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Practical Guide to New Singapore Financial Reporting Standards for 2015

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Introduction

This publication details new standards and amendments effective for the first time for 2015 year-ends and forthcoming requirements - that is, new standards and amendments issued and not effective for periods starting on 1 January 2015 but will be effective for later periods.

A few narrow scope amendments to existing standards come into effect for 2015 year-ends. An amendment to FRS 19, 'Employee benefits', concerning defined benefit plans that require employees or third parties to contribute towards the costs of benefits, was issued in January 2014 and is effective for annual periods on or after 1 July 2014. The 2012 improvements project containing seven amendments and the 2013 improvements project containing three amendments were issued in January 2014 and February 2014, respectively, and are effective for annual periods beginning on or after 1 July 2014.

Various new standards and amendments have been issued but will not be effective for periods starting on 1 January 1, 2015. FRS 109, 'Financial instruments', was issued in December 2014 and includes guidance on the classification and measurement of financial assets and liabilities and de-recognition of financial instruments. The standard is effective for annual periods beginning on or after 1 January 2018. FRS 115, 'Revenue from contracts with customers', was issued in November 2014 and is effective for annual periods beginning 1 January 2017. The effective date of IFRS 15, 'Revenue from contracts with customers' has been deferred from 1 January 2017 to 1 January 2018. No such deferral has been made for FRS 115, 'Revenue from contracts with customers' as at the date of this publication. The standard replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations.

During 2014, several other amendments with an effective date of 1 January 2016 have been issued:

- FRS 114, 'Regulatory deferral accounts'. FRS 114 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt.

- Amendments to FRS 27, 'Separate financial statements' on equity method in separate financial statements.

- Amendments to FRS 16, 'Property plant and equipment' and FRS 38, 'Intangible assets' on classification of acceptable methods of depreciation and amortisation.

- Amendments to FRS 16, 'Property plant and equipment' and FRS 41, 'Agriculture' on bearer plants.

- Amendment to FRS 111, 'Joint arrangements' on accounting for acquisitions of interests in joint operations.

- Amendments to FRS 110, 'Consolidated financial statements' and FRS 28, 'Investments in associates and joint ventures' on sale or contribution of assets between an investor and its associate or joint venture. Please refer to page 22 of this Practical Guide for additional note on effective date.

- The 2014 improvement project which includes amendments to four standards.

In addition, two new amendments to existing standards have been issued in January 2015 with an effective date of 1 January 2016:

- Amendments to FRS 1, 'Presentation of financial statements' on the disclosure initiative.
- Amendments to FRS 110, 'Consolidated financial statements' and FRS 28, 'Investments in associates and joint ventures' on Investment entities applying the consolidation exemption.

Abbreviations used in the publication

ASC	Accounting Standards Council
FRS	Singapore Financial Reporting Standards
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
INT FRs	Interpretations of Financial Reporting Standard

New/revised standards and interpretations

Standards	Significant changes in			
	Scope and Definition	Measurement and Recognition	Presentation and Disclosures	Details (Page)
EEffective for annual periods beginning on or after 1 July 2014				
• Amendments to FRS 19 (R) Employee Benefits – Defined Benefit Plans: Employee Contributions		✓		6
Effective for annual periods beginning on or after 1 July 2014				
– Annual improvements 2012				
• Amendments to FRS 102 Share-based Payment		✓		8
• Amendments to FRS 103 Business Combinations		✓		8
• Amendments to FRS 108 Operating Segments			✓	8
• Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets		✓		9
• Amendments to FRS 24 Related Party Disclosures			✓	9
– Annual improvements 2013				
• Amendments to FRS 103 Business Combinations	✓			10
• Amendments to FRS 113 Fair Value Measurement		✓		10
• Amendments to FRS 40 Investment Property	✓			10

Standards	Significant changes in: Scope and Definition	Measurement and Recognition	Presentation and Disclosures	Details (Page)
Effective for annual periods beginning on or after 1 January 2016				
• FRS 114: Regulatory Deferral Accounts	✓	✓	✓	16
• Amendments to FRS 27 Separate financial statements		✓		18
• Amendments to FRS 16 Property plant and equipment and FRS 38 Intangible assets		✓		19
• Amendments to FRS 16 Property plant and equipment and FRS 41 Agriculture on bearer plants	✓	✓		20
• Amendments to FRS 111 Joint arrangements	✓	✓	✓	21
• Amendments to FRS 110 Consolidated financial statements and FRS 28 Investments in associates and joint ventures. Please refer to page 22 of this Practical Guide for additional note on effective date.		✓		22
• Amendments to FRS 1 Presentation of financial statements			✓	25
• Amendments to FRS 110 Consolidated financial statements and FRS 28 Investments in associates and joint ventures		✓	✓	27
- Annual improvements 2014				
• Amendments to FRS 105 Non-current assets held for sale and discontinued operations		✓		23
• Amendments to FRS 34 Interim financial reporting			✓	23
• Amendments to FRS 107 Financial instruments: Disclosures			✓	24
• Amendments to FRS 19 Employee benefits		✓		24
Effective for annual periods beginning on or after 1 January 2017*				
• FRS 115 Revenue from Contracts with Customers * The effective date of *IFRS 15 Revenue from contracts with customers* has been deferred from 1 January 2017 to 1 January 2018. No such deferral has been made for *FRS 115 Revenue from contracts with customers* as at the date of this publication.	✓	✓	✓	14
Effective for annual periods beginning on or after 1 January 2018				
• FRS 109 Financial Instruments	✓	✓	✓	11

Amendments to FRS 19 (R) Employee Benefits - Defined Benefit Plans: Employee Contributions

The ASC has issued 'Amendments to FRS 19 Employee Benefits – Defined Benefit Plans Employee Contributions. This amendment clarifies the application of FRS 19, 'Employee Benefits' (2011) – referred to as FRS 19R, to plans that require employees or third parties to contribute towards the cost of benefits. This amendment does not affect the accounting for voluntary contribution.

Effective date
Annual periods beginning on or after 1 July 2014, retrospectively applied. Early adoption is permitted.

What is the issue?

Some pension plans require employees or third parties to contribute to the plan. These contributions reduce the cost to the employer of providing the benefits. Common practice under the previous version of FRS 19 was to deduct the contributions from the cost of the benefits earned in the year in which the contributions were paid.

FRS 19R, which is applicable to periods commencing on or after 1 January 2013, was intended to clarify the treatment of contributions from employees or third parties. However, the revised guidance is open to a range of potentially complex interpretations, and could require most entities to change the way in which they account for these contributions.

The 2011 revisions to FRS 19 distinguished between employee contributions related to service and those not linked to service. The current amendment further distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. In our view, a contribution that is payable out of current salary is linked to service.

The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided.

The amendment will allow (but not require) many entities to continue accounting for employee contributions using their existing accounting policy, rather than spreading them over the employees' working lives.

Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits; that means either in accordance with the formula in the pension plan, or, where the plan provides a materially higher level of benefit for service in later years, on a straight line basis.

Example 1
A plan that requires employees to contribute 4% of salary if they are below age 40, and 7% of salary if they are 40 or above, is an example of a plan in which employee contributions are not linked to the length of service.

The contributions are linked to age and salary, but are not dependent on the length of service. So the contributions would be recognised as a reduction of pension expense in the year in which the related service is delivered.

The benefit of employee contributions linked to the length of service is recognised in profit or loss over the employee's working life. It is not clear how this should be done, and a variety of approaches are likely to develop.

Contributions that are not linked to service are reflected in the measurement of the benefit obligation.

Example 2
A plan that provides a lump sum benefit on retirement of 10% of final salary for the first ten years of service, plus 20% of final salary for each subsequent year of service, and requires employee contributions equal to 5% of salary for the first ten years of service and 8% thereafter, is a plan in which contributions are linked to the length of service.

The contributions vary with the length of service, as well as salary, and so they have to be recognised over the working life. The benefit earned and the employee contributions would be recognised on a straight line basis over the employee s working life in this example.

Example 3
A post-employment medical insurance plan, where the employee is required to meet the first CU20 per month of the insurance premium, is an arrangement in which the contributions are not linked to service. The expected future contributions from the employee, which would be payable after retirement, would be included in the measurement of the benefit obligation.

Insight
The amendment to FRS 19R will affect any post-employment benefit plans where employees or third parties are required to meet some of the cost of the plan.

The amendment clarifies the accounting by entities with plans that require contributions linked only to service in each period.

Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employees' working lives. Management should consider how it will apply that model.

Improvements to FRSs 2012

The table below identifies the significant changes to the standards arising from the 2010 to 2012 annual improvement project and the implications for management.

Effective date
See final column in table below.

Standard/ Interpretation	Amendment	Effective date
FRS 102, 'Share-based Payment'	The amendment clarifies the definition of vesting condition and separately defines 'performance condition' and 'service condition'.	Applies prospectively for share-based payment transactions for which the grant date is on or after 1 July 2014. Early adoption is permitted.
FRS 103, 'Business Combinations'	The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32, 'Financial instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. Consequential changes are also made to FRS 37 and FRS 39.	Applies prospectively for business combinations where the acquisition date is on or after 1 July 2014. Early adoption is permitted.
FRS 108, 'Operating Segments'	The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.	Applies for annual periods beginning on or after 1 July 2014. Early adoption is permitted.

Standard/ Interpretation	Amendment	Effective date
FRS 16, 'Property, Plant and Equipment' and FRS 38, 'Intangible Assets'	Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of the following ways: • either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or • the accumulated depreciation is eliminated against the gross carrying amount of the asset.	Applies for annual periods beginning on or after 1 July 2014. Early adoption is permitted.
FRS 24, 'Related Party Disclosures'	The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.	Applies for annual periods beginning on or after 1 July 2014. Early adoption is permitted.

Improvements to FRSs 2013

The ASC has issued FRS 109, 'Financial instruments', which replaces FRS 39, 'Financial instruments: Recognition and measurement'. This final version includes requirements on the classification and measurement of financial assets and liabilities, hedging, and the expected credit losses model that replaces the incurred loss impairment model used currently.

Effective date
Annual periods beginning on or after 1 January 2018. Early adoption is permitted.

Standard/ Interpretation	Amendment	Effective date
FRS 103, 'Business Combinations'	The standard is amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.	Applies prospectively for annual periods beginning on or after 1 July 2014. Early adoption is permitted.
FRS 113, 'Fair Value Measurement'	The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.	Applies prospectively for annual periods beginning on or after 1 July 2014. Early adoption is permitted.
Amendment to FRS 40, 'Investment Property'	The standard is amended to clarify that FRS 40 and FRS 103 are not mutually exclusive. The guidance in FRS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in FRS 103 to determine whether the acquisition of an investment property is a business combination.	Applies for annual periods beginning on or after 1 July 2014. Early adoption is permitted.

FRS 109 Financial Instruments

The ASC has issued FRS 109, 'Financial instruments', which replaces FRS 39, 'Financial instruments: Recognition and measurement'. This final version includes requirements on the classification and measurement of financial assets and liabilities, hedging, and the expected credit losses model that replaces the incurred loss impairment model used currently.

Effective date
Annual periods beginning on or after 1 January 2018. Early adoption is permitted.

What are the key provisions?

Classification and measurement
FRS 109 has three classification categories for debt instruments: amortised cost, fair value through other comprehensive income ('FVOCI') and fair value through profit or loss ('FVPL'). Classification under FRS 109 for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ('SPPI'). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity. That is, an entity's business model determines whether the cash flows will result from collecting contractual cash flows, selling financial assets or both.

If a debt instrument is held to collect contractual cash flows, it is classified as amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect assets' contractual cash flows and to sell the assets are classified as FVOCI. Under the new model, FVPL is the residual category – financial assets should therefore be classified as FVPL if they do not meet the criteria of FVOCI or amortised cost. Regardless of the business model assessment, an entity can elect to classify a financial asset at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch').

Expected credit losses
FRS 109 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. The ECL model constitutes a change from the guidance in FRS 39 and seeks to address the criticisms of the incurred loss model which arose during the economic crisis. In practice, the new rules mean that entities will have to record a day 1 loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). FRS 109 contains a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

Disclosures
Extensive disclosures are required, including reconciliations from opening to closing amounts of the ECL provision, assumptions and inputs and a reconciliation on transition of the original classification categories under FRS 39 to the new classification categories in FRS 109.

Hedge accounting

Hedge effectiveness tests and eligibility for hedge accounting

FRS 109 relaxes the requirements for hedge effectiveness and, consequently to apply hedge accounting. Under FRS 39, a hedge must be highly effective, both going forward and in the past (that is, a prospective and retrospective test, with results in the range of 80%-125%). FRS 109 replaces this bright line with a requirement for an economic relationship between the hedged item and hedging instrument, and for the 'hedged ratio' to be the same as the one that the entity actually uses for risk management purposes. Hedge ineffectiveness will continue to be reported in profit or loss (P&L). An entity is still required to prepare contemporaneous documentation; however, the information to be documented under FRS 109 will differ.

Hedged items

The new requirements change what qualifies as a hedged item, primarily removing restrictions that currently prevent some economically rational hedging strategies from qualifying for hedge accounting. For example:

- Risk components of non-financial items can be designated as hedged items, provided they are separately identifiable and reliably measurable. This is good news for entities that hedge for only a component of the overall price of non-financial items such as the oil price component of jet fuel price exposure), because it is likely that more hedges will now qualify for hedge accounting.
- Aggregated exposures (that is, exposures that include derivatives) can be hedged items.
- FRS 109 makes the hedging of groups of items more flexible, although it does not cover macro hedging (this will be the subject of a separate discussion paper in the future). Treasurers commonly group similar risk exposures and hedge only the net position (for example, the net of forecast purchases and sales in a foreign currency). Under FRS 39, such a net position cannot be designated as the hedged item; but FRS 109 permits this if it is consistent with an entity's risk management strategy. However, if the hedged net position consists of forecast transactions, hedge accounting on a net basis is only available for foreign currency hedges.
- FRS 109 allows hedge accounting for equity instruments measured at fair value through other comprehensive income (OCI), even though there will be no impact on P&L from these investments.

Hedging instruments

FRS 109 relaxes the rules on the use of some hedging instruments as follows:

- Under FRS 39, the time value of purchased options is recognised on a fair value basis in P&L, which can create significant volatility. FRS 109 views a purchased option as similar to an insurance contract, such that the initial time value (that is, the premium generally paid for an at or out of the money option) must be recognised in P&L, either over the period of the hedge (if the hedge item is time related, such as a fair value hedge of inventory for six months), or when the hedged transaction affects P&L (if the hedge item is transaction related, such as a hedge of a forecast purchase transaction). Any changes in the option's fair value associated with time value will be recognised in OCI.
- A similar accounting treatment to options can also be applied to the forward element of forward contracts and to foreign currency basis spreads of financial instruments. This should result in less volatility in P&L.
- Under FRS 39, non-derivative financial items were allowed for hedge of FX risk. The eligibility of non-derivative financial items as hedging instruments is extended to non-derivative financial items accounted for at fair value through P&L.

Accounting, presentation and disclosure
The accounting and presentation requirements for hedge accounting in FRS 39 remain largely unchanged in FRS 109.

However, entities will now be required to reclassify the gains and losses accumulated in equity on a cash flow hedge to the carrying amount of a non-financial hedged item when it is initially recognised. This was permitted under FRS 39, but entities could also choose to accumulate gains and losses in equity. Additional disclosures are required under the new standard.

Own credit risk in financial liabilities
Although not related to hedge accounting, FRS 109 was also amended to allow entities to early adopt the requirement to recognise in OCI the changes in fair value attributable to changes in an entity's own credit risk (from financial liabilities that are designated under the fair value option). This can be applied without having to adopt the remainder of FRS 109.

Insight
FRS 109 applies to all entities. However, financial institutions and other entities with large portfolios of financial assets measured at amortised cost or FVOCI will be the most effected and in particular, by the ECL model. It is critical that these entities assess the implications of the new standard as soon as possible. It is expected that the implementation of the new ECL model will be challenging and might involve significant modifications to credit management systems.

FRS 115 Revenue from Contracts with Customers

The ASC has issued FRS 115, 'Revenue from Contracts with Customers', a standard on revenue recognition which replaces FRS 118, 'Revenue', FRS 11, 'Construction Contracts', and other revenue-related interpretations.

Effective date
Annual periods beginning on or after 1 January 2017. Earlier application is permitted. The effective date of IFRS 15, 'Revenue from contracts with customers' has been deferred from 1 January 2017 to 1 January 2018. No such deferral has been made for FRS 115, 'Revenue from contracts with customers' as at the date of this publication.

What are the key provisions?

Summarised below are some of the areas that could create the most significant challenges for entities as they transition to the new standard.

Transfer of control
Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, nor is it necessarily the same as the culmination of an earnings process as it is considered today. Entities will also need to apply new guidance to determine whether revenue should be recognised over time or at a point in time.

Variable consideration
Entities might agree to provide goods or services for consideration that varies upon certain future events occurring or not occurring. Examples include refund rights, performance bonuses and penalties. These amounts are often not recognised as revenue today until the contingency is resolved. Now, an estimate of variable consideration is included in the transaction price if it is highly probable that the amount will not result in a significant revenue reversal if estimates change. Even if the entire amount of variable consideration fails to meet this threshold, management will need to consider whether a portion (a minimum amount) does meet the criterion. This amount is recognised as revenue when goods or services are transferred to the customer. This could affect entities in multiple industries where variable consideration is currently not recorded until all contingencies are resolved. Management will need to reassess estimates each reporting period, and adjust revenue accordingly.

There is a narrow exception for intellectual property (IP) licences where the variable consideration is a sales-or usage-based royalty.

Allocation of transaction price based on relative stand-alone selling price
Entities that sell multiple goods or services in a single arrangement must allocate the consideration to each of those goods or services. This allocation is based on the price an entity would charge a customer on a stand-alone basis for each goods or services that have not previously required this assessment, such as entities that report under US GAAP and issue customer loyalty points.

Licences
Entities that license their IP to customers will need to determine whether the licence transfers to the customer over time or at a point in time. A licence that is transferred over time allows a customer access to the entity's IP as it exists during the licence period. Licences that are transferred at a point in time allow the customer the right to use the entity's IP as it exists when the licence is granted. The customer must be able to direct the use of and obtain substantially all of the remaining benefits from the licensed IP to recognise revenue when the licence is granted. The standard includes several examples to assist entities making this assessment.

Time value of money
Some contracts provide the customer or the entity with a significant financing benefit (explicitly or implicitly). This is because performance by an entity and payment by its customer might occur at significantly different times. An entity should adjust the transaction price for the time value of money if the contract includes a significant financing component. The standard provides certain exceptions to applying this guidance and a practical expedient which allows entities to ignore time value of money if the time between transfer of goods or services and payment is less than one year.

Contract costs
Entities sometimes incur costs (such as sales commissions or mobilisation activities) to obtain or fulfil a contract. Contract costs that meet certain criteria are capitalised as an asset and are amortised as revenue is recognised. More costs are expected to be capitalised in some situations. Management will also need to consider how to account for contract costs incurred for contracts that are not completed upon the adoption of the standard.

Disclosures
Extensive disclosures are required to provide greater insight into both revenue that has been recognised, and revenue that is expected to be recognised in the future from existing contracts. Quantitative and qualitative information will be provided about the significant judgments and changes in those judgments that management made to determine revenue that is recorded.

FRS 114 Regulatory Deferral

The ASC has issued ‘FRS 114 Regulatory Deferral, an interim standard on the accounting for certain balances that arise from rate-regulated activities (‘regulatory deferral accounts’).

FRS 114 is only applicable to entities that apply FRS 101 as first-time adopters of FRS. It permits such entities, on adoption of FRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and de-recognition of regulatory deferral accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first– time adoption or subsequently) and on presentation and disclosure.

There is currently no standard that specifically addresses rate–regulated activities. The objective of the interim standard is to allow entities adopting FRS to avoid major changes in accounting policy before completion of the broader IASB project to develop an IFRS on rate-regulated activities. A discussion paper on the project is expected later in 2014.

Effective date
Annual periods beginning on or after 1 January 2016. Early adoption is permitted.

What are the key provisions?

Scope
FRS 114 only applies to first-time adopters of FRS that apply FRS 101 and conduct rate–regulated activities. Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body. FRS 114 excludes entities that are self–regulated (for example, if prices are regulated solely by the entity’s own governing body).

Entities in the scope of FRS 114 are permitted to continue applying previous GAAP accounting policies for regulatory deferral accounts. Changes to existing policies are restricted. Any change must make the financial statements more relevant and no less reliable, as described by FRS 8.

Entities are not permitted to change accounting policies to start recognising regulatory deferral account balances that were not recognised under previous GAAP. Entities can, however, recognise new balances that arise as a result of a change in accounting policy (such as on the first–time adoption of FRS or for changes to FRS). For example, if a new deferral account arises from the adoption of new FRS employee benefits guidance, the new account is accounted for consistently with the entity’s previous GAAP accounting policies.

Recognition, measurement, impairment and de-recognition
An entity is permitted to continue applying its previous GAAP accounting policies for the recognition and measurement of regulatory deferral accounts on first–time adoption. The interim standard does not include any further guidance on recognition, measurement, impairment and de-recognition.

Previous GAAP accounting policies are only applied to balances that are not otherwise covered by specific FRSs. That is, other specific FRSs should be applied first, and only any residual balance is accounted for under FRS 114.

Other standards might also need to be applied to regulatory deferral accounts to reflect them appropriately in the financial statements. For example, the entity would apply its previous GAAP accounting policy to the impairment of regulatory deferral account balances, but it would apply the FRS impairment guidance to cash generating units that contain such balances.

Judgement will be required to determine what other standards might be applicable and how they might interact with previous GAAP accounting policies.

Presentation

Balances arising from the application of FRS 114 are presented separately in the balance sheet and the statement of comprehensive income.

A separate line item is presented in the balance sheet for total regulatory deferral debit balances and total regulatory deferral credit balances, following a sub–total of all other assets and liabilities. The distinction between current and non–current balances is not presented on the balance sheet, and offsetting is not permitted, although this information might be disclosed elsewhere.

The total movement in all regulatory deferral accounts is split between other comprehensive income (OCI) and profit and loss. The amount recorded in profit and loss is separately presented as a single line item after a sub–total for profit and loss. The amount recorded in OCI is presented in two line items, based on whether the amount relates to items that will or will not be subsequently reclassified to profit and loss. Movements are classified in OCI where the balances relate to items recognised in OCI.

An entity that presents earnings per share (EPS) should present, in the income statement, EPS excluding and including the movement in the regulatory deferral accounts.

Disclosures

The disclosure requirements address information about the nature and risk of the regulation and the effect on the financial statements, including:

- a description of the nature and extent of rate regulation;
- how the future recovery or reversal of each balance is affected by risks and uncertainties;
- the basis on which the regulatory deferral account balances are recognised and measured; and
- a reconciliation of the balances from the beginning to the end of the period.

Insight

FRS 114 will affect first-time adopters of FRS that currently recognise balances arising from rate regulation under previous GAAP accounting policies. This is common in the utilities industry, but the interim standard might affect other industries where prices are regulated.

Entities that will apply the guidance should begin to consider the implications in connection with the adoption of FRS.

The broader project on rate-regulated activities is on-going. The IASB is expect to issue a discussion paper on the project later in 2014 to seek initial vies on the accounting for rate-regulated activities.

Amendments to FRS 27 Separate Financial Statements – Equity method in separate financial statements

The ASC has issued amendments to FRS 27, ‘Separate financial statements’, to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity’s separate financial statements.

Effective date
Annual periods beginning on or after 1 January 2016. Early adoption is permitted.

What is the issue?

An entity can now account for investments in subsidiaries, joint ventures and associates in its separate financial statements:
- at cost; or
- in accordance with FRS 109; or
- using the equity method as described in FRS 28.

The amendment also clarified the definition of separate financial statements as those produced in addition to:
- consolidated financial statements by an entity with subsidiaries; or
- financial statements prepared by an entity which has no subsidiaries but has investments in associates or joint ventures required to be equity accounted under FRS 28.

FRS 101 has been amended to permit the use of the business combinations exemption for investments in subsidiaries accounted for using equity method in the separate financial statements of the first-time adopter.

Impact
The amendments are expected to reduce compliance costs for entities that are required to prepare separate financial statements in which they account for investments in subsidiaries, joint ventures and associates using the equity method.

Prior to the amendment these entities had to prepare two sets of separate financial statements, one for IFRS reporting and one for local statutory reporting.

Insight
Retrospective application may be challenging for those entities who do not already prepare separate financial statements using the equity method as the figures from the previous consolidated financial statements may require adjustment.

Amendments to FRS 16 Property plant and equipment and FRS 38 Intangible assets – Clarification of acceptable methods of depreciation and amortisation

The ASC has issued amendments to FRS 16, Property, plant and equipment and FRS 38, Intangible assets to clarify when a method of depreciation or amortisation based on revenue may be appropriate.

Effective date
Annual periods beginning on or after 1 January 2016. Early adoption is permitted.

What is the issue?

The amendment to FRS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate.

The amendment to FRS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances. These are:

- Where the intangible asset is expressed as a measure of revenue; or
- Where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Impact

Property, plant and equipment
It is unlikely that the amendment to FRS 16 will have a significant impact as few entities use a revenue-based approach to depreciation.

Intangible assets
Entities which have intangible assets under INT FRS 112, Service concessions may see a significant impact from the amendment if they have previously used a method based on revenues to amortise the intangible asset.

The entertainment and media industry may also see a significant impact from the amendment. Intangible assets arising from programme rights are frequently amortised using a declining balance method as the majority of revenues arise from the first showings.

Insight

There are many methods of depreciation and amortisation which are permitted by FRS 16 and FRS 38. Some of these may result in an amortisation profile not unlike one based on revenues; for example, the reducing balance method and the units of production method. Preparers for whom the amendment is significant may find it useful to explore these options.

Amendments to FRS 16 Property plant and equipment and FRS 41 Agriculture – Accounting for bearer plants

The ASC has issued amendments to FRS 16, 'Property, plant and equipment', and FRS 41, 'Agriculture', in relation to bearer plants. Prior to the amendments, all biological assets were in the scope of FRS 41 and measured at fair value less costs to sell. Bearer plants will now be accounted for differently from all other biological assets.

Effective date
Annual periods beginning on or after 1 January 2016. Early adoption is permitted

What is the issue?

The amendments distinguish bearer plants from other biological assets as bearer plants are solely used to grow produce over their productive lives. Bearer plants are seen as similar to an item of machinery in a manufacturing process and therefore will be classified as PP&E and accounted for under FRS 16.

Impact

Accounting for bearer plants
Biological assets that meet the definition of 'bearer plants' are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. Bearer plants are measured at accumulated cost until maturity, similar to the accounting for a self-constructed item of property, plant and equipment.

A bearer plant is a living plant that:
- is used in the production or supply of agricultural produce;
- is expected to bear produce for more than one period; and
- has a remote likelihood of being sold as agricultural Revenue from contracts with customers.

Bearer plants are measured at accumulated costs until maturity, similar to the accounting for a self-constructed item of property, plant and equipment.

Accounting for produce growing on bearer plants
Agricultural produce growing on bearer plants remain within the scope of FRS 41 and are measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows.

Insight

Management should assess if their biological assets meet the definition of bearer plants in the amendments. The classification as bearer plants or other biological assets is critical as it drives the subsequent measurement model. For those assets which meet the definition of bearer plants, management will need to ensure that their systems are able to capture the costs incurred and consider their policy for determining when these assets are mature.

Amendments to FRS 111 Joint arrangements – Accounting for acquisitions of interests in joint operations

The ASC has issued amendments to FRS 111, 'Joint arrangements', to provide specific guidance on accounting for the acquisition of an interest in a joint operation ('JO') that is a business.

Effective date
Annual periods beginning on or after 1 January 2016. Early adoption is permitted. Transactions before the adoption date are grandfathered.

What is the issue?

The amendments address diversity in practice related to the accounting for the acquisition of an interest in a JO that is a business.

Impact

Application of FRS 103 principles
The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a JO that constitutes a 'business' (as defined in FRS 103, Business combinations).

Specifically, an investor will need to measure identifiable assets and liabilities at fair value, expense acquisition-related costs, recognise deferred tax, and recognise the residual as goodwill.

All other principles of business combination accounting apply unless they conflict with FRS 111. The amendments are applicable to both the acquisition of the initial interest in a JO and the acquisition of additional interest in the same JO. However, a previously held interest is not remeasured when the acquisition of an additional interest in the same JO results in retaining joint control.

Scope
The amendments will apply to the acquisition of an interest in an existing JO that is a business, or when a JO is formed and an existing business is contributed. However the amendments do not apply when the formation of the JO coincides with the formation of a business. Transactions between an investor and a JO under common control are also excluded.

Disclosures
The amendments require the disclosure of information specified in IFRS 3 and other IFRSs for business combinations.

Insight

Entities in oil and gas, mining and power sectors will be most affected by the amendments although joint operations are seen across a broad range of industries. Joint arrangements are frequently used as the most effective method for multi-nationals to access emerging markets, and those reporting entities may be similarly affected.

The change required by the amendments is likely to increase the pressure on the definition of 'what is a business' and classification of joint arrangements under FRS 111.

Amendments to FRS 110 Consolidated financial statements and FRS 28 Investments in associates
– Sale or contribution of assets between an investor and its associate or joint venture

The ASC has issued amendments FRS 110, 'Consolidated financial statements' and FRS 28 (2011), 'Investments in associates and joint ventures'. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures.

Effective date
Annual periods beginning on or after 1 January 2016. Early adoption is permitted. In August 2015, the IASB has published an Exposure Draft to propose deferring the effective date of the amendment indefinitely. Earlier application of the amendment continues to be permitted. No deferral has been made for similar amendment to FRS 110 and FRS 28 as at the date of this publication.

What is the issue?

Is it a business or an asset?
The amendments resolve a current inconsistency between FRS 110 and FRS 28. The accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business'.

Full gain or loss will be recognised by the investor where the nonmonetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests.

Scope
The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.

Insight

The change required by the amendments is likely to increase the pressure on the definition of 'business' and potentially on the classification of joint arrangements under FRS 111.

All entities that sell or contribute assets into their associates or joint ventures will be affected. You will need to assess whether the assets sold or contributed constitute a business in order to determine the appropriate accounting treatment.

Improvements to FRSs 2014

The table below identifies the significant changes to the standards arising from the 2012 to 2014 annual improvement project and the implications for management.

Effective date
See final column in table below.

Standard/ Interpretation	Amendment	Effective date
FRS 105, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal	The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as 'held for sale' or 'held for distribution' simply because the manner of disposal has changed. The amendment also rectifies an omission in the standard by explaining that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as 'held for sale'.	Applies for annual periods beginning on or after 1 January 2016.
FRS 34, 'Interim financial reporting'	The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment further amends FRS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.	Applies for annual periods beginning on or after 1 January 2016.

Improvements to FRSs 2014

The table below identifies the significant changes to the standards arising from the 2012 to 2014 annual improvement project and the implications for management.

Effective date
See final column in table below.

Standard/ Interpretation	Amendment	Effective date
FRS 107, 'Financial instruments: Disclosures'	There are two amendments to FRS 107. **1. Servicing contracts** If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, FRS 107 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. FRS 107 provides guidance on what is meant by continuing involvement in this context. The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. The amendment is prospective with an option to apply retrospectively. A consequential amendment to FRS 101 is included to give the same relief to first-time adopters. **2. Interim financial statements** The amendment clarifies that the additional disclosure required by the amendments to FRS 107, 'Disclosure - Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by FRS 34. The amendment is retrospective.	Applies for annual periods beginning on or after 1 January 2016.
FRS 19, 'Employee benefits'	The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented.	Applies for annual periods beginning on or after 1 January 2016.

Amendments to FRS 1 Presentation of financial statements – Disclosure initiative

The ASC has issued amendments to FRS 1, 'Presentation of financial statements'. The amendments clarify the guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Effective date
Annual periods beginning on or after 1 January 2016. Early adoption is permitted.

What is the issue?

The following is a summary of the key changes.

Materiality
An entity should not aggregate or disaggregate information in a manner that obscures useful information, for example, by aggregating items that have different characteristics or disclosing a large amount of immaterial detail.

When management determines an item is material, the amendments require assessment of which specific disclosures set out in the relevant standard should be presented, and whether additional information is necessary to understand the impact on the financial position or performance.

Disaggregation and subtotals
The amendments clarify that it may be necessary to disaggregate some of the line items specified in FRS 1 paragraphs 54 (statement of financial position) and 82 (profit or loss). That disaggregation is required where it is relevant to an understanding of the entity's financial position or performance.

The amendments address additional subtotals in the statement of financial position or the statement of profit or loss and other comprehensive income. The amendments give guidance on what additional subtotals are acceptable and how they are presented. The revised guidance captures common subtotals that are not specifically required by FRS, such as operating profit or profit before interest and tax. Additional subtotals should:
- be made up of items recognised and measured in accordance with FRS;
- be presented and labelled in a manner that makes the components of the subtotal understandable;
- be consistent from period to period; and
- not be displayed with more prominence than the subtotals and totals specified in FRS 1.

The amendments require that additional subtotals in the statement of profit or loss and other comprehensive income should be reconciled to the subtotals and totals required by FRS 1.

Notes
Management should consider the understandability and comparability of the financial statements when it determines the order of the notes. An entity is not required to present the notes to the financial statements in a particular order. An entity might, for example, present more significant notes first, or present linked areas sequentially. Such flexibility, which is already permitted by FRS 1, allows management to tailor their presentation to their circumstances.

Disclosure of accounting policies
The amendments clarify how to identify a significant accounting policy by removing unhelpful examples from FRS 1.

OCI arising from investments accounted for under the equity method
The amendments require that the share of other comprehensive income arising from investments accounted for under the equity method is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Transitional provision
The transition provisions state that the disclosures in paragraphs 28-30 of FRS 8, that is, those regarding adoption of a new standard/policy are not required.

Insight
The amendments will affect every entity preparing FRS financial statements. The amendments do not require specific changes. However, they clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users.

Preparers should consider their financial statements in light of these clarifications and whether there is an opportunity to clarify or improve the disclosure.

The order of the notes needs to balance understandability and comparability and changes should generally result from a specific change in facts and circumstances.

Amendments to FRS 110 Consolidated financial statements and FRS 28 Investments in associates and joint ventures – Investment entities: Applying the consolidation exception

The ASC has issued amendments to FRS 110 Consolidation Financial Statements and FRS 28 (2011) Investments in associates and joint ventures. The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

Effective date
Annual periods beginning on or after 1 January 2016. Early adoption is permitted.

What is the issue?

Exception from preparing consolidated financial statements
The amendments to FRS 110 clarify that the exception from preparing consolidated financial statements is available to intermediate parent entities which are subsidiaries of investment entities. The exception is available when the investment entity parent measures its subsidiaries at fair value.

The intermediate parent would also need to meet the other criteria for exception listed in FRS 110.

Subsidiaries which act as an extension of an investment entity
The amendments to FRS 110 clarify that an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

However, the amendments confirm that if the subsidiary is itself an investment entity, the investment entity parent should measure its investment in the subsidiary at fair value through profit or loss. This approach is required regardless of whether the subsidiary provides investment-related services to the parent or to third parties.

Equity accounting for investments in associates and joint ventures
The amendments to FRS 28 allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

Insight
The amendments clarify the relief from consolidation which is available to entities in group structures involving investment entities and are likely to reduce the number of entities which produce consolidated financial statements.

The amendments also provide relief to non-investment entity investors in associates and joint ventures, who would otherwise incur practical difficulties or additional costs in unwinding fair value measurements and performing additional consolidations.

Differences between Singapore Financial Reporting Standards and International Financial Reporting Standards

As at 11 December 2014

(A) FINANCIAL REPORTING STANDARDS					
Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
2009	FRS 1 (revised)	Presentation of Financial Statements	IAS 1 (revised)	Presentation of Financial Statements	FRS 1 (revised) is consistent with IAS 1 in all material aspects.
2009	FRS 2 (revised)	Inventories	IAS 2 (revised)	Inventories	FRS 2 is consistent with IAS 2 in all material aspects.
2009	FRS 7 (revised)	Statement of Cash Flows	IAS 7 (revised)	Statement of Cash Flows	FRS 7 is consistent with IAS 7 (effective from 1994) in all material aspects.
2009	FRS 8 (revised)	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8 (revised)	Accounting Policies, Changes in Accounting Estimates and Errors	FRS 8 is consistent with IAS 8 in all material aspects.
2007	FRS 10 (revised)	Events after the Reporting Period	IAS 10 (revised)	Events after the Reporting Period	FRS 10 is consistent with IAS 10 in all material aspects.
2009	FRS 11 (revised)	Construction Contracts	IAS 11 (revised)	Construction Contracts	FRS 11 is consistent with IAS 11 (effective from 1995) in all material aspects.
2007	FRS 12 (revised)	Income Taxes	IAS 12 (revised)	Income Taxes	FRS 12 is consistent with IAS 12 (effective from 1998) in all material aspects, except for accounting for unremitted foreign income. Under Recommended Accounting Practice (RAP) 8 issued by the Institute of Certified Public Accountants of Singapore (ICPAS), no deferred tax is accounted for temporary difference arising from foreign income not yet remitted to Singapore if:

(A) FINANCIAL REPORTING STANDARDS

Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
					(a) the entity is able to control the timing of the reversal of the temporary difference; and (b) it is probable that the temporary difference will not reverse in the foreseeable future. Under IAS 12, deferred tax is required to be accounted for temporary difference arising from such unremitted foreign income.
2009	FRS 16 (revised)	Property, Plant and Equipment (PPE)	IAS 16 (revised)	Property, Plant and Equipment (PPE)	FRS 16 is consistent with IAS 16 in all material aspects, except that FRS 16 gives the following exemption: "For an enterprise which had: revalued its PPE before 1 January 1984 (in accordance with the prevailing accounting standard at the time); or performed any one-off revaluation on its PPE 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." "One-off revaluation" means any instance where an item of PPE was revalued only once between 1 January 1984 and 31 December 1996 (both dates inclusive). Where an item of PPE has been revalued more than once during this period, the company should: (a) explain why the particular item of PPE should be exempted; and (b) obtain the auditor's concurrence of the explanation. IAS 16 does not include the above exemption.

(A) FINANCIAL REPORTING STANDARDS					
Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
2007	FRS 17 (revised)	Leases	IAS 17 (revised)	Leases	FRS 17 is consistent with IAS 17 in all material aspects.
2005	FRS 18	Revenue	IAS 18	Revenue	FRS 18 is consistent with IAS 18 (effective from 1995) in all material aspects except for revenue recognition of pre-sold uncompleted properties. INT FRS 115 prescribes the accounting treatment for sale of uncompleted properties. Please refer to section B below on Interpretations for details. Under IFRS, such revenue is generally recognised after the properties are completed and handed over to the buyers.
2013	FRS 19 (revised)	Employee Benefits	IAS 19 (revised)	Employee Benefits	FRS 19 is consistent with IAS 19 in all material aspects.
2005	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 (effective from 1984) in all material aspects.
2006	FRS 21 (revised)	The Effects of Changes in Foreign Exchange Rates	IAS 21 (revised)	The Effects of Changes in Foreign Exchange Rates	FRS 21 is consistent with IAS 21 in all material aspects.
2009	FRS 23 (revised)	Borrowing Costs	IAS 23 (revised)	Borrowing Costs	FRS 23 is consistent with IAS 23 in all material aspects.
2011	FRS 24 (revised)	Related Party Disclosures	IAS 24 (revised)	Related Party Disclosures	FRS 24 is consistent with IAS 24 in all material aspects.
2005	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 (effective from 1990) in all material aspects.
2014	FRS 27 (revised)	Separate Financial Statements	IAS 27	Separate Financial Statements	FRS 27 is consistent with IAS 27 in all material aspects, except in: • one of the conditions for exemption from consolidation. This dissimilarity is as identified in FRS 110. • effective dates: IAS 27 (revised) is effective for annual periods beginning on or after 1 January 2013.

(A) FINANCIAL REPORTING STANDARDS

Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
2014	FRS 28 (revised)	Investments in Associates and Joint Ventures	IAS 28 (revised)	Investments in Associates and Joint Ventures	FRS 28 is consistent with IAS 28 in all material aspects, except in: • one of the conditions for exemption from equity accounting. This dissimilarity is as identified in FRS 110. • effective dates: IAS 28 (revised) is effective for annual periods beginning on or after 1 January 2013.
2005	FRS 29	Financial Reporting in Hyperinflationary Economies	IAS 29	Financial Reporting in Hyperinflationary Economies	FRS 29 is consistent with IAS 29 (effective from 1990) in all material aspects.
2005	FRS 31	Interests in Joint Ventures	IAS 31	Interests in Joint Ventures	FRS 31 is consistent with IAS 31 in all material aspects, except in one of the conditions for exemption from proportionate consolidation or equity accounting. The dissimilarity is as identified in FRS 27. Note that IAS 31 is being replaced by IFRS 11, which is effective for annual periods beginning on or after 1 January 2013. Correspondingly, FRS 31, is being replaced by FRS 111, which is effective for annual periods beginning on or after 1 January 2014.
2007 – for listed companies 2008 – for non-listed companies	FRS 32 (revised)	Financial Instruments: Presentation	IAS 32	Financial Instruments: Presentation	FRS 32 is consistent with IAS 32 (effective from 2007) in all material aspects.
2009	FRS 33 (revised)	Earnings per Share	IAS 33 (revised)	Earnings per Share	FRS 33 is consistent with IAS 33 in all material aspects.
2009	FRS 34 (revised)	Interim Financial Reporting	IAS 34 (revised)	Interim Financial Reporting	FRS 34 is consistent with IAS 34 in all material aspects.
2009	FRS 36 (revised)	Impairment of Assets	IAS 36 (revised)	Impairment of Assets	FRS 36 is consistent with IAS 36 in all material aspects.

(A) FINANCIAL REPORTING STANDARDS

Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
2006	FRS 37 (revised)	Provisions, Contingent Liabilities and Contingent Assets	IAS 37 (revised)	Provisions, Contingent Liabilities and Contingent Assets	FRS 37 is consistent with IAS 37 (effective from 1999) in all material aspects.
2009	FRS 38 (revised)	Intangible Assets	IAS 38 (revised)	Intangible Assets	FRS 38 is consistent with IAS 38 in all material aspects.
2007	FRS 39 (revised)	Financial Instruments: Recognition and Measurement	IAS 39 (revised)	Financial Instruments: Recognition and Measurement	FRS 39 is consistent with IAS 39 in all material aspects except for the effect of difference in transition dates.
2007	FRS 40 (revised)	Investment property	IAS 40 (revised)	Investment property	FRS 40 is consistent with IAS 40 (effective from 2005) in all material aspects.
2005	FRS 41	Agriculture	IAS 41	Agriculture	FRS 41 is consistent with IAS 41 in all material aspects.
2005 – for listed companies 2006 – for other companies	FRS 102	Share-based Payment	IFRS 2	Share-based Payment	FRS 102 is consistent with IFRS 2 in all material aspects, except for their effective dates for non-listed companies. For non-listed companies, FRS 102 is effective for annual periods beginning on or after 1 January 2006, whilst IFRS 2 is effective for annual periods beginning on or after 1 January 2005. Additionally, IFRS 2 will apply to: (a) share-based payment transactions that were granted on or after 7 November 2002 and had not yet vested by 1 January 2005; and (b) share-based payment transactions made before 7 November 2002, which were subsequently modified. FRS 102 replaces "7 November 2002" with "22 November 2002".
1 Jul 2009	FRS 103 (revised)	Business Combinations	IFRS 3 (revised)	Business Combinations	FRS 103 is consistent with IFRS 3 in all material aspects.
2007	FRS 104 (revised)	Insurance Contracts	IFRS 4 (revised)	Insurance Contracts	FRS 104 is consistent with IFRS 4 in all material aspects.

(A) FINANCIAL REPORTING STANDARDS					
Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
2009	FRS 105 (revised)	Non-current Assets Held-for-Sale and Discontinued Operations	IFRS 5 (revised)	Non-current Assets Held-for-Sale and Discontinued Operations	FRS 105 is consistent with IFRS 5 in all material aspects.
2009	FRS 106 (revised	Exploration for and Evaluation of Mineral Resources	IFRS 6 (revised)	Exploration for and Evaluation of Mineral Resources	FRS 106 is consistent with IFRS 6 in all material aspects.
2007 – for listed companies 2008 – for non-listed companies	FRS 107	Financial Instruments: Disclosures	IFRS 7	Financial Instruments: Disclosures	FRS 107 is consistent with IFRS 7 in all material aspects, except for their effective dates for non-listed companies. For non-listed companies, FRS 107 is effective for annual periods beginning on or after 1 January 2008, whilst IFRS 7 is effective for annual periods beginning on or after 1 January 2007.
2009	FRS 108	Operating Segments	IFRS 8	Operating Segments	FRS 108 is consistent with IFRS 8 in all material aspects.
2013	FRS 113	Fair Value Measurement	IFRS 13	Fair Value Measurement	FRS 113 is consistent with IFRS 13 in all material aspects.
2014	FRS 110	Consolidated Financial Statements	IFRS 10	Consolidated Financial Statements	FRS 110 is consistent with IFRS 10 in all material aspects, except in: • one of the conditions for exemption from consolidation. FRS 110 requires the ultimate holding company or any intermediate parent of a company that seeks exemption from consolidation to produce consolidated financial statements that are available for public use. These consolidated financial statements need not comply with any specific accounting framework. IFRS 10 requires the ultimate holding company or any intermediate parent of a company that seeks exemption from consolidation to produce consolidated financial statements that are available for public use and comply with IFRS. • effective dates: IFRS 10 is effective for annual periods beginning on or after 1 January 2013.

(A) FINANCIAL REPORTING STANDARDS

Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
2014	FRS 111	Joint Arrangements	IFRS 11	Joint Arrangements	FRS 111 is consistent with IFRS 11 in all material aspects, except in: • one of the conditions for exemption from proportionate consolidation or equity accounting. The dissimilarity is as identified in FRS 110. • effective dates: IFRS 11 is effective for annual periods beginning on or after 1 January 2013.
2014	FRS 112	Disclosure of Interests in Other Entities	IFRS 12	Disclosure of Interests in Other Entities	FRS 112 is consistent with IFRS 12 in all material aspects except for the effective dates. IFRS 12 is effective for annual periods beginning on or after 1 January 2013.
2016	FRS 114	Regulatory Deferral Accounts	IFRS 14	Regulatory Deferral Accounts	FRS 114 is consistent with IFRS 14 in all material aspects.
2017	FRS 115	Revenue from contracts with customers	IFRS 15	Revenue from contracts with customers	FRS 115 is consistent with IFRS 15 in all material aspects.
2018	FRS 109	Financial Instruments	IFRS 9	Financial Instruments	FRS 109 is consistent with IFRS 9 (the completed version issued in July 2014) in all material aspects.
2005	INT FRS 7	Introduction of the Euro	SIC 7	Introduction of the Euro	INT FRS 7 is consistent with SIC 7 (effective from 1998) in all material aspects.
2005	INT FRS 10	Government Assistance – No specific Relation to Operating Activities	SIC 10	Government Assistance – No Specific Relation to Operating Activities	INT FRS 10 is consistent with SIC 10 (effective from 1998) in all material aspects.

(A) FINANCIAL REPORTING STANDARDS					
Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
2005	INT FRS 12	Consolidation – Special Purpose Entities	SIC 12	Consolidation – Special Purpose Entities	INT FRS 12 is consistent with SIC 12 (effective from 1999) in all material aspects. Note that SIC 12 has been incorporated into IFRS 10, which is effective for annual periods beginning on or after 1 January 2013. Correspondingly, INT FRS 12 has been incorporated into FRS 110, which is effective for annual periods beginning on or after 1 January 2014.
2005	INT FRS 13	Jointly Controlled Entities – Non-Monetary Contributions by Venturers	SIC 13	Jointly Controlled Entities – Non-Monetary Contributions by Venturers	INT FRS 13 is consistent with SIC 13 (effective from 1999) in all material aspects. Note that SIC 13 has been incorporated into IAS 28 (revised), which is effective for annual periods beginning on or after 1 January 2013 and has been adopted locally.
2005	INT FRS 15	Operating Leases – Incentives	SIC 15	Operating Leases – Incentives	INT FRS 15 is consistent with SIC 15 (effective from 1999) in all material aspects.
2005	INT FRS 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets	SIC 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets	INT FRS 21 is consistent with SIC 21 (effective from 2000) in all material aspects. Note that INT FRS 21 has been incorporated into FRS 12, which is effective for annual periods beginning on or after 1 January 2012.
2005	INT FRS 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders	SIC 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders	INT FRS 25 is consistent with SIC 25 (effective from 2000) in all material aspects.
2005	INT FRS 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	INT FRS 27 is consistent with SIC 27 (effective from 2001) in all material aspects.

(A) FINANCIAL REPORTING STANDARDS

Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
2008	INT FRS 29 (revised)	Service Concession Arrangements: Disclosures	SIC 29 (revised)	Disclosure – Service Concession Arrangements	INT FRS 29 is consistent with SIC 29 (effective from 2001) in all material aspects.
2005	INT FRS 31	Revenue – Barter Transactions Involving Advertising Services	SIC 31	Revenue – Barter Transactions Involving Advertising Services	INT FRS 31 is consistent with SIC 31 (effective from 2001) in all material aspects.
2005	INT FRS 32	Intangible Assets – Web Site Costs	SIC 32	Intangible Assets – Web Site Costs	INT FRS 32 is consistent with SIC 32 (effective from 2002) in all material aspects.
2009	INT FRS 101 (revised)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	IFRIC 1 (revised)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	INT FRS 101 is consistent with IFRIC 1 (effective from 2004) in all material aspects.
-	-	-	IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	IFRIC 2, effective for annual periods beginning on or after 1 January 2005 has not been adopted locally.
2008	INT FRS 104	Determining whether an Arrangement contains a Lease	IFRIC 4 (revised)	Determining whether an Arrangement contains a Lease	INT FRS 104 is consistent with IFRIC 4 in all material aspects.
2007	INT FRS 105 (revised)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	IFRIC 5 (revised)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	INT FRS 105 is consistent with IFRIC 5 in all material aspects.
1 Dec 2005	INT FRS 106	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	INT FRS 106 is consistent with IFRIC 6 in all material aspects.
1 Mar 2006	INT FRS 107	Applying the Restatement Approach under FRS 29	IFRIC 7	Applying the Restatement Approach under FRS 29	INT FRS 107 is consistent with IFRIC 7 in all material aspects.
1 Jun 2006	INT FRS 109	Reassessment of Embedded Derivatives	IFRIC 9	Reassessment of Embedded Derivatives	INT FRS 109 is consistent with IFRIC 9 in all material aspects.
1 Nov 2006	INT FRS 110	Interim Financial Reporting and Impairment	IFRIC 10	Interim Financial Reporting and Impairment	INT FRS 110 is consistent with IFRIC 10 in all material aspects.
2009	INT FRS 112 (revised)	Service Concession Arrangements	IFRIC 12 (revised)	Service Concession Arrangements	INT FRS 112 is consistent with IFRIC 12 in all material aspects.

(A) FINANCIAL REPORTING STANDARDS					
Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
1 Jul 2008	INT FRS 113	Customer Loyalty Programmes	IFRIC 13	Customer Loyalty Programmes	INT FRS 113 is consistent with IFRIC 13 in all material aspects.
2008	INT FRS 114	FRS 19 –The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	IFRIC 14	FRS 19 –The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	INT FRS 114 is consistent with IFRIC 14 in all material aspects.
2011	INT FRS 115	Agreements for the Construction of Real Estate	IFRIC 15	Agreements for the Construction of Real Estate	INT FRS 115 is consistent with IFRIC 15 in all material aspects except for effective dates. IFRIC 15 is effective for annual periods beginning on or after 1 January 2009. Based on IFRIC 15, an agreement for the construction of real estate meets the definition of a construction contract, and percentage-of-completion accounting can be used, only when the buyer is able to: • specify the major structural elements of the design of the real estate before construction begins; and/or • specify major structural changes once construction is in progress (whether or not it exercises that ability). If the agreement is not a construction contract, it may be an agreement for the rendering of services if the entity is not required to acquire and supply the construction materials required for the construction. In this situation, the entity may still be able to use percentage-of-completion accounting. If the agreement is neither a construction contract nor a service contract, it is a contract to supply goods for which IAS 18 should be applied. In this case, the percentage-of-completion accounting can only be applied if the entity transfers to the buyer control and the significant risks and rewards of ownership of the work-in-progress in its current state as construction progresses.

(A) FINANCIAL REPORTING STANDARDS					
Effective from 1 January; unless otherwise specified	Singapore Financial Reporting Standards		International Financial Reporting Standards		Overall comparison
					The Accompanying Note to INT FRS 115 states that the standard residential property sales in Singapore that meet the criteria set out in FRS 18.14 would require such sales to be accounted for on a percentage-of-completion method. However, in some situations specific to the circumstances of a development project as described in paragraph 32, there might be uncertainties that would require the completion-of-construction method to be applied, consistently with the principles set out in FRS 18 for the treatment of revenue when such uncertainties exist.
1 Oct 2008	INT FRS 116	Hedges of a Net Investment in a Foreign Operation	IFRIC 16	Hedges of a Net Investment in a Foreign Operation	INT FRS 116 is consistent with IFRIC 16 in all material aspects.
1 July 2009	INT FRS 117	Distributions of Non-cash Assets to Owners	IFRIC 17	Distributions of Non-cash Assets to Owners	INT FRS 117 is consistent with IFRIC 17 in all material aspects.
1 July 2009	INT FRS 118	Transfers of Assets from Customers	IFRIC 18	Transfers of Assets from Customers	INT FRS 118 is consistent with IFRIC 18 in all material aspects.
1 July 2010	INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	INT FRS 119 is consistent with IFRIC 19 in all material aspects.
2013	INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine	IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	INT FRS 120 is consistent with IFRIC 20 in all material aspects.
2014	INT FRS 121	Levies	IFRIC 21	Levies	INT FRS 121 is consistent with IFRIC 21 in all material aspects.

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