

Singapore Accountancy Commission (Prescribed Accounting Services and Conditions) Regulations 2020

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No. S 596

SINGAPORE ACCOUNTANCY COMMISSION ACT (CHAPTER 294B)

SINGAPORE ACCOUNTANCY COMMISSION (PRESCRIBED ACCOUNTING SERVICES AND CONDITIONS) REGULATIONS 2020

In exercise of the powers conferred by section 41 of the Singapore Accountancy Commission Act, the Singapore Accountancy Commission, with the approval of the Minister for Finance, makes the following Regulations:

Citation and commencement

1. These Regulations are the Singapore Accountancy Commission (Prescribed Accounting Services and Conditions) Regulations 2020 and come into operation on 3 August 2020.

Prescribed accounting services

2.—(1) For the purpose of section 25A(2)(a) of the Act, the accounting services are any 2 or more of the following types of services:

- (a) financial accounting services;
- (b) financial management services;
- (c) insolvency and recovery services;
- (d) internal audit services;
- (e) management accounting services;
- (f) taxation services.

(2) The expressions in paragraph (1)(a) to (f) have the meanings given to them in the Schedule.

Prescribed conditions

3.—(1) For the purpose of section 25A(2)(c) of the Act, the conditions are —

- (a) the application must be accompanied by a fee of \$400; and
- (b) one of the following (whichever is applicable):
 - (i) if the entity is a corporation, it is covered by professional indemnity insurance for an amount that is not less than the highest of the following:
 - (A) \$1 million;
 - (B) the product of \$500,000 and the total number of directors of the corporation;
 - (C) a sum equal to two and a half times the gross income of the corporation in the last completed financial year of the corporation (if applicable), subject to a maximum sum of \$50 million;
 - (ii) if the entity is a proposed corporation, the promoter of the proposed corporation satisfies the Commission that the proposed corporation will, at its incorporation, be covered by professional indemnity insurance for an amount that is not less than the higher of the following:
 - (A) \$1 million;

- (B) the product of \$500,000 and the total number of directors of the proposed corporation;
- (iii) if the entity is a limited liability partnership, it is covered by professional indemnity insurance for an amount that is not less than the highest of the following:
 - (A) \$1 million;
 - (B) the product of \$500,000 and the total number of partners of the limited liability partnership;
 - (C) a sum equal to two and a half times the gross income of the limited liability partnership in the last completed financial year of the limited liability partnership (if applicable), subject to a maximum sum of \$50 million;
- (iv) if the entity is a proposed limited liability partnership, all the persons who are to be partners of the proposed limited liability partnership satisfy the Commission that the proposed limited liability partnership will, at its formation, be covered by professional indemnity insurance for an amount that is not less than the higher of the following:
 - (A) \$1 million;
 - (B) the product of \$500,000 and the total number of partners of the proposed limited liability partnership;
- (v) if the entity is a firm, it is covered by professional indemnity insurance for an amount that is not less than the highest of the following:
 - (A) \$1 million;
 - (B) the product of \$500,000 and the total number of partners of the firm;
 - (C) a sum equal to two and a half times the gross income of the firm in the last completed financial year of the firm (if applicable), subject to a maximum sum of \$50 million;
- (vi) if the entity is a proposed firm, all the persons who are to be

partners of the proposed firm satisfy the Commission that the proposed firm will, at its formation, be covered by professional indemnity insurance for an amount that is not less than the higher of the following:

- (A) \$1 million;
- (B) the product of \$500,000 and the total number of partners of the proposed firm.

(2) In this regulation —

“financial year” —

- (a) in relation to a corporation or limited liability partnership, means the period in respect of which the financial statements of the corporation or limited liability partnership is made up, whether the period is a year or not; and
- (b) in relation to a firm, means the period in respect of which the statements of accounts of the firm is made up, whether the period is a year or not;

“professional indemnity insurance” includes insurance indemnifying a corporation, a firm or a limited liability partnership against liability to compensate a third party who has sustained financial loss or other damage or injury due to a breach of professional duty or to any professional negligence on the part of such corporation, firm or limited liability partnership, as the case may be (including any such negligence by any director of such corporation, any partner of such firm or any partner of such limited liability partnership), or fraud or dishonesty.

THE SCHEDULE

Regulation 2(2)

MEANING OF ACCOUNTING SERVICES

Definitions

1. In this Schedule, unless the context otherwise requires —

“entity” means —

- (a) a company or association or body of persons, corporate or unincorporate;
- (b) a variable capital company or an umbrella VCC in respect of a sub-fund;