



JURISDICTIONAL PROFILE: **Singapore**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Singapore. The Standards are developed and issued in the public interest by the International Accounting Standards Board (IASB). The IASB is the standard-setting body of the IFRS Foundation (Foundation), an independent, private sector, not-for-profit organisation.

The Foundation has prepared this Profile based on information from various sources. The starting point was the answers provided by standard-setting and other bodies in response to surveys the Foundation conducted on the application of the Standards around the world. The Foundation drafted the profile and invited the respondents to the survey. The Foundation also invited others (including regulators and international audit firms) to review the drafts. Their comments are reflected in this Profile.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Singapore Accounting Standards Council (ASC)
Role of the organisation	The ASC is the official accounting standard-setting body in Singapore established under the Singapore Accounting Standards Act for companies, charities, co-operative societies and societies that are incorporated or registered in Singapore.
Website	www.asc.gov.sg/
Email contact	goh_suat_cheng@asc.gov.sg

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a Yes.

single set of high quality global accounting standards?

Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?

Yes.

What is the jurisdiction's status of adoption?

Singapore has adopted all effective IFRS Standards, except for IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments*, and has made several modifications primarily to transition provisions and effective dates of the IFRS Standards that it has adopted. Accordingly, the standards, known as Singapore Financial Reporting Standards (SFRS), are substantially aligned with IFRS Standards. The non-adoption of IFRIC 2 does not affect Singapore-incorporated companies (both listed and non-listed). The sole modification to requirements of IFRS Standards does not affect listed Singapore-incorporated companies, but could affect non-listed Singapore-incorporated companies.

A new financial reporting framework identical to IFRS Standards will be introduced for mandatory application by Singapore-incorporated companies listed on Singapore Exchange (SGX) for annual periods beginning on or after 1 January 2018 (see below).

Additional comments provided on the adoption status?

Singapore started the process of aligning SFRS closely with IFRS Standards in 2002. Full convergence of SFRS with IFRS Standards for Singapore-incorporated companies listed on SGX was a strategic direction of the ASC set in 2009. On 29 May 2014, the ASC announced that Singapore-incorporated companies listed on SGX will apply a new financial reporting framework identical to IFRS Standards for annual periods beginning on or after 1 January 2018. Non-listed Singapore-incorporated companies may also voluntarily apply the new framework at the same time.

Companies switching to the new financial reporting framework will apply IFRS 1 *First-time Adoption of International Financial Reporting Standards*. Because the new framework will be identical to IFRS Standards, companies will have the option of asserting compliance with IFRS Standards as well as with the new Singapore financial reporting framework.

If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Accounting Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Accounting Standards in the jurisdiction.

Not applicable.

EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Accounting Standards in their consolidated financial statements?

Yes.

Under the Singapore Companies Act, Singapore-incorporated companies (both listed and non-listed) are required to use accounting standards as prescribed by the ASC in their consolidated and separate financial statements. SFRS is the prescribed set of accounting standards for all Singapore-incorporated companies.

Singapore-incorporated companies (both listed and non-listed) are also permitted to use IFRS Standards if approval for the use of IFRS is granted to such companies by the Accounting and Corporate Regulatory Authority of Singapore (ACRA).

In addition, a Singapore-incorporated company that is listed on both a securities exchange in Singapore and a securities exchange outside Singapore is permitted to use IFRS Standards if the securities exchange outside Singapore on which the company is listed requires the use of IFRS Standards.

In both of those circumstances, there is no need for Singapore-incorporated companies using IFRS Standards to reconcile their IFRS Standards financial statements to SFRS.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?

Required for listed Singapore-incorporated companies because the non-adoption of IFRIC 2 and the sole modification to requirements of IFRS Standards do not affect such companies.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?

All.

Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?

Yes.

For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

See above.

For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?

See above.

If the jurisdiction currently does NOT require or permit the use of IFRS Accounting Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Accounting Standards for such companies in the future?

Not applicable.

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Accounting Standards in their consolidated financial statements?

All foreign companies listed on SGX are permitted to apply IFRS Standards under the SGX Listing Rules. Specifically, foreign companies whose equity securities have a primary listing are required to apply SFRS, IFRS Standards, or US GAAP, while those with a secondary listing are required only to reconcile their financial statements to SFRS, IFRS Standards or US GAAP.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?

See above.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

See above.

IFRS ENDORSEMENT

Which IFRS Accounting Standards are required or permitted for domestic companies?

All effective IFRS Standards have been adopted as SFRS, with the exception of IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments*, and with several modifications primarily to transition provisions and effective dates.

IFRS Standards are permitted for Singapore-incorporated companies if approval for the use of IFRS Standards is granted by ACRA, or in the case of a Singapore-incorporated company that is listed on both a securities exchange in Singapore and a securities exchange outside Singapore, if the latter requires the use of IFRS Standards.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:

SFRS (unless IFRS Standards are applied as described above) or IFRS Standards (when IFRS Standards are applied as described above).

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Accounting Standards and the jurisdiction's GAAP)?

No.

Are IFRS Accounting Standards incorporated into law or regulations?

No.

If yes, how does that process work?

Not applicable.

If no, how do IFRS Accounting Standards become a requirement in the jurisdiction?

See above.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Accounting Standards (including Interpretations) in place?

Yes.

If yes, what is the process?

The ASC has a formal process to endorse IFRS Standards as and when issued by the Board. Broadly, when the Board issues a consultation document for comment, the ASC invites public comments, conducts targeted outreach with its constituents, and submits comments on that consultation document to the Board. When the Board issues an IFRS Standard, the ASC considers the adoption of that IFRS Standard as SFRS, taking into account (a) the information needs of stakeholders, (b) whether it facilitates comparability, disclosure and transparency, (c) compatibility with international standards, and (d) Singapore's reputation as a trusted international business and financial hub. The ASC considers feedback from its constituents when developing comments to the Board and in the endorsement of IFRS Standards.

If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?

Not applicable.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?

Yes.

If yes, what are the changes?

SFRS is aligned with currently effective IFRS Standards except as follows:

- The following effective IFRS Standards are yet to be adopted as SFRS: IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments*. This does not affect Singapore-incorporated companies (both listed and non-listed).
- Some changes have been made to the exemptions from presenting consolidated financial statements and applying the equity method to investments in associates and joint ventures as compared to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. This does not affect listed Singapore-incorporated companies.
- Additional guidance has been issued in the form of an Accompanying Note to the SFRS equivalent of IFRIC 15 *Agreements for the Construction of Real Estate* to guide the accounting for a specific type of agreement in Singapore. This guidance is intended to be consistent with the requirements of IFRIC 15.
- Several modifications have been made to the transition provisions and effective dates of IFRS Standards. The majority of those modifications date back to before 2005.
- For banks the Monetary Authority of Singapore (the bank regulator) has modified the loan loss provisioning requirements of SFRS by issuing Notice to Banks No. 612 *Credit Files, Grading and Provisioning*.

Other comments regarding the use of IFRS Accounting Standards in the jurisdiction?

As explained above, Singapore's new financial reporting framework, to be effective in 2018, is identical to IFRS Standards.

TRANSLATION OF IFRS ACCOUNTING STANDARDS

Are IFRS Accounting Standards translated into the local language?

No. English is the business language in Singapore.

If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Accounting Standards?

Not applicable.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the *IFRS for SMEs* Accounting Standard for at least some SMEs?

Yes effective 1 January 2011.

If no, is the adoption of the *IFRS for SMEs* Accounting Standard under consideration?

Not applicable.

Did the jurisdiction make any modifications to the *IFRS for SMEs* Accounting Standard?

Yes.

If the jurisdiction has made any modifications, what are those modifications?

The only differences between the Singapore version of the *IFRS for SMEs* Standard (known as the SFRS for Small Entities) and the *IFRS for SMEs* Standard are:

- not all Singapore companies that meet the Board's definition of SMEs are eligible to use the SFRS for Small Entities; and.
- the Accompanying Note to the Singapore equivalent of IFRIC 15 (as mentioned above in the IFRS Endorsement section of this profile) is an integral part of the SFRS for Small Entities. As noted above, this guidance is intended to be consistent with the requirements of IFRIC 15.

Which SMEs use the *IFRS for SMEs* Accounting Standard in the jurisdiction, and are they required or permitted to do so?

An entity is eligible to use the SFRS for Small Entities if it is not publicly accountable, publishes general purpose financial statements for external users, and meets the definition of a 'small entity' for each of the previous two consecutive financial reporting periods, with amended application to newly incorporated entities. An entity qualifies as a small entity if it meets at least two of the three following criteria:

- total annual revenue of not more than SGD 10 million (approximately US\$ 7.5 million).
- total gross assets of not more than SGD 10 million (approximately US\$ 7.5 million).
- total number of employees of not more than 50.

For those SMEs that are not required to use the *IFRS for SMEs* Accounting Standard, what other accounting framework do they use?

They may use full SFRS or, if they receive permission from ACRA, they may use full IFRS Standards.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard?

None.