



IFIAR 2019 Member Profile – ACRA

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| <p>1. Jurisdiction</p> | <p>1.1 Insert the name of the jurisdiction in English:</p> <p>Singapore</p> |
| <p>2. Member¹</p> | <p>2.1 Insert the name of the Member, both in the local language and in English:</p> <p>Accounting and Corporate Regulatory Authority (ACRA)</p> <hr/> <p>2.2 Include relevant contact information, including postal address, telephone numbers, a link to the website and other relevant information:</p> <p>10 Anson Road #05-01/15 International Plaza Singapore 079903 Tel: (65) 6248 6028 URL: www.acra.gov.sg</p> <hr/> <p>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</p> <p>The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. Established under the ACRA Act, it was formed on 1 April 2004, following the merger of the former Registry of Companies and Businesses and the Public Accountants’ Board.</p> <p>ACRA seeks to promote a trusted and vibrant business environment in Singapore. With regard to public accountancy sector, ACRA aims to:</p> <ul style="list-style-type: none"> • Promote high regulatory compliance (to raise the bar for quality audits and financial reporting) • Build strong public confidence in audit and financial reporting • Provide influential contributions to audit regulatory developments regionally and internationally |

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.



2.4 Have there been any major changes to the Member's organization or to the governing legislation since completing last year's Member Profile?

Yes No

If yes, please describe these changes with an appropriate level of detail:

3. Governing Body Composition and members

3.1 Describe with an appropriate level of detail the current composition of the Member's governing body, including the ratio between Board members who are independent from the audit profession and those who are not². The audit profession includes, for example: audit firms, professional accountancy bodies and bodies or entities associated with the audit profession.

The highest governing body of ACRA is the ACRA Board whose members are appointed by the Singapore's Minister of Finance. The Board comprises individuals from the business, investment and regulation communities as well as the legal and audit profession.

ACRA Board Members (as of 31 December 2018):
2 Audit Practitioners (denoted *); 14 Non-Audit Practitioners

| No | Name | Designation / Professional Activity |
|----|---------------------------------|-------------------------------------------------------------------------------|
| 1 | Mrs Tan Ching Yee (Chairman) | Chairman, ACRA |
| 2 | Mr Ong Khiaw Hong | Chief Executive, ACRA |
| 3 | Mr Paul Lee* | Managing Partner, RSM Singapore |
| 4 | Mr Adrian Chan | Partner, Lee & Lee Advocates & Solicitors |
| 5 | Mr Kevin Wong | Advocate and Solicitor |
| 6 | Mr Ho Meng Kit | Chief Executive Officer, Singapore Business Federation |
| 7 | Ms Ameera Ashraf | Partner and Head of Competition and Regulatory Practice, Wong Partnership LLP |
| 8 | Mr Lee Boon Ngiap | Assistant Managing Director, Monetary Authority of Singapore |

² An individual is independent of the profession even if he is a CPA, Chartered Accountant, or holder of another equivalent qualification, as long as this individual is not employed by or affiliated to a registered audit firm, nor employed by or affiliated to of a professional accountancy body, nor employed by or affiliated to bodies or entities associated with the audit profession.



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| 9 | Mr Max Loh Khum Wai* | Managing Partner, Ernst & Young (ASEAN and Singapore) |
| 10 | Ms Chandra Mallika | Managing Director, Chief Operating Officer Asia Pacific, Deutsche Bank AG, Singapore Branch |
| 11 | Mr Bruce Liang | CEO, Integrated Health Information Systems Pte Ltd & CIO, Ministry of Health |
| 12 | Mr Ow Fook Chuen | Accountant-General, Accountant-General's Department |
| 13 | Professor Tan Cheng Han | Professor, Faculty of Law, National University of Singapore |
| 14 | Mr Lee Wai Fai | Group Chief Financial Officer, United Overseas Bank Limited |
| 15 | Mr Tham Sai Choy | Chartered Accountant |
| 16 | Mr Muhammad Hidhir | Principal District Judge and Principal Director, Family Justice Courts |

A committee comprising ACRA Board Members called the Public Accountants Oversight Committee (PAOC) is appointed to assist the ACRA Board with matters relating to the regulation of public accountants. The PAOC is responsible for registering, monitoring and disciplining public accountants and their public accounting entities, as well as prescribing the code of ethics, professional conduct and other standards applied by public accountants when providing public accountancy services³.

PAOC Members (as at 31 December 2018)
2 Audit Practitioners (denoted *); 5 Non-Audit Practitioners

| No. | Name | Designation |
|-----|------------------------------------|------------------------------------------------------------|
| 1 | Professor Tan Cheng Han (Chairman) | Professor, Faculty of Law National University of Singapore |
| 2 | Paul Lee* | Managing Partner, RSM Singapore |
| 3 | Mr Ow Fook Chuen | Accountant-General |

³ “Public accountancy services” means the audit and reporting on financial statements and the doing of such other acts that are required by any written law to be done by a public accountant.



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| | | Accountant-General's Department | |
| 4 | Ms Ameera Ashraf | Partner and Head of Competition and Regulatory Practice, Wong Partnership LLP | |
| 5 | Mr Max Loh Khum Wai* | Managing Partner, ASEAN and Singapore Ernst & Young | |
| 6 | Mr Kevin Wong | Advocate and Solicitor | |
| 7 | Mr Tham Sai Choy | Chartered Accountant | |
| <p>The majority of ACRA Board and the PAOC are made up of non-practitioners, and hence ACRA's governing body and its committee overseeing audit regulation in Singapore are independent of the audit profession.</p> | | | |
| <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body?</p> <p>The Accountants Act provides that at least one member of the PAOC shall be a public accountant. ACRA ensures the PAOC's independence from the audit profession by ensuring that the majority of the PAOC comprise non-audit practitioners. The Chairman of the PAOC is also independent from the audit profession and is not a public accountant.</p> | | | |
| <p>3.3. Is each member of the governing body independent from the audit profession? The audit profession includes, for example: audit firms, professional accountancy bodies and bodies or entities associated with the audit profession.</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> | | | |
| <p>3.4 If the answer to question 3.3 is "No", is the majority of the members of the governing body non-practitioner?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> | | | |
| <p>3.5 If the answer to question 3.3 is "No", which safeguards are in place to provide for the Member's overall independence from the audit profession?</p> <p>As a general principle, ACRA Board members are required to declare all interests such as directorships and external committee appointments upon their appointments by ACRA and from time to time (arising from changes in appointments). They will also be recused from meetings / agenda items which they are deemed to have conflict of interest.</p> <p>At the PAOC (the deciding authority on audit regulatory and oversight matters), the Accountants Act provides that at least one member of the PAOC shall be a public accountant. Independence is safeguarded with ACRA ensuring that the majority of the PAOC comprises non-practitioners. Further, the Chairman of the</p> | | | |



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| | <p>PAOC is independent from the profession and is not a public accountant. In the case of an equality of votes, the Chairman of the PAOC shall have a casting vote.</p> <p>3.6 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes to either of the above, please describe:</p> <p>PAOC members who are audit practitioners or former audit practitioners are recused from meetings / agenda items in which they are deemed to have an interest in (e.g. deliberation of audit inspections of their own / previous firms).</p> |
| | <p>3.7 Other than the governing body, are members of the profession involved in the Member’s organization (including in any inspections, committee or panel role)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe their role with an appropriate level of detail, including the ratio between those who are independent and those who are not in the relevant function and whether such role includes decisional or control authority:</p> <ul style="list-style-type: none"> • The inspection of public accountants in the non-listed segment is performed by inspectors who are employed by Institute of Singapore Chartered Accountants (ISCA), under the oversight of ACRA. The same authority (PAOC) approves the appointment of these inspectors and decides on the outcomes of inspections in this segment. Hence, the same benchmark of compliance with the auditing standards is maintained across all inspections. • There is a Practice Monitoring Sub-Committee (PMSC) which comprises audit practitioners and lay members, that assists the PAOC in reviewing the inspection reports submitted by the inspectors. The PMSC deliberates the inspection findings and provides recommended outcomes to the PAOC. The final decision authority on the inspection outcomes and sanctions lie with the PAOC. |
| <p>4. Funding Arrangements</p> | <p>4.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget and the fees, if any:</p> <p>ACRA is a statutory body established by Act of Parliament. The composition of funds and property of ACRA is set out in section 13 of the ACRA Act. In practice, ACRA is self-funding. Its main sources of income are from statutory fees payable under the Acts administered by ACRA (including filing and registration fees for</p> |



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| | <p>business entities and from provision of information services related to such entities).</p> <p>On the setting and approval of budget, ACRA’s finance department will first seek inputs from the various departments. Following which, the finance department will seek ACRA’s Board approval for the overall budget. Once approved, ACRA’s parent ministry (Singapore’s Ministry of Finance) will be informed of this budget, which will be gazetted as a public announcement.</p> <p>4.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>ACRA receives fees from registration of public accountants and public accounting entities, renewal of public accountants’ license and audit inspections. They however do not form a significant portion of ACRA’s funding. Hence, ACRA’s funding is not reliant on and cannot be reasonably influenced by the audit profession.</p> |
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| <p>5. Inspection System</p> | <p>5.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>5.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight:</p> <p>5.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p> <p>Public accounting entities with a client portfolio of more than 10% share of the market capitalisation of listed entities in Singapore will be inspected annually. These are typically the Big-4 audit firms. Other public accounting entities that audit listed entities will typically be inspected once every three years, unless a previous inspection result had not been satisfactory in which case, the following inspection may be brought forward.</p> |



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| <p>6. Audit and Financial Market</p> | <p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member's oversight or mandate.</p> <p>Number of registered public accounting entities and public accountants (as at 31 March 2018)</p> <p>We categorise our inspections into two segments:</p> <p>i) Firms that audit listed entities: 16 public accounting entities (348 public accountants)</p> <p>ii) Firms that audit non-listed entities: 682 public accounting entities (763 public accountants)</p> <p>As at 31 December 2018, there were 741 listed entities on the Singapore Stock Exchange.</p> <hr/> <p>6.2 What are the sizes and market shares of each of the largest audit firms in the Member's jurisdiction?</p> <p>The Big-4 audit firms collectively audit approximately 58 % of the 750 entities listed on the Singapore Exchange (representing about 74% of the total market capitalization) as at 31 December 2017.</p> |
| <p>7. Main Other Responsibilities of the Member within the area of Audit Oversight</p> | <p>7.1 Please indicate whether the Member has responsibility for tasks other than Inspections within the area of Audit Oversight:</p> <p><input checked="" type="checkbox"/> Registration/Licensing</p> <p><input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting</p> <p><input checked="" type="checkbox"/> Permanent Education of Auditors</p> <p><input checked="" type="checkbox"/> Enforcement</p> <p><input type="checkbox"/> Other: _____</p> <p>Besides administering audit inspections, the PAOC's statutory responsibilities in respect of audit oversight include:</p> <ul style="list-style-type: none"> • Considering all applications for the registration of public accountants; • Determining, prescribing and reviewing the requirements to be satisfied by people seeking to be registered as public accountants; • Approving of accounting corporations, accounting firms, and accounting limited liability partnerships; • Administering the continuing professional education programmes for public accountants; • Determining, prescribing and reviewing the codes of professional conduct and ethics for public accountants and the standards, methods and procedures to be applied by public accountants when providing public accountancy services; • Inquiring into any complaint, or information relating to any professional misconduct, against any public accountant, accounting corporation, accounting firm or accounting limited liability partnership, and, if necessary, institute disciplinary proceedings in accordance with the Accountants Act; and |



- Advising ACRA on any matter which relates to the profession of public accountancy.

7.2 If the Member has the responsibility for Registration/Licensing, please indicate whether this responsibility is undertaken directly or through oversight of Registration/Licensing conducted by another organization?

Directly Through Oversight

If directly, please describe the responsibility with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.

All public accountants and public accounting entities seeking to provide public accountancy services are required to register with ACRA.

To register as a public accountant, an applicant has to satisfy prescribed requirements relating to qualifications, practical experience, continuing professional education and membership of ISCA.

The general requirements for the setting up public accounting entities in Singapore include:

- a) One of the primary objects of the entity must be to provide public accountancy services.
- b) The business of the partnership/corporation so far as it relates to the supply of public accountancy in Singapore must be under the control and management of one or more partners/directors who are ordinarily resident in Singapore.
- c) At least two-thirds of the partners/directors must be public accountants (if the partnership/corporation has two partners/directors, then one of those partners/directors must be a public accountant).

ACRA's PAOC approves the applications for registration of public accountants and public accounting entities. The structure and composition of ACRA's PAOC is as provided in Section 3 above.

7.3 If the Member has the responsibility for Audit and/or Ethics Standard Setting, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?

Directly (Ethics) Through Oversight (Audit)

If directly, please describe the responsibility with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.



Singapore's auditing and assurance standards are issued by the Institute of Singapore Chartered Accountants (ISCA), Singapore's national accountancy professional body. Prior to standards' issuance by ISCA, all auditing and assurance standards are submitted to ACRA's PAOC for approval. For the purpose of administering ACRA's audit inspection programme, ACRA adopts the Singapore Standards on Auditing (SSAs) issued by ISCA as the standards upon which the public accountant's audit work will be assessed. The SSAs are substantially the same as International Standards on Auditing, with modifications made in some cases (e.g. to conform to local legislative requirements).

ACRA is also responsible for setting the Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the 'Code of Ethics'). A sub-committee appointed by the PAOC called the Ethics sub-committee assists the PAOC in reviewing the Code of Ethics for the PAOC's approval. ACRA's Code of Ethics is largely based on the International Ethics Standards Board for Accountants (IESBA)'s Code of Ethics with some modifications and additional provisions for Singapore public accountants (SG provisions).

7.4 If the Member has the responsibility for Permanent Education of Auditors, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education of Auditors conducted by another organization?

Directly

Through Oversight

If directly, please describe the responsibility with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.

All public accountants must undertake continuing professional education (CPE) in accordance with the CPE syllabus approved by the PAOC for purposes of registration as a public accountant and annual renewal of certificates of registration. These CPE requirements are set out in the Third Schedule (on renewal) and paragraph 4 of the Second Schedule (on registration) to the Accountants (Public Accountants) Rules, a subsidiary legislation of the Accountants Act. The CPE syllabus approved by the PAOC are set out in Practice Direction No. 2 of 2010: Revised CPE Syllabus for Registration as a Public Accountant and Renewal of Certificate of Registration.

7.5 If the Member has the responsibility for Enforcement, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?

Directly

Through Referral

If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved



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| | <p>in decision-making). Also give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>Under ACRA's audit inspection programme, ACRA inspects audits performed by individual public accountants to check if they have complied with the auditing standards and other requirements. The PAOC may impose orders and sanctions against individual public accountants for failure to comply with the auditing standards and other requirements.</p> <p>Aside from audit inspections, ACRA has a complaints and discipline process to deal with complaints about the conduct of public accountants and accounting entities. Where a case has been made following ACRA's review of the complaint, the PAOC directs the case to the Complaints Committee and/or Disciplinary Committee for an inquiry. Based on outcome of the enquiry and recommendations by the Complaints Committee or Disciplinary Committee, the PAOC may impose orders against the individual auditor and/or the accounting entity.</p> <p>7.6 If the Member has the responsibility for other tasks within the area of Audit Oversight, please describe with an appropriate level of detail:</p> <p>-nil-</p> |
| <p>8. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight</p> | <p>8.1 Please describe with an appropriate level of detail whether the Member has responsibility for tasks outside the area of audit oversight such as Supervision of Financial Reporting or Securities Regulation:</p> <p>Besides audit regulation, ACRA is the national regulator of businesses, companies and corporate service providers in Singapore. Generally, ACRA's functions are set out in section 6 of the ACRA Act. These include the administering the following Acts (aside from the Accountants Act):</p> <ul style="list-style-type: none"> • Business Names Registration Act; • Companies Act; • Limited Liability Partnerships Act; and • Limited Partnerships Act. <p>In relation to financial reporting, ACRA enforces director's compliance to lay at annual general meetings financial statements that comply with the prescribed accounting standards in Singapore. To fulfill this role, ACRA administers the Financial Reporting Surveillance Programme, under which, ACRA reviews selected financial statements of mainly listed companies for compliance with the prescribed accounting standards in Singapore.</p> |
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| <p>9. Major Events and Activities</p> | <p>9.1 Describe any recent major events and activities:</p> <ul style="list-style-type: none"> • In October 2018, ACRA released its 12th Practice Monitoring Programme Public Report, summarising the findings from audit inspections concluded |



from 1 April 2017 to 31 March 2018. The report is accessible at the following link:

https://www.acra.gov.sg/uploadedFiles/Content/Publications/Reports/Practice%20Monitoring%20Programme_12th%20Public%20Report%202018.pdf

- In January 2019, ACRA held the 5th annual Audit Committee Seminar, in collaboration with the national stock exchange, Singapore Exchange (SGX) and the national association of directors, Singapore Institute of Directors (SID). Attended by over 400 directors and senior management of listed companies, the seminar brought regulators and industry experts together to share the latest in audit and financial reporting regulatory developments.
- ACRA collaborated with SGX, SID and PwC to issue an annual 2019 Mini-Guide for Audit Committees. The guide provides guidance to audit committees on matters they should focus on for the 2019 financial reporting season, notably in areas such as new and upcoming accounting standards, revisions to Singapore's Code of Corporate Governance and ACs' considerations in its engagement with the auditor.