Full Convergence with IFRS in 2018 for Singapore-Listed Companies

Introduction

The Singapore Accounting Standards Council ("ASC") has reminded Singapore-incorporated companies listed on the Singapore Exchange ("Singapore-listed companies") that a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") will apply for annual periods beginning on or after 1 January 2018.

Other Singapore-incorporated companies can continue to apply the existing financial reporting frameworks, including the Singapore Financial Reporting Standards ("SFRS"), or may elect to apply the new framework.

The ASC's press release can be found here.

Full IFRS Convergence in 2018

The move towards full IFRS convergence was first announced by the ASC on 29 May 2014. The move is targeted at placing Singapore-listed companies on a level playing field with their global counterparts in the IFRS community, and eliminates any perception that Singapore-listed companies are applying standards that are different from the IFRS.

Impact on Singapore Companies

Singapore-listed companies

The introduction of a new framework identical to the IFRS means that Singapore-listed companies that are presently reporting under SFRS will have to comply with requirements for first-time adoption of the IFRS in IFRS 1 First Time Adoption of IFRS when they first apply the new framework. The application of IFRS 1 could lead to the restatements of previously reported financial information in respect of comparative periods even though SFRS and IFRS requirements are substantially identical, due to the different transition requirements between IFRS 1 and the individual SFRS standards applied to the existing financial statements.

Singapore-listed companies applying the new framework will also have to apply the new major IFRS standards on revenue recognition and financial instruments concurrently, which will come into effect on the same date. Singapore-listed companies also have the option of applying the new major IFRS standard on leases at the same time.
Corporate

**Other Singapore-incorporated companies**

Other Singapore-incorporated companies can continue to apply the existing financial reporting frameworks, including the SFRS, or may elect to apply the new framework.

However, whether or not these Singapore-incorporated companies opt to apply the new framework, or continue to apply SFRS, they will still be required to apply the new major IFRS standards on revenue recognition and financial instruments together with Singapore-listed companies, as those standards have been adopted as SFRS standards.

**Concluding Words**

To ensure that Singapore companies are ready for full convergence with the IFRS in 2018, it would therefore be prudent to ensure that such entities carry out proper planning for the entire transitional exercise, and seek help from their professional advisors if necessary.

You may also wish to contact our team below if you have any queries.

**Contacts**

Abdul Jabbar Bin Karam Din  
Head, Corporate and  
Transactional Practice  
D (65) 6232 0465  
F (65) 6428 2191  
abdul.jabbar@rajahtann.com

**ASEAN Economic Community Portal**

The launch of the ASEAN Economic Community (“AEC”) in December 2015, businesses looking to tap the opportunities presented by the integrated markets of the AEC can now get help a click away. Rajah & Tann Asia, United Overseas Bank and RSM Chio Lim Stone Forest, have teamed up to launch “Business in ASEAN”, a portal that provides companies with a single platform that helps businesses navigate the complexities of setting up operations in ASEAN.

By tapping into the professional knowledge and resources of the three organisations through this portal, small- and medium-sized enterprises across the 10-member economic grouping can equip themselves with the tools and know-how to navigate ASEAN's business landscape. Of particular interest to businesses is the “Ask a Question” feature of the portal which enables companies to pose questions to the three organisations which have an extensive network in the region. The portal can be accessed at [http://www.businessinasean.com](http://www.businessinasean.com).
Our Regional Contacts

**RAJAH & TANN | Singapore**

Rajah & Tann Singapore LLP  
T +65 6535 3600  
F +65 6225 9630  
sg.rajahtannasia.com

**Christopher & Lee Ong | Malaysia**

Christopher & Lee Ong  
T +60 3 2273 1919  
F +60 3 2273 8310  
www.christopherleeong.com

**R& T Sok & Heng | Cambodia**

R&T Sok & Heng Law Office  
T +855 23 963 112 / 113  
F +855 23 963 116  
kh.rajahtannasia.com

**RAJAH & TANN | China**

**Assegaf Hamzah & Partners | Indonesia**

Assegaf Hamzah & Partners  
Jakarta Office  
T +62 21 2555 7800  
F +62 21 2555 7899

Surabaya Office  
T +62 31 5116 4550  
F +62 31 5116 4560  
www.ahp.co.id

**RAJAH & TANN | Lao PDR**

Rajah & Tann (Laos) Sole Co., Ltd.  
T +856 21 454 239  
F +856 21 285 261  
l.a.rajahtannasia.com

With Effect from 1 January 2017:

**GATMAYTAN YAP PATACSIL GUTIERREZ & PROTACIO (C&G LAW) | Philippines**

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)  
T +632 894 0377 to 79 / +632 894 4931 to 32 / +632 552 1977  
F +632 552 1978  
www.cagatlaw.com

**RAJAH & TANN NK LEGAL | Myanmar**

Rajah & Tann NK Legal Myanmar Company Limited  
T +95 9 73040763 / +95 1 657902 / +95 1 657903  
F +95 1 9665537  
mm.rajahtannasia.com

**RAJAH & TANN LCT LAWYERS | Vietnam**

Rajah & Tann LCT Lawyers  
Ho Chi Minh City Office  
T +84 8 3821 2382 / +84 8 3821 2673  
F +84 8 3520 8206

Hanoi Office  
T +84 4 3267 6127  
F +84 4 3267 6128  
www.rajahtanntct.com

Member firms are constituted and regulated in accordance with local legal requirements and where regulations require, are independently owned and managed. Services are provided independently by each Member firm pursuant to the applicable terms of engagement between the Member firm and the client.
Our Regional Presence

Rajah & Tann Singapore LLP is one of the largest full service law firms in Singapore, providing high quality advice to an impressive list of clients. We place strong emphasis on promptness, accessibility and reliability in dealing with clients. At the same time, the firm strives towards a practical yet creative approach in dealing with business and commercial problems. As the Singapore member firm of the Lex Mundi Network, we are able to offer access to excellent legal expertise in more than 100 countries.

Rajah & Tann Singapore LLP is part of Rajah & Tann Asia, a network of local law firms in Singapore, Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines (wef 1 January 2017), Thailand and Vietnam. Our Asian network also includes regional desks focused on Japan and South Asia.

The contents of this Update are owned by Rajah & Tann Singapore LLP and subject to copyright protection under the laws of Singapore and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Singapore LLP.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Rajah & Tann Singapore LLP or e-mail Knowledge & Risk Management at eOASIS@rajahtann.com.