

Joint Media Release by MOF and ACRA

CDAS issues Public Consultation Document on Transforming Singapore into a Leading Global Accountancy Hub

Singapore, 18 November 2009 --- The Committee to Develop the Accountancy Sector (CDAS) has issued its report for public consultation today. The public consultation report seeks to gather feedback from the public and interested parties on the development of the following three main areas of Singapore's accountancy sector:

- (a) Becoming a leading centre for accountancy talent, education, thought leadership and professional development;
- (b) Becoming a leading centre for high value-adding professional accountancy services; and
- (c) Strengthening the Singapore accountancy sector's infrastructure and institutions.

2. The CDAS public consultation report sets out the key focus areas to promote Singapore's long-term competitiveness and international profile as an accountancy hub. This includes:

- Developing a post-graduate practice-based professional accountancy qualification that gives accountants international recognition and global portability;
- Developing structured professional development pathways in specific competencies and niche areas that Singapore's accountancy firms can export regionally and internationally;
- Propelling Singapore's public accountancy entities into the regional market by developing a stronger international outlook and building a critical mass of talent and services;
- Raising sector-wide professional capabilities to enhance the range of high value-adding professional accountancy services that support and sharpen Singapore's competitiveness as an international business and financial hub; and
- Strengthening the accountancy sector's infrastructure and institutions to better harness synergies from the sector's various stakeholders.

3. The CDAS was formed by the Ministry of Finance in December 2008 to undertake a fundamental review of the Singapore accountancy sector. The CDAS, which is chaired by Mr. Bobby Chin, Chairman of the Singapore Totalisator Board and formerly managing partner of KPMG LLP Singapore, comprises leading members of the accounting profession, the business community, academia and the public sector. In arriving at its preliminary recommendations, the CDAS conducted more than 70 meetings and focus group sessions with a wide range of stakeholders, such as accountancy students, national and international accountancy bodies, the business community, the chief financial officer (CFO) community and regulators.

Transforming Singapore into a Leading Global Accountancy Hub

4. The CDAS believes that Singapore has tremendous potential to become a leading global accountancy hub. Its vision is for Singapore to have a vibrant accountancy sector with diverse talent, which provides thought leadership, globally recognised professional education and development, as well as high value-added services in Singapore and internationally.

5. A list of the CDAS' recommendations as well as its membership composition is appended in Appendix A and B respectively.

6. Said CDAS Chairman, Mr. Bobby Chin, *“The accountancy sector is an invaluable part of the Singapore business services sector and includes some of Singapore’s most highly skilled professionals. The sustainable growth and development of the sector is fundamental to Singapore’s position as an international financial and business hub. The CDAS’ recommendations aim to promote the sector’s long-term competitiveness and to develop a larger footprint in the Asia-Pacific region. We welcome all stakeholders who have an interest in the shaping of the accountancy sector’s future to put forth their views.”*

7. The CDAS public consultation report can be accessed from ACRA’s website at <http://www.acra.gov.sg/Publications/Public+Consultation+Papers.htm>.

8. Interested parties are invited to respond to the consultation document by **31 December 2009**. Comments should preferably be submitted by e-mail to the following address: acra_cdas@acra.gov.sg.

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Appendix A – FACT SHEET

BACKGROUND

1. The CDAS was appointed by the Minister for Finance in December 2008 to undertake a comprehensive review of the Singapore accountancy sector and profession. In arriving at its preliminary recommendations, the CDAS conducted more than 70 meetings and focus group sessions with a wide range of stakeholders, such as accountancy students, national and international accountancy bodies, the business community, the chief financial officer (CFO) community and regulators.

VISION

2. The CDAS mapped out a vision to fundamentally transform Singapore into a leading global accountancy hub, premised on an accountancy sector characterised by its vibrancy and diversity of talent mix, thought leadership, globally recognized professional education and development, high value-add, and contribution to the economy.

Transforming Singapore into a Leading Global Accountancy Hub

3. The articulated vision captures the imperatives for the accountancy sector to:

- Deepen the pool of highly skilled professionals and broaden the sector's profile through encouraging greater diversity
- Reinforce vibrancy and dynamism with the clustering and anchoring of centres of excellence and international expertise
- Enhance the value-added output of the sector as a share of Singapore's Gross Domestic Product
- Develop a strong internationally-oriented focus to enhance the sector's contribution towards Singapore's services exports

STRATEGIC THRUSTS

4. The CDAS has identified three strategic thrusts to support the vision:

Strategic Thrust 1 - Becoming a leading centre for accountancy talent, education, thought leadership and professional development

Strategic Thrust 2 - Becoming a leading centre for high value-adding professional accountancy services

Strategic Thrust 3 - Strengthening the Singapore accountancy sector's infrastructure and institutions

RECOMMENDATIONS

Strategic Thrust 1

Becoming a leading centre for accountancy talent, education, thought leadership and professional development

Recommendation 1: To develop a post-graduate practice-focused professional accountancy qualification with the following characteristics:

- (a) Global recognition;
- (b) International portability; and
- (c) A pathway to facilitate the entry of graduates from non-accountancy disciplines into the profession.

In many leading jurisdictions, such a professional level qualification would normally be administered by the national professional accountancy bodies, and under strong and rigorous independent oversight process. In terms of the development of the curriculum, the CDAS is of the view that a strategic tie-up with a leading professional accountancy body should be forged to expedite the process.

Additionally, the CDAS recommends the development of a programme to facilitate the re-entry of former professional accountants into the accountancy profession.

Recommendation 2: To develop Singapore into a Centre for Professional Development with niche specialisation pathways for the following:

- (a) Professional development for Chief Financial Officers;
- (b) Internal audit and risk management expertise;
- (c) Tax expertise; and
- (d) Valuation expertise (especially in the areas relating to intellectual property, brands, corporate finance and arbitration proceedings).

Specific initiatives include:

- (a) Developing structured professional education/training programmes (including degrees and post-graduate programmes) and certifications; and
- (b) Developing a targeted incentive framework to subsidise the set-up costs for regional examination centres.

Recommendation 3: To set up an Accountancy services Research Centre (ARC) to develop and cultivate a strong application focused research capability in the accountancy sector.

The ARC's focus will be on developing applied research capabilities in the professional accountancy services sector, especially in emerging areas for specialised industries, standards and regulatory reforms. The ARC will serve as a catalyst and conduit for the industry and the academia to co-develop market-based journals and thought leadership research activities in accountancy services and their related fields. The objective is to build up the research foundation to position the sector strongly for new and emerging opportunities in the professional services market.

Strategic Thrust 2

Becoming a leading centre for high value-adding professional accountancy services

Recommendation 4: To develop Singapore into a leading Asia-Pacific Accountancy Services Centre in the following areas:

- (a) Promoting Singapore as the hub for globally recognised accountancy organisations and centres of excellence;
- (b) Promoting Singapore as a global accountancy conference centre; and
- (c) Developing a tailored incentive programme to anchor regional and international expertise in Singapore and for high value-adding professional accountancy services to be provided out of Singapore to service the Asia-Pacific region.

Recommendation 5: To further liberalise the rules and regulations governing the accountancy profession, specifically in the following areas:

- (a) Enhancing multi-disciplinary expertise through a liberalisation of ownership rules for public accountancy entities, from the current requirement of a two-thirds majority to a simple majority of public accountants; and
- (b) Recognising international practical experience for the registration of public accountants.

Recommendation 6: To consolidate practices in the Small and Medium Practices (SMP) segment through a two-year targeted incentive programme to strengthen the capacity and capability of the SMP segment, in the following focus areas:

- (a) Raising the quality of services provided: Grants to be awarded to firms to cover post-merger integration costs, including investment in tools and methodologies to meet the requirements of a quality control certification programme for SMPs (based on the IFAC's International Standards on Quality Control (ISQC));
- (b) Developing talent development programmes: Co-funding of staff exchange programmes and overseas secondment to build up expertise; and
- (c) Setting up and expanding regional presence in overseas markets: Grants to be awarded to public accountancy entities for regional and international network alliances which lead to new markets.

Recommendation 7: To review the appropriateness of the current audit exemption threshold and develop a licensing framework for the statutory audit of entities of significant public interest.

Strategic Thrust 3

Strengthening the Singapore accountancy sector's infrastructure and institutions

Recommendation 8: To transform the ICPAS into a global professional accountancy body. Two strategic areas have been identified to enable ICPAS to move towards the achievement of this goal:

- (a) Reviewing its Constitution – A comprehensive study to ensure the relevance of its mission, governance, and leadership consistent with that of a global professional accountancy body; and
- (b) Establishing the appropriate infrastructure that supports the vision of becoming a global professional accountancy body.

Recommendation 9: To establish an Accountancy Sector Development Fund, with the following objectives:

- (a) Building scale and network through the regionalisation of Singapore public accountancy entities;
- (b) Deepening the sector's professional capabilities through investments in human capital development and building technical expertise;
- (c) Encouraging the integration of technology into work processes to enhance the sector's efficiency and productivity; and
- (d) Attracting and promoting global accountancy conferences in Singapore.

Recommendation 10: To establish a Singapore Accountancy Council (SAC). The objective of the SAC is to transform Singapore into a leading global accountancy hub through:

- (a) Overseeing the accountancy sector's strategic direction and ensuring the efficient and effective use of incentive programmes to develop the sector;
- (b) Establishing a strong network between Singapore and the international accountancy community and stakeholders; and
- (c) Fostering thought-leadership, research and development activities for accountancy services and their related fields.

Appendix B - CDAS MEMBERSHIP COMPOSITION

S/n	Name	Designation
1.	Mr. Bobby Chin (Chairman, CDAS)	Chairman, Singapore Totalisator Board
2.	Mr. Lim Joo Boon (Chairman, Talent Working Group)	Company Director of (among others) the Singapore Pools and SIA Engineering
3.	Mr. Ong Yew Huat (Chairman, Services Working Group)	Executive Chairman, Ernst & Young Singapore LLP
4.	Professor Gillian Yeo Hian Heng ¹ (Chairman, Education Working Group)	Interim Dean, College of Business (Nanyang Business School), Nanyang Technological University
5.	Dr. Ernest Kan Yaw Kiong	President, Institute of Certified Public Accountants of Singapore
6.	Mr. Chaly Mah	Chief Executive Officer, Deloitte Asia Pacific
7.	Mr. Kon Yin Tong	Partner, Foo Kon Tan Grant Thornton
8.	Mr. Philip Eng	Deputy Chairman, MCL Land Limited
9.	Mr. Quek See Tiat	Partner & Deputy Chairman PricewaterhouseCoopers LLP
10.	Mr. Sitoh Yih Pin	Chairman, Nexia TS Public Accounting Corporation
11.	Mr. Tham Sai Choy	Head of Audit, KPMG LLP Singapore
12.	Mr. Viswanathan Shankar	Member - Group Management Committee, Standard Chartered Bank
13.	Professor Pang Yang Hoong	Vice Provost (Undergraduate), Dean, School of Accountancy, Singapore Management University
14.	Ms. Juthika Ramanathan	Chief Executive, Accounting and Corporate Regulatory Authority

¹ Professor Gillian Yeo replaced Professor Jitendra Singh, upon his resignation as Dean and Shaw Foundation Chair, Nanyang Business School, Nanyang Technological University.