) in March 2014.

Surplus

Surplus for FY2014/15 is S\$13.2 million, S\$4.0 million or 23% lower than that for FY2013/14.

INCOME AND EXPENDITURE SUMMARY

Financial Year ended 31 March 2015	S\$ million
Income	65.5
Less:	
Staff costs	20.3
Services	15.6
Other costs	16.4
Expenditure	52.3
Surplus	13.2
Less:	
Contribution to Government Consolidated Fund	2.2
Net Surplus[#]	11.0

[#] Following the passing of the Accounting and Corporate Regulatory Authority (Amendment) Act on 15 May 2015, up to S\$5.6 million of the surplus may be channeled to the Government Consolidated Fund under Section 3 of the Statutory Corporation (Contribution to Consolidated Fund) Act.

FINANCIAL POSITION

Assets

As at 31 March 2015, total assets increased by S\$6.6 million or 4% to S\$193.1 million (2013/14: S\$186.5 million).

Development projects-in-progress related mainly to cost incurred for the new BizFile system.

Cash and cash equivalents amounted to S\$174.2 million as at 31 March 2015. This is an increase of S\$7.7 million or 5% from S\$166.5 million in FY2013/14, mainly contributed by net cash generated from operating activities of S\$13.1 million. This is mainly placed with the Accountant-General's Department under the Centralised Liquidity Management and Statutory Board Approved Funds Scheme.

Liabilities

Current liabilities decreased by S\$4.2 million or 24% to S\$13.0 million (FY2013/14: S\$17.2 million). This is mainly due to higher accruals in FY2013/14 for BizFin^x and the new BizFile system, all of which were paid in the early part of the financial year.

BALANCE SHEET SUMMARY

As at 31 March 2015	S\$ million
Fixed and intangible assets	6.2
Development projects-in-progress	8.4
Cash and cash equivalents	174.2
Other current assets	4.3
Total assets	193.1
Less:	
Current liabilities	13.0
Non-current liabilities	1.0
Net assets	179.1
Share capital	8.6
Accumulated surplus [^]	170.5
Capital and reserves	179.1

[^] Up to S\$33.7 million of the Accumulated Surplus arising from fines revenue collected in the past years may be channeled to the Government Consolidated Fund under Section 3 of the Statutory Corporation (Contribution to Consolidated Fund) Act.

