

Companies (Accounting Standards) (Amendment) Regulations 2003

Table of Contents

Enacting Formula

1 Citation and commencement

2 Deletion and substitution of regulation 2

3 New Sixth and Seventh Schedules

No. S 43

COMPANIES ACT (CHAPTER 50)

COMPANIES (ACCOUNTING STANDARDS) (AMENDMENT) REGULATIONS 2003

In exercise of the powers conferred by section 200A (1) of the Companies Act, the Accounting Standards Committee (known as the Council on Corporate Disclosure and Governance), with the approval of the Minister for Finance, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Companies (Accounting Standards) (Amendment) Regulations 2003 and shall come into operation on 1st February 2003.

Deletion and substitution of regulation 2

2. Regulation 2 of the Companies (Accounting Standards) Regulations 2002 (G.N. No. S 644/2002) is deleted and the following regulation substituted therefor:

“Accounting Standards applicable to companies

2. The Accounting Standards applicable to companies shall be known as the Financial Reporting Standards and shall comprise —

- (a) the matters set out in the First, Fourth, Fifth and Sixth Schedules;
- (b) the International Accounting Standards or International Financial Reporting Standards set out in the second column of the Third Schedule, as modified by the Second Schedule and the third column of the Third Schedule; and
- (c) the Interpretations of the Standing Interpretations Committee or Interpretations of the International Financial Reporting Interpretations Committee set out in the second column of the Seventh Schedule, as modified by the third column of the Seventh Schedule.”.

New Sixth and Seventh Schedules

3. The Companies (Accounting Standards) Regulations 2002 is amended by inserting, immediately after the Fifth Schedule, the following Schedules:

“SIXTH SCHEDULE

Regulation 2 (a)

PREFACE TO THE INTERPRETATIONS OF FINANCIAL REPORTING STANDARDS

This Preface to the Interpretations of Financial Reporting Standards (“INT FRSs”) was approved by the Council on Corporate Disclosure and Governance (“CCDG”) on 14th January 2003.

1. The objective of the INT FRSs is to enhance the rigorous application of the Financial Reporting Standards (“FRSs”) and to improve comparability of financial statements that are prepared using the FRSs by interpreting potentially contentious accounting issues.

2. Interpretations issued by the CCDG are part of the CCDG’s authoritative literature (see FRS 1, Presentation of Financial Statements). Therefore, financial statements should not be described as complying with the Financial Reporting Standards unless they comply with all the requirements of each applicable FRS and each applicable INT FRS issued by the CCDG. When a company has not adopted an INT FRS which has been published by the CCDG but which has not yet become mandatory, the company is encouraged to disclose the nature of the future change in accounting policy and an estimate of the effect on its net profit or loss and financial position, or a statement that such an estimate has not been made.

3. Like the FRSs, the INT FRSs are intended to be as concise as the nature of a particular topic allows rather than detail rules dealing with every conceivable circumstance. The CCDG concentrates on essentials and it endeavours not to make accounting requirements so complex that

they cannot be applied effectively. Above all, the application of the INT FRSs should be guided by the spirit and rationale behind the FRS Framework, the FRSs and the INT FRSs.

4. The CCDG welcomes the submission of interpretative issues from all interested parties. The CCDG considers the following criteria in taking issues on its agenda:

- (a) the issue should involve the interpretation of an existing FRS within the context of the FRS Framework;
- (b) the issue should have practical and widespread relevance;
- (c) the issue should relate to a specific fact pattern; and
- (d) significantly divergent interpretations must either be emerging or already exist in practice.

5. Contentious cases brought to the CCDG can lead to the issuance of an INT FRS, which is applicable on a general basis. Information on the latest INT FRS developments is available on the Internet: <http://www.ccdg.gov.sg>.

SEVENTH SCHEDULE

Regulation 2 (c)

ADOPTION AND MODIFICATION OF INTERPRETATIONS OF THE STANDING INTERPRETATIONS COMMITTEE OR INTERPRETATIONS OF THE INTERNATIONAL FINANCIAL REPORTING INTERPRETATIONS COMMITTEE

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
<i>Interpretation of Financial Reporting Standard ("INT FRS")</i>	<i>Interpretation of the Standing Interpretations Committee/ Interpretation of the International Financial Reporting Interpretations Committee</i>	<i>Modification of Interpretations of the Standing Interpretations Committee/Interpretations of the International Financial Reporting Interpretations Committee for the purposes of INT FRS</i>
INT FRS 1 Consistency — Different Cost Formulas for Inventories	SIC — 1 Consistency — Different Cost Formulas for Inventories	(i) Delete "IAS 2.21", "IAS 27.21" and "IAS 27.22" wherever they appear and substitute in each case "FRS 2.20", "FRS 27.20" and "FRS 27.21", respectively.
		(ii) Delete the words "paragraph 39 of the Framework" wherever they appear and substitute in each case the words "paragraph 35 of the

			FRS Framework”.
		(iii)	Delete “IAS 2.23” in paragraph 1.
		(iv)	Delete the words “FIFO, weighted average cost or LIFO” in paragraph 1 and substitute the words “FIFO or weighted average cost”.
		(v)	Delete the words “using the LIFO method” in paragraph 6 and substitute the words “using the FIFO method”.
		(vi)	Delete the heading “Date of Consensus” and the date following thereafter.
		(vii)	Delete the paragraph under the heading “Effective Date” and substitute the following paragraph: “INT FRS 1 comes into effect on <i>1st February 2003</i> . Changes in accounting policies should be accounted for according to the transitional requirements in FRS 8.40.”.
INT FRS 2 Consistency — Capitalisation of Borrowing Costs	SIC — 2 Consistency — Capitalisation of Borrowing Costs	(i)	Delete “IAS 23.04”, “IAS 23.07”, “IAS 23.11”, “IAS 23.19”, “IAS 27.21” and “IAS 27.22” wherever they appear and substitute in each case “FRS 23.03”, “FRS 23.06”, “FRS 23.10”, “FRS 23.18”, “FRS 27.20” and “FRS 27.21”, respectively.
		(ii)	Delete the words “paragraph 39 of the Framework” wherever they appear and substitute in each case the words “paragraph 35 of the FRS Framework”.

		(iii)	Delete the heading “Date of Consensus” and the date following thereafter.
		(iv)	Delete the paragraph under the heading “Effective Date” and substitute the following paragraph: “INT FRS 2 comes into effect on <i>1st February 2003</i> . Changes in accounting policies should be accounted for according to the transitional requirements in FRS 23.29. Therefore, a company using the Allowed Alternative Treatment may choose not to capitalise all borrowing costs incurred before the effective date of INT FRS 2.”.
INT FRS 3 Elimination of Unrealised Profits and Losses on Transactions with Associates	SIC — 3 Elimination of Unrealised Profits and Losses on Transactions with Associates	(i)	Delete “IAS 28.16” and “IAS 28.17” wherever they appear and substitute in each case “FRS 28.14” and “FRS 28.15”, respectively.
		(ii)	Delete the heading “Date of Consensus” and the date following thereafter.
		(iii)	Delete the paragraph under the heading “Effective Date” and substitute the following paragraph: “INT FRS 3 comes into effect on <i>1st February 2003</i> . Changes in accounting policies should be accounted for according to the transitional requirements in FRS 8.40.”.
INT FRS 5 Classification of Financial Instruments — Contingent Settlement Provisions	SIC — 5 Classification of Financial Instruments — Contingent Settlement Provisions	(i)	Delete the heading “Date of Consensus” and the date following thereafter.