

Public Consultation on Proposed Framework for Differential Reporting

Date Submitted:	
Name:	
Contact Details:	
Details:	
No.	
1	<p>Do you agree that Singapore should adopt a differential reporting framework for Small and Medium-sized Enterprises (SME)? If yes, what do you see as the reason(s) justifying such a framework. Specifically, we would like to have your comments and views on whether such a differential framework should be justified on one or more of the following premises:</p> <p>(a) that SME has less public accountability than that of big enterprises? If yes, please specify in what aspects the level of public accountability of SME will defer from that of big enterprises;</p> <p>(b) that the general purpose financial information needs for SME being different from that of the big enterprises? If yes, please specify the main sources and areas of the differences in the informational needs of users of the general purpose financial reports of SME; and</p> <p>(c) that the cost and complexity for SME to follow the full financial reporting standards outweigh the benefits? If so, please specify where and what you see as the main sources of the undue costs and complexity that exist with the existing full standards.</p>
	[Comments ¹]
2	<p>Do you agree that the differential reporting framework should only be applicable to an entity that has no public accountability (i.e. does not issue shares or debts in a public market and does not hold assets in a fiduciary capacity for others) and satisfies the size criteria to be regarded as an SME?</p>
	[Comments]

¹ Illustrations and diagrams could be attached as Annexes.

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3	<p>Do you agree that an entity should be deemed to be an SME if it satisfies any two of the following criteria?</p> <p>(a) net assets not exceeding S\$15 million;</p> <p>(b) annual turnover not exceeding S\$15 million;</p> <p>(c) average number of employees not exceeding 200.</p> <p>If not, please specify the reasons. If the disagreement has to do with the thresholds set, please specify what should be the ideal threshold for each criterion. If you think there are other more appropriate criteria that should be used e.g. total assets, total expenditure, please also specify what they should be.</p>
	<p>[Comments]</p>
4	<p>Do you think that one of the qualifying criteria for an entity applying the differential reporting framework should be that all of its owners must be members of the entity's governing body or that there should be unanimous consent from all its owners to adopt the differential reporting framework?</p>
	<p>[Comments]</p>
5	<p>Do you agree that we should adopt the UK's system of allowing the exemption to continue for the first year that the company does not fulfill the size criteria? If not, please suggest an alternative framework.</p>
	<p>[Comments]</p>
6	<p>Do you agree that an entity that qualifies under the differential framework should be given a choice to either follow the SME-FRS in its entirety or the Singapore FRS?</p>
	<p>[Comments]</p>