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**No. S 958**

**ACCOUNTANTS ACT 2004**

**ACCOUNTANTS  
(PRESCRIBED STANDARDS AND CODE OF  
PROFESSIONAL CONDUCT AND ETHICS)  
(AMENDMENT) ORDER 2024**

In exercise of the powers conferred by section 64AA of the Accountants Act 2004, the Public Accountants Oversight Committee makes the following Order:

**Citation and commencement**

**1.—(1)** This Order is the Accountants (Prescribed Standards and Code of Professional Conduct and Ethics) (Amendment) Order 2024 and, except for paragraph 2(14), comes into operation on 15 December 2024.

(2) Paragraph 2(14) comes into operation on 12 December 2024.

**Amendment of Fourth Schedule**

**2.—(1)** In the Accountants (Prescribed Standards and Code of Professional Conduct and Ethics) Order 2023 (G.N. No. S 327/2023) (called in this Order the principal Order), in the Fourth Schedule, in the table, in Part 1, in the second column —

(a) in section 110, in subsection 113, in paragraph R113.1(a), replace “skill” with “skills”;

(b) in section 110, in subsection 113, replace paragraph 113.1 A1 with —

“Serving clients with professional competence involves the exercise of sound judgment in applying professional knowledge and skills.”;

(c) in section 110, in subsection 113, replace paragraph 113.1 A2 with —

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“Maintaining professional competence requires a public accountant to have a continuing awareness and understanding of technical, professional, business and technology-related developments relevant to the professional activities undertaken by the public accountant. Continuing professional development enables a public accountant to develop and maintain the capabilities to perform competently within the professional environment.”;

- (d) in section 110, in subsection 113, replace paragraph R113.3 with —

“Where appropriate, a public accountant shall make clients, or other users of the public accountant’s professional activities, aware of the limitations inherent in the activities and explain the implications of those limitations.”;

- (e) in section 110, in subsection 114, in paragraphs R114.1 and R114.2, replace “as a result” with “in the course”;

- (f) in section 110, in subsection 114, in paragraph R114.1(c), insert “and” at the end;

- (g) in section 110, in subsection 114, in paragraph R114.1, replace sub-paragraphs (d) to (g) with —

“(d) Take reasonable steps to ensure that personnel under the public accountant’s control, and individuals from whom advice and assistance are obtained, comply with the public accountant’s duty of confidentiality.”;

- (h) in section 110, in subsection 114, in paragraph 114.1 A1, replace “are or might be required to disclose confidential information or when such disclosure might be appropriate” with “might be required or have the duty or right to disclose confidential information”;

- (i) in section 110, in subsection 114, in paragraph 114.1 A1(a), after “by law”, insert “or regulation”;

- (j) in section 110, in subsection 114, in paragraph 114.1 A1(a)(ii), insert “and” at the end;

- (k) in section 110, in subsection 114, in paragraph 114.1 A1, replace sub-paragraphs (b) and (c) with —

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- “(b) There is a professional duty or right to disclose or use, when not prohibited by law or regulation —
- (i) To comply with the quality review of a professional body;
  - (ii) To respond to an inquiry or investigation by a professional or regulatory body;
  - (iii) To protect the professional interests of a public accountant in legal proceedings; or
  - (iv) To comply with technical and professional standards, including ethics requirements.”;
- (l) in section 110, in subsection 114, in paragraph 114.1 A2, after “whether to disclose”, insert “or use”;
- (m) in section 110, in subsection 114, in paragraph 114.1 A2(a), replace “consents to the disclosure” with “authorises the disclosure or use”;
- (n) in section 110, in subsection 114, in paragraph 114.1 A2(b), after “disclose”, insert “or use the information,”;
- (o) in section 110, in subsection 114, in paragraph 114.1 A2, replace sub-paragraphs (c) and (d) with —
- “(c) The proposed means of communicating the information;
  - (d) Whether the parties to whom the information is to be provided or access is to be granted are appropriate recipients; and
  - (e) Any applicable law or regulation (including those governing privacy) in a jurisdiction where disclosure might take place and, if different, the jurisdiction where the confidential information originates.”;
- (p) in section 120, in paragraph R120.5(c), replace “paragraph 120.5 A6” with “paragraph 120.5 A9”; and

(q) in section 120, replace paragraph 120.13 A3 with —

“Public accountants are expected to —

- (a) Encourage and promote an ethics-based culture in their organisation, taking into account their position and seniority; and
- (b) Exhibit ethical behaviour in dealings with individuals with whom, and entities with which, the public accountants or the firm has a professional or business relationship.”.

(2) In the principal Order, in the Fourth Schedule, in the table, in Part 1 —

(a) in section 110, in subsection 113, after paragraph 113.1 A1, insert —

“

113.1 A2	The knowledge and skills necessary for a professional activity vary depending on the nature of the activity being undertaken. For example, in addition to the application of any technical knowledge relevant to the professional activity, interpersonal, communication and organisational skills facilitate the public accountant’s interaction with entities and individuals with whom the public accountant interacts.
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(b) in section 110, in subsection 114, after paragraph R114.1, insert —

“

114.1 A1	Maintaining the confidentiality of information acquired in the course of professional and business relationships involves the public accountant taking appropriate action to protect the confidentiality of such information in the course of its collection, use, transfer, storage or retention, dissemination and lawful destruction.
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<b>R114.2</b>	<p>Subject to paragraph R114.3, a public accountant shall not —</p> <p>(a) Disclose confidential information acquired in the course of professional and business relationships;</p> <p>(b) Use confidential information acquired in the course of professional and business relationships for the advantage of the public accountant, the firm or a third party;</p> <p>(c) Use or disclose any confidential information, either acquired or received in the course of a professional or business relationship, after that relationship has ended; or</p> <p>(d) Use or disclose information in respect of which the duty of confidentiality applies notwithstanding that that information has become publicly available, whether properly or improperly.</p>
<b>R114.3</b>	<p>As an exception to paragraph R114.2, a public accountant may disclose or use confidential information where —</p> <p>(a) There is a legal or professional duty or right to do so; or</p> <p>(b) This is authorised by the client or any person with the authority to permit disclosure or use of the confidential information and this is not prohibited by law or regulation.</p>

- (c) in section 110, in subsection 114, after paragraph 114.1 A2, insert —

“

114.3 A3	<p>The circumstances in which a firm seeks authorisation to use or disclose confidential information, include where the information is to be used for training purposes, in the development of products or technology, in research or as source material for industry or other benchmarking data or studies. Such authorisation might be general in its application (for example, in relation to use of the information for internal training purposes or quality enhancement initiatives). When obtaining the authorisation of the individual or entity that provided such information for use in specific circumstances, relevant considerations to be communicated (preferably in writing) might include —</p> <ul style="list-style-type: none"> <li>(a) The nature of the information to be used or disclosed;</li> <li>(b) The purpose for which the information is to be used or disclosed (for example, technology development, research or benchmarking data or studies);</li> <li>(c) The individual or entity who will undertake the activity for which the information is to be used or disclosed; and</li> <li>(d) Whether the identity of the individual or entity that provided such information or any individuals or entities to which such information relates will be identifiable from the output of the activity for which the information is to be used or disclosed.</li> </ul>
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(d) in section 120, after paragraph 120.5 A5, insert —

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120.5 A6	The circumstances in which public accountants carry out professional activities and the factors involved vary considerably in their range and complexity. The professional judgment exercised by public accountants might need to take into account the complexity arising from the compounding effect of the interaction between, and changes in, elements of the facts and circumstances that are uncertain and variables and assumptions that are interconnected or interdependent.
120.5 A7	Managing complexity involves — <i>(a)</i> Making the firm and, if appropriate, relevant stakeholders aware of the inherent uncertainties or difficulties arising from the facts and circumstances. (Ref: Para. R113.3); or <i>(b)</i> Being alert to any developments or changes in the facts and circumstances and assessing whether they might impact any judgments the public accountant has made. (Ref: Paras. R120.5 to 120.5 A3, and R120.9 to 120.9 A2).
120.5 A8	Managing complexity might also involve — <i>(a)</i> Analysing and investigating as relevant, any uncertain elements, the variables and assumptions and how they are connected or interdependent; <i>(b)</i> Using technology to analyse relevant data to inform the public accountant’s judgment; or <i>(c)</i> Consulting with others, including experts, to ensure appropriate challenge and additional input as part of the evaluation process.

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(3) In the principal Order, in the Fourth Schedule, in the table, in Part 1, in the first column —

- (a) in section 110, in subsection 113, renumber the existing paragraphs 113.1 A2 and 113.1 A3 as paragraphs 113.1 A3 and 113.1 A4, respectively;
- (b) in section 110, in subsection 114, renumber the existing paragraphs 114.1 A1, 114.1 A2 and R114.2 as paragraphs 114.3 A1, 114.3 A2 and R114.4, respectively; and
- (c) in section 120, renumber the existing paragraph 120.5 A6 as paragraph 120.5 A9.
- (4) In the principal Order, in the Fourth Schedule, in the table, in Part 3 —
- (a) in section 300, after paragraph R300.5, insert —

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<b>[Paragraph 300.5 A1 is intentionally left blank]</b>	
300.5 A2	The more senior the position of a public accountant, the greater will be the ability and opportunity to access information, and to influence policies, decisions made and actions taken by others involved with the firm. To the extent that they are able to do so, taking into account their position and seniority in the firm, public accountants are expected to encourage and promote an ethics-based culture in the firm and exhibit ethical behaviour in dealings with individuals with whom, and entities with which, the public accountant or the firm has a professional or business relationship in accordance with paragraph 120.13 A3. Examples of actions that might be taken include the introduction, implementation and oversight of —



	<p>(a) Ethics education and training programs;</p> <p>(b) Firm processes and performance evaluation and reward criteria that promote an ethical culture;</p> <p>(c) Ethics and whistle-blowing policies; and</p> <p>(d) Policies and procedures designed to prevent non-compliance with laws and regulations.</p>	”;
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(b) in section 300, after paragraph 300.6 A1, insert —

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<i>Identifying Threats Associated with the Use of Technology</i>		
300.6 A2	<p>The following are examples of facts and circumstances relating to the use of technology that might create threats for a public accountant when undertaking a professional activity:</p> <p>(a) Self-interest Threats —</p> <p style="padding-left: 40px;">(i) The data available might not be sufficient for the effective use of the technology;</p> <p style="padding-left: 40px;">(ii) The technology might not be appropriate for the purpose for which it is to be used; and</p> <p style="padding-left: 40px;">(iii) The public accountant might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended.</p> <p>(b) Self-review Threats — The technology was designed or developed using the knowledge, expertise or judgment of the public accountant or the firm.</p>	”;

(c) in section 300, after paragraph 300.7 A5, insert —

“

300.7 A6	<p>The public accountant’s evaluation of the level of a threat associated with the use of technology might also be impacted by the work environment within the public accountant’s firm and its operating environment. For example —</p> <ul style="list-style-type: none"> <li>(a) Level of corporate oversight and internal controls over the technology;</li> <li>(b) Assessments of the quality and functionality of technology that are undertaken by a third-party; and</li> <li>(c) Training that is provided regularly to all relevant employees so they obtain and maintain the professional competence to sufficiently understand, use and explain the technology and its appropriateness for the purpose intended.</li> </ul>
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(d) in section 320, after paragraph 320.10 A1, insert —

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<b>Using the Output of Technology</b>	
<b>R320.11</b>	When a public accountant intends to use the output of technology in the course of undertaking a professional activity, the public accountant shall determine whether the use is appropriate for the intended purpose.
320.11 A1	<p>Factors to consider when a public accountant intends to use the output of technology include —</p> <ul style="list-style-type: none"> <li>(a) The nature of the activity to be performed by the technology;</li> <li>(b) The expected use of, or extent of reliance on, the output of the technology;</li> <li>(c) Whether the public accountant has the ability, or access to an expert with the ability, to understand, use and explain the technology and its appropriateness for the purpose intended;</li> </ul>

”

	<p>(d) Whether the technology used has been appropriately tested and evaluated for the purpose intended;</p> <p>(e) Prior experience with the technology and whether its use for specific purposes is generally accepted;</p> <p>(f) The firm’s oversight of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology;</p> <p>(g) The controls relating to the use of the technology, including procedures for authorising user access to the technology and overseeing such use; and</p> <p>(h) The appropriateness of the inputs to the technology, including data and any related decisions, and decisions made by individuals in the course of using the technology.</p>
<b>Other Considerations</b>	
320.12 A1	When a public accountant is considering using the work of experts or the output of technology, a consideration is whether the public accountant is in a position within the firm to obtain information in relation to the factors necessary to determine whether such use is appropriate.

(5) In the principal Order, in the Fourth Schedule, in the table, in Part 3, in the second column —

- (a) in section 300, in paragraph 300.7 A7(b), replace “listed entity” with “publicly traded entity”;
- (b) in section 320, in paragraph 320.7 A2, replace “paragraph 114.1 A1” with “paragraph 114.3 A1”;

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(c) in section 320, replace paragraph R320.10 with —

“When a public accountant intends to use the work of an expert in the course of undertaking a professional activity, the public accountant shall determine whether the use is appropriate for the intended purpose.”;

(d) in section 320, replace paragraph 320.10 A1 with —

“Factors to consider when a public accountant intends to use the work of an expert include —

(a) The reputation and expertise of, and the resources available to, the expert; and

(b) Whether the expert is subject to applicable professional and ethics standards.

Such information might be gained from prior association with, or from consulting others about, the expert.”; and

(e) in section 360, in paragraphs R360.26, R360.27, R360.37 and R360.38, replace “paragraph R114.1(d)” with “paragraph R114.3”.

(6) In the principal Order, in the Fourth Schedule, in the table, in Part 3, in section 300, in the first column, renumber the existing paragraphs 300.7 A6 and 300.7 A7 as paragraphs 300.7 A7 and 300.7 A8, respectively.

(7) In the principal Order, in the Fourth Schedule, in the table, in Part 4A, in the second column —

(a) in section 400, replace paragraph 400.13 with —

“Some of the requirements and application material set out in this Part are applicable only to the audit of financial statements of public interest entities, reflecting significant public interest in the financial condition of these entities due to the potential impact of their financial well-being on stakeholders.”;

(b) in section 400, in paragraph 400.18 A4, replace “paragraph R400.14” with “paragraph R400.21”;

(c) in section 400, in paragraph R400.20, replace “listed entity” with “publicly traded entity in accordance with paragraphs R400.22 and R400.23”;

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- (d) in section 405, in paragraph R405.17, replace “paragraphs R600.21 to R600.24” with “paragraphs R600.22 to R600.25”;
- (e) in section 405, in paragraph 405.21 A2, replace “Paragraphs R600.25 and 600.25 A1” with “Paragraphs R600.26 and 600.26 A1”;
- (f) in section 410, in paragraph SG410.27A, replace “listed entity” with “publicly traded entity, listed business trust or listed real estate investment trust.”;
- (g) in section 520, in paragraph 520.3 A2(b), delete “and” at the end;
- (h) in section 520, in paragraph 520.3 A2, replace sub-paragraph (c) with —
- “(c) Arrangements under which the firm or a network firm sells, resells, distributes or markets the client’s products or services, or the client sells, resells, distributes or markets the firm’s or a network firm’s products or services; and
  - (d) Arrangements under which the firm or a network firm develops jointly with the client, products or solutions which one or both parties sell or license to third parties.”;
- (i) in section 520, in paragraph 520.6 A1, after “goods and services”, insert “, including the licensing of technology”;
- (j) in section 600, in paragraph 600.7 A1, replace “paragraph R400.14” with “paragraph R400.21”;
- (k) in section 600, in paragraph 600.9 A2, replace sub-paragraphs (c) to (j) with —
- “(c) The client’s dependency on the service, including the frequency with which the service will be provided;
  - (d) The legal and regulatory environment in which the service is provided;
  - (e) Whether the client is a public interest entity;

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- (f) The level of expertise of the client’s management and employees with respect to the type of service provided;
  - (g) The extent to which the client determines significant matters of judgment (Ref: Paras. R400.20 to R400.21);
  - (h) Whether the outcome of the service will affect the accounting records or matters reflected in the financial statements on which the firm will express an opinion, and, if so —
    - (i) The extent to which the outcome of the service will have a material effect on the financial statements; and
    - (ii) The degree of subjectivity involved in determining the appropriate amounts or treatment for those matters reflected in the financial statements;
  - (i) The nature and extent of the impact of the service, if any, on the systems that generate information that forms a significant part of the client’s —
    - (i) Accounting records or financial statements on which the firm will express an opinion; and
    - (ii) Internal controls over financial reporting;
  - (j) The degree of reliance that will be placed on the outcome of the service as part of the audit; and
  - (k) The fee relating to the provision of the non-assurance service.”;
  - (l) in section 600, in paragraph 600.11 A1, replace “paragraph R600.14” with “paragraph R600.15”;
  - (m) in section 600, in paragraph 600.11 A1, replace “paragraphs R600.16 and R600.17” with “paragraphs R600.17 and R600.18”;
  - (n) in section 600, in paragraph 600.12 A1, replace “paragraph 600.9 A2” with “paragraph 600.10 A2”;

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- (o) in section 600, in paragraph R600.16, replace “Paras. 600.13 A1 and R600.14” with “Paras. 600.14 A1 and R600.15”;
- (p) in section 600, in paragraph R600.17, replace “paragraph R600.16” with “paragraph R600.17”;
- (q) in section 600, in paragraph R600.17(a), replace “Paras. R400.13 and R400.14” with “Paras. R400.20 and R400.21”;
- (r) in section 600, in paragraph 600.20 A1, replace “Paragraphs R600.21 to R600.23” with “Paragraphs R600.22 to R600.24”;
- (s) in section 600, in paragraphs 600.20 A2(c), R600.22, R600.24 and 600.27 A1(f), replace “paragraph R600.21” with “paragraph R600.22”;
- (t) in section 600, in paragraph R600.23, replace “paragraphs R600.21 and R600.22” with “paragraphs R600.22 and R600.23”;
- (u) in section 600, in paragraph R600.26, replace “paragraph R400.13” with “paragraph R400.20”;
- (v) in section 600, in paragraph 600.27 A1(f), replace “paragraphs R600.21 to R600.23” with “paragraphs R600.22 to R600.24”;
- (w) in section 600, in subsection 601, in paragraph 601.5 A2, after “Examples of service”, insert “, whether manual or automated,”;
- (x) in section 600, in subsection 601, in paragraph 601.5 A2, replace “paragraph R400.14” with “paragraph R400.21”;
- (y) in the following provisions, replace “600.27 A1” with “600.28 A1”:

Section 600, subsection 601, paragraph 601.1

Section 600, subsection 602, paragraph 602.1

Section 600, subsection 603, paragraph 603.1

Section 600, subsection 604, paragraph 604.1

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Section 600, subsection 605, paragraph 605.1

Section 600, subsection 606, paragraph 606.1

Section 600, subsection 607, paragraph 607.1

Section 600, subsection 608, paragraph 608.1

Section 600, subsection 609, paragraph 609.1

Section 600, subsection 610, paragraph 610.1;

- (z) in the following provisions, replace “Paras. R600.14 and R600.16” with “Paras. R600.15 and R600.17”:

Section 600, subsection 603, paragraph R603.5

Section 600, subsection 604, paragraphs R604.10 and R604.24

Section 600, subsection 605, paragraph R605.6

Section 600, subsection 606, paragraph R606.6

Section 600, subsection 607, paragraph R607.6

Section 600, subsection 608, paragraph R608.7

Section 600, subsection 610, paragraph R610.8;

- (za) in section 600, in subsection 604, in paragraphs R604.15 and R604.19, replace “Paras. R600.14, R600.16” with “Paras R600.15, R600.17”;

- (zb) in section 600, in subsection 605, in paragraphs R605.3, R606.3 and R609.3, replace “Paragraph R400.13” with “Paragraph R400.20”;

- (zc) in section 600, in subsection 606, in paragraph 606.2 A1, delete “Services related to IT systems include the design or implementation of hardware or software systems.”; and

- (zd) in section 600, in subsection 606, in paragraph R606.3, replace sub-paragraphs (b) to (e) with —



- “(b) The client, through a competent individual (or individuals), preferably within senior management, makes all management decisions that are the proper responsibility of management with respect to the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the IT systems;
- (c) The client evaluates the adequacy and results of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the IT system; and
- (d) The client is responsible for operating the IT system and for the data it generates and uses.”

(8) In the principal Order, in the Fourth Schedule, in the table, in Part 4A —

(a) in section 400, after paragraph 400.13, insert —

400.14	<p>Factors to consider in evaluating the extent of public interest in the financial condition of an entity include —</p> <p>(a) The nature of the business or activities, such as taking on financial obligations to the public as part of the entity’s primary business;</p> <p>(b) Whether the entity is subject to regulatory supervision designed to provide confidence that the entity will meet its financial obligations;</p> <p>(c) Size of the entity;</p> <p>(d) The importance of the entity to the sector in which it operates including how easily replaceable it is in the event of financial failure;</p> <p>(e) Number and nature of stakeholders including investors, customers, creditors and employees; and</p> <p>(f) The potential systemic impact on other sectors and the economy as a whole in the event of financial failure of the entity.</p>
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400.15	Stakeholders have heightened expectations regarding the independence of a firm performing an audit engagement for a public interest entity because of the significance of the public interest in the financial condition of the entity. The purpose of the requirements and application material for public interest entities as described in paragraph 400.13 is to meet these expectations, thereby enhancing stakeholders' confidence in the entity's financial statements that can be used when assessing the entity's financial condition.
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(b) in section 400, after paragraph R400.19, insert —

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400.21 A1	When technology is used in performing a professional activity for an audit client, the requirements in paragraphs R400.20 and R400.21 apply regardless of the nature or extent of such use of the technology.
<b>Public Interest Entities</b>	
<b>R400.22</b>	<p>For the purposes of this Part, a firm shall treat an entity as a public interest entity when it falls within any of the following categories:</p> <ul style="list-style-type: none"> <li>(a) A publicly traded entity;</li> <li>(b) An entity one of whose main functions is to take deposits from the public;</li> <li>(c) An entity one of whose main functions is to provide insurance to the public; or</li> <li>(d) An entity specified as such by law, regulation or professional standards to meet the purpose described in paragraph 400.15.</li> </ul>

400.22 A1	When terms other than public interest entity are applied to entities by law, regulation or professional standards to meet the purpose described in paragraph 400.15, such terms are regarded as equivalent terms. However, if law, regulation or professional standards designate entities as “public interest entities” for reasons unrelated to the purpose described in paragraph 400.15, that designation does not necessarily mean that such entities are public interest entities for the purposes of the Code.
<b>R400.23</b>	In complying with the requirement in paragraph R400.22, a firm shall take into account more explicit definitions established by law, regulation or professional standards for the categories set out in paragraph R400.22(a) to (c).
400.23 A1	<p>The categories set out in paragraph R400.22(a) to (c) are broadly defined and no recognition is given to any size or other factors that can be relevant in a specific jurisdiction. The Code therefore provides for those bodies responsible for setting ethics standards for professional accountants to more explicitly define these categories by, for example —</p> <ul style="list-style-type: none"> <li>(a) Making reference to specific public markets for trading securities;</li> <li>(b) Making reference to the local law or regulation defining banks or insurance companies;</li> <li>(c) Incorporating exemptions for specific types of entities, such as an entity with mutual ownership; and</li> <li>(d) Setting size criteria for certain types of entities.</li> </ul>

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400.23 A2	<p>Paragraph R400.22(d) anticipates that those bodies responsible for setting ethics standards for professional accountants will add categories of public interest entities to meet the purpose described in paragraph 400.15, taking into account factors such as those set out in paragraph 400.14. Depending on the facts and circumstances in a specific jurisdiction, such categories could include —</p> <ul style="list-style-type: none"><li>(a) Pension funds;</li><li>(b) Collective investment vehicles;</li><li>(c) Private entities with large numbers of stakeholders (other than investors);</li><li>(d) Not-for-profit organisations or governmental entities; and</li><li>(e) Public utilities.</li></ul>
400.24 A1	<p>A firm is encouraged to determine whether to treat other entities as public interest entities for the purposes of this Part. When making this determination, the firm might consider the factors set out in paragraph 400.14 as well as the following factors:</p> <ul style="list-style-type: none"><li>(a) Whether the entity is likely to become a public interest entity in the near future;</li><li>(b) Whether in similar circumstances, a predecessor firm has applied independence requirements for public interest entities to the entity;</li><li>(c) Whether in similar circumstances, the firm has applied independence requirements for public interest entities to other entities;</li><li>(d) Whether the entity has been specified as not being a public interest entity by law, regulation or professional standards;</li></ul>

	<p>(e) Whether the entity or other stakeholders requested the firm to apply independence requirements for public interest entities to the entity and, if so, whether there are any reasons for not meeting this request;</p> <p>(f) The entity’s corporate governance arrangements, for example, whether those charged with governance are distinct from the owners or management.</p>
<i>Public Disclosure — Application of Independence Requirements for Public Interest Entities</i>	
<b>R400.25</b>	Subject to paragraph R400.26, when a firm has applied the independence requirements for public interest entities as described in paragraph 400.13 in performing an audit of the financial statements of an entity, the firm shall publicly disclose that fact in a manner deemed appropriate, taking into account the timing and accessibility of the information to stakeholders.
<b>R400.26</b>	As an exception to paragraph R400.25, a firm may not make such a disclosure if doing so will result in disclosing confidential future plans of the entity.

- (c) in section 400, after paragraph R400.20, before the sub-heading “**Period During which Independence is Required**”, replace “**Paragraphs 400.21**” with “**Paragraphs 400.28**”;
- (d) in section 410, before paragraph SG410.27A, in the sub-heading, replace “*Listed Entities*” with “*Publicly Traded Entities, Listed Business Trusts or Listed Real Estate Investment Trusts*”;

(e) in section 520, after paragraph 520.3 A2, insert —

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520.3 A3	An example that might create a close business relationship, depending on the facts and circumstances, is an arrangement under which the firm or a network firm licenses products or solutions to or from a client.
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(f) in section 520, after paragraph 520.6 A2, insert —

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<b>Providing, Selling, Reselling or Licensing Technology</b>	
520.7 A1	Where a firm or a network firm provides, sells, resells or licenses technology — <ul style="list-style-type: none"> <li>(a) To an audit client; or</li> <li>(b) To an entity that provides services using such technology to audit clients of the firm or network firm,</li> </ul> depending on the facts and circumstances, the requirements and application material in Section 600 apply.

”;

(g) in section 600, after paragraph 600.5, insert —

“

600.6	The requirements and application material in this section apply where a firm or a network firm — <ul style="list-style-type: none"> <li>(a) Uses technology to provide a non-assurance service to an audit client; or</li> <li>(b) Provides, sells, resells or licenses technology resulting in the provision of a non-assurance service by the firm or a network firm —               <ul style="list-style-type: none"> <li>(i) To an audit client; or</li> <li>(ii) To an entity that provides services using such technology to audit clients of the firm or network firm.</li> </ul> </li> </ul>
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”;

(h) in section 600, in subsection 601, after paragraph 601.5 A1, insert —

“

601.5 A2	Accounting and bookkeeping services can either be manual or automated. In determining whether an automated service is routine or mechanical, factors to be considered include the activities performed by, and the output of, the technology, and whether the technology provides an automated service that is based on or requires the expertise or judgment of the firm or network firm.
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”;

(i) in section 600, in subsection 606, before paragraph 606.2 A1, insert —

“

606.2 A1	<p>IT systems services comprise a broad range of services including —</p> <ul style="list-style-type: none"> <li>(a) Designing or developing hardware or software IT systems;</li> <li>(b) Implementing IT systems, including installation, configuration, interfacing, or customisation;</li> <li>(c) Operating, maintaining, monitoring, updating or upgrading IT systems; and</li> <li>(d) Collecting or storing data or managing (directly or indirectly) the hosting of data.</li> </ul>
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”;

(j) in section 600, in subsection 606, after paragraph R606.3, insert —

“

606.3 A1	<p>Examples of IT systems services that result in the assumption of a management responsibility include where a firm or a network firm —</p> <ul style="list-style-type: none"> <li>(a) Stores data or manages (directly or indirectly) the hosting of data on behalf of the audit client. Such services include —</li> </ul>
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	<ul style="list-style-type: none"> <li>(i) Acting as the only access to a financial or non-financial information system of the audit client;</li> <li>(ii) Taking custody of or storing the audit client’s data or records such that the audit client’s data or records are otherwise incomplete; and</li> <li>(iii) Providing electronic security or back-up services, such as business continuity or a disaster recovery function, for the audit client’s data or records; and</li> </ul> <p>(b) Operates, maintains, or monitors the audit client’s IT systems, network or website.</p>
606.3 A2	<p>The collection, receipt, transmission and retention of data provided by an audit client in the course of an audit or to enable the provision of a permissible service to that client does not result in an assumption of management responsibility.</p>

(k) in section 600, in subsection 606, delete paragraph 606.4 A2;

(l) in section 600, in subsection 606, after paragraph 606.4 A3, insert —

“

606.4 A3	<p>Examples of IT systems services that create a self-review threat when they form part of or affect an audit client’s accounting records or system of internal control over financial reporting include —</p> <ul style="list-style-type: none"> <li>(a) Designing, developing, implementing, operating, maintaining, monitoring, updating or upgrading IT systems, including those related to cybersecurity;</li> </ul>
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	<p>(b) Supporting an audit client’s IT systems, including network and software applications; and</p> <p>(c) Implementing accounting or financial information reporting software, whether or not it was developed by the firm or a network firm.</p>
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”; and

(m) in section 600, in subsection 606, delete paragraph 606.6 A1.

(9) In the principal Order, in the Fourth Schedule, in the table, in Part 4A, in the first column —

(a) in section 400, renumber the existing paragraphs 400.14, 400.15, R400.16, R400.17, R400.18, 400.18 A1, 400.18 A2, 400.18 A3, 400.18 A4, R400.19 and R400.20 as paragraphs 400.16, 400.17, R400.18, R400.19, R400.20, 400.20 A1, 400.20 A2, 400.20 A3, 400.20 A4, R400.21 and R400.27, respectively;

(b) in section 600, renumber the existing paragraphs 600.6 A1, 600.7 A1, R600.8, 600.9 A1, 600.9 A2, 600.9 A3, 600.10 A1, 600.10 A2, 600.11 A1, R600.12, 600.12 A1, 600.13 A1, R600.14, 600.15 A1, 600.15 A2, R600.16, R600.17, 600.17 A1, 600.18 A1, 600.18 A2, 600.18 A3, 600.18 A4, 600.19 A1, 600.20 A1, 600.20 A2, R600.21, 600.21 A1, R600.22, R600.23, R600.24, R600.25, 600.25 A1, R600.26 and 600.27 A1 as paragraphs 600.7 A1, 600.8 A1, R600.9, 600.10 A1, 600.10 A2, 600.10 A3, 600.11 A1, 600.11 A2, 600.12 A1, R600.13, 600.13 A1, 600.14 A1, R600.15, 600.16 A1, 600.16 A2, **R600.17**, **R600.18**, 600.18 A1, 600.19 A1, 600.19 A2, 600.19 A3, 600.19 A4, 600.20 A1, 600.21 A1, 600.21 A2, R600.22, 600.22 A1, R600.23, R600.24, R600.25, R600.26, 600.26 A1, R600.27 and 600.28 A1, respectively;

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- (c) in section 600, in subsection 601, renumber the existing paragraphs 601.5 A2 and 601.5 A3 as paragraphs 601.5 A3 and 601.5 A4, respectively; and
- (d) in section 600, in subsection 606, renumber the existing paragraphs 606.2 A1 and 606.4 A3 as paragraphs 606.2 A2 and 606.4 A2, respectively.
- (10) In the principal Order, in the Fourth Schedule, in the table, in Part 4B, in the second column —
- (a) in section 900, in paragraph 900.1(e), after “entity’s”, insert “non-financial information, for example, environmental, social and governance disclosures, including”;
- (b) in section 920, in paragraph 920.3 A2(b), delete “and” at the end;
- (c) in section 920, in paragraph 920.3 A2, replace sub-paragraph (c) with —
- “(c) Arrangements under which the firm sells, resells, distributes or markets the client’s products or services, or the client sells, resells, distributes or markets the firm’s products or services; and
  - (d) Arrangements under which a firm develops jointly with the client, products or solutions which one or both parties sell or license to third parties.”;
- (d) in section 920, in paragraph 920.5 A1, after “services”, insert “, including the licensing of technology”;
- (e) in section 950, in paragraph 950.7 A2, replace sub-paragraphs (c) to (h) with —
- “(c) The client’s dependency on the service, including the frequency with which the service will be provided;
  - (d) The legal and regulatory environment in which the service is provided;
  - (e) Whether the client is a public interest entity;
  - (f) The level of expertise of the client’s management and employees with respect to the type of service provided;

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- (g) 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 effect on the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement; and
    - (ii) The extent to which the assurance client determines significant matters of judgment (Ref: Paras. R900.13 to R900.14);
  - (h) The degree of reliance that will be placed on the outcome of the service as part of the assurance engagement; and
    - (i) The fee relating to the provision of the non-assurance service.”;
- (f) in section 950, in paragraph 950.10 A1(a), delete “and” at the end;
- (g) in section 950, in paragraph 950.10 A1(b), replace the full-stop at the end with a semi-colon;
- (h) in section 950, in paragraph 950.10 A1, after sub-paragraph (b), insert —
- “(c) Designing, developing, implementing, operating, maintaining, monitoring, updating or upgrading IT systems or IT controls and subsequently undertaking an assurance engagement on a statement or report prepared about the IT systems or IT controls; and
  - (d) Designing, developing, implementing, operating, maintaining, monitoring, updating or upgrading IT systems and subsequently issuing an assurance report on subject matter information, such as elements of non-financial information, that is prepared from information generated by such IT systems.”; and
- (i) in section 950, in paragraph 950.11 A2, replace “paragraph 950.11 A1 (b)” with “paragraph 950.12 A1(b)”.

(11) In the principal Order, in the Fourth Schedule, in the table, in Part 4B —

(a) in section 900, after paragraph 900.13 A3, insert —

900.13 A4	<p>Examples of IT systems services that result in the assumption of a management responsibility in relation to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement, include where a firm —</p> <p>(a) Stores data or manages (directly or indirectly) the hosting of data related to the underlying subject matter or subject matter information. Such services include —</p> <p>(i) Acting as the only access to the data or records related to the underlying subject matter or subject matter information;</p> <p>(ii) Taking custody of or storing the data or records related to the underlying subject matter or subject matter information such that the assurance client’s data or records are otherwise incomplete; and</p> <p>(iii) Providing electronic security or back-up services, such as business continuity or a disaster recovery function, for the assurance client’s data or records related to the underlying subject matter or subject matter information; and</p>
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	(b) Operates, maintains, or monitors an assurance client’s IT systems, network or website related to the underlying subject matter or subject matter information.
900.13 A5	The collection, receipt, transmission and retention of data provided by an assurance client in the course of an assurance engagement or to enable the provision of a permissible non-assurance service to the assurance client does not result in an assumption of management responsibility.

(b) in section 900, after paragraph R900.14, insert —

“

900.14 A1	When technology is used in performing a professional activity for an assurance client, the requirements in paragraphs R900.13 and R900.14 apply regardless of the nature or extent of such use of the technology.
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”;

(c) in section 900, after paragraph R900.16, before the sub-heading “**Period During which Independence is Required**”, replace “**Paragraphs 900.17**” with “**Paragraphs 900.18**”;

(d) in section 920, after paragraph 920.3 A2, insert —

“

920.3 A3	An example that might create a close business relationship, depending on the facts and circumstances, is an arrangement under which the firm licenses products or solutions to or from the assurance client.
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”;

(e) in section 920, after paragraph 920.5 A2, insert —

“

<b>Providing, Selling, Reselling or Licensing Technology</b>	
920.6 A1	<p>Where a firm provides, sells, resells or licenses technology —</p> <p>(a) To an assurance client; or</p> <p>(b) To an entity that provides services using such technology to assurance clients of the firm,</p> <p>depending on the facts and circumstances, the requirements and application material in Section 950 apply.</p>

”; and

(f) in section 950, after paragraph 950.4, insert —

“

950.5	<p>The requirements and application material in this section apply where a firm —</p> <p>(a) Uses technology to provide a non-assurance service to an assurance client; or</p> <p>(b) Provides, sells, resells or licenses technology resulting in the provision of a non-assurance service by the firm —</p> <p style="padding-left: 40px;">(i) To an assurance client; or</p> <p style="padding-left: 40px;">(ii) To an entity that provides services using such technology to assurance clients of the firm.</p>
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”.

(12) In the principal Order, in the Fourth Schedule, in the table, in Part 4B, in the first column —

- (a) in section 900, renumber the existing paragraphs 900.13 A4, 900.14 A1, R900.15, 900.15 A1 and R900.16 as paragraphs 900.13 A6, 900.15 A1, R900.16, 900.16 A1 and R900.17, respectively; and

- (b) in section 950, renumber the existing paragraphs 950.5 A1, R950.6, 950.7 A1, 950.7 A2, 950.8 A1, 950.9 A1, 950.10 A1, 950.11 A1, 950.11 A2, 950.12 A1, 950.12 A2, 950.12 A3 and 950.12 A4 as paragraphs 950.6 A1, R950.7, 950.8 A1, 950.8 A2, 950.9 A1, 950.10 A1, 950.11 A1, 950.12 A1, 950.12 A2, 950.13 A1, 950.13 A2, 950.13 A3 and 950.13 A4, respectively.

(13) In the principal Order, in the Fourth Schedule, in the table, in the **GLOSSARY**, in the second column —

- (a) replace the definition of “Audit client” with —

“An entity in respect of which a firm conducts an audit engagement. When the client is a publicly traded entity, in accordance with paragraphs R400.22 and R400.23, audit client will always include its related entities. When the audit client is not a publicly traded entity, audit client includes those related entities over which the client has direct or indirect control. (See also paragraph R400.27.)

In Part 4A, the term “audit client” applies equally to “review client.”;

- (b) in the definition of “Financial Institution”, replace paragraphs (x) and (y) with —

“(x) a licensed trust company as defined in section 2 of the Trust Companies Act 2005.”;

- (c) in the definition of “Fundamental principles”, replace “*R114.1*” with “*R114.1 to R114.3*”; and

- (d) in the definition of “Reasonable and informed third party test”, replace “*paragraph 120.5 A6*” with “*paragraph 120.5 A9*”.

(14) In the principal Order, in the Fourth Schedule, in the table, in the **GLOSSARY**, in the second column, in the definition of “Public interest entity”, replace “*paragraph 400.8*” with “*paragraph 400.13*”.

(15) In the principal Order, in the Fourth Schedule, in the table, in the **GLOSSARY** —

(a) after the definition of “Conceptual framework”, insert —

“ Confidential information	Any information, data or other material in whatever form or medium (including written, electronic, visual or oral) that is not publicly available.	”;
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(b) delete the definition of “Listed entity”; and

(c) replace the definitions of “Public interest entity” and “*Note:* Additional SG definition of “Public interest entity” ” with —

“ Public interest entity	<p>“For the purposes of Part 4A, an entity is a public interest entity when it falls within any of the following categories:</p> <p>(a) A publicly traded entity;</p> <p>(b) An entity one of whose main functions is to take deposits from the public;</p> <p>(c) An entity one of whose main functions is to provide insurance to the public; or</p> <p>(d) An entity specified as such by law, regulation or professional standards to meet the purpose described in paragraph 400.15.</p> <p>The Code provides for the categories to be more explicitly defined or added to as described in paragraphs 400.23 A1 and 400.23 A2.</p>	”
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<p>SG definition of “Public interest entity”</p>	<p>(1) For the purposes of the definition of “Public interest entity” —</p> <p>(a) a publicly traded entity mentioned in paragraph (a) of that definition is any listed entity, whether incorporated in Singapore or elsewhere, where the entity’s debt or equity instruments are traded through a publicly accessible market mechanism in a securities exchange located in any jurisdiction;</p> <p>(b) an entity mentioned in paragraph (b) or (c) of that definition is a financial institution; and</p> <p>(c) an entity mentioned in paragraph (d) of that definition includes the following:</p> <p>(i) any entity that is in the process of issuing its debt or equity instruments for trading on a securities exchange in Singapore;</p> <p>(ii) any financial institution.</p> <p>(2) The audit of the financial statements of the following entities shall be conducted in compliance with the same independence requirements that apply to the audit of the financial statements of a public interest entity:</p> <p>(a) large charities, including large institutions of a public character;</p>
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	<p>(b) listed business trusts, whether established, constituted or registered in Singapore or elsewhere, where the units in the listed business trust are traded in a securities exchange located in any jurisdiction;</p> <p>(c) listed real estate investment trusts, whether constituted or registered in Singapore or elsewhere, where the units in the listed real estate investment trust are traded in a securities exchange located in any jurisdiction.</p> <p>(3) For the purposes of the Code, unless the context otherwise requires —</p> <p>(a) a reference to shares or shareholders of an audit client that is a listed business trust is a reference to units or unitholders of the listed business trust;</p> <p>(b) a reference to a director, officer or employee of an audit client that is a listed business trust is a reference to a director, officer or employee of the trustee-manager of the listed business trust;</p> <p>(c) a reference to an action taken by an audit client that is a listed business trust is a reference to an action taken by —</p> <p>(i) the trustee-manager of the listed business trust (in its capacity as such trustee-manager); or</p>
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	<p>(ii) any agent appointed by the trustee-manager under section 8(2) of the Business Trusts Act 2004; and</p> <p>(d) a reference to any assets of an audit client that is a listed business trust is a reference to assets held by the trustee-manager of the listed business trust (in its capacity as such trustee-manager).</p> <p>(4) For the purposes of the Code, unless the context otherwise requires —</p> <p>(a) a reference to shares or shareholders of an audit client that is a listed real estate investment trust is a reference to units or unitholders of the listed real estate investment trust;</p> <p>(b) a reference to a director, officer or employee of an audit client that is a listed real estate investment trust is a reference to a director, officer or employee of the manager of the listed real estate investment trust;</p> <p>(c) a reference to an action taken by an audit client that is a listed real estate investment trust is a reference to an action taken by —</p> <p>(i) the trustee of the listed real estate investment trust (in its capacity as such trustee); or</p>
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	<p>(ii) the manager of the listed real estate investment trust (in its capacity as such manager); and</p> <p>(d) a reference to assets of an audit client that is a listed real estate investment trust is a reference to assets held by the trustee of the listed real estate investment trust (in its capacity as such trustee).</p>
Publicly traded entity	<p>An entity that issues financial instruments that are transferrable and traded through a publicly accessible market mechanism, including through listing on a stock exchange.</p> <p>A listed entity as defined by relevant securities law or regulation is an example of a publicly traded entity.</p>

[G.N. No. S 741/2023]

Made on 10 December 2024.

TAN PUAY BOON  
*Chairperson,  
Public Accountants Oversight  
Committee,  
Singapore.*

[ACR.A.LS.01.09.0001; AG/LEGIS/SL/2/2020/4]