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## No. S 911

### ACCOUNTANTS ACT (CHAPTER 2)

#### ACCOUNTANTS (PUBLIC ACCOUNTANTS) (AMENDMENT NO. 3) RULES 2021

In exercise of the powers conferred by section 64 of the Accountants Act, the Accounting and Corporate Regulatory Authority, with the approval of the Minister for Finance, makes the following Rules:

#### **Citation and commencement**

1. These Rules are the Accountants (Public Accountants) (Amendment No. 3) Rules 2021 and come into operation on 31 December 2021.

#### **Amendment of Fourth Schedule**

2. The Fourth Schedule to the Accountants (Public Accountants) Rules (R 1) is amended —

(a) by deleting the heading “**General**” immediately before paragraph 100.1 A1 and substituting the following heading:

“**Introduction**”;

(b) by deleting paragraph 100.1 A1 and substituting the following paragraphs:

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100.1	A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest.
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100.2	<p>Confidence in the accountancy profession is a reason why businesses, governments and other organisations involve public accountants in a broad range of areas, including financial and corporate reporting, assurance and other professional activities. Public accountants understand and acknowledge that such confidence is based on the skills and values that public accountants bring to the professional activities they undertake, including —</p> <ul style="list-style-type: none"> <li>(a) Adherence to ethical principles and professional standards;</li> <li>(b) Use of business acumen;</li> <li>(c) Application of expertise on technical and other matters; and</li> <li>(d) Exercise of professional judgment.</li> </ul> <p>The application of these skills and values enables public accountants to provide advice or other output that meets the purpose for which it was provided, and which can be relied upon by the intended users of such output.</p>
100.3	<p>The Code sets out high quality standards of ethical behaviour expected of public accountants.</p>
100.4	<p>The Code establishes five fundamental principles to be complied with by all public accountants. It also includes a conceptual framework that sets out the approach to be taken to identify, evaluate and address threats to compliance with those fundamental principles and, for audits and other assurance engagements, threats to independence. The Code also applies the fundamental principles and the conceptual framework to a range of facts and circumstances that public accountants might encounter.</p>

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(c) by inserting, immediately before paragraph 100.2 A1, the following heading:

**“Requirements and Application Material”;**

(d) by renumbering the existing paragraphs 100.2 A1 and 100.2 A2 as paragraphs 100.5 A1 and 100.5 A2, respectively;

(e) by deleting paragraph **R100.3** and substituting the following paragraphs:

<b>R100.6</b>	A public accountant shall comply with the Code.
100.6 A1	Upholding the fundamental principles and compliance with the specific requirements of the Code enable public accountants to meet their responsibility to act in the public interest.
100.6 A2	Complying with the Code includes giving appropriate regard to the aim and intent of the specific requirements.
100.6 A3	Compliance with the requirements of the Code does not mean that public accountants will have always met their responsibility to act in the public interest. There might be unusual or exceptional circumstances in which a public accountant believes that complying with a requirement or requirements of the Code might not be in the public interest or would lead to a disproportionate outcome. In those circumstances, the public accountant is encouraged to consult with an appropriate body such as a professional or regulatory body.
100.6 A4	In acting in the public interest, a public accountant considers not only the preferences or requirements of an individual client, but also the interests of other stakeholders when performing professional activities.

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<b>R100.7</b>	If there are circumstances where laws or regulations preclude a public accountant from complying with certain parts of the Code, those laws and regulations prevail, and the public accountant shall comply with all other parts of the Code.
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- (f) by renumbering the existing paragraph 100.3 A1 as paragraph 100.7 A1;
- (g) by deleting paragraph 100.3 A2;
- (h) by renumbering the existing paragraphs **R100.4** and 100.4 A1 as paragraphs **R100.8** and 100.8 A1, respectively;
- (i) by deleting sub-paragraph (b) of paragraph 110.1 A1 and substituting the following sub-paragraph:
- “(b) Objectivity — to exercise professional or business judgments without being compromised by —
- (i) Bias;
- (ii) Conflict of interest; or
- (iii) Undue influence of, or undue reliance on, individuals, organisations, technology or other factors;”;
- (j) by deleting sub-paragraph (e) of paragraph 110.1 A1 and substituting the following sub-paragraph:
- “(e) Professional Behaviour — to —
- (i) Comply with relevant laws and regulations;
- (ii) Behave in a manner consistent with the profession’s responsibility to act in the public interest in all professional activities and business relationships; and
- (iii) Avoid any conduct that the public accountant knows or should know might discredit the profession.”;
- (k) by deleting the words “to assist” in paragraph 110.2 A1;

(l) by deleting paragraph 111.1 A1 and substituting the following paragraphs:

“

111.1 A1	Integrity involves fair dealing, truthfulness and having the strength of character to act appropriately, even when facing pressure to do otherwise or when doing so might create potential adverse personal or organisational consequences.
111.1 A2	Acting appropriately involves — (a) Standing one’s ground when confronted by dilemmas and difficult situations; or (b) Challenging others as and when circumstances warrant, in a manner appropriate to the circumstances.

”;

(m) by deleting paragraph **R112.1** and substituting the following paragraph:

“

<b>R112.1</b>	A public accountant shall comply with the principle of objectivity, which requires a public accountant to exercise professional or business judgment without being compromised by — (a) Bias; (b) Conflict of interest; or (c) Undue influence of, or undue reliance on, individuals, organisations, technology or other factors.
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(n) by deleting the words “and business” in paragraph 113.1 A2 and substituting the words “, business and technology-related”;

(o) by deleting paragraph **R115.1** and substituting the following paragraph:

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<b>R115.1</b>	A public accountant shall comply with the principle of professional behaviour, which requires a public accountant to —
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	<p>(a) Comply with relevant laws and regulations;</p> <p>(b) Behave in a manner consistent with the profession’s responsibility to act in the public interest in all professional activities and business relationships; and</p> <p>(c) Avoid any conduct that the public accountant knows or should know might discredit the profession.</p> <p>A public accountant shall not knowingly engage in any business, occupation or activity that impairs or might impair the integrity, objectivity or good reputation of the profession, and as a result would be incompatible with the fundamental principles. ”;</p>
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(p) by deleting paragraphs **R120.5** to 120.5 A3 (including the sub-heading “*Exercise of Professional Judgment*”) and substituting the following paragraphs:

“

<b>R120.5</b>	When applying the conceptual framework, the public accountant shall —
	<p>(a) Have an inquiring mind;</p> <p>(b) Exercise professional judgment; and</p> <p>(c) Use the reasonable and informed third party test described in paragraph 120.5 A6.</p>
<i>Having an Inquiring Mind</i>	
120.5 A1	<p>An inquiring mind is a prerequisite to obtaining an understanding of known facts and circumstances necessary for the proper application of the conceptual framework. Having an inquiring mind involves —</p> <p>(a) Considering the source, relevance and sufficiency of information obtained, taking into account the nature, scope and outputs of the professional activity being undertaken; and</p>

	(b) Being open and alert to a need for further investigation or other action.
120.5 A2	<p>When considering the source, relevance and sufficiency of information obtained, the public accountant might consider, among other matters, whether —</p> <p>(a) New information has emerged or there have been changes in facts and circumstances;</p> <p>(b) The information or its source might be influenced by bias or self-interest;</p> <p>(c) There is reason to be concerned that potentially relevant information might be missing from the facts and circumstances known to the public accountant;</p> <p>(d) There is an inconsistency between the known facts and circumstances and the public accountant’s expectations;</p> <p>(e) The information provides a reasonable basis on which to reach a conclusion; and</p> <p>(f) There might be other reasonable conclusions that could be reached from the information obtained.</p>
120.5 A3	<p>Paragraph R120.5 requires all public accountants to have an inquiring mind when identifying, evaluating and addressing threats to the fundamental principles. This prerequisite for applying the conceptual framework applies to all public accountants regardless of the professional activity undertaken. Under auditing, review and other assurance standards, including those issued by the Institute of Singapore Chartered Accountants, public accountants are also required to exercise professional scepticism, which includes a critical assessment of evidence.</p>

<i>Exercising Professional Judgment</i>	
120.5 A4	Professional judgment involves the application of relevant training, professional knowledge, skill and experience commensurate with the facts and circumstances, taking into account the nature and scope of the particular professional activities, and the interests and relationships involved.
120.5 A5	Professional judgment is required when the public accountant applies the conceptual framework in order to make informed decisions about the courses of actions available, and to determine whether such decisions are appropriate in the circumstances. In making this determination, the public accountant might consider matters such as whether — <ul style="list-style-type: none"> <li>(a) The public accountant’s expertise and experience are sufficient to reach a conclusion;</li> <li>(b) There is a need to consult with others with relevant expertise or experience; and</li> <li>(c) The public accountant’s own preconception or bias might be affecting the public accountant’s exercise of professional judgment.</li> </ul>

- (q) by renumbering the existing paragraph 120.5 A4 as paragraph 120.5 A6;
- (r) by deleting the word “made;” in sub-paragraph (b) of paragraph 120.6 A3 and substituting the word “made,”;
- (s) by inserting, immediately after the words “compliance with” in paragraph 120.8 A2, the word “the”;
- (t) by deleting the heading “**Considerations for Audits, Reviews and Other Assurance Engagements**” immediately before the sub-heading “*Independence*” immediately before paragraph R120.12 A1 and

substituting the following headings, sub-headings and paragraphs:

<b>Other Considerations when Applying the Conceptual Framework</b>	
<i>Bias</i>	
120.12 A1	Conscious or unconscious bias affects the exercise of professional judgment when identifying, evaluating and addressing threats to compliance with the fundamental principles.
120.12 A2	<p>Examples of potential bias to be aware of when exercising professional judgment include —</p> <ul style="list-style-type: none"> <li>(a) Anchoring bias, which is a tendency to use an initial piece of information as an anchor against which subsequent information is inadequately assessed;</li> <li>(b) Automation bias, which is a tendency to favour output generated from automated systems, even when human reasoning or contradictory information raises questions as to whether such output is reliable or fit for purpose;</li> <li>(c) Availability bias, which is a tendency to place more weight on events or experiences that immediately come to mind or are readily available than on those that are not;</li> <li>(d) Confirmation bias, which is a tendency to place more weight on information that corroborates an existing belief than information that contradicts or casts doubt on that belief;</li> <li>(e) Groupthink, which is a tendency for a group of individuals to discourage individual creativity and responsibility and as a result reach a decision without critical reasoning or consideration of alternatives;</li> </ul>

	<p>(f) Overconfidence bias, which is a tendency to overestimate one's own ability to make accurate assessments of risk or other judgments or decisions;</p> <p>(g) Representation bias, which is a tendency to base an understanding on a pattern of experiences, events or beliefs that is assumed to be representative; and</p> <p>(h) Selective perception, which is a tendency for a person's expectations to influence how the person views a particular matter or person.</p>
120.12 A3	<p>Actions that might mitigate the effect of bias include —</p> <p>(a) Seeking advice from experts to obtain additional input;</p> <p>(b) Consulting with others to ensure appropriate challenge as part of the evaluation process; and</p> <p>(c) Receiving training related to the identification of bias as part of professional development.</p>
<i>Organisational Culture</i>	
120.13 A1	<p>The effective application of the conceptual framework by a public accountant is enhanced when the importance of ethical values that align with the fundamental principles and other provisions set out in the Code is promoted through the internal culture of the public accountant's organisation.</p>
120.13 A2	<p>The promotion of an ethical culture within an organisation is most effective when —</p> <p>(a) Leaders and those in managerial roles promote the importance of, and hold themselves and others accountable for demonstrating, the ethical values of the organisation;</p>

	<p>(b) Appropriate education and training programs, management processes, and performance evaluation and reward criteria that promote an ethical culture are in place;</p> <p>(c) Effective policies and procedures are in place to encourage and protect those who report actual or suspected illegal or unethical behaviour, including whistle-blowers; and</p> <p>(d) The organisation adheres to ethical values in its dealings with third parties.</p>
120.13 A3	Public accountants are expected to encourage and promote an ethics-based culture in their organisation, taking into account their position and seniority.
<b>Considerations for Audits, Reviews, Other Assurance and Related Services Engagements</b>	
<i>Firm Culture</i>	
120.14 A1	<p>Singapore Standard on Quality Management 1* sets out requirements and application material relating to firm culture in the context of a firm's responsibilities to design, implement and operate a system of quality management for audits or reviews of financial statements, or other assurance or related services engagements.</p> <p>* Systems of quality management in compliance with Singapore Standard on Quality Management 1 are required to be designed and implemented by 15 December 2022.</p>

- (u) by renumbering the existing paragraphs 120.12 A1, 120.12 A2 and 120.13 A1 as paragraphs 120.15 A1, 120.15 A2 and 120.16 A1, respectively;
- (v) by deleting sub-paragraphs (a) and (b) of the existing paragraph 120.13 A2 and substituting the following sub-paragraphs:

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“(a) *Integrity* requires the public accountant to be straightforward and honest. For example, the public accountant complies with the principle of integrity by —

- (i) Being straightforward and honest when raising concerns about a position taken by a client;
- (ii) Pursuing inquiries about inconsistent information and seeking further audit evidence to address concerns about statements that might be materially false or misleading in order to make informed decisions about the appropriate course of action in the circumstances; and
- (iii) Having the strength of character to act appropriately, even when facing pressure to do otherwise or when doing so might create potential adverse personal or organisational consequences. Acting appropriately involves —
  - (A) Standing one’s ground when confronted by dilemmas and difficult situations; or
  - (B) Challenging others as and when circumstances warrant,in a manner appropriate to the circumstances.

In doing so, the public accountant demonstrates the critical assessment of audit evidence that contributes to the exercise of professional scepticism;

- (b) *Objectivity* requires the public accountant to exercise professional or business judgment without being compromised by —
- (i) Bias;
  - (ii) Conflict of interest; or
  - (iii) Undue influence of, or undue reliance on, individuals, organisations, technology or other factors.

For example, the public accountant complies with the principle of objectivity by —

- (i) Recognising circumstances or relationships such as familiarity with the client, that might

compromise the public accountant's professional or business judgment; and

- (ii) Considering the impact of such circumstances and relationships on the public accountant's judgment when evaluating the sufficiency and appropriateness of audit evidence related to a matter material to the client's financial statements.

In doing so, the public accountant behaves in a manner that contributes to the exercise of professional scepticism;”;

- (w) by renumbering the existing paragraph 120.13 A2 as paragraph 120.16 A2;
- (x) by deleting paragraph 900.1 and substituting the following paragraph:

“ 900.1	<p>This Part applies to assurance engagements other than audit engagements and review engagements. Examples of such engagements include —</p> <p>(a) Assurance on an entity's key performance indicators;</p> <p>(b) Assurance on an entity's compliance with law or regulation;</p> <p>(c) Assurance on performance criteria, such as value for money, achieved by a public sector body;</p> <p>(d) Assurance on the effectiveness of an entity's system of internal control;</p> <p>(e) Assurance on an entity's greenhouse gas statement; and</p> <p>(f) An audit of specific elements, accounts or items of a financial statement.</p> <p>”;</p>
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- (y) by deleting paragraph 900.3 and substituting the following paragraph:

“

900.3	SSQC 1 requires a firm to establish policies and procedures designed to provide it with reasonable assurance that the firm, its personnel and, where applicable, others subject to independence requirements maintain independence where required by relevant ethics standards. In addition, Singapore Standards on Assurance Engagements (SSAEs) and SSAs establish responsibilities for engagement partners and engagement teams at the level of the engagement. The allocation of responsibilities within a firm will depend on its size, structure and organisation. Many of the provisions of Part 4B do not prescribe the specific responsibility of individuals within the firm for actions related to independence, instead referring to “firm” for ease of reference. Firms assign responsibility for a particular action to an individual or a group of individuals (such as an assurance team) in accordance with SSQC 1. Additionally, an individual public accountant remains responsible for compliance with any provisions that apply to that public accountant’s activities, interests or relationships.
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- (z) by deleting the words “such engagements” in paragraph 900.5 and substituting the words “assurance engagements other than audit or review engagements”;
- (za) by deleting the word “**Other**” in the heading immediately before paragraph 900.7;
- (zb) by deleting paragraphs 900.7 to 900.11 and substituting the following paragraphs:

“

900.7	In an assurance engagement, the firm aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information. SSAE 3000 (Revised) describes the elements and objectives of an assurance engagement conducted under that Standard, and the Assurance Framework provides a general description of assurance engagements. An assurance engagement might either be an attestation engagement or a direct engagement.
900.8	In this Part, the term “assurance engagement” refers to assurance engagements other than audit engagements or review engagements.

”;

(zc) by renumbering the existing paragraphs 900.12 and 900.13 as paragraphs 900.9 and 900.10, respectively;

(zd) by deleting paragraphs **R900.14** and **R900.15** and substituting the following paragraphs:

“

<b>R900.11</b>	A firm performing an assurance engagement shall be independent of the assurance client.
900.11 A1	For the purposes of this Part, the assurance client in an assurance engagement is the responsible party and also, in an attestation engagement, the party taking responsibility for the subject matter information (who might be the same as the responsible party).

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900.11 A2	<p>The roles of the parties involved in an assurance engagement might differ and affect the application of the independence provisions in this Part. In the majority of attestation engagements, the responsible party and the party taking responsibility for the subject matter information are the same. This includes those circumstances where the responsible party involves another party to measure or evaluate the underlying subject matter against the criteria (the measurer or evaluator) where the responsible party takes responsibility for the subject matter information as well as the underlying subject matter. However, the responsible party or the engaging party might appoint another party to prepare the subject matter information on the basis that this party is to take responsibility for the subject matter information. In this circumstance, the responsible party and the party responsible for the subject matter information are both assurance clients for the purposes of this Part.</p>
900.11 A3	<p>In addition to the responsible party and, in an attestation engagement, the party taking responsibility for the subject matter information, there might be other parties in relation to the engagement. For example, there might be a separate engaging party or a party who is a measurer or evaluator other than the party taking responsibility for the subject matter information. In these circumstances, applying the conceptual framework requires the public accountant to identify and evaluate threats to the fundamental principles created by any interests or relationships with such parties, including whether any conflicts of interest might exist as described in Section 310.</p>

<b>R900.12</b>	A firm shall apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence in relation to an assurance engagement.
<i>Multiple Responsible Parties and Parties Taking Responsibility for the Subject Matter Information</i>	
900.13 A1	<p>In some assurance engagements, whether an attestation engagement or direct engagement, there might be several responsible parties or, in an attestation engagement, several parties taking responsibility for the subject matter information. In determining whether it is necessary to apply the provisions in this Part to each individual responsible party or each individual party taking responsibility for the subject matter information in such engagements, the firm may take into account certain matters. These matters include whether an interest or relationship between the firm, or an assurance team member, and a particular responsible party or party taking responsibility for the subject matter information would create a threat to independence that is not trivial and inconsequential in the context of the subject matter information. This determination will take into account factors such as —</p> <ul style="list-style-type: none"> <li>(a) The materiality of the underlying subject matter or subject matter information for which the particular party is responsible in the context of the overall assurance engagement;</li> <li>(b) The degree of public interest associated with the assurance engagement.</li> </ul> <p>If the firm determines that the threat created by any such interest or relationship with a particular party would be trivial and inconsequential, it might not be necessary to apply all of the provisions of this section to that party.</p>

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- (ze) by inserting, immediately after the words “When a firm” in paragraph **R900.16**, the words “knows or”;
- (zf) by renumbering the existing paragraphs **R900.16**, 900.16 A1 and **R900.17** as paragraphs **R900.14**, 900.14 A1 and **R900.15**, respectively;
- (zg) by deleting the heading “**Types of Assurance Engagements**” and sub-heading “*Assertion-based Assurance Engagements*” immediately before paragraph **R900.18**;
- (zh) by deleting paragraphs **R900.18** to 900.21 A1 (including the sub-headings “*Direct Reporting Assurance Engagements*” and “*Multiple Responsible Parties*”);
- (zi) by deleting “**900.22**” immediately before the heading “**Period During which Independence is Required**” relating to paragraphs **R900.30** to **R900.33** and substituting “**900.16**”;
- (zj) by deleting the words “**Other than Audit and Review Engagements**” in the heading immediately before paragraphs **R900.40** and **R900.50**;
- (zk) by inserting, immediately after the words “either the” in sub-paragraph (a) of paragraph 920.3 A2, the word “assurance”;
- (zl) by inserting, immediately after the words “within the” in sub-paragraph (b) of paragraph 921.3 A2, the word “assurance”;
- (zm) by deleting the words “subject matter of the engagement” in paragraph 921.4 A1 and substituting the words “underlying subject matter of the assurance engagement”;
- (zn) by deleting the word “Is” in sub-paragraph (b) of paragraph **R921.5** and substituting the words “In an attestation engagement, is”;
- (zo) by deleting the word “An” in sub-paragraph (b) of paragraph 921.6 A1, sub-paragraph (b) of paragraph **R921.7**, sub-paragraph (b) of

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paragraph 924.3 A1 and sub-paragraph (b) of paragraph **R924.4** and substituting in each case the words “An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an”;

(zp) by deleting sub-paragraph (b) of paragraph 921.8 A1 and substituting the following sub-paragraph:

“(b) Any of the following individuals at the assurance client:

(i) A director or officer;

(ii) An employee in a position to exert significant influence over the underlying subject matter, or in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement.”;

(zq) by deleting sub-paragraph (b) of paragraph **R922.3** and sub-paragraph (b) of paragraph 922.4 A1 and substituting in each case the following sub-paragraph:

“(b) Was an employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement.”;

(zr) by deleting the words “*Provision of Non-assurances*” in paragraph 923.4 A1 and substituting the words “*Provision of Non-assurance*”;

(zs) by deleting the words “The subject matter and” in sub-paragraph (c) of paragraph 940.3 A1 and substituting the words “The underlying subject matter or, in an attestation engagement,”;

(zt) by inserting, immediately after the words “complexity of the” in sub-paragraph (g) of paragraph 940.3 A3, the word “underlying”;

(zu) by deleting the words “who are the responsible party” in sub-paragraph (h) of paragraph 940.3 A3 and substituting

the words “at the assurance client who are responsible for the underlying subject matter or, in an attestation engagement, the subject matter information”;

- (zv) by deleting paragraph 940.3 A4 and substituting the following paragraph:

“

940.3 A4	The combination of two or more factors might increase or reduce the level of the threats. For example, familiarity threats created over time by the increasingly close relationship between an assurance team member and an individual at the assurance client who is in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, the subject matter information, would be reduced by the departure of that individual from the client.
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- (zw) by deleting the words “**OTHER THAN AUDIT AND REVIEW ENGAGEMENT CLIENTS**” in the heading immediately after **SECTION 950**;

- (zx) by deleting sub-paragraph (d) of paragraph 950.4 A1 and substituting the following sub-paragraph:

“(d) Whether the outcome of the service will affect the underlying subject matter and, in an attestation engagement, matters reflected in the subject matter information of the assurance engagement, and, if so —

(i) The extent to which the outcome of the service will have a material or significant effect on the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement;

(ii) The extent of the assurance client’s involvement in determining significant matters of judgment;”;

- (zy) by inserting, immediately after the words “assurance client’s” in paragraph 950.4 A2, the words “subject matter”;

(zz) by deleting paragraph **R950.6** and substituting the following paragraph:

“

<b>R950.6</b>	A firm shall not assume a management responsibility related to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement provided by the firm. If the firm assumes a management responsibility as part of any other service provided to the assurance client, the firm shall ensure that the responsibility is not related to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement provided by the firm.”,
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(zza) by deleting the words “subject matter or” in paragraphs 950.6 A2 and **R950.7** and substituting in each case the words “underlying subject matter and, in an attestation engagement, the”;

(zzb) by deleting paragraph 950.8 A1 and substituting the following paragraph:

“

950.8 A1	A self-review threat might be created if, in an attestation engagement, the firm is involved in the preparation of subject matter information which subsequently becomes the subject matter information of an assurance engagement. Examples of non-assurance services that might create such self-review threats when providing services related to the subject matter information of an assurance engagement include —
	(a) Developing and preparing prospective information and subsequently issuing an assurance report on this information;
	(b) Performing a valuation that is related to or forms part of the subject matter information of an assurance engagement.”,

(*zzc*) by deleting the definitions of “Assurance client” and “Assurance engagement” under the heading “**GLOSSARY**” and substituting the following definitions:

“

Assurance client	The responsible party and also, in an attestation engagement, the party taking responsibility for the subject matter information (who might be the same as the responsible party).
Assurance engagement	<p>An engagement in which a public accountant aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information (that is, the outcome of the measurement or evaluation of an underlying subject matter against criteria).</p> <p>(SSAE 3000 (Revised) describes the elements and objectives of an assurance engagement conducted under that Standard and the Assurance Framework provides a general description of assurance engagements to which Singapore Standards on Auditing (SSAs), Singapore Standards on Review Engagements (SSREs) and Singapore Standards on Assurance Engagements (SSAEs) apply.)</p> <p>In Part 4B, the term “assurance engagement” refers to assurance engagements that are not audit or review engagements.</p>

”;

(*zzd*) by inserting, immediately after the definition of “Assurance team” under the heading “**GLOSSARY**”, the following definition:

Attestation engagement	<p>An assurance engagement in which a party other than the public accountant measures or evaluates the underlying subject matter against the criteria. A party other than the public accountant also often presents the resulting subject matter information in a report or statement. In some cases, however, the subject matter information may be presented by the public accountant in the assurance report. In an attestation engagement, the public accountant's conclusion addresses whether the subject matter information is free from material misstatement. The public accountant's conclusion may be phrased in terms of —</p> <p>(a) The underlying subject matter and the applicable criteria;</p> <p>(b) The subject matter information and the applicable criteria; or</p> <p>(c) A statement made by the appropriate party(ies).</p>
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(zze) by inserting, immediately after the definition of “Cooling-off period” under the heading “**GLOSSARY**”, the following definitions:

Criteria	<p>In an assurance engagement, the benchmarks used to measure or evaluate the underlying subject matter. The “applicable criteria” are the criteria used for the particular engagement.</p>
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Direct engagement	An assurance engagement in which the public accountant measures or evaluates the underlying subject matter against the applicable criteria and the public accountant presents the resulting subject matter information as part of, or accompanying, the assurance report. In a direct engagement, the public accountant’s conclusion addresses the reported outcome of the measurement or evaluation of the underlying subject matter against the criteria.
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(zzf) by inserting, immediately after the definition of “Financial statements” in the second column under the heading “**GLOSSARY**”, the following paragraph:

“The term does not refer to specific elements, accounts or items of a financial statement.”;

(zzg) by inserting, immediately after the definition of “Professional activity” under the heading “**GLOSSARY**”, the following definition:

“

Professional judgment	<p><i>Professional judgment involves the application of relevant training, professional knowledge, skill and experience commensurate with the facts and circumstances, taking into account the nature and scope of the particular professional activities, and the interests and relationships involved.</i></p> <p><i>This term is described in paragraph 120.5 A4.</i></p>
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(zzh) by deleting “*R120.5 A4*” in the definitions of “Reasonable and informed third party” and “Reasonable and informed third party test” under the heading “**GLOSSARY**” and substituting “*120.5 A6*”;

(zzi) by inserting, immediately after the definition of “Related entity” under the heading “**GLOSSARY**”, the following definition:

“

Responsible party	In an assurance engagement, the party responsible for the underlying subject matter.
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”;

(zzj) by inserting, immediately after the definition of “Special purpose financial statements” under the heading “**GLOSSARY**”, the following definition:

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Subject matter information	The outcome of the measurement or evaluation of the underlying subject matter against the criteria, i.e., the information that results from applying the criteria to the underlying subject matter.
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”; and

(zzk) by inserting, immediately after the definition of “Time-on period” under the heading “**GLOSSARY**”, the following definition:

“

Underlying subject matter	The phenomenon that is measured or evaluated by applying criteria.
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”.

*[G.N. Nos. S 615/2007; S 251/2009; S 383/2010; S 211/2012; S 395/2013; S 25/2015; S 51/2015; S 840/2015; S 443/2016; S 118/2017; S 332/2017; S 680/2017; S 789/2018; S 901/2018; S 62/2020; S 172/2020; S 696/2020; S 130/2021; S 399/2021]*

Made on 19 November 2021.

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