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No. S 329

ACCOUNTANTS ACT 2004

ACCOUNTANTS (PUBLIC ACCOUNTANTS) (AMENDMENT NO. 3) RULES 2023

In exercise of the powers conferred by section 64 of the Accountants Act 2004, the Accounting and Corporate Regulatory Authority, with the approval of the Minister for Finance, makes the following Rules:

Citation and commencement

1.—(1) These Rules are the Accountants (Public Accountants) (Amendment No. 3) Rules 2023 and, except for rule 11, come into operation on 1 July 2023.

(2) Rule 11 is deemed to have come into operation on 31 December 2021.

Amendment of rule 2

2. In the Accountants (Public Accountants) Rules (R 1) (called in these Rules the principal Rules), in rule 2 —

(a) in the definition of “audit principal”, replace “rule 6A” with “rule 6A(1)”;

(b) in the definition of “audit quality review role”, replace paragraph (b) with —

“(b) carrying out an audit inspection under —

(i) a practice monitoring programme for the Authority; or

(ii) another similar programme for a professional accountancy body or organisation in Singapore;

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- (c) carrying out a quality control standards review for the Authority, or a similar review for a professional accountancy body or organisation in Singapore;”;
- (c) replace the definitions of “engagement partner” and “engagement team” with —
- ““engagement partner”, “engagement quality review”, “engagement quality reviewer” and “engagement team” have the meanings given by the Glossary in the Fourth Schedule to the Accountants (Prescribed Standards and Code of Professional Ethics) Order 2023 (G.N. No. S 327/2023);”;
- (d) in the definition of “hot review order”, replace “section 38(1)(a)(iii)” with “section 38(1)(b) or (2)(b)(iii)”;
- (e) in the definition of “key audit function”, in paragraph (a)(i), replace “Fourth Schedule” with “Fourth Schedule to the Accountants (Prescribed Standards and Code of Professional Ethics) Order 2023”;
- (f) after the definition of “key audit function”, insert —
- ““practice monitoring programme” has the meaning given by section 32 of the Act;”;
- (g) after the definition of “qualifying audit experience”, insert —
- ““quality control standards” and “quality control standards review” have the meanings given by section 38B of the Act;”;
- (h) in the definition of “restriction order”, replace “section 38(1)(a)(i)” with “section 38(2)(b)(i)”;
- (i) after the definition of “Singapore Standard on Quality Control 1”, insert —

““Singapore Standard on Quality Management 1” means the standard by that name issued by the Institute of Singapore Chartered Accountants that deals with an accounting entity’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;

“Singapore Standard on Quality Management 2” means the standard by that name issued by the Institute of Singapore Chartered Accountants that deals with the appointment and eligibility of an engagement quality reviewer and the engagement quality reviewer’s responsibilities relating to the performance and documentation of an engagement quality review;” and

(j) in the definition of “suspension order”, replace “section 38(1)(b)(ii)” with “section 38(2)(a)(ii), (5)(b) or (6)(b), 38A(1), 38J(1)(a)(ii), (3)(b) or (6)(b)”.

Amendment of rule 6A

3. In the principal Rules, in rule 6A —

- (a) in paragraph (1), replace “Subject to paragraph (3), in these Rules, an audit principal, for a pupil, is any of the following persons, being neither a parent, adoptive parent, sibling, spouse nor child of the pupil:” with “Subject to paragraphs (2E) and (3), in these Rules, an audit principal, for a pupil, is any of the following persons, being neither a parent, adoptive parent, sibling, spouse nor child of the pupil, who consents to be an audit principal of the pupil.”;
- (b) in paragraph (2)(b)(i), delete “38(1)(a)(iv) or”;
- (c) in paragraph (2C)(b)(i), replace “standards applicable in Singapore (including the Singapore Standard on Quality

Control 1)” with “prescribed quality control standards applicable in Singapore”;

(d) after paragraph (2D), insert —

“(2E) A public accountant must not be or must cease to be (as the case may be) an audit principal if —

(a) the public accountant has undergone a practice review and the Oversight Committee has determined that —

(i) the public accountant’s compliance with any of the professional standards is partially satisfactory under the Oversight Committee’s professional standards assessment framework; or

(ii) the public accountant’s compliance with any of the professional standards is not satisfactory under the Oversight Committee’s professional standards assessment framework; and

(b) the Oversight Committee has notified the public accountant in writing that the public accountant must not be or must cease to be an audit principal for the period specified in the notification.”; and

(e) in paragraph (3), after item 3, insert —

“4. The audit principal is notified in writing that he must not be or must cease to be an audit principal under paragraph (2E) The date on which the notification takes effect”.

Deletion of Part IV

4. In the principal Rules, delete Part IV.

Deletion of Part V

5. In the principal Rules, delete Part V.

Replacement of rule 14

6. In the principal Rules, replace rule 14 with —

“Publication of Oversight Committee’s decision

14. Any decision or order of the Oversight Committee made under section 38, 38H, 38I, 38J, 52 or 53 of the Act and the grounds of such decision or order may be published in one or more of the following:

- (a) the *Gazette*;
- (b) any official publication of the Oversight Committee;
- (c) the Internet website of the Authority at <https://www.acra.gov.sg>.”.

Amendment of First Schedule

7. In the principal Rules, in the First Schedule —

- (a) after item 6, insert —

“7. For the conduct of a quality control standards review —

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| <p>(a) charges for work of an entity reviewer for purposes of a report mentioned in section 38G(1)(a) of the Act</p> | <p>(i) hourly charge of \$200, subject to a maximum of \$15,000 if the accounting entity has not audited a listed entity for a period of 12 months immediately before the date on which the accounting entity is served a notice of the Oversight Committee’s requirement to undergo the quality control standards review; and</p> |
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- (ii) expenses reasonably incurred by the entity reviewer for the purposes of the quality control standards review, including expenses for printing, stationery and transport;
- (b) charges for work of an entity reviewer to re-consider a report mentioned in section 38G(1)(a) of the Act (where reconsideration of report is requested by accounting entity) hourly charge of \$200, subject to a maximum of \$6,000.”; and

(b) after item 10, insert —

“*Note:*

In this Schedule, “listed entity” has the meaning given by rule 4(3).”.

Amendment of Second Schedule

8. In the principal Rules, in the Second Schedule —

(a) in paragraph 1A, replace the definition of “specified accounting entity” with —

““specified accounting entity” means an accounting entity which has implemented its quality controls in accordance with the Singapore Standards on Quality Control 1, Singapore Standard on Quality Management 1 and Singapore Standard on Quality Management 2, as applicable, where those quality controls have been reviewed by the Authority or Oversight Committee to the satisfaction of the Authority or Oversight Committee.”;

(b) in paragraph 3, delete sub-paragraphs (5) and (6); and

(c) in paragraph 3A(1)(c)(i), replace “standards applicable in Singapore (including the Singapore Standard on Quality

Control 1)” with “prescribed quality control standards applicable in Singapore”.

Deletion of Fourth Schedule

9. In the principal Rules, delete the Fourth Schedule.

Replacement of Fifth Schedule

10. In the principal Rules, replace the Fifth Schedule with —

“FIFTH SCHEDULE

Rule 4(2)

CAP FOR FEES FOR CONDUCT OF PRACTICE REVIEW UNDER PRACTICE MONITORING PROGRAMME

<i>First column</i>	<i>Second column</i>
<i>Categories</i>	<i>Cap</i>
1. Where the practice review is the first practice review that the specified public accountant has undergone under a practice monitoring programme	\$6,000
2. Where the practice review is the first practice review being conducted of a specified public accountant on or after 1 July 2023, and the public accountant —	
(a) passed the practice review immediately before the practice review being conducted;	\$6,000
(b) failed to pass the practice review immediately before the practice review being conducted;	\$12,000
(c) failed to pass 2 consecutive practice reviews immediately before the practice review being conducted; or	\$12,000
(d) failed to pass 3 consecutive practice reviews immediately before the practice review being conducted	\$18,000

3. Where the practice review is the second or subsequent practice review being conducted of a specified public accountant on or after 1 July 2023, and in the practice review immediately before the practice review being conducted —

- | | |
|---|----------|
| (a) the public accountant’s compliance with the professional standards was satisfactory under the Oversight Committee’s professional assessment framework; | \$6,000 |
| (b) the public accountant’s compliance with any professional standards was partially satisfactory under the Oversight Committee’s professional assessment framework; or | \$10,000 |
| (c) the public accountant’s compliance with any professional standards was not satisfactory under the Oversight Committee’s professional assessment framework. | \$15,000 |

Note:

In this Schedule, “specified public accountant” has the meaning given by rule 4(3).”.

Miscellaneous amendment

11. In the principal Rules, in rule 11, replace “Part VI” with “Part 6”.

Saving and transitional provisions

12.—(1) Despite rule 2(*d*) —

- (a) the reference to a hot review order in rule 6A(2)(*b*)(ii) and (3) of the principal Rules includes a reference to a hot review order as defined in rule 2 of the unamended Rules; and
- (b) rule 6B of the principal Rules applies in the following cases as if the reference to a hot review order in that rule is

a reference to a hot review order as defined in rule 2 of the unamended Rules:

- (i) a case where an application made to the Oversight Committee before 1 July 2023 under rule 6B(1) of the principal Rules is still pending on that date;
- (ii) a case where such an application had not been made by that date but the period under that rule for making the application has not expired on that date.

(2) Despite rule 2(*h*), the reference to a restriction order in rule 6A(2)(*b*)(iii) of the principal Rules includes a reference to a restriction order as defined in rule 2 of the unamended Rules.

(3) Despite rule 2(*j*), the reference to a suspension order in rule 6A(2)(*b*)(iv) of the principal Rules includes a reference to a suspension order as defined in rule 2 of the unamended Rules.

(4) Despite rule 3(*b*), the reference to an order in rule 6A(2)(*b*)(i) of the principal Rules includes an order imposed under section 38(1)(*a*)(iv) of the Act as in force immediately before 1 July 2023 that has not expired.

(5) Despite rule 4, where —

- (*a*) a complaint had been made to the Oversight Committee under section 40(1) of the Act before 1 July 2023; or
- (*b*) information had been referred by the Oversight Committee to the Registrar under section 41(2) of the Act before 1 July 2023,

in respect of a breach of the prescribed code of professional conduct and ethics mentioned in rule 9(2) of the unamended Rules, or non-compliance with any pronouncement by the Authority on professional matters or professional ethics mentioned in rule 9(3) of the unamended Rules, then any proceedings under Part 6 of the Act arising from the complaint or information may (if they had not commenced or been completed by that date) commence or continue as if rule 4 had not been enacted.

(6) Despite rule 5, where —

- (a) under a practice monitoring programme under Part 5 of the Act as in force before 1 July 2023, a practice review had commenced on a public accountant before that date; and
- (b) as at that date —
 - (i) the practice review has not been concluded;
 - (ii) a decision of the Practice Monitoring Sub-committee under section 37(2) of the Act is pending;
 - (iii) a decision of the Oversight Committee under section 38(1) or (3) of the Act is pending; or
 - (iv) a decision of the Oversight Committee under section 38(1)(b) of the Act has not taken effect,

then rule 10 of the unamended Rules continues to apply to the public accountant for the purpose of that practice monitoring programme, as if rule 5 had not been enacted.

(7) Despite rule 10, the Fifth Schedule to the unamended Rules continues to apply (as if rule 10 had not been enacted) where —

- (a) a practice review had commenced on a public accountant before 1 July 2023; and
- (b) as at that date —
 - (i) the practice review had not been concluded;
 - (ii) a decision of the Practice Monitoring Sub-committee under section 37(2) of the Act is pending;
 - (iii) a decision of the Oversight Committee under section 38(1) or (3) of the Act is pending; or
 - (iv) a decision of the Oversight Committee under section 38(1)(b) of the Act has not taken effect.

(8) In this rule, “unamended Rules” means the principal Rules as in force immediately before 1 July 2023.

*[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;
S 911/2021; S 952/2022; S 953/2022; S 146/2023;
S 211/2023]*

Made on 31 May 2023.

ONG CHONG TEE
*Chairperson,
Accounting and Corporate
Regulatory Authority,
Singapore.*

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