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**No. S 255**

COMPANIES ACT  
(CHAPTER 50)

COMPANIES  
(ACCOUNTING STANDARDS) (AMENDMENT NO. 2)  
REGULATIONS 2003

In exercise of the powers conferred by section 200A (1) of the Companies Act, the Accounting Standards Committee (known as the Council on Corporate Disclosure and Governance), with the approval of the Minister for Finance, hereby makes the following Regulations:

**Citation and commencement**

**1.** These Regulations may be cited as the Companies (Accounting Standards) (Amendment No. 2) Regulations 2003 and shall come into operation on 31st May 2003.

**Amendment of regulation 2**

**2.** Regulation 2 of the Companies (Accounting Standards) Regulations 2002 (G.N. No. S 644/2002) (referred to in these Regulations as the principal Regulations) is amended by inserting, immediately after the words “as modified by” in paragraph (c), the words “the Second Schedule and”.

**Amendment of Second Schedule**

**3.** The Second Schedule to the principal Regulations is amended —  
(a) by deleting the word “and” at the end of paragraph (e); and  
(b) by deleting the full-stop at the end of paragraph (f) and substituting a semicolon, and by inserting immediately thereafter the following paragraphs:

“(g) “International Accounting Standards Committee” or “International Accounting Standards Board” shall be read as “Council on Corporate Disclosure and Governance”;

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- (h) “IASC” or “IASB” shall be read as “CCDG”; and
- (i) “Standing Interpretations Committee” or “International Financial Reporting Interpretations Committee” shall be read as “Council on Corporate Disclosure and Governance”.”.

### **Amendment of Third Schedule**

**4.** The Third Schedule to the principal Regulations is amended —

(a) by deleting the words “conform with the FRS” in paragraph (i) in the third column of the item relating to FRS 15 and substituting the words “conform with the FRSs”;

(b) by inserting, immediately after paragraph (ii) in the third column of the item relating to FRS 15, the following paragraph:

“(iii) Delete the following words in paragraph 19 of IAS 15:

“Consequently, the International Accounting Standards Committee believes that further experimentation is necessary before consideration can be given to requiring enterprises to prepare primary financial statements using a comprehensive and uniform system for reflecting changing prices.”,

and substitute the following words:

“Consequently, further experimentation is necessary before consideration can be given to requiring enterprises to prepare primary financial statements using a comprehensive and uniform system for reflecting changing prices.”.”;

(c) by renumbering the existing paragraph (iii) in the third column of the item relating to FRS 15 as paragraph (iv);

(d) by deleting the following words in the third column of the item relating to FRS 16:

“For an enterprise which had revalued its property, plant and equipment before 1983 (in accordance with the prevailing accounting standard at that time), there will be no need for the enterprise to revalue its assets in accordance with paragraph 29 of this Standard.”,

and substituting the following words:

“For an enterprise which had —

- (a) revalued its property, plant and equipment before 1st January 1984 (in accordance with the prevailing accounting standard at that time); or

- (b) performed any one-off revaluation on its property, plant and equipment between 1st January 1984 and 31st December 1996 (both dates inclusive),

there will be no need for the enterprise to revalue its assets in accordance with paragraph 29 of this Standard.

In this paragraph, “one-off revaluation” means any instance where an item of property, plant and equipment was revalued *only once* between 1st January 1984 and 31st December 1996 (both dates inclusive). Where an item of property, plant and equipment has been revalued more than once between 1st January 1984 and 31st December 1996 (both dates inclusive), the company should explain why the particular item of property, plant and equipment should be exempted, and the auditor’s concurrence of the explanation is required.”;

- (e) by renumbering the existing paragraph in the third column of the item relating to FRS 17 as paragraph (ii), and by inserting, immediately before that paragraph, the following paragraph:

“(i) Delete the following words in paragraph 11 of IAS 17:

“However, a characteristic of land is that it normally has an indefinite economic life and, if title is not expected to pass to the lessee by the end of the lease term, the lessee does not receive substantially all of the risks and rewards incident to ownership. A premium paid for such a leasehold represents pre-paid lease payments which are amortised over the lease term in accordance with the pattern of benefits provided.”; and

- (f) by inserting, immediately after the item relating to FRS 38, the following item:

<p>“FRS 39</p> <p>Financial Instruments: Recognition and Measurement</p>	<p>IAS 39</p> <p>Financial Instruments: Recognition and Measurement</p>	<p>(i) Delete the following words in paragraph 2 of IAS 39:</p> <p>“The Board recognises that the payout under some of these contracts is unrelated to the amount of an enterprise’s loss. While the Board considered leaving such derivatives within the scope of the Standard, it concluded that further study is needed to develop operational definitions that distinguish between ‘insurance-type’ and ‘derivative-type’ contracts.”,</p>
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and substitute the following words:

“It is recognised that the payout under some of these contracts is unrelated to the amount of an enterprise’s loss. While such derivatives have been left within the scope of the Standard, further study is needed to develop operational definitions that distinguish between ‘insurance-type’ and ‘derivative-type’ contracts.”.

- (ii) Delete the following words in paragraph 5 of IAS 39:

“A separate IASC project on accounting for insurance contracts is currently under way, and it will address rights and obligations arising under insurance contracts.”.

- (iii) Delete the following words in paragraph 105 of IAS 39:

“The Board believes that this is highly unlikely to be the case for a change from paragraph 103 (b) (i) to paragraph 103 (b) (ii).”.

and substitute the following words:

“This is highly unlikely to be the case for a change from paragraph 103 (b) (i) to paragraph 103 (b) (ii).”.

- (iv) Delete paragraph 171 of IAS 39 and substitute the following paragraph:

“171. FRS 39, Financial Instruments: Recognition and Measurement, shall be operative for financial statements covering periods beginning on or after 1st January 2005. Earlier application is permitted.”.
- (v) Delete any reference to paragraph 11, 30 or 31 of IAS 18 and substitute a reference to paragraph 10, 29 or 30 of FRS 18, respectively.
- (vi) Delete any reference to paragraph 19 of IAS 21 and substitute a reference to paragraph 18 of FRS 21.
- (vii) Delete any reference to paragraph 29, 30 or 31 of IAS 27 and substitute a reference to paragraph 28, 29 or 30 of FRS 27, respectively.
- (viii) Delete any reference to paragraph 12, 13, 14 or 15 of IAS 28 and substitute a reference to paragraph 10, 11, 12 or 13 of FRS 28, respectively.”.

### **Amendment of Fifth Schedule**

**5.** Paragraph 48 in the Fifth Schedule to the principal Regulations is amended by deleting the words “International Accounting Standards” and substituting the words “Financial Reporting Standards”.

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**Amendment of Seventh Schedule**

6. The Seventh Schedule to the principal Regulations is amended by inserting, immediately after paragraph (vi) in the third column of the item relating to INT FRS 19, the following paragraph:

“(vii) Delete the following words in paragraph 13 of SIC-19:

“This result is consistent with the 1993 revisions to IAS 21. The July 1990 Statement of Intent, Comparability of Financial Statements, states that these revisions would eliminate the option of translation of financial statements of a subsidiary to the reporting currency of its parent without prior restatement by the subsidiary when it reports in the currency of a hyperinflationary economy.”.”.

*[G.N. No. S 43/2003]*

Made this 19th day of May 2003.

**J Y PILLAY**  
*Chairman,*  
*Council on Corporate Disclosure*  
*and Governance,*  
*Singapore.*

[F14.13.02332 Vol. 4; AG/LEG/SL/50/2002/1 Vol. 5]