

# **SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) STATEMENT ON APPLICABILITY**

## **Introduction**

1. In December 2017, the Accounting Standards Council ('ASC') issued the Singapore Financial Reporting Standards (International) ('SFRS(I)s'). This framework is available for entities to apply for annual reporting periods beginning on or after 1 January 2018.
2. SFRS(I)s comprise Standards and Interpretations that are equivalent to the International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board. An entity that complies with SFRS(I)s<sup>1</sup> can elect to simultaneously include an explicit and unreserved statement of compliance with IFRSs in its first SFRS(I) financial statements, and thereafter, in its subsequent SFRS(I) financial statements.

## **Scope**

3. For the purpose of this statement, 'entities' refer to:
  - (a) companies incorporated under the Companies Act (Cap. 50) or any corresponding previous written law in Singapore ('Singapore-incorporated companies'); and
  - (b) foreign companies registered under the Companies Act (Cap. 50) in respect of their operations in Singapore.

## **Applicability of SFRS(I)s**

4. SFRS(I)s shall be the applicable financial reporting framework for the preparation and presentation of general purpose financial statements for annual reporting periods beginning on or after 1 January 2018 by Singapore-incorporated companies that meet one of the following criteria:
  - (a) its debt or equity instruments are traded in a public market in Singapore; or
  - (b) it is in the process of issuing its debt or equity instruments for trading in a public market in Singapore.
5. In addition, SFRS(I)s shall be available as an alternative financial reporting framework<sup>2</sup> for the preparation and presentation of general purpose financial statements by entities

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<sup>1</sup> A non-listed entity may apply paragraphs in SFRS(I)s that are indicated with an asterisk (\*). In this case, the entity shall determine its eligibility for making such an election. For this purpose, the term 'non-listed entity' refers to an entity that meets the following conditions:

- (i) its debt or equity instruments are not traded in a public market; and
- (ii) it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

<sup>2</sup> The ASC has formulated the following financial reporting frameworks that are applicable to entities specified in paragraph 5: (i) SFRS(I)s; (ii) Singapore Financial Reporting Standards (SFRSs); and (iii) Singapore

other than those specified in paragraph 4 or in *Financial Reporting Framework for Charities: Statement of Applicability* issued by the Office of the Commissioner of Charities. Those entities may elect to apply SFRS(I)s from any annual reporting periods beginning on or after 1 January 2018.

6. For the purpose of paragraphs 4 and 5, ‘general purpose financial statements’ refer to general purpose financial statements<sup>3</sup> required to be prepared for the purpose of the Companies Act (Cap. 50). The terms ‘debt instruments’, ‘equity instruments’ and ‘public market’ have the same meanings as they appear in SFRS(I)s.
7. Notwithstanding any provisions in this statement, a Singapore-incorporated company as specified in paragraph 4(b) shall apply SFRS(I)s to annual reporting periods beginning before 1 January 2018, if it early applies SFRS(I)s in connection with an offer made pursuant to the Securities and Futures Act (Cap. 289).
8. An entity applying SFRS(I)s to its general purpose financial statements shall make an explicit and unreserved statement of compliance with SFRS(I)s in those financial statements. An entity applying SFRS(I)s<sup>1</sup> is permitted, but not required, to simultaneously include an explicit and unreserved statement of compliance with IFRSs.

Issued by the Accounting Standards Council in December 2017

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Financial Reporting Standard for Small Entities (SFRS for Small Entities) (subject to eligibility conditions specified in the accompanying Statement on Applicability issued by the ASC).

<sup>3</sup> General purpose financial statements are those intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs.