

Comparison between Singapore Financial Reporting Standards and International Financial Reporting Standards

as at October 2003

Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
FRS 1	Presentation of Financial Statements	IAS 1	Presentation of Financial Statements	FRS 1 is consistent with IAS 1 in all material aspects.
FRS 2	Inventories	IAS 2	Inventories	FRS 2 is consistent with IAS 2 in all material aspects, except that last-in, first-out (LIFO) formula is not permitted to be used for assigning costs to inventories under FRS 2. IAS 2 however, includes LIFO as an allowed alternative treatment, subject to certain additional disclosures. Nevertheless, IASB has announced its intention to remove LIFO method under Exposure Draft – IAS 2 issued on 15 May 2002.
FRS 7	Cash Flow Statements	IAS 7	Cash Flow Statements	FRS 7 is consistent with IAS 7 in all material aspects.
FRS 8	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies	IAS 8	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies	FRS 8 is consistent with IAS 8 in all material aspects.
FRS 10	Events after the Balance Sheet Date	IAS 10	Events after the Balance Sheet Date	FRS 10 is consistent with IAS 10 in all material aspects.
FRS 11	Construction Contracts	IAS 11	Construction Contracts	FRS 11 is consistent with IAS 11 in all material aspects.
FRS 12	Income Taxes	IAS 12	Income Taxes	FRS 12 is consistent with IAS 12 in all material aspects.
FRS 14	Segment Reporting	IAS 14	Segment Reporting	FRS 14 is consistent with IAS 14 in all material aspects.
FRS 15	Information Reflecting the Effects of Changing Prices	IAS 15	Information Reflecting the Effects of Changing Prices	Both FRS 15 and IAS 15 are not mandatory.
FRS 16	Property, Plant and Equipment	IAS 16	Property, Plant and Equipment	FRS 16 is consistent with IAS 16 in all material aspects, except that FRS 16 gives the following exemption: “For an enterprise which had: (a) revalued its PPE before 1983 (in accordance with the prevailing accounting standard at the time); or

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		<p>(b) performed an one-off revaluation on its property, plant and equipment between 1 January 1984 and 31 December 1996 (both dates inclusive), there will be no need for the enterprise to revalue its assets in accordance with paragraph 29 of FRS 16".</p> <p>"One-off revaluation" means any instance where an item of property, plant and equipment was revalued only once between 1 January 1984 and 31 December 1996 (both dates inclusive).</p> <p>Where an item of PPE has been revalued more than once during this period, the company should:</p> <ul style="list-style-type: none"> (i) explain why the particular item of property, plant and equipment should be exempted; and (ii) obtain the auditor's concurrence of the explanation. <p>IAS 16 does not include the above exemption.</p>
FRS 17 Leases	IAS 17 Leases	<p>FRS 17 is consistent with IAS 17 in all material aspects, except that FRS 17 has removed the following paragraph:</p> <p>".... a characteristic of land is that it normally has an indefinite economic life and, if title is not expected to pass to the lessee by the end of the lease term, the lessee does not receive substantially all of the risks and rewards incident to ownership. A premium paid for such a leasehold represents pre-paid lease payments which are amortised over the lease term in accordance with the pattern of benefits provided".</p> <p>This allows leasehold lands be treated under finance leases and leased assets be recorded as fixed assets, which can then be stated at cost or at valuation.</p> <p>Under IAS 17, such leasehold lands are treated as prepaid lease payments which cannot be revalued upwards.</p>

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FRS 18	Revenue	IAS 18	Revenue	FRS 18 is consistent with IAS 18 in all material aspects.
FRS 19	Employee Benefits	IAS 19	Employee Benefits	Under transitional provisions in both standards, companies have an option to account for increase in defined benefit liability over the next 5 years from the date of adoption of the standard. Due to different effective dates, financial results under FRS 19 and IAS 19 may be different until the increase has been fully recognised.
FRS 20	Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	FRS 20 is consistent with IAS 20 in all material aspects.
FRS 21	The Effects of Changes in Foreign Exchange Rates	IAS 21	The Effects of Changes in Foreign Exchange Rates	FRS 21 is consistent with IAS 21 in all material aspects.
FRS 22	Business Combinations	IAS 22	Business Combinations	FRS 22 is consistent with IAS 22 in all material aspects, except that under FRS 22, there is a choice to grandfather the goodwill/negative goodwill for acquisitions before financial periods beginning on or after 1 January 1999, whilst under IAS 22, this is allowed only for acquisitions before financial periods beginning on or after 1 January 1995. The different dates of applications will result in different treatments of goodwill arising from acquisitions between 1 January 1995 and 31 December 1998. If the goodwill amount is large and amortisation period is long, the impact on future earnings through amortisation as well as impairment can be large.

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FRS 23	Borrowing Costs	IAS 23	Borrowing Costs	FRS 23 is consistent with IAS 23 in all material aspects.
FRS 24	Related Party Disclosures	IAS 24	Related Party Disclosures	FRS 24 is consistent with IAS 24 in all material aspects.
FRS 25	Accounting for Investments		No equivalent IAS	IAS 25, Accounting for Investments, was withdrawn in 2001 when both IAS 40 (which has not been adopted as FRS) and IAS 39 became effective for financial periods beginning on or after 1 January 2001. Accounting treatments for investments are significantly different under IAS 39 and IAS 40.
FRS 26	Accounting and Reporting by Retirement Benefit Plans	IAS 26	Accounting and Reporting by Retirement Benefit Plans	FRS 26 is consistent with IAS 26 in all material aspects.
FRS 27	Consolidated Financial Statements and Accounting for Investments in Subsidiaries	IAS 27	Consolidated Financial Statements and Accounting for Investments in Subsidiaries	FRS 27 is consistent with IAS 27 in all material aspects.
FRS 28	Accounting for Investments in Associates	IAS 28	Accounting for Investments in Associates	FRS 28 is consistent with IAS 28 in all material aspects.
FRS 29	Financial Reporting in Hyperinflationary Economies	IAS 29	Financial Reporting in Hyperinflationary Economies	FRS 29 is consistent with IAS 29 in all material aspects.
	No equivalent FRS	IAS 30	Disclosure in the Financial Statements of Banks and Similar Financial Institutions	Such entities are governed separately by Monetary Authority of Singapore.
FRS 31	Financial Reporting of Interests in Joint Venture	FRS 31	Financial Reporting of Interests in Joint Venture	FRS 31 is consistent with IAS 31 in all material aspects.

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FRS 32	Financial Instruments: Disclosure and Presentation	FRS 32	Financial Instruments: Disclosure and Presentation	FRS 32 is consistent with IAS 32 in all material aspects.
FRS 33	Earnings Per Share	FRS 33	Earnings Per Share	FRS 33 is consistent with IAS 33 in all material aspects.
FRS 34	Interim Financial Reporting	FRS 34	Interim Financial Reporting	FRS 34 and IAS 34 are not mandatory.
FRS 35	Discontinuing Operations	FRS 35	Discontinuing Operations	FRS 35 is consistent with IAS 35 in all material aspects.
FRS 36	Impairment of Assets	IAS 36	Impairment of Assets	FRS 36 is consistent with IAS 36 in all material aspects.
FRS 37	Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Provisions, Contingent Liabilities and Contingent Assets	FRS 37 is consistent with IAS 37 in all material aspects.
FRS 38	Intangible Assets	IAS 38	Intangible Assets	FRS 38 is consistent with IAS 38 in all material aspects.
FRS 39	Financial Instruments: Recognition and Measurement	IAS 39	Financial Instruments: Recognition and Measurement	FRS 39 is consistent with IAS 39 in all material aspects.
	No equivalent FRS	IAS 40	Investment Property	Current applicable standard for investment property is FRS 25, which is significantly different from IAS 40.
FRS 41	Agriculture	IAS 41	Agriculture	FRS 41 is consistent with IAS 41 in all material aspects.
	No equivalent FRS	IFRS1	First-time Adoption of International Financial Reporting Standards	ED FRS First-time Application of Financial Reporting Standards has not been adopted as a standard.