

Accounting Standards Bill

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Bill No: 27/2007

Read the first time: 16th July 2007

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Explanatory Statement

Expenditure of Public Money

Accounting Standards Bill

Bill No. 27/2007

Read the first time on 16th July 2007.

An Act to establish the Accounting Standards Council to issue accounting standards applicable to companies and other incorporated and unincorporated bodies, to provide for accounting standards applicable to statutory bodies with a public function and for matters connected therewith, and to make consequential and related amendments to the Companies Act (Chapter 50 of the 2006 Revised Edition) and certain other written laws.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

PART I

PRELIMINARY

Short title and commencement

1. This Act may be cited as the Accounting Standards Act 2007 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

2. In this Act, unless the context otherwise requires —

“accounting standard” means —

- (a) an accounting standard made or formulated by the Council under Part III; or
- (b) an accounting standard for statutory bodies established by the Accountant-General under Part IV;

“Chairman” means the Chairman of the Council appointed under section 4(1)(a), and includes any temporary Chairman of the Council if so appointed;

“company” means any company incorporated under the Companies Act (Cap. 50) or any corresponding previous written law, and includes a foreign company registered under Division 2 of Part XI of that Act in respect of its operations in Singapore;

“Council” means the Accounting Standards Council established under section 3;

“making or formulating”, in relation to any accounting standard, includes amending and revoking the accounting standard;

“member”, in relation to the Council, means a member of the Council and includes the Chairman thereof;

“Minister” means the Minister charged with the responsibility for finance;

“statutory body” means a body —

- (a) established or constituted by or under a public Act;
- (b) that has a public function; and
- (c) whose annual report and audited financial statements are required by

written law to be presented to Parliament.

PART II

ACCOUNTING STANDARDS COUNCIL

Establishment and functions of Accounting Standards Council

3.—(1) There shall be established a body to be known as the Accounting Standards Council whose functions shall be —

- (a) to make or formulate statements of standard accounting practice (referred to in this Act as accounting standards) applicable to companies for the purposes of the Companies Act (Cap. 50); and
- (b) to make or formulate accounting standards applicable to such other entities as are specified in section 8(1).

(2) In addition to the functions imposed by subsection (1), the Council may undertake such other functions (not incompatible with those specified in subsection (1)) as the Minister may, by order published in the *Gazette*, assign to the Council and, in so doing —

- (a) the Council shall be deemed to be fulfilling the purposes of this Act; and
- (b) the provisions of this Act shall apply to the Council in respect of those functions.

Constitution of Council

4.—(1) The Council shall consist of the following members, all of whom shall be appointed by the Minister:

- (a) a Chairman; and
- (b) at least 10 but not more than 15 other members.

(2) A person shall not be appointed as a member of the Council unless the person's knowledge of, or experience in, business, accounting, law or government or other relevant fields qualifies him for the appointment.

(3) The Chairman and other members of the Council shall each hold office for such period (not exceeding 2 years) and on such terms and conditions as the Minister may determine, and shall be eligible for reappointment.

(4) The Minister may appoint any member of the Council to be a temporary

Chairman during the temporary incapacity from illness or otherwise, or during the temporary absence from Singapore, of the Chairman.

(5) The Minister may, at any time, revoke the appointment of the Chairman or any other member of the Council if he considers such revocation necessary in the interest of the effective performance of the functions of the Council under this Act or in the public interest.

(6) A member of the Council may resign from his office at any time by giving not less than one month's notice in writing to the Minister.

(7) If any vacancy occurs in the membership of the Council, the Minister may, subject to subsections (1) and (2), appoint a person to fill the vacancy.

Meetings and proceedings of Council

5.—(1) The Council shall meet for the despatch of business at such times and places as the Chairman may from time to time appoint.

(2) At every meeting of the Council, one half of the number of its members shall constitute a quorum.

(3) The Chairman shall preside at all meetings of the Council, but if the Chairman is absent from a meeting —

(a) the temporary Chairman; or

(b) if there is no temporary Chairman, such member as the members present may elect,

shall preside at that meeting.

(4) Subject to the provisions of this Act, the Council may regulate its own proceedings.

Appointment of committees and delegation of powers

6.—(1) The Council may, in its discretion, appoint from among its own members or from among other persons such number of committees as it thinks fit for purposes which, in the opinion of the Council, would be more expediently carried out or managed by means of such committees.

(2) The chairman of every committee appointed under subsection (1) shall be a member of the Council.

(3) The Council may, subject to such conditions or restrictions as it thinks fit, delegate —