

Social Entrepreneurship:
ESG For Charities (Part 2) **22**

Responsible AI Has Become
Critical for Business **40**

Pro Forma Financial Information
Preparation **52**



Sustaining Career Resilience

Accounting And Finance Talent Trends



From Me
To You

28

Show the world you make a difference

FROM THE
ISCA COUNCIL

STRENGTHENING RESILIENCE



Darren Tan
FCA (Singapore)
ISCA Council Member

Dear members,

LIKE MANY OF YOU, I spent a “romantic” time listening to the Budget Statement delivered by Deputy Prime Minister and Finance Minister Lawrence Wong on February 14. However, the resilience needed in “moving forward in a new era” in order to secure a brighter future for Singapore and its people is far from romantic.

While Singapore’s economy is expected to be relatively strong in spite of a global economic downturn, organisations and workers alike must continue to bolster their resilience in an increasingly VUCA world, be it through innovation or digitalisation, or continuous skills upgrading and reskilling.

So in the cover story, “Sustaining Career Resilience”, we take a closer look at how accountancy and finance professionals can strengthen their relevance and adaptability by equipping themselves with in-demand skills to take on emerging job roles.

We are always busy and feeling that “time not enough”. And I believe this sentiment would be more acute among our female compatriots, comprising 63% of our membership base. For women facing multiple demands at work and outside work, finding the right balance is essential.

To mark International Women’s Day, our Member Profile column focuses on three female members, and how they consciously set aside “me time” to relax and recharge, so they can continue to perform the many tasks that are important to them.

Resilience is crucial for us; so what’s your strategy to improve your resilience?

ABOUT DARREN TAN

Darren Tan has been the Chairman of ISCA’s Investment Committee as well as member of the CFO Committee since his election as Council member in 2017.

Mr Tan is currently the Chief Investment Officer of Raffles Medical Group. He is an Advisory Board member at Singapore Management University, School of Accountancy, and also a director of Inland Revenue Authority of Singapore and Tax Academy of Singapore.

As the former Chief Financial Officer (CFO) of OCBC Bank, Mr Tan oversaw financial, regulatory and management accounting, tax, treasury financial control, corporate treasury, funding and capital management, corporate planning and development and investor relations. He retired from OCBC in December 2022.

Prior to joining OCBC, Mr Tan worked for 13 years in the Government of Singapore Investment Corporation (GIC), with his last position in GIC as Head of Money Markets.

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charteredaccountantsworldwide.com/network-member



Teo Ser Luck
FCA (Singapore)
ISCA President

THOUGHTS

When I read that the median starting salary of fresh graduates across all sectors is \$4,200, I zoomed in on the details. According to the Graduate Employment Survey (GES), business graduates earn \$4,100 while those with an accountancy major bring home below \$4,000 – one of the lowest-paid groups. Although accountancy graduates are employed across all sectors, most start off as audit assistants in accounting entities.

Looking at the GES findings and connecting the dots to a previous survey which showed that accountancy ranks among the least favourite courses, it is clear that the accountancy profession is at the crossroads. Though the starting pay can't be the only reason for the lack of interest in the profession, remuneration is one of the main considerations. While there is no doubt that an assured career path is also high on the priority list, the audit sector becomes less attractive when compared with other exciting job opportunities in the tech, entrepreneurship, corporate and finance sectors, which could offer accelerated progression and broader experience.

But, we've only touched on two challenges facing the profession. The reality is, there are more.

The Ministry of Finance has set up an Accountancy Workforce Review Committee to look into these issues. We look forward to more effective measures which can bring about a positive outcome.

Meanwhile, we need to take care of our profession and do our part to initiate discussions with the key industry players to see what can be done. The interest of the employers should also be considered as it cannot be a zero-sum game.

ISCA would help facilitate these discussions. We hope to provide input and recommendations to help the Taskforce address these pressing issues.

We have to move with a sense of urgency.

MARCH 2023

CONTENTS

FOCUS

16

SUSTAINING CAREER RESILIENCE

Singapore's job market scene may be facing various headwinds this year but the prospects for accounting and finance professionals are good. To remain relevant, accountancy and finance professionals will need to upskill in order to take on new and emerging job roles in the evolving business environment.

22

SOCIAL ENTREPRENEURSHIP: ESG FOR CHARITIES (PART 2)

Part 1 of this article explains the 3Ws (why, what, who) of ESG for Charities. This Part 2 continues the discussion with the "how" by providing an ESG solution for charities, so that when doing good, charities are also doing it right.

28

MEMBER PROFILE FROM ME TO YOU

Women juggle multiple responsibilities at work and outside work. In a salute to women on International Women's Day, we feature three women members. They share their strategies to achieve a balance in life, so that they are recharged and ready to fulfil their many roles.

IN TUNE

4

GEOPOLITICAL INSTABILITY RAISES THREAT OF "CATASTROPHIC CYBERATTACK"

6

SGX REGCO CAPS INDEPENDENT DIRECTORS' TENURE, ENHANCES REMUNERATION DISCLOSURES

8

ISCA BREAKFAST TALK: WHAT LIES AHEAD FOR FINANCE & ACCOUNTING FUNCTIONS AND PROFESSIONALS

9

ISCA BREAKFAST TALK: THRIVING IN UNCERTAINTY: FUTURE-PROOFING THE FINANCE FUNCTION

12

ISCA CARES BURSARY AWARDS CEREMONY

VIEWPOINT

36

THE WOKE SALARYMAN FIVE INVESTING MISTAKES BEGINNERS SHOULD AVOID

When it comes to investing, there are some "rules" that need to be observed. Take a look at the five perennial mistakes that investors should avoid, and the questions that investors could ask themselves, before parting with their money.

40

RESPONSIBLE AI HAS BECOME CRITICAL FOR BUSINESS

The term "responsible AI" speaks to the bottomline reality of business, and investors have an obligation to ensure the companies they invest in are honest and accountable. Here are three key reasons why investors need to embrace and prioritise the ethical deployment of AI.

TECHNICAL EXCELLENCE

46

TECHNICAL HIGHLIGHTS

48

THE BARE SIDE OF TRANSFER PRICING

Indicative margins are generally applicable for loans under a certain value. What can be done if a related party loan exceeds the threshold? This and other TP issues were discussed at a recent event by the Singapore Chartered Tax Professionals.

52

PRO FORMA FINANCIAL INFORMATION PREPARATION

Companies looking to list on the Singapore Exchange (issuers) must include pro forma financial statements in the prospectus if certain rules apply under the 5th Schedule of the Securities and Futures Act (Cap. 289) and Singapore Exchange Listing Rules. Here are the important considerations.



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Geopolitical Instability Raises Threat of “Catastrophic Cyberattack”



KEY FINDINGS FROM “GLOBAL CYBERSECURITY OUTLOOK 2023” REPORT

- Cybersecurity is increasingly influencing how and where businesses invest, with half the respondents re-evaluating the countries they do business in.
- 93% of cybersecurity experts and 86% of business leaders believe global geopolitical instability is likely to lead to a catastrophic cyberattack in the next two years.
- Lack of skilled cyber experts is a threat to businesses and societies, with key sectors such as energy utilities reporting a 25% gap in critical skills.
- Despite challenges, organisations are improving cyber resilience.



¹ <https://www.weforum.org/reports/global-cybersecurity-outlook-2023>
² With reference to WEF’s “Global Cybersecurity Outlook 2023” report

GEOPOLITICAL INSTABILITY IS EXACERBATING THE RISK OF CATASTROPHIC CYBERATTACKS, according to the “Global Cybersecurity Outlook 2023” report¹ launched in January at the World Economic Forum (WEF) Annual Meeting 2023 in Davos. Over 93% of cybersecurity experts and 86% of business leaders believe “a far-reaching, catastrophic cyber event is likely in the next two years”, and there is a critical skills gap that is threatening societies and key infrastructure.

The findings were based on surveys, workshops and interviews with over 300 experts and C-suite executives. Half of the companies surveyed said the current landscape is making them re-evaluate the countries in which their organisations do business. Despite challenges, organisations are improving cyber resilience, one of the key priorities of the WEF’s Centre for Cybersecurity. The report, written in collaboration with Accenture, says that awareness and preparation will help organisations balance the value of new technology against the cyber risk that comes with it.

The report highlights the need to address the shortage of talent and skilled experts. Some 34% of cybersecurity experts said they lack some skills in their team, with 14% saying they lack critical skills. The problem is more pronounced in key sectors such as energy utilities, where nearly 25% of cybersecurity experts said they lack the necessary critical skills to protect their organisations’ operations. Expanding the cybersecurity talent pool, as well as having greater cross-industry and public-private collaborations would go some way to overcome the challenge.

Geopolitics is reshaping the legal, regulatory and technological environment. “As global instability increases cyber risk, this report calls for a renewed focus on cooperation. All stakeholders from public and private sectors who are responsible for our common digital infrastructure must work together to build security, resilience and trust,” said Jeremy Jurgens, Managing Director, WEF.

“When we work together to encourage best practices, we see greater progress in the fight against cyber crime. Shared data and trusted global partnerships can enable more effective responses and better predict future attack strategies to deter adversary efforts,” said Paolo Dal Cin, Global Lead, Accenture Security.

PHOTOS SHUTTERSTOCK



which to invest and do business.

For companies, the speed at which new technologies are implemented means that real and lasting cyber resilience comes from embedding cybersecurity into their culture and decision-making processes. To this end, as organisations accelerate their digital transformation journeys, there is urgency for decision-makers to invest in their cybersecurity architectures.

ZERO-TRUST SECURITY ARCHITECTURE

Commenting on the WEF report, GlobalData proposed that the adoption of zero-trust security architectures is the way to go and, to this end, it predicts that 2023 will see an increase in the maturity levels of many organisations.

“A zero-trust approach to security should give organisations better long-term damage limitation, even in the face of a feared catastrophic cyberattack by 2025². This ensures all access to corporate applications is verified and authorised, strengthening defences against attack,” said David Bicknell, Principal Analyst of Thematic Intelligence, GlobalData.

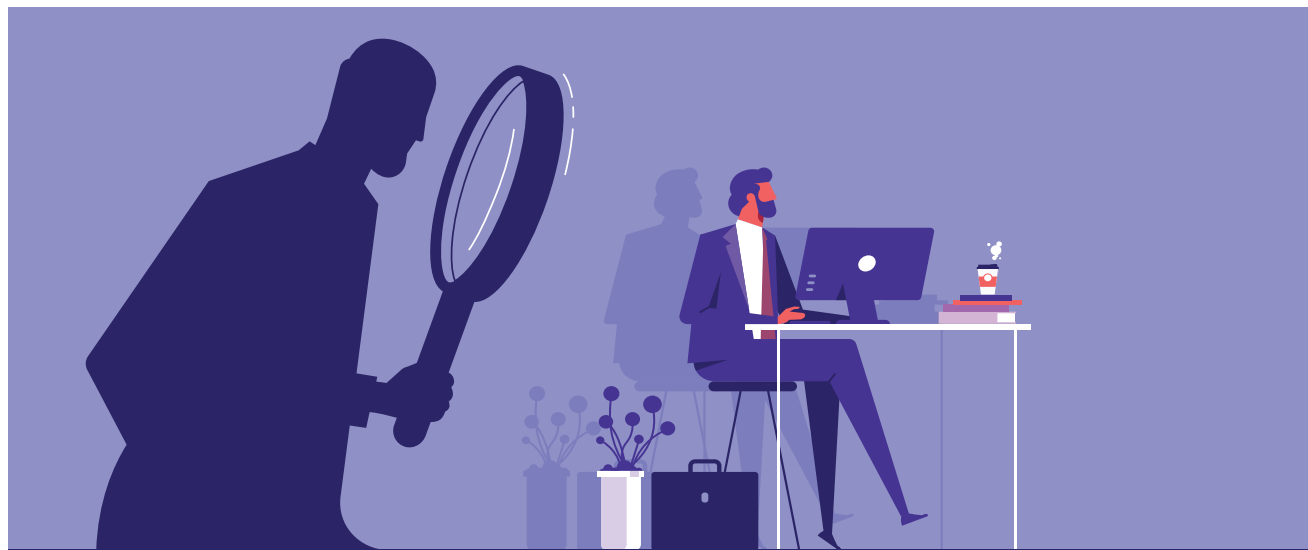
With a looming global recession, companies will be cutting back on costs. However, proactive cybersecurity should remain a strategic priority – preventative measures are critical for organisations to stay ahead of potential threats and it typically costs less to prevent a cybersecurity attack than to recover from one.

However, more security doesn’t always mean more secure, said GlobalData. Its discussions with security heads and chief information and security officers (CISOs) indicated that the practicality of decisions around cybersecurity and networks will be challenging for enterprises in the next two years. Also, the traditional cybersecurity vendor engagement model will change. “Vendors will need to engage and serve the IT and CISO functions within an organisation, to embed themselves and their capabilities in the client risk management decision process around corporate objectives and the role security plays in that chain,” said Rajesh Muru, Principal Analyst, Global Enterprise Cyber Security Lead, GlobalData. “Vendors will also need to align cybersecurity to business priorities, often working from the top down with different teams in a client organisation outside the IT function, in mapping out how a cybersecurity strategy will support business unit outcomes and business plans.”

A lingering, vexing challenge is how to price cybersecurity. “Board members are interested in risk, opportunities and investment in cost,” pointed out a survey respondent. So what is needed then, according to Nimesh Arora, Chief Executive Officer and Chairman, Palo Alto Networks, is a better response to questions such as: “What is the return?”; “How do I know this is a good investment across the myriad of things that I could potentially be invested in?”; “How can we improve at making effective metrics to help boards make better-informed decisions?”.

There is reason to be optimistic. Already, cybersecurity is influencing strategic business decisions, with 50% of respondents saying that cybersecurity was a consideration when they evaluated the countries in

SGX RegCo Caps Independent Directors' Tenure, Enhances Remuneration Disclosures



SINGAPORE EXCHANGE REGULATION (SGX REGCO) WILL LIMIT TO NINE YEARS the tenure of independent directors (IDs) serving on the boards of listed issuers. The proposal to limit the tenure of IDs, which stemmed from recommendations by the Corporate Governance Advisory Committee (CGAC), received broad market support during a public consultation process¹.

In the transitional phase, IDs whose tenure exceeds the nine-year limit can continue to be deemed independent until the issuer's annual general meeting (AGM) held for the financial year ending on or after 31 December 2023. This effectively gives affected issuers more than a year to search for new IDs.

SGX RegCo will remove, with immediate effect, the two-tier vote mechanism for companies to retain long-serving IDs who have served for more than nine years. Previously, long-serving IDs could continue to be deemed independent as long as their appointment was approved by all shareholders, and then by all shareholders excluding the directors and the CEO of the issuer, and associates of these directors and CEO. This mechanism was widely used by issuers to retain hundreds of long-serving IDs, inhibiting board renewal and progress on board diversity.

While concerns about competition, sensitivity and privacy were raised during the consultation, market participants largely supported the proposal for issuers to disclose the exact amount and breakdown of remuneration paid to directors and the CEO in their annual reports. This proposal also stemmed from recommendations by CGAC.

This new rule, which will take effect for annual reports prepared for the financial years ending on or after 31 December 2024, requires companies to disclose remuneration paid to individual directors and CEO by the issuer and its subsidiaries. SGX RegCo believes that the increased transparency will enable investors to assess whether the directors and CEO are appropriately incentivised. Information to be disclosed must include base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

The changes provide an opportunity for companies to inject new skills, experience and knowledge into their boards, which in turn promote good governance. Companies can actively think about their succession planning as well as diversity policy, including increasing the representation of women on their boards.

To facilitate their search process for new IDs, issuers can tap the resources and services of the Council for Board Diversity, Singapore Institute of Directors, and the relevant professional associations.

PHOTOS SHUTTERSTOCK



¹ <https://www.sgx.com/regulation/public-consultations/20221027-consultation-paper-board-renewal-and-remuneration>

Happy SMEs

Alan Lee, G20 Banana

"I'm glad that there is assistance available for small businesses like mine who want to achieve big goals."

Leveraging a global e-marketplace platform to grow his family's brick-and-mortar hawker business, Alan can now easily go global with his fried treats. He looks to **boost sales by 50% next year and scale up his business 5-fold within three years.**



Clara Goh, Moh Sim Wood Products

"With the guidance of our digital consultant, we now have the confidence that we are on the right path to simplifying work for our lean team."

Through automation and integration of their manual operations, data can be exchanged seamlessly between their online sales, inventory and service order systems. This helped Moh Sim **free up 30% of staff time** to focus on customer care and sustainability R&D.

Calvyn Ng, Ah Lock & Co

"Digitalisation has helped me reduce cost, supported staff training, and my staff are now much happier."

The digitalisation of accounting and HR processes allowed Ah Lock & Co to cut payroll **processing time from one day to half an hour. Staff retention has also improved** as they are less overwhelmed. They look to continue to build digital capabilities among their staff, both young and old.



Ray Rajagopal, Asia Excel

"Our focus is to digitalise all our processes locally first, stabilise and duplicate that success overseas – with the aim of not having to even open a physical overseas office."

With the adoption of an omni-channel solution, Asia Excel was able to **reduce order processing time across their e-commerce stores from three days to half an hour.** Since conquering the virtual world of e-commerce, they are now set on expanding overseas with virtual showrooms.

Scan & learn more



● isca breakfast talk

What Lies Ahead For Finance & Accounting Functions And Professionals

THE ISCA BREAKFAST TALK SESSION

on 21 December 2022 saw speakers from the Singapore Economic Development Board (EDB) share key highlights from the Jobs Transformation Map (JTM) for In-house Finance & Accounting (F&A) Functions¹ in Singapore, and details of complimentary online self-assessment tools developed for F&A corporate leaders and individual professionals that guide and support their transformation and upskilling journey.

Ms Celia Sia, Senior Vice President and Head, Hub Services and Connectivity, EDB, spoke about

how Singapore aims to be the trusted business hub for companies to site their headquarters and other business operations in the midst of global uncertainties. She explained the critical role F&A departments play within such companies, together with opportunities and threats F&A leaders and professionals should be cognisant of.

Given the importance of the F&A function and its contribution to good jobs in Singapore, EDB and the Singapore Accountancy Commission, in collaboration with Workforce Singapore and SkillsFuture Singapore, commissioned Deloitte to study the in-house F&A functions in Singapore. The study revealed four megatrends affecting F&A and their impact on jobs; identified eight new and emerging roles, and provided recommendations for corporates and individuals.

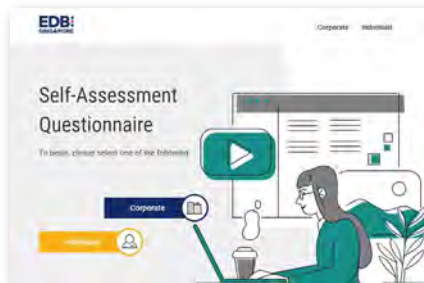
Leveraging the findings from the JTM study, two online self-assessment questionnaires (SAQ) were launched in January 2022. The Corporate SAQ measures F&A sophistication levels for companies across process areas in financial accounting, management accounting, and specialised finance. The Individual SAQ measures the sophistication levels of the skills and competencies F&A professionals apply at work within specific process areas. The SAQs take approximately 25 minutes to complete, after which a report card will be generated. The report card shares leading practices for F&A and recommendations to support F&A leaders in driving transformation for the function, and individuals in their career development.



¹ https://www.wsg.gov.sg/content/for-employer/jobs-transformation-maps/fa-study-external-report-vfinal_new-logo.pdf



<https://go.gov.sg/inhousefajtm>



<https://go.gov.sg/fasaaq>

F&A Functions



1. Invest in digital technology and actively seek out available solutions, balance resources and needs when choosing technology, and adopting an agile implementation approach

2. Redesign F&A job roles & develop talent as some standardised and repetitive tasks become automated. Ensure that training programmes and change management plans are in place to transition employees to new and redesigned job roles

3. Reimagine F&A operating models to include new and emerging capabilities, such as building up Centres of Excellence for high-growth F&A areas, including management accounting and specialised finance, and emerging capabilities such as data analytics, internal controls and governance, and digital transformation

F&A Professionals



1. Progress up existing job functions by deepening technical expertise, and broadening skill sets in data analysis and technology

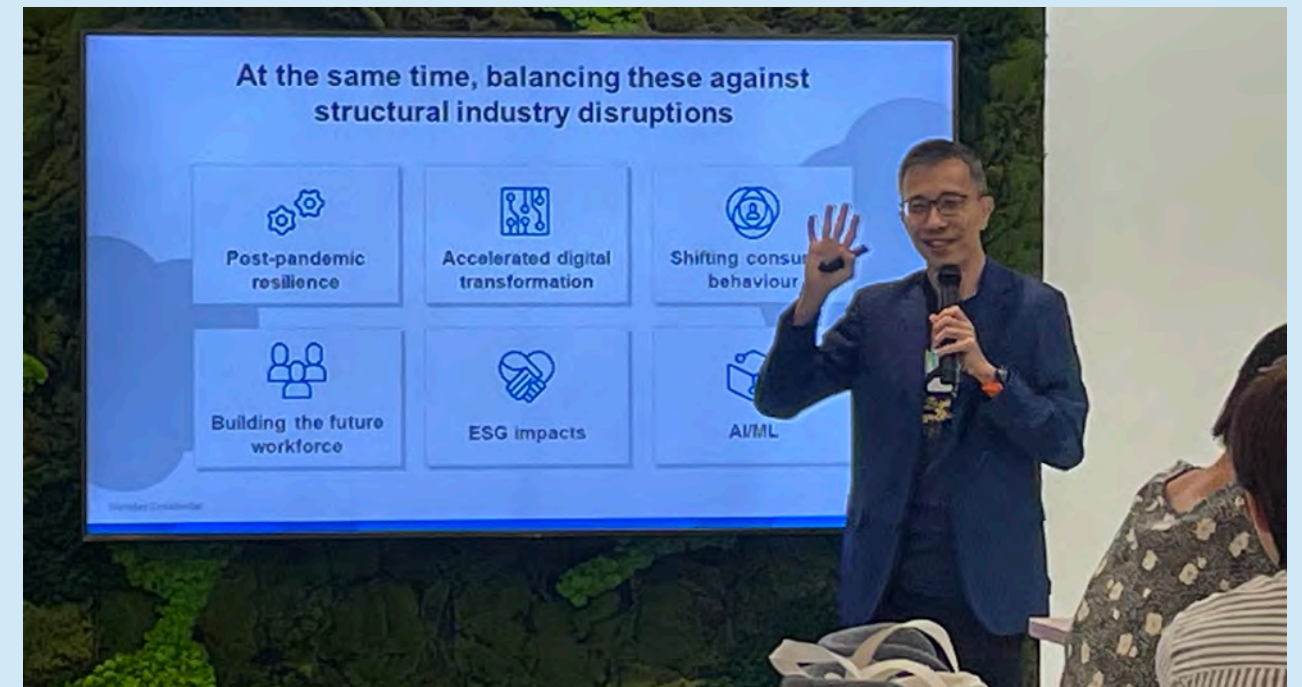
2. Transition to adjacent F&A job roles by leveraging the skills overlap between existing role and adjacent roles, and acquiring skills in new areas

3. Explore new and emerging roles that surface as F&A functions evolve, and seize those opportunities by up/reskilling in those new areas, and developing deeper business acumen



● isca breakfast talk

Thriving In Uncertainty: Future-Proofing The Finance Function



▲ Mr Tan Lee Thong, CFO Practice Lead, Asia at Workday pointed out the unique opportunities that can benefit finance professionals amid the uncertain climate

WITH RISING INFLATION AND INTEREST RATES, a tight labour market and recessionary fears, the start of 2023 is turning out to be gloomier than anyone's expectations about a COVID-recovery economy. How should companies navigate through these economic headwinds?

Faced with so much volatility on multiple fronts, a natural impulse is to cut costs across the board by postponing new projects, reducing discretionary expenditures, or even cutting back on digital transformation efforts. However, developments in today's volatile business climate offer unique opportunities that can benefit finance practitioners and their organisations, said Mr Tan Lee Thong, CFO Practice Lead, Asia at Workday.

At the ISCA Breakfast Talk session on January 10, Mr Tan shared examples of the defensive and offensive tactics companies can adopt to weather downturns and seize opportunities to take action and plan for growth. He highlighted the need to leverage the right digital technology to provide agility and data-driven insights, using



▲ ISCA CEO Ms Fann Kor joined Mr Tan for the fireside chat

customer examples such as Nasdaq¹, Netflix² and Shake Shack³ who are partnering Workday to accelerate their finance transformation.

In the Q&A segment of the fireside chat with ISCA CEO Ms Fann Kor, Mr Tan encouraged finance professionals to adopt a positive mindset to navigate the volatile environment, embrace change, and invest time for reskilling and upskilling.



¹ <https://blog.workday.com/en-us/2021/finance-leaders-discuss-why-esg-imperative-business-growth.html>
² <https://www.workday.com/en-sg/customer-stories.html?q=netflix#0>
³ <https://www.workday.com/en-sg/customer-stories/q-z/shake-shack-turns-fast-food-into-fast-business-growth.html>

CORPORATE MEMBERSHIP

Top 6 Reasons To Be An ISCA Corporate Member

Launch Price: \$650
(Usual Price: \$900)
Valid now until 31 March 2023

[Click Here](#)

1

Access to the ISCA members' lounge via your Corporate Membership Administrator

2

\$500 credits for booking ISCA training and meeting rooms

3

Complimentary 20 hours of curated e-learning

4

Access to pool of qualified accountants or CAs for Board, Audit Committee and Treasurer appointments

5

Enjoy member rates when staff enrol for ISCA's courses (including the new ISCAccountify), conferences and events

6

Grow your network & strengthen relationships with fellow corporate member and industry leaders

ISCA Corporate Membership – FAQs

What're the benefits of being a Corporate Member?

- Access to the ISCA members' lounge (Account Representative)
- \$500 credits for booking ISCA facilities
- Member rates for all staff enrol for ISCA's courses, conferences, events and ISCAccountify
- Grow your network through exclusive events for Corporate Members

If I'm already an ISCA member, what more can I get from being a Corporate Member?

- Let all your staff, including those who are not ISCA members, enjoy member rates for courses and events.
- Get help in sourcing for CAs to fill finance roles.
- Get help in sourcing for senior CAs for Board or AC appointments.

What are the facilities available and how to book?

Facilities include meeting rooms (including for coffee and/or dining), training rooms (suitable for hybrid events) and work spaces. Members can log into ISCA Portal to book or contact corporate@isca.org.sg.

Do Corporate Members enjoy preferential rates for ISCAccountify?

Yes, all staff of ISCA Corporate Members can subscribe to ISCAccountify at members rate.

How much is corporate membership?

Launch price of \$650 until 31 Mar 2023 (usual price \$900)

Who can access members' lounge?

ISCA members and Corporate Members (via Account Representative). Members may bring guests but they need to register upon entry.

What's the catering arrangements for dining room?

Members can bring in their own caterers. ISCA is currently working to bring in F&B vendors to be our partners in our catering requirements. Once this is available, it will be updated in the booking website. However, ISCA will impose a service fee to provide this service.

Can ISCA provide logistics support?

Yes, ISCA will provide essential support such as room set-up and AV equipment. Events support can also be provided at separate charges.



Contact us at corporate@isca.org.sg

Scan to learn more!

ISCA Cares Bursary Awards Ceremony



Attendees at the seventh annual ISCA Cares Bursary Awards Ceremony

MORE THAN \$110,000 WERE AWARDED TO 30 BURSARY RECIPIENTS (known as ISCA Cares Ambassadors) at the seventh annual ISCA Cares Bursary Awards Ceremony held on 8 December 2022.

ISCA Cares, the Institute's charity arm, is a collective effort of the accountancy profession to give back to society. The ISCA Cares Bursary goes towards subsidising tuition fees and basic living expenses of beneficiaries. It is part of the ISCA Cares Education Programme, which aims to provide needy youths with access to quality accountancy education at the local polytechnics and universities.

The awards ceremony, which was live-streamed on Facebook from the community space of CLA Global TS, was attended by close to 50 in-person guests including donors, representatives from government agencies and institutes of higher learning, ISCA Council members and ISCA Cares Board members. Assurance Leader and Director of CLA Global TS Mr Loh Ji Kin expressed his company's

pleasure in hosting the ceremony and supporting our next-generation accountants through this meaningful initiative.

ISCA Cares Chairman Mr Max Loh thanked donors and supporters for their spirit of selfless giving and their unwavering support throughout the economic ups and downs. He announced that moving in tandem with changes in household income and inflation, ISCA Cares would be raising the criteria for the bursary application from the current income of \$690 per household to \$900 per household in 2023, reaffirming the charity's steadfast commitment in rendering the assistance needed for our ISCA Cares Ambassadors to achieve their fullest potential. Other exciting updates shared include expanded ways in which the Charity has collaborated with community partners to promote skills-based volunteerism among the profession, such as the recently held community event where underprivileged youths toured KPMG's new office and learned more about the accountancy profession.

Much to the delight of golf enthusiasts, Mr Loh also shared that the ISCA Cares Charity Golf would be back in full swing in March 2023.

ISCA Cares Ambassadors embody the spirit of resilience and strive to excel despite the circumstances they face. Apart from financial support, ISCA Cares also aims to equip our ambassadors with skill sets to prepare them for their careers through the ISCA Cares Mentoring Programme. For mentors such as Ms Maria Teo, Chairperson of the ISCA Young Professionals Advisory Committee (YPAC), the mentoring experience had been personally enriching and meaningful. Ms Teo shared some of the interesting career prospects for our aspiring accountants, such as those in the fields of forensics and litigation, and sustainability and climate change. She encouraged the students to sign up for career pathway talks organised by ISCA, to broaden their knowledge of the career opportunities available to them.

During a lively fireside chat, past and present ISCA Cares Ambassadors shared more about their life journey and how the bursary award has impacted their lives.

Mr Leslie Goh from the Singapore Institute of Technology (SIT), who received the bursary in 2021, said that while he was very thankful for the monetary portion

of the award, which helped him and his family tide over a financially difficult period, the biggest takeaway from the award was being mentored by an industry leader – ISCA Cares Chairman Mr Loh himself.

Recalling his mentoring experience, Leslie described his mentor as somebody who genuinely looked out for him; their conversations helped him identify his strengths and weaknesses, which contributed to his personal development. He is inspired to work hard so that he can one day become an industry leader himself. The career guidance provided by Mr Loh also proved invaluable during his current stint at KPMG's risk and governance consulting department, as part of his university's work-study programme.

Being the first generation of undergraduates in his family, Leslie is looking forward to graduating at the end of just one more semester. He urged current ISCA Cares Ambassadors to be proactive in reaching out to their mentors, and to seize the opportunity to gain useful career insights along the way.

Second-time recipient Ms Bevlyn Tan shared how receiving the bursary award in 2019, when she was still a student at Ngee Ann Polytechnic, had sustained her interest in accountancy and motivated her to strive hard in



At the fireside chat, former ISCA Cares Ambassador Mr Leslie Goh and current ISCA Cares Ambassador Ms Bevlyn Tan, SMU (first from right), shared how the bursary award has impacted their lives; facilitating the chat was Ms Cheryl Quek of ISCA Cares



ISCA Cares Chairman Mr Max Loh presenting the bursary award to Ms Navanitha d/o Satiyasilan, Nanyang Polytechnic

her studies and eventually graduate with good grades to enter the Singapore Management University (SMU). Coming from a single-income family, Bevlyn seeks to be self-sufficient by working part-time to cover her own daily expenses. With the support of the bursary, not only can she better focus on her undergraduate studies, she is able to participate actively in extracurricular activities to enhance her personal growth – just like any other student.

Due to her outstanding leadership qualities, she was elected President of the SMU Accountancy Society. She plays an active role in organising student activities, such as the university's freshman orientation camp, to enhance the student life of accountancy students in her school. Bevlyn hopes to utilise her time at SMU to develop herself holistically to become a well-rounded person and achieve her fullest potential.

First-time recipient Ms Navanitha d/o Satiyasilan is a third-year student from Nanyang Polytechnic. Her family has been relying on her mother's single income since her father passed away in 2014. As her mother has diabetes, the bursary would be a great help in alleviating

their current financial situation of living from pay cheque to pay cheque. While interning at Ernst & Young, Navanitha initially had to work part-time over the weekends to bring in extra income to help out with the medical bills and school fees. With the help of the bursary, she is now able to spend her weekends studying and expanding her audit knowledge.

Navanitha recognises the importance of education and puts her heart into learning, with hopes of furthering her studies in university and becoming a chartered accountant in future. Her biggest wish is to land a stable job after graduation and provide the best for her family, especially her mother, who has been working tirelessly for the family over the years.

We hope that these meaningful stories shared by our past and present ISCA Cares Ambassadors will encourage our youths to persevere during trying times, and never give up on their education and personal development.

Our ISCA Cares Ambassadors represent our next generation of accountants and have a bright future ahead of them. Join us in our continuous endeavour to support them during these challenging times. Donate generously at: <https://www.giving.sg/web/isca-cares> ISCA

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Case Study

RSM Singapore recently facilitated a Bilateral Advance Pricing Agreement ("BAPA") for a client, which involved extensive discussions between the tax authorities of Singapore and India. The pricing policy proposed by us was successfully accepted by both parties.

Learn more about APA and how it can help your business take a proactive approach to cross-border tax matters.



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Sustaining Career Resilience

Accounting And Finance Talent Trends

TAKE AWAYS



- Given a projected demand of 6,000 to 7,000 new accounting jobs by 2025, accounting and finance professionals who upskill themselves can look forward to taking on new and emerging job roles amid a rapidly changing business environment.
- In-demand skills for accountants include finance business partnering skills, data analytics, risk management and digital skills.
- More sustainability roles are emerging for the accountancy profession, such as Chief Finance and Sustainability Officer; accounting and finance professionals are in an advantageous position to take on such roles, as well as drive the sustainability agenda in their organisations.
- Digital skills are important, as are skills that technology cannot replicate, such as versatility and agility, critical thinking and analytical skills, and communication skills.

THE PAST FEW YEARS HAVE BEEN FULL OF UNEXPECTED EVENTS including the pandemic, geopolitical tensions and supply chain disruption. More recently, the world is entering a period of waning economic growth, regional recessions, and higher inflation across the globe.

Amid an uncertain and volatile global economic environment, the recent 12 months have continued to see a tight global labour market compared to before the COVID-19 pandemic. Notably, LinkedIn data show that hiring is levelling off after the historic highs over the past year¹. In the wake of the latest layoffs at the tech giants, impacts are also felt by employees, jobseekers, recruiters, and others.

In Singapore, the labour market saw robust growth in 2022 and labour demand remains strong. However, there are signs that the momentum of improvements in the labour market could slow in the quarters ahead. As a global city staying open and connected to the world, Singapore's 2023

economic growth is expected to decelerate amid a global slowdown, higher inflation and geopolitical risks, and these would weigh down on the labour market going forward².

Indeed, Singapore's job market scene could face various headwinds in 2023. Such challenges range from reduced employment opportunities due to global economic cyclical changes, uneven recovery trajectory from the pandemic across sectors, and structural changes driven by digital disruptions. Business leaders are expected to be more judicious in managing their businesses, which will likely contribute to a slowdown in hiring, moderation in pay rise and a shift in the balance of power between jobseekers and employers.

While the above may paint a not-so-rosy picture of the labour market going forward, accounting and finance professionals may have less to fear. According to the Jobs Transformation Maps (JTM) for Accounting Practices and In-house Finance & Accounting (F&A) Functions launched



¹ LinkedIn Economic Graph (6 Jan 2023). Labor markets are holding tight, despite fears of a global recession. <https://www.linkedin.com/pulse/labor-markets-holding-tight-despite-fears-global/>

² Ministry of Manpower (31 Jan 2023). Labour market advance release 2022. <https://www.mom.gov.sg/newsroom/press-releases/2023/0131-labour-market-advance-release-2022>

³ Singapore Accountancy Commission (SAC), Singapore Economic Development Board, supported by Workforce Singapore, SkillsFuture Singapore (5 Jan 2022). The jobs transformation maps (JTM) for accounting practices and in-house F&A functions. <https://www.sac.gov.sg/career-support/jobs-transformation-maps>

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in 2022³, there is a projected demand of 6,000 to 7,000 new accounting jobs by 2025. This will add to the current workforce of more than 100,000 employees, comprising about 80,000 employees in the in-house F&A functions and about 20,000 employees in accounting practices. However, finance professionals would have to upskill to remain relevant and be able to take on new and emerging job roles to meet the changing business environment.

SKILLS AS THE FUTURE CURRENCY OF WORK

With the ever-growing complexity of business models and advancement in technologies, it is becoming increasingly important to have qualified finance professionals armed with in-demand skills including finance business partnering skills, data analytics, risk management and digital skills.

Accounting and finance professionals are observing their function becoming associated with up-to-the-minute data reporting and perceptive

Accounting and finance professionals are observing their function becoming associated with up-to-the-minute data reporting and perceptive analysis with business intelligence.

analysis with business intelligence, to support their organisations with a degree of predictability amid market uncertainties.

Technology-driven automation will also help to discover higher productivity gains, giving time-strapped accounting and finance professionals the capacity to take on other roles, including roles driving sustainability – an emerging agenda that is growing in significance every day.

The 2022 study, “Sustainability: Jobs and Skills For The Accountancy Profession”, found that more sustainability roles are emerging for the accountancy profession, such as Chief Finance and Sustainability Officer, and accounting and finance professionals are in an advantageous position to take on such roles, as well as drive the sustainability agenda in their organisations⁴.

While undoubtedly, digital skills will provide finance professionals an edge in their career journey, our professionals should not forget the skills that technology cannot replicate, including:

● Versatility and agility

In uncertain times, developments can take place quickly, without necessarily following a pattern. The agility to adapt to continuous change is an important personal attribute for finance professionals to succeed in the future. Adaptability starts with sensing environmental signals of change and gathering sufficient data to respond, as well as changing the course of action when the situations require a fresh plan.

● Critical thinking and analytical skills

Big data already has an impact on the accountancy profession, and this trend is expected to continue. With the dizzying amounts of data being generated daily, accountants need to be able to quickly interpret and analyse this information to gain insights into their finances in real time, and help their organisations make informed decisions.



● Communication skills

Successful communication gives clarity to complex financial reporting standards and regulations by narrating the story behind the numbers. More importantly, communication skills help to deepen relations, overcome diversities, build trust and respect, and create situations for creative idea sharing and problem solving.

Businesses are looking for prospective employees who not only have an aptitude for in-demand skills but also maintain the curiosity to constantly upgrade them. For employees, in order to stay ahead in their career and also for career cushioning, they need to boost their skill sets and take proactive action, such as tapping into their networks and making sure their professional profiles are up to date.

Building a personal brand can help raise the visibility of a professional's reputation and career



⁴ ISCA, Ernst & Young Advisory, Singapore Management University (SMU), SAC (2022). Sustainability – Jobs and skills for the accountancy profession. <https://isca.org.sg/resource-library/sustainability/sustainability-jobs-and-skills>

STRATEGIC PERSONAL BRANDING

Building a personal brand goes a long way to take a professional's reputation and career from relative anonymity to high visibility.

There's a myriad of tools to enable an accounting and finance professional to escalate one's personal brand. Such tools include a website, blog, or professional connection platforms to elevate one's professional profile. For instance, LinkedIn is a platform for establishing and building one's professional identity and connections. The platform's capabilities may help an individual to educate and engage others, as well as nurture and grow professional relationships.

Besides such professional platforms, having one's articles or perspectives published, and speaking engagements can create an impactful reputation in the marketplace. An interesting resume also helps when seeking better career opportunities.

INJECTING STORYTELLING AND CREATIVITY INTO YOUR RESUME

While accounting is a profession known for its attention to detail and precision, resumes for this function can be injected with creativity. One way to do so is by adding storytelling elements to the resume. This would make the document more reader-friendly as compared to one with a long list of job descriptions.

Stories help to provide context and make it easier for employers to understand your experience in a particular role. Here are some ways to bring your work history and skills to life:

1) Provide context

It is useful to set the stage for your reader before diving into the detailed job roles and responsibilities. This can be done by introducing a background of the company, products and/or services, revenue size, number of locations/subsidiaries/entities, and any other interesting facts or figures.

Some hiring organisations may be looking for accounting professionals who have worked in specific environments like an early-stage start-up enterprise, a firm on a high-growth track, or a company in a turnaround situation. Contextual content such as supervisory and budgetary responsibilities can be included with specific details as well.



2) Explain the value of your work

An accounting team is more than a support function, and there are many ways to quantify and highlight the value of your work:

- Have you been involved in any cost-saving initiatives? What was the programme about, and what quantifiable savings (in percentage or absolute dollar value) were made?
- Were you involved in projects to increase productivity, efficiency or quality of operations? What were some specific programmes or activities, and the quantifiable results?
- Were you able to identify areas of over- or under-spending in a budgeting exercise? Did you recommend any corrective action, and what were the outcomes?
- Have you been able to reduce outstanding receivables or improve collections, and what were the measurable effects from the efforts?
- Were you involved in assessing potential risks associated with business decisions and determining ways to mitigate exposure while maximising revenue? What was the percentage or absolute dollar value involved?

- Did you have responsibility for internal auditing and annual audit reporting? Were there any major audit engagements you've worked on? Were there any notable audit findings or results to highlight?

Besides quantitative data, it is meaningful to include qualitative achievements too.

3) Modernise your technical skills

It is common for jobseekers to include proficiency in programmes like Microsoft Excel or QuickBooks for technical skills. With the rapid and evolving pace of technology innovation, jobseekers who are able to demonstrate next-gen skills and software proficiency will be able to stand above the rest.

With the growing amount of data available to businesses, accountants are increasingly being called upon to analyse and interpret data to support financial planning, modelling and data analysis. This has translated into a growing



Businesses are looking for prospective employees who not only have an aptitude for in-demand skills but also maintain the curiosity to constantly upgrade them.

demand for skills in artificial intelligence, data analytics and data visualisation using tools like Tableau, Power BI and other available solutions in the market.

Besides learning new programmes, you can also highlight and elaborate on your technical skills:

- Is your environment or programme automated? What systems and software are you proficient in?
- Were you involved in selecting or implementing new applications? What was your role and what outcomes did the new system result in?

4) Include people skills

This is an area many accountants tend to undersell themselves in, such as using keywords like "strong communication skills" without demonstrating how this is applied in their work situation.

- Who were your stakeholders? What were some deliverables achieved? Did you have to persuade them to follow new changes your company made?
- Did you have to negotiate contracts? What was the contract value and were you able to secure more favourable terms for the organisation?

The above examples make for distinctive storytelling and can be customised to one's specific experiences, setting one apart in a unique manner.



When explaining the value of your work, include both quantitative and qualitative achievements



⁵ <https://www.isca.org.sg/member-support/cgc>
⁶ <https://www.e2i.com.sg/accountancycareershub/>

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PARTNERING YOU ON YOUR CAREER JOURNEY

Depending on where you are along your career journey, you may be looking for opportunities for growth, facing a career roadblock, or need help with skills advancement. The ISCA Career Growth Centre and Accountancy Careers Hub were established to support the varying career needs of accounting and finance professionals, as well as those planning to join the accountancy sector.

ISCA Career Growth Centre

The ISCA Career Growth Centre⁵ aims to empower members to achieve their career aspirations by providing career support to ISCA members and supporting organisations in their hiring

needs. The centre's resources and services are organised to cater to five segment groups:

- fresh graduates,
- accountants looking for opportunities,
- mid-career switchers,
- employers, and
- experienced members.

Some key features of the centre include career matching to help members with new job opportunities and board appointments, and volunteering opportunities for experienced professionals. In collaboration with the Employment and Employability Institute (e2i), career coaching sessions have also been introduced; these are located at the dedicated Career Growth Centre at the refreshed ISCA House.

Members can make an appointment for inquiries on the different areas of assistance available, such as career opportunities and upskilling/reskilling resources. Book an appointment with ISCA to speak to the Career Growth Centre Team or one of our career coaches today: <https://outlook.office365.com/owa/calendar/CareerSupportCentre@isca.org.sg/bookings/>



Accountancy Careers Hub

The Accountancy Careers Hub⁶, a joint initiative by NTUC's e2i, Singapore Accountancy Commission and ISCA, offers targeted sectoral career guidance, jobs, training courses, and industry-specific events and resources for jobseekers who are looking to enter the industry, in-employment workers exploring new career tracks within the accountancy sector, or are looking to upskill to advance their career within the industry. ISCA

This article was written by ISCA Career Growth Centre and Accountancy Careers Hub.



Professor Ang Hak Seng

Social Entrepreneurship: ESG For Charities

Part 2

A Step-By-Step Guide To “Do Good, Do Right”

TAKE AWAYS

- Charities can do more for ESG on three fronts: universal adoption of ESG practices, equal opportunities for all in the People sector, and going beyond compliance of laws towards ethics.
- Charities which require guidance on their ESG journey can utilise the five-question framework.
- I have devised a three-pronged approach for us to tackle ESG featuring training, consultancy, and grants.



IN PART 1 OF THIS ARTICLE, published in the February issue, I explained the 3Ws of ESG for Charities. To recap, ESG is a framework that has been popularised the world over by corporates but in recent times, it has become a hot topic of discussion within the People sector. As charities embark on their ESG journeys, they may face some uncertainties about the importance of ESG or even about its adoption.

Through my research, I have concluded that ESG is especially important to charities now, as many charity stakeholders, such as volunteers, donors, and regulators, are becoming more aware of ESG and are holding charities accountable for not practising ESG. While some charities have already implemented some ESG initiatives, moving forward, it is important that charities do more

for ESG. This can be achieved on three fronts, namely (i) universal adoption of ESG practices, (ii) equal opportunities for all in the People sector, and (iii) going beyond compliance of laws towards ethics.

For charities embarking on their ESG journey, it is critical that they involve the whole of the charity (that is, donors, volunteers, and beneficiaries), intermediaries and the community (that is, regulators and corporates).

HOW TO DO ESG FOR CHARITIES

Now that the context for ESG for Charities is established, the next step is for charities to tackle the issue of “how” to do ESG. For charities which require guidance to begin their ESG journey, I have compiled a five-question framework for organisations to utilise (Figure 1).

FIGURE 1 THE FIVE ESG QUESTIONS FOR CHARITIES

How to identify the component of ESG that is non-negotiable to your stakeholders?	How is ESG incorporated into your organisation's direction?	How are your organisation's people, process and structure changed for ESG?	How can you establish governance for ESG?	How to showcase ESG success stories?

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FIGURE 2 ESG MATRIX

Quality	Stakeholder(s) Affected	Value Proposition
Public Good	✓ Donor ✓ Volunteer ✓ Staff ✓ Beneficiaries	❖ Greater Social Impact ❖ Reputation Equity
Cost Efficiency	✓ Volunteer ✓ Staff ✓ Beneficiaries	❖ Save Money ❖ Environmentally Friendly
Government Regulation	✓ Donor ✓ Volunteer ✓ Staff ✓ Beneficiaries ✓ Regulator	❖ Government Support ❖ Trust Developed
Organisation Culture	✓ Volunteer ✓ Staff ✓ Beneficiaries	❖ Volunteer Retention ❖ Better Service

1) How to identify the component of ESG that is non-negotiable to your stakeholders?

With limited resources, it is not possible for organisations to focus on all aspects of ESG. Hence, it is advisable for organisations to prioritise certain ESG aspects over others. And, in the spirit of co-creation and co-delivery, it is paramount that the prioritised ESG aspect is important to you and your stakeholders. One method is to create an ESG matrix (Figure 2). The matrix would highlight the ESG element with the greatest impact on the largest proportion of stakeholders and create the greatest value. It is this win-win understanding that would enable you to achieve your organisational missions while doing good ESG.

2) How is ESG incorporated into your organisation's direction?

To incorporate ESG into your organisation's direction is to put it into a cohesive plan. One such plan is to develop enhanced balance score cards which incorporate the perspectives of different stakeholders and mindsets into an organisation's ESG goals and measures. While this comprehensive approach would help charities achieve their ESG targets, it is unnecessarily complex for smaller charities which face more resource constraints.

For these smaller charities which may be overwhelmed by the prospect of an ESG balance score card, I propose two simple frameworks to incorporate ESG into your plans (Figure 3). The first is the removal strategy or the 3Rs



If each of us does our part in the fight for our planet, the little actions that we take each day will add up, and significantly reduce Singapore's carbon footprint.

framework – reduce, reuse, and recycle; the second is the circular strategy or the self-sustaining framework.

An example of the circular strategy would be programmes like Bread Run by Food from the Heart, where volunteers “rescue” unsold bread which are still consumable, and distribute them to our beneficiaries. This creates a win-win scenario where beneficiaries can receive the aid they require, and precious resources are not wasted.

3) How are your organisation's people, process and structure changed for ESG?

To ensure that ESG is hardcoded into our DNA, we need to produce ESG standards of practice (SOP). In this regard, I have devised a simple sample ESG SOP that charities can incorporate into pre-existing SOPs.

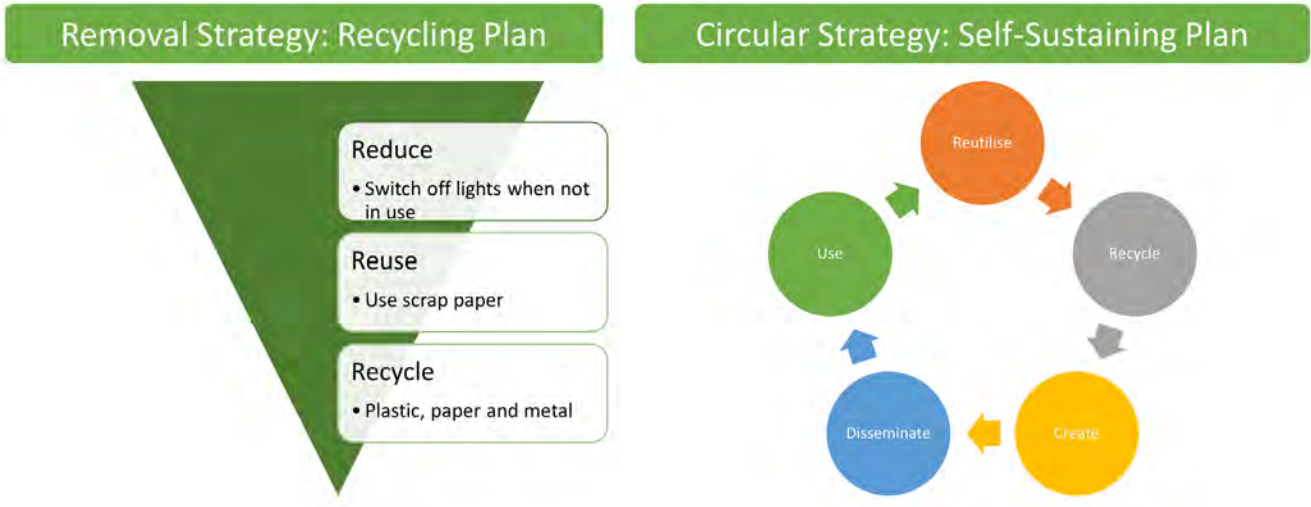


With limited resources, organisations need to prioritise certain ESG aspects over others

During the planning and publicity stages of major events, a possible SOP would be to ensure that publicity materials use minimal amounts of paper, and that only vendors who practise ESG are engaged. During the execution of major events, recyclable materials are used whenever possible even in the goodie bags given to participants. After major events, as much as possible, the rubbish should be recycled. Also, recyclable materials should be used in the creation of thank-you gifts for sponsors and partners of events.

With clear SOPs like those above, staff members and volunteers would know precisely how to do ESG, thus dispelling any hesitation they might have towards ESG. The SOPs also help in ensuring that ESG practices can be carried out even without stringent monitoring.

FIGURE 3 REMOVAL STRATEGY (LEFT) AND CIRCULAR STRATEGY (RIGHT)



4) How can you establish governance for ESG?

To ensure that there is proper governance of ESG, the Charity Council has included ESG as a principle for charities to uphold in the latest release of the draft Charity Governance Code. I believe that this principle provides an opportunity for charities to seek clarification, such as what ESG would look like for charities; what toolkits are available to help guide charities, and what some ESG guiding questions are.

For charities to understand how to practise ESG in accordance with the directions for the future, we will need to have more details on the behavioural norm that is to be expected of ESG-compliant charities.

5) How to showcase ESG successes to inspire others?

We will need to be better at telling our ESG success stories in the charity sector. Charities need to be recognised and encouraged for

practising good ESG in hopes that they will become the ESG heroes that inspire others to follow. One way to do this is to introduce a new category in our Charity Governance Awards to spotlight charities which do good ESG. The winners of this category could share their best practices to inspire others.

WHEN TO START ESG FOR CHARITIES

We will need to start on ESG now.

In his 2019 National Day Rally Speech, Prime Minister Lee Hsien Loong highlighted that portions of Singapore will be submerged as a direct result of rising sea levels caused by climate change. The effects of climate change can also be felt beyond our shores. With increasing global temperatures, extreme weather phenomena will become more common, leading to devastating results. For instance, super typhoon Noru had swept its way through the Philippines, displacing thousands of people, flattening crops and causing millions of dollars in damages.



However, not all is doom and gloom as the effects of global warming is reversible if we act now. If each of us does our part in the fight for our planet, the little actions that we take each day will add up, and significantly reduce Singapore’s carbon footprint.

Our future is in your hands. Won’t you do something about it?

THE THREE-PRONGED APPROACH

In my previous article, I mentioned that we will walk the journey with you, and that lifelong learning would be the way that we would handhold you through your ESG journey.

The future of our planet is in peril and ESG would be the right thing for us to embrace, now. However, to embark on your ESG journey, on top of the strategies and process that I have put forth in Part 1 of this article, you may require further assistance. Hence, I have devised a three-pronged approach for us to tackle ESG, featuring training, consultancy, and grants (Figure 4):

1) **Training.** Lifelong learning is key to upskilling ourselves and charities are no exception. Educational institutes like the Singapore University of Social Sciences (SUSS), which offer ESG courses, will provide you with the necessary knowledge to develop and execute ESG strategies tailored to your organisation.

2) **Consultancy.** Concurrently, the Centre of Excellence for Social Good (CESG) in SUSS will also collaborate with like-minded organisations to create ESG shared services, allowing ESG to be done “cheap, good and fast”.

3) **Grants.** Lastly, for charities which face financial constraints, there are funds to help you kickstart your ESG journey; these include the SG Eco Fund and VWO-Charities Capability Fund.

CONCLUSION

As the world grapples with the effects of climate change, it is important to realise that we will still have time to reverse the negative effects. We will need to do ESG not only for our sake but also for the sake of our children and great-great grandchildren.

We have started on ESG and will need to do more through education and ESG policies for mother earth to recover. And, as always, we are prepared to handhold you on your ESG journey. ISCA

Professor Ang Hak Seng, FCA (Singapore), is Director, Centre of Excellence for Social Good (CESG) and Professor of Social Entrepreneurship, Singapore University of Social Sciences; and Adjunct Professor, Nanyang Technological University.

FIGURE 4 THE THREE-PRONGED APPROACH TO ESG FOR CHARITIES



Suggestion:
Introduce a new category in the Charity Governance Awards to spotlight charities which do good ESG

international women's day

From Me To You

Women may find it difficult to achieve balance between work and family, much less have time to volunteer and pursue hobbies. Three accountancy professionals share how they make time for themselves and why it benefits everyone around them.



- Today's women play many roles – at work, the professional demands are high and outside work, they are wife, mother, daughter and often, community volunteer.
- Finding the right balance is important, in order to continue to perform at a high level.
- Set aside time for self-care to recharge, relax or pursue a hobby.

KO HUI YUN,
CA (Singapore),
Chief Operating Officer,
All Saints Home



SUREE ROHAN,
CA (Singapore),
Principal,
Rohan.Mah & Partners LLP



NICOLE TAN,
CA (Singapore),
Chief Financial Officer,
Transport Capital



BEST-SELLING AUTHOR AND PROFESSOR BRENÉ BROWN once wrote, "In a society that says, 'Put yourself last', self-love and self-acceptance are almost revolutionary." International Women's Day, which had its first event in Austria, Denmark, Germany and Switzerland in 1911, was recognised by

the United Nations in 1975. Since then, annually on March 8, many countries the world over celebrate the social, economic, cultural and political achievements of women, and call for greater gender equality. While in many developed societies, women can largely do any job a man can, the roles they play

as wife, mother and daughter often mean they suffer from time deficit, among other challenges.

In Singapore, women who excel at the workplace also face the demands of family, including children and for some, aging parents. Achieving balance between all the important aspects of their life requires

the confluence of many factors, including a strong support network, understanding employers, strong time management skills and the willingness on the part of the women to entrust some duties to others.

ISCA speaks to three female ISCA members who have found the secret to a well-balanced life.

Focusing On The Journey

Ko Hui Yun, CA (Singapore),
Chief Operating Officer, All Saints Home

AS THE CHIEF OPERATING OFFICER (COO) OF ALL SAINTS HOME, which has four nursing homes and three senior care centres, Ms Ko Hui Yun oversees the operational and strategic planning aspects of the social service agency. On top of that, Ms Ko also drove the crisis response team during the pandemic and now, her portfolio includes looking into enterprise risk, ensuring the organisation's risk control and compliance. "Although I wear multiple hats, it's been a very fulfilling journey, especially when I can serve meaningfully together with a united and dedicated team," she explains.

Ms Ko acknowledges that as a working mum, there would be times when she would have to make certain choices and sacrifices. "It helps to have strong family support and I'm proud to say that my work environment supports work-life flexibility." Put simply, this means that "when there are family exigencies, we have the latitude to handle those first; similarly, when there are work emergencies, we have the responsibility to step up and do our part".

A Chartered Accountant of Singapore or CA (Singapore), Ms Ko worked at Deloitte as Audit Manager for nearly six years before joining All Saints Home as its Head of Finance in 2013. In 2019, she assumed the role of COO. "My first six years in



"Live every day as if it's your last to maximise the time you have, whether you're working, being with your family or doing the things you want to."

audit gave me a strong foundation for what I need to do in my current role," she notes. Her experience in audit, which involved project management and engaging stakeholders from different functions and industries, was especially helpful.

Like many women leaders, Ms Ko keeps a packed schedule. Her job requires her to be present in person much of the time, but she also ensures that she is there for her two children – a son and a daughter who are respectively five and three years of age.

TAKING TIME FOR ONESELF

Ms Ko says that making time for oneself is very important.

A few months ago, she was encouraged by a close friend to go for a gym trial session. "I decided I need to get back to exercising, because my old injuries were troubling me." There was some initial hesitation as she was intimidated by the gym culture but she soon found a personal trainer who helped her overcome her fears. "He told me, 'Nobody is looking at you, they're looking at themselves!'"

Ms Ko accedes that it has not been easy to embark on a strict routine nor to keep it going. "It's challenging especially if you have children. It seems like there's never enough time to spend with them. However, I am blessed with strong family support. My husband, parents and in-laws encourage me and play their part. It also helps to have an accountability partner – a friend who checks in with you to see how you're coping."

All her efforts are paying off. "I have noticed the changes," she says. "I feel energised, and my mental well-being is strengthened. Maintaining an active and healthy lifestyle makes a big difference."

"ME TIME" AND THE PURSUIT OF HAPPINESS

Ms Ko intentionally schedules "me time" into her calendar. "I take pauses to reflect and recharge," she explains. "I started journalling again as I want to capture memorable events, especially with my children. Journalling forces me to stop and pen down the things I am grateful for – it's something I've done since I was young," she reveals. "Before the pandemic, I would also go on spiritual retreats and volunteer for overseas mission trips."

She also carves out time for another soul-enriching activity she loves: reading. "I love reading books on leadership, self-improvement and parenting. Right now, I'm reading a Christian book titled *Having A Mary Heart In A Martha World*. It's about strengthening the relationship with God amid the busyness of life. This book reminds me of the perspectives on how to pursue a joyful life while extending meaningful services to people. That really speaks to me."

Ms Ko's personal motto in life is to focus on the journey with joy and gratitude. To her, happiness is "a purpose-driven life, whatever role I may be playing. As a daughter, sister, wife and mother, I have a purpose. At the workplace, I also have a purpose. Purpose directs my pursuit of happiness".

For the women reading her story, Ms Ko has these words of encouragement, "I hope that we can be kinder to ourselves. We can take small steps to find time for ourselves and build a community that supports one another."



▲ Ms Ko schedules "me time" to reflect and recharge so she can perform the roles that are important to her, such as being a mother

Drawing Energy From Volunteering

Suree Rohan, CA (Singapore), Principal,
Rohan.Mah & Partners LLP



HERS APPEARS TO BE THE ROAD LESS TRAVELLED, in both choice of career and hobby. For sure, Ms Suree Rohan's extensive career as a Chartered Accountant of Singapore or CA (Singapore) did not begin the same way as it did for many.

"It was a longer journey for me as I'm actually an engineer by training," says Ms Suree. "I graduated with a second-class honours degree in Electrical and Electronic Engineering from NTU, at a time when there was a very large gender gap in the STEM degree programmes. That said, I enjoyed my tertiary years as they fuelled my interest in figuring out what made things work."

After graduation, Ms Suree joined Citibank's incubator wealth management programme. She went on to pursue an MBA with a specialisation in Accountancy at NTU, and began her accountancy career with Ernst & Young.

"It was in Ernst & Young's Global Financial Services department that I started my career as Auditor – External and Internal – with clients the likes of financial institutions, hedge funds and asset managers such as UOB, DBS, UBS, ABN Amro and JP Morgan. I then transitioned to be Regional Consultant with EY Advisory's Financial Risk Management team whereby I had the opportunity to be Project Manager for financial implementation projects in Beijing, Hong Kong, Kuala Lumpur, Bangkok, Ho Chi Minh City and Hanoi," she elaborates.

For the last 10 years, Ms Suree has been the Principal of her current firm, Rohan.Mah & Partners LLP (RMP). "At RMP, we believe in keeping strong communication and working efficiently with our clients, business associates and group/component auditors, especially when they are based overseas," she says, adding that her work takes her abroad throughout the year for on-site audit engagements, workpaper reviews, meetings and conferences. With such a busy schedule, it's hard to imagine how she manages to fit in any "me time".

"It's important to 'recalibrate' oneself every now and again, and reconsider one's priorities." She does this by doing volunteer work. "I believe life is all the more meaningful when you can balance the pursuit of your passions and embrace your mental wellness," she explains.

A HAPPY "COINCIDENCE" THAT LED TO VOLUNTEERING

Ms Suree is Vice President of PPIS (Persatuan Pemudi Islam Singapura or Singapore Muslim Women's Association) and Board Director (Treasurer) of MHF (Malay Heritage Foundation). "It was serendipity that I was introduced to PPIS when I returned to Singapore from my regional role with EY in 2013," she says. "At that time, PPIS was looking for people with financial and audit expertise to assist the board in steering the organisation."

PPIS is a non-profit organisation with a mission to inspire women and strengthen families. Its community services include family services, student care as well as its latest centre – a secular, all-women residential halfway house. MHF, an institution of public character, aims to build thought leadership, bridge knowledge gaps and enhance social capital by strengthening the heritage content of the Malay community in Singapore through documentation and research. It also enhances awareness and deepens appreciation to foster social cohesion and community bonding.



"Our willingness to give is one of our biggest strengths. Let's continue to raise each other up."

Serving as a board member entails committing many after-office hours and weekends to the organisations' numerous advisory committees, workgroups, taskforces and board meetings, as well as programme events and activities. While this is not everybody's idea of a "hobby", Ms Suree finds joy in the meaningful contributions she is able to make. "It's a different kind of motivation when there is meaning behind the cause," she explains. "You are naturally drawn towards the needs of the community and to working with your fellow board members and management teams to provide assistance and essential services."

To improve and uplift the community, especially women and children, brings her great satisfaction. She shares, "One of my personal highlights is the unanimous decision, made by the PPIS board members in 2017, to manage and provide fostering services even though at that time, we recognised that we did not have the experience nor expertise in fostering. But we could not ignore the call of the community for our children."

That initiative has taken root and now bears good fruit. "Our fostering centre, Oasis, has just celebrated its fifth year as a fostering agency appointed by the Ministry of Social and Family Development (MSF)," adds Ms Suree. "It is heartwarming to witness all the foster families that have come forward to open their hearts and homes to our foster children, providing them guidance and compassion as part of a strong family unit that every child deserves."

Foster care is a temporary arrangement with the ultimate goal of reintegrating vulnerable children with their natural family. "I admire each foster family's unbelievable strength as they know that some day, their foster child will leave their family," she says. "But the bond they have will always remain."

In addition to PPIS and MHF, Ms Suree is also Trustee for Oaks Plus Limited, a separate charity which manages nine childcare centres. "It has been eye-opening for us

as we navigate the specialised industry of early childhood education," she shares.

VOLUNTEERISM RUNS IN THE FAMILY

Ms Suree's love for volunteering stems from her growing up in a family that believes in serving the community.

"My family's own experiences in volunteerism did shape my social service journey," she admits. "Growing up, I recall the murmurings of the community and causes that occupied the conversations at home; they were also the reasons why the grown-ups were often absent from the family – they were serving the community. Over the years, I started to comprehend the importance of uplifting our community. My own involvement in social services started when I was in school, and has grown to be what it is today."

She recognises that it takes support from those around her to be able to serve the way she is doing. "I am grateful to my firm's Partners and Directors for being supportive of my volunteer work throughout the years," she says. "I do approach them to pick their brains at times, and we deliberate the challenges faced by the social service sector and share ideas. They have been generous and welcoming and have extended not just their time to me, but also availed our office premises and facilities. Many charity meetings have been held in the conference rooms and sometimes, they extend late into the night!"

This International Women's Day, Ms Suree encourages women to look after their personal well-being. "Everything happens for a reason. We have to cherish every moment of triumph and struggle, and have faith that it is for the best," she says. This takes effort and determination, and she realises that oftentimes, it is just in a woman's nature to push aside self-care in the face of other priorities.

"Women have a sincere wish to fulfil every one of their roles to the highest levels," Ms Suree notes. "However, there is only a finite amount of time, and women have to contend with fighting off feelings of guilt when things don't meet their expectations. The time for their own wellness then falls victim to neglect."

But taking the time to ensure one's own well-being is key to being happy, Ms Suree points out. "Being well-adjusted readies you to pursue your passions and learn new things, which in turn will benefit those around you."

Her message for women has long been to celebrate each other's differences, but treat each other the same. "For generations, women have always supported one another as we strive to balance a multitude of expectations revolving around the community, family and career. Our willingness to give is one of our biggest strengths. Let's continue to raise each other up."



▲ PPIS foster centre, Oasis, marked its fifth anniversary with a tea engagement session; the over-100 attendees consisted of foster families, PPIS board members, Oasis and MSF caseworkers; the Guest-of-Honour was Mr Eric Chua, Senior Parliamentary Secretary, Ministry of Culture, Community and Youth, and MSF

Giving Yourself Time And Space

Nicole Tan, CA (Singapore), Chief Financial Officer, Transport Capital

various entities in Singapore and overseas. Together with my finance team, we are a 'one-stop desk' for all financial-related matters for the group." While her work keeps her busy, Ms Tan attributes the ease with which she handles her role to the fact that she has been with the company for some time, learning under the guidance of her bosses. "I was well trained by my mentor who was my ex-boss," she reveals, adding that they continue to keep in touch. "It's not easy to find someone you can work well with for a long time."

TAKING TIME TO "DO LIFE"

Ms Tan adopts a healthy approach to balancing her life. "Life cannot revolve around just work," she states simply. "When I was with FSL, upon the advice of my mentor, I pursued a part-time Master of Applied Finance to develop my skill set and knowledge beyond accounting. To ensure that my work was not affected while not rushing through my studies, I took three years to finish the two-year programme. Looking back, it was indeed a great decision as I could appreciate the contents of the course, and the learning journey has helped me transit to my current role."

The year she obtained her master's degree, Ms Tan got married. After her wedding, she began her volunteering journey through the ISCA-PA volunteer programme. "My friend had encouraged me to volunteer my accounting expertise, which came in handy at the grassroots level," Ms Tan shares. "So I started as Assistant Treasurer in the constituency where I live." She is entering her 12th year of volunteering with PA, and is currently the Treasurer of Marymount CCC and Assistant Treasurer of Marymount CCC Community Development and Welfare Fund. Recently, Ms Tan also started volunteering with her secondary school alumni group, similarly using her accounting skills to contribute to the group.

"I hope that we can be kinder to ourselves. We can take small steps to find time for ourselves and build a community that supports one another."

In the midst of working and volunteering, Ms Tan also gave birth to a girl and a boy, now 10 and nine years of age, respectively. "Everything fell into place," she notes with a smile. The fact that she has worked with the same bosses for a long time also made it possible for her to take a year off in 2016, when her husband had the opportunity to enrol in a one-year master degree course in the US. "Our kids were both toddlers at that time, and my husband felt it would be good for the whole family to go with him. So I took a one-year sabbatical from work. This would not have been possible without the support of my bosses. That's why we work so well together!" she quips.

RELAXING ON TWO WHEELS

Two years ago, Ms Tan signed up for a cycling sightseeing tour with a friend and found the experience interesting and refreshing. It marked the start of her passion for leisure cycling. She bought herself a foldable bike, and made time to "chase the sunrise", waking up at 5am on some weekends to cycle.

Adding this activity to her already-packed schedule takes some organisation, especially since her husband often travels for work. Twice a month, she goes to sleep earlier the night before and leaves the house before dawn, entrusting her husband with the children. After her bike ride, she will meet her family for breakfast. Ms Tan also tries to fit in a short ride when her children are attending their enrichment classes. Although she sometimes feels bad for not going through their schoolwork with them, she considers it a way to train them to be responsible for themselves.

Calling herself a "PCN rider" (PCN stands for Park Connector Network), Ms Tan plans her riding routes around safety and convenience. "I'm a scaredy cat," she laughs. "I don't like cycling on the road. Moreover, most of the time, I'm cycling alone. There are responsibilities that I shoulder in my role as a wife and a mother. Hence, for safety reasons, I plan my routes so that I am only on the PCN from point to point."

The longest route she has taken was one that took her to Coney Island and Changi Village, then along the Tanah Merah Coastal Road and East Coast Park. "By the time I reached East Coast Park, I needed to rush home for dinner, so I took a taxi," she says with a chuckle. "That's the good thing about foldable bikes – you can start and stop anytime." When she has pockets of time, she goes on her favourite route that starts from the National Stadium at Kallang and heads towards Marina Bay Sands; the route offers shelter in case of rain and also has coffee spots for a quick refreshment.

Ms Tan shares that hers is a functional foldable bicycle from Decathlon. "I have had some peer pressure to upgrade my bike but for now, I don't think I need to as I don't go for speed. I just need a bike to bring me from point A to point B, so there's no reason to get a 'Louis Vuitton' bike. I spent more on my cycling jerseys than on my bicycle!" What Ms Tan treasures about her bike rides is not only the way it trains her mentally but also the outcomes. "The highlight for me is reaching the places that I aim for," she says. "Also, seeing the sunrise is very therapeutic."



Her bike rides give Ms Tan the time and space to recharge

WHY SELF-CARE MATTERS

"When I was in the US, I found that facing the kids all day, seven days a week was really not easy," recalls Ms Tan. "So, sending them to school and engaging in my own activities give me time to recharge. If you are able to find an outlet to recharge yourself – it can be a cup of coffee or a walk – you can clear your mind and manage your emotions better, and you'll be a happier person; this will collectively benefit your family." She believes that there is a limit to how much we can stretch, so taking some time off, and taking care of our physical and mental health is beneficial in the long run.

Ms Tan opines that it is the "maternal instinct in women" that makes them forget to take care of themselves, and to take on more than they should. "Everyone has a different tolerance for autonomy in their life. Outsourcing certain tasks might not be ideal to some but handling those tasks on their own might take a toll too. Hence, it's really up to each individual to find the ideal balance, given her circumstances and available resources."

"I am lucky to have a very supportive mother-in-law who helps me with the kids. If I were to take on everything myself, I might find that even an octopus would have challenges. Hence, I am thankful that I am able to trust and rely on my family members and my support network."

Her message of hope to women reading this story is, "Take care of yourself and your mental health first. Only then can you take care of the people around you." Her wish is that more women have the chance to constantly reflect and evaluate what is best for oneself and place their trust in the support network, and that they also lend a hand to the people around them and become part of their support network too, so they can pursue their interests and enhance their personal well-being. "My personal motto is: doing something is better than doing nothing."

"Live every day as if it's your last, so that will help you maximise the time you have, whether you're working, being with your family or doing the things you want to," she advises. ISCA

● the woke salaryman

Five Investing Mistakes Beginners Should Avoid

There is no such thing as the “perfect investor”, but getting the fundamentals right is a good starting point



- TAKE AWAYS** ▶
- There are five perennial mistakes that investors should avoid: confusing investing with trading; wanting high returns within the shortest time; believing that investing entails having to pick individual stocks to invest in; assuming an inappropriate level of risk, and responding emotionally to volatility.
 - If you're in your 20s or even 40s and reading this, there's still plenty of time to grow your wealth and experience the effects of compounding through investing.



Investors can put money into fixed income or equity investments, of which there are different drawbacks

AH, THE PANDEMIC YEARS. Many people started their investing journey then, thanks to their spare cash – some of which was likely given by the government as part of the COVID-19 relief packages. As they poured their money into the stock market in 2020–2021, it felt like the bull market would never end; asset values went up, up and up!

Until they didn't.

As the market went into freefall in 2022, many newbie investors were given a rude shock, particularly those who had started investing just the year before.

What went wrong? Well, apart from rising inflation rates and world events such as the Russia-Ukraine war, it is also undeniable that *sheer inexperience* was also a factor.

But as the saying goes, hindsight is 20/20. It's pointless crying over spilt milk, but we can face the future with the knowledge gained from battle scars. That said, here are five timeless mistakes we think every investor new or old should avoid.

1) CONFUSING INVESTING WITH TRADING

“Investing” and “trading” are often used interchangeably by people starting their investing journey. Yes, both of them involve the buying and selling of assets, but there's a clear difference.

▶ Trading tends to be more short-term.

Traders trade with the intention of earning income across a certain period, such as daily (hence, the term “day trader”), weekly, monthly, or even quarterly.

▶ **Investing is more long-term.** When you invest in something, you're typically putting your money there for at least five years. When we (The Woke Salaryman) discuss investing, we're looking at 10, 20 or even 30 years.

The next question you might be asking is, “Does the time frame matter?” To that, we answer, “Of course it does.” In the short term, financial markets are volatile and irrational.

Trading is like sprinting. Investing is running a marathon. Neither is superior to the other, but one should be clear about which activity one is involved in.

This brings us to the second point.

2) THINKING INVESTING WILL MAKE YOU RICH QUICKLY

If you're expecting stock or crypto tips that will multiply your capital by five times, 10 times or even 100 times, then it's extremely unlikely you have an investor mindset.

Many young people are obsessed with the idea of quitting their full-time jobs to be full-time investors. The expectation is that they will earn their riches quickly. This is wishful thinking.

Why? Because how much you earn from investing depends on two things – your return, and your capital.

▶ **Higher returns of more than 8% are impossible without taking on high risk.** You need vast amounts of skill, luck and holding power to earn impressive returns consistently over the long term.

▶ **Low capital means low returns.** If you're a young adult, it's unlikely you have a lot of money. A 20% return on a capital of \$10,000 is a mere \$2,000. That is good investment performance, yes, but it doesn't translate into money that can compare to a full-time salary.

For that reason, we believe in working on your earning power first, which in turn will translate into more capital for investment.

3) THINKING YOU NEED TO PICK STOCKS TO INVEST IN

Investing doesn't have to mean buying stocks of individual companies, or analysing financial reports to look out for financial ratios such as EBIDTA margins, ROIC, P/E, EPS, etc.

Yes, this is what professionals do. But the layperson does not necessarily need to do that. One can also invest via funds such as unit trusts and exchange-traded funds. These funds can either be professionally managed “active” funds, or “passive” index funds, which typically have lower fees.

The “index” in index funds usually refers to a stock market (for example, the NASDAQ), or a subsection of the stock market (the S&P500 – the 500 largest companies listed in the US market).

▶ Some popular **passive index funds** include:

- VOO
- SPY
- CSPX
- IWDA
- VRWA
- VT

For those who are looking for lower risk, there's also this category of investments known as fixed income. As you might have guessed, the goal is to provide stable and predictable returns to investors.

▶ Some **fixed income investments** include:

- Government bonds, bills and notes
- Corporate bonds, bills and notes
- Fixed deposits



VIEWPOINT

If you invest, it's important to understand that volatility is part of the journey. Ups and downs are normal, but in the long term, most major indices trend upwards.

For most people, we suggest looking into building a simple portfolio consisting of a local index, an international index fund and other fixed income instruments. Further reading:

- 1) Three fund portfolio:
https://www.bogleheads.org/wiki/Three-fund_portfolio
- 2) The Woke Salaryman guide to investing:
<https://thewokesalaryman.com/the-woke-salaryman-way-of-investing/>

Of course, both fixed income and equity investments also have drawbacks. This brings us to the next point.

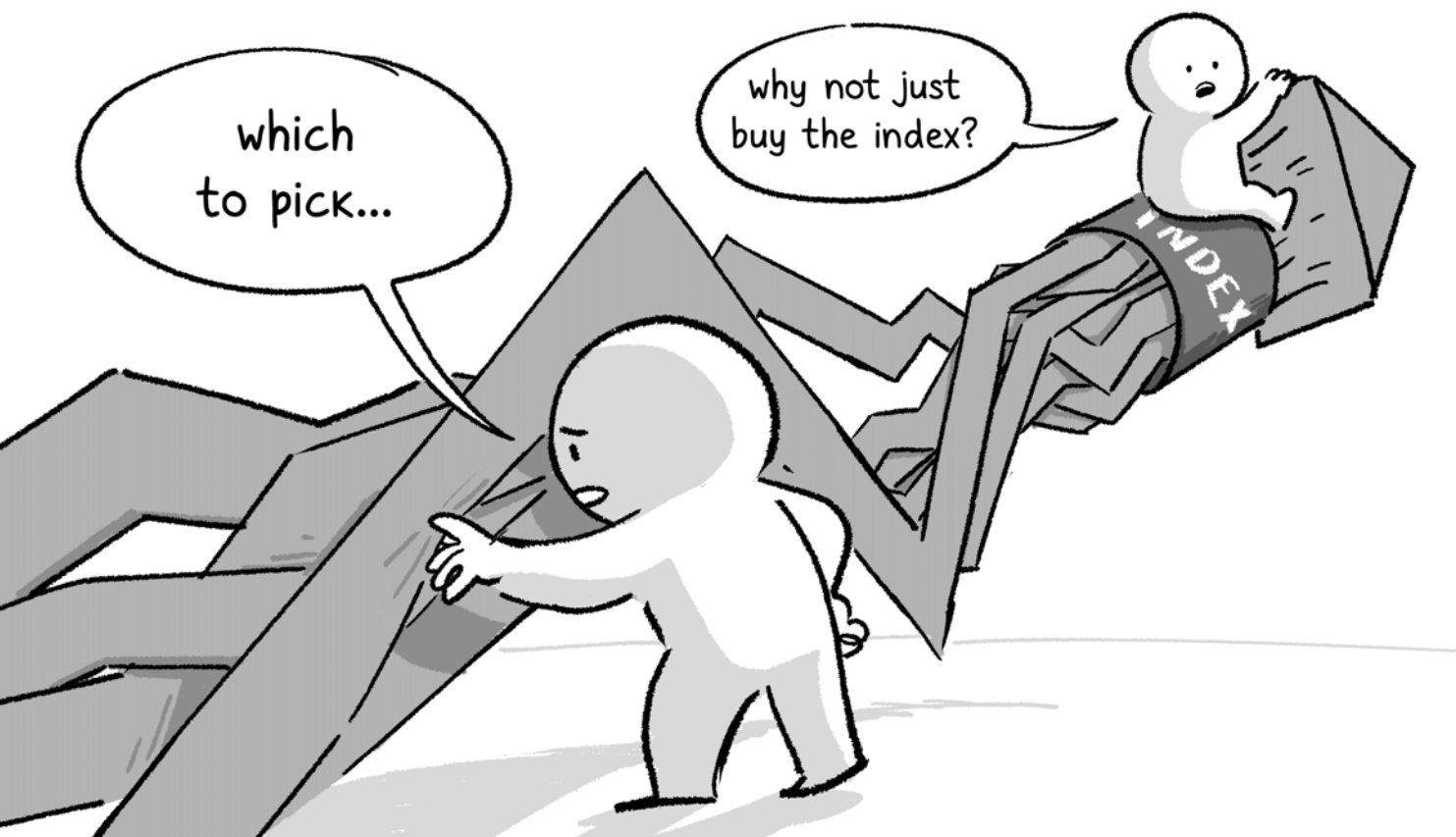
4) TAKING TOO MUCH, OR TOO LITTLE, RISK

Risk is an integral part of investing. The tricky thing about risk is that you need to find your own sweet spot; you can't gravitate towards the extremes.

If you take on too much risk, you approach "gambling" territory. Borrowing money you don't have to invest, also known as "leverage"; not having a diversified portfolio, and being overly speculative – these are all signs of taking too much risk.

The danger? Suffering losses you may not recover from.

On the flip side, being overly conservative isn't much better either. If you avoid investing entirely, the value of your cash will be eroded by inflation over the years.



As the saying goes:
If you want sunshine,
sometimes you just
gotta deal with
the rain

That said, in situations where inflation is particularly serious, the returns offered by fixed income instruments alone might not be enough to generate enough cash flow for your retirement. This is the reason why most financial advisors advocate a combination of equities and fixed income as part of your portfolio!

5) PANIC SELLING AND NOT UNDERSTANDING VOLATILITY

Last but not least, new investors are particularly susceptible to panic selling – the unfortunate practice of dumping their assets the moment their values drop.

There's nothing wrong with selling, but with panic selling, the motivations are fear-induced – it's an emotional reaction. That's never good news when it comes to investing.

Of course, there's nothing wrong with selling your investments if there are good reasons to. These include:

- a) your financial situation has changed and you now need your invested funds;
- b) the fundamentals of your chosen company have deteriorated;

- c) you are rebalancing your portfolio;
- d) you have found better opportunities for your money;
- e) your investments have become overvalued and do not match their prices.

WHAT NOW?

Currently sitting on a portfolio of red? You'd probably feel discouraged. You might even be considering swearing off the stock market altogether. But here's the thing: If you're in your 20s or even 40s and reading this, there's still plenty of time to grow your wealth through investing.

Successful investors know that volatility is part of the journey when it comes to investing. Ups and downs are normal, but in the long term, most major indices trend upwards.

Is it easy to watch your hard-earned money fall in value? Of course not. It's far easier to give up – which is why most people don't make good investors.

As the saying goes: If you want sunshine, sometimes you just gotta deal with the rain.

Stay woke, salaryman. *isca*

Responsible AI Has Become Critical For Business

Three Key Reasons For Investors To Prioritise It



TEXT BY 

Claudia Zeisberger | Anik Bose

TAKE AWAYS

- Investors can no longer ignore their impact on the environment and the communities they engage with. ESG has become an imperative, rather than an add-on.
- The three reasons why investors need to embrace and prioritise responsible AI are: AI requires guardrails, regulatory pressure imposes strong consequences, and there are market opportunities in AI.
- Awareness is the greatest agent for change, and this can be achieved through adapting best practices on ethical AI governance from the community of start-ups, enterprises, investors and policy practitioners.

INVESTORS, TAKE NOTE. Your due diligence checklist may be missing a critical element that could make or break your portfolio's performance: responsible AI. Other than screening and monitoring companies for future financial returns, growth potential and ESG criteria, it's time for private equity (PE) and venture capital (VC) investors to start asking hard questions about how firms use AI.

Given the rapid proliferation and uptake of AI in recent years – 75% of all businesses already include AI in their core strategies – it's no surprise that the technology is top-of-mind for PE and VC investors. In 2020, AI accounted for 20% or US\$75 billion of worldwide VC investments¹. McKinsey & Company has reported that AI could increase global GDP by roughly 1.2% per year, adding a total of US\$13 trillion by 2030².

AI now powers everything from online searches to medical advancement to job productivity. But, as with most technologies, it can be problematic. Hidden algorithms may threaten cybersecurity and conceal bias; opaque data can erode public trust. A case in point is the BlenderBot 3 launched by Meta in August 2022. The AI chatbot made anti-Semitic remarks and factually incorrect statements regarding the United States presidential election, and even asked users for offensive jokes.

In fact, the European Consumer Organisation's latest survey on AI found that over half of Europeans believed that companies use AI to manipulate consumer decisions, while 60% of respondents in certain countries thought that AI leads to greater abuse of personal data³.



Hidden algorithms may threaten cybersecurity and conceal bias



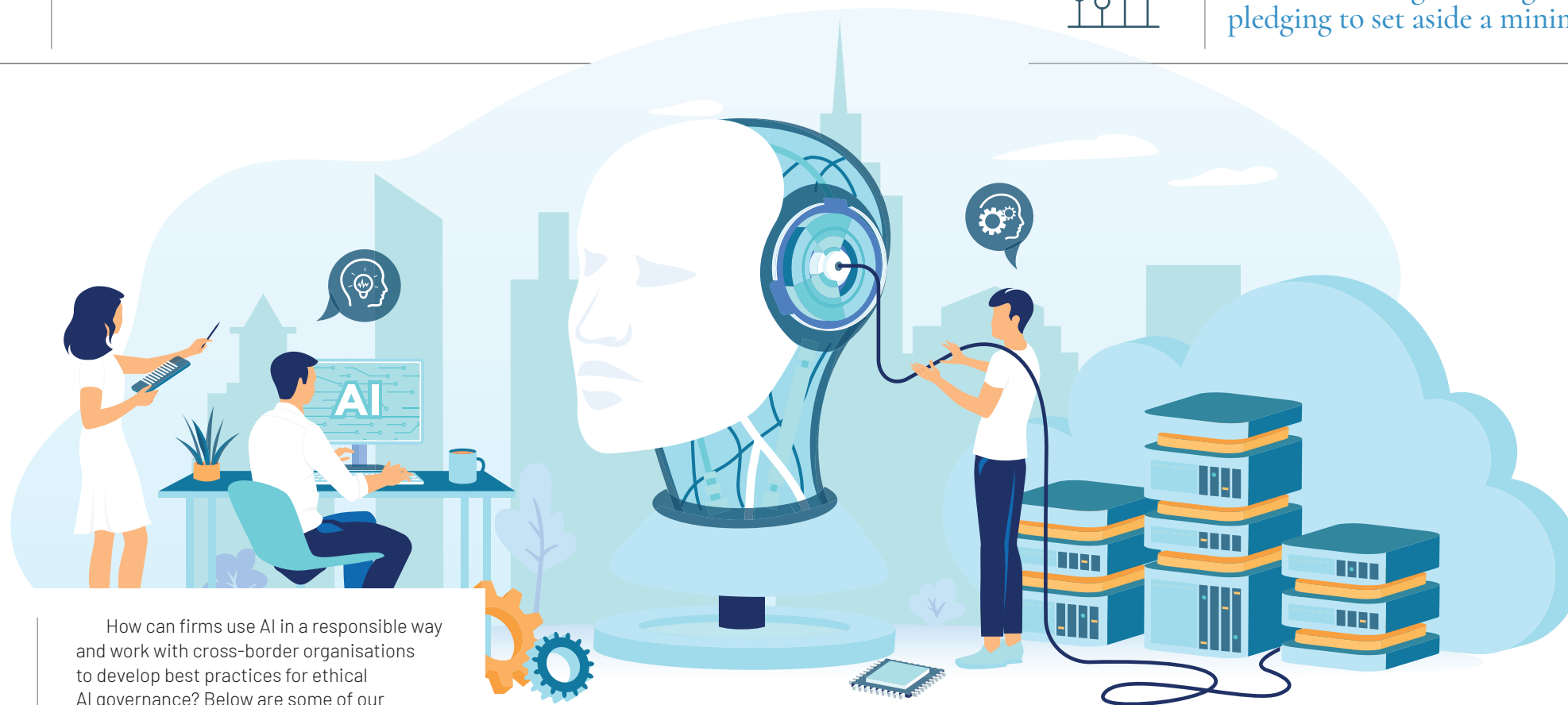
¹ <https://doi.org/10.1787/f97beae7-en>

² <https://www.mckinsey.com/featured-insights/artificial-intelligence/notes-from-the-ai-frontier-modeling-the-impact-of-ai-on-the-world-economy>

³ https://www.beuc.eu/sites/default/files/publications/beuc-x-2020-078_artificial_intelligence_what_consumers_say_report.pdf



It has been estimated that 80% of firms will commit at least 10% of their AI budgets to regulatory compliance by 2024, with 45% pledging to set aside a minimum of 20%.



How can firms use AI in a responsible way and work with cross-border organisations to develop best practices for ethical AI governance? Below are some of our recommendations, which are covered in the latest annual report of the Ethical AI Governance Group⁴ – a collective of AI practitioners, entrepreneurs and investors dedicated to sharing practical insights and promoting responsible AI governance.

BEST PRACTICES FROM THE ESG MOVEMENT

PE and VC investors can leverage lessons from ESG – short for environmental, social and governance – to ensure that their investee companies design and deploy AI that generates value without inflicting harm.

ESG is becoming mainstream in the PE realm and is slowly but surely making its mark on VC. We've seen the creation of global industry bodies such as VentureESG and ESG_VC that advance the integration of sustainability into early-stage investments.

Gone are the days when it was enough for companies to deliver financial returns. Now, investors regularly solicit information about a fund portfolio's compliance with the United Nations Sustainable Development Goals.

Significant measures have been taken since 2018 to create comparable, global metrics for evaluating ESG performance. For example, the International Sustainability Standards Board was launched during the UN Climate Change Conference in 2021 to set worldwide disclosure standards.

Beyond investing in carbon capture technologies and developing eco-friendly solutions, firms are being pressed to account for their social impact, including on worker rights and the fair allocation of equity ownership. "Investors are getting serious about ESG," headlined a 2022 report⁵ by Bain & Company and the Institutional Limited Partners Association. According to the publication, 90% of limited partners would walk away from an investment opportunity if it presented an ESG concern.

Put simply, investors can no longer ignore their impact on the environment and the communities they engage with. ESG has become an imperative, rather than an add-on. The same can now be said for responsible AI⁶.

THE BUSINESS CASE FOR RESPONSIBLE AI

There are clear parallels between responsible AI and the ESG movement: For one thing, both are simply good for business. As Manoj Saxena, chairman of the Responsible Artificial Intelligence Institute, said recently, "Responsible AI is profitable AI."⁷

Many organisations are heeding the call to ensure that AI is created, implemented and monitored by processes that protect us from negative impact. In 2019, the OECD established AI Principles⁸ to promote the use of AI that is innovative, trustworthy and respects human rights and democratic values. Meanwhile, cross-sector partnerships including the World Economic Forum's Global AI Action Alliance and the Global Partnership on Artificial Intelligence have established working groups and schemes to translate these principles into best practices, certification programmes and actionable tools.

There's also been the emergence of VC firms such as BGV that focus on funding

innovative and ethical AI firms. We believe that early-stage investors have a responsibility to build ethical AI start-ups, and can do so through better diligence, capital allocation and portfolio governance decisions.

The term "responsible AI" speaks to the bottomline reality of business: Investors have an obligation to ensure the companies they invest in are honest and accountable. They should create rather than destroy value, with a careful eye not only on reputational risk, but also their impact on society.

Here are the three reasons why investors need to embrace and prioritise responsible AI:

1. AI requires guardrails

One only has to look at social media, where digital platforms have become vehicles that enable everything from the dissemination of fake news and privacy violations to cyber bullying and grooming, for a taste of what happens when companies seemingly lose control over their own inventions.

With AI, there's still an opportunity to set rules and principles for its ethical use. But once the genie is out of the bottle, we can't put it back in, and the repercussions will be sizeable.

2. Regulatory pressure imposes strong consequences

Governments worldwide are tightening digital regulations on online safety, cybersecurity, data privacy and AI. In particular, the European Union has passed the Digital Services Act and the Digital Markets Act (DMA). The latter aims to establish a safe online space where the fundamental rights of all users are protected.

The DMA specifically targets large platforms known as "gatekeepers" (think search engines, social media and online marketplaces), requiring them to be transparent in advertising, protect data privacy and address illegal or harmful content. Coming into effect as soon as 2023, the DMA can impose fines of up to 6% of annual sales for non-compliance, and as much as 20% for repeated offences. In extreme cases, regulators may even disband a company.

In a recent study⁹ on C-suite attitudes towards AI regulation and readiness, 95% of respondents from 17 geographies believed that at least one part of their business would be



⁴ <https://www.eaig.org/>
⁵ <https://ilpa.org/wp-content/uploads/2022/01/infographic-esg-measurement-gap-private-equity.pdf>
⁶ <https://knowledge.insead.edu/entrepreneurship/venture-capital-crucial-push-ethical-ai-and-tech-standards>
⁷ <https://www.youtube.com/watch?v=8bJqJmLeY4k>
⁸ <https://oecd.ai/en/ai-principles>
⁹ https://www.accenture.com/_acnmedia/PDF-179/Accenture-Responsible-by-Design-Report.pdf



Investors have an obligation to ensure the companies they invest in are honest and accountable

PHOTO: SHUTTERSTOCK

VIEWPOINT

In 2019, the OECD established AI Principles to promote the use of AI that is innovative, trustworthy and respects human rights and democratic values.



impacted by EU regulations, and 77% identified regulation as a company-wide priority. Regulators in the US and Asia are carefully following the progress made in Europe and will surely follow suit over time.

3. Market opportunities

It has been estimated that 80% of firms will commit at least 10% of their AI budgets to regulatory compliance by 2024, with 45% pledging to set aside a minimum of 20%¹⁰. This regulatory pressure generates a huge market opportunity for PE and VC investors to fund start-ups that will make life easier for corporates facing intense pressure to comply.

Investors wondering about AI's total addressable market should be optimistic. In 2021, the global AI economy was valued at approximately US\$59.7 billion, and the figure is forecast to reach some US\$422 billion by 2028¹¹. The EU anticipates that AI legislation will catalyse growth by increasing consumer trust and usage, making it easier for AI suppliers to develop new and attractive products¹². Investors who prioritise responsible AI are strongly positioned to capture these gains.

WORTH THE EFFORT

The call for investors to integrate responsible AI into their investments may feel like a tall order. It requires specialised talent, new

processes and ongoing monitoring of portfolio company performance. Many fund managers, let alone limited partners, don't yet have the manpower to achieve this.

But AI's impending regulation and the market opportunities it presents will change how PE and VC firms operate. Some will exit, shifting resources to sectors with less regulation. Others, fortifying themselves against reputational risk while balancing internal capabilities, will add screening tools for AI dangers. Still, some will see responsible AI as Mission Critical.

Awareness is the greatest agent for change, and this can be achieved through adapting best practices on ethical AI governance from the community of start-ups, enterprises, investors and policy practitioners. Those that step up before it's too late and who proactively help shape the rules as they are being written will reap the benefits – both economically and in terms of fuelling sustainable growth. **ISCA**

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¹⁰ <https://www.accenture.com/us-en/insights/artificial-intelligence/ai-compliance-competitive-advantage>

¹¹ <https://www.bloomberg.com/press-releases/2022-06-27/422-37-billion-global-artificial-intelligence-ai-market-size-likely-to-grow-at-39-4-cagr-during-2022-2028-industry>

¹² <https://digital-strategy.ec.europa.eu/en/library/impact-assessment-regulation-artificial-intelligence>

¹³ <https://www.eaig.org/insights>



This is an adaptation of an article published in the Ethical AI Governance Group's 2022 Annual Report.¹³

PHOTO: SHUTTERSTOCK

Stone Forest



Facing any of these ERP challenges?



How do I go paperless in accounting?



How do I retain 5 years of accounting records if there is a ransomware breach?



What is e-Invoicing? How can it digitalise my accounting function?



How do I meet statutory deadlines when there is data loss due to hardware failure?



How can I quickly recover lost accounting data to avoid IRAS's penalty charges?



Am I able to prepare financial reports on time when I'm working from home?



Where do I begin if I want to leverage the EDG subsidy to digitalise my accounting function?



How can I keep abreast of the technology trends for accounting software?



Why is my ERP running so slow? How do I differentiate system issues from user problems?



Help! Who can keep my team up-to-date with the latest statutory requirements?

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- CPA practice background with vertical expertise



Technical Highlights

FINANCIAL REPORTING

ASC Publishes 2023 Volumes Of SFRS(I)s And FRSs

The Accounting Standards Council (ASC) has published the collections of SFRS(I)s and FRSs required to be applied for annual period beginning on 1 January 2023.

For more information, please visit

<https://www.asc.gov.sg/news-events/local-news/current-year>

Raising Competency Of Audit Committee And Finance Team Crucial To High-Quality Financial Reporting

ACRA has issued its fourth Financial Reporting Surveillance Programme (FRSP) report findings to help companies avoid common pitfalls and improve their financial reporting.

For more information, please visit

<https://www.acra.gov.sg/news-events/news-details/id/695>

February 2023 Accounting Standards Advisory Forum Agenda And Meeting Paper Available

The Exposure Draft *International Tax Reform – Pillar Two Model Rules* were discussed at the Accounting Standards Advisory Forum meeting held on 10 February 2023.

For more information, please visit

<https://www.ifrs.org/news-and-events/calendar/2023/february/accounting-standards-advisory-forum/>

Q4 2022 IFRS Interpretations Committee (IFRIC) Podcast Available

In this podcast, IFRS Interpretations Committee Chair and IASB member Bruce Mackenzie joined IASB Technical Staff Riana Wiesner and Jawaid Dossani to share on IFRIC's discussions in support of consistent application of IFRS Accounting Standards in the last quarter of 2022. Topics discussed include a question to the Committee relating to IFRS 16 *Leases*, about whether a contract that includes a particular substitution right is considered a lease.

For more information, please visit

<https://www.ifrs.org/news-and-events/news/2023/01/q4-2022-ifrs-interpretations-committee-podcast-now-available/>

January 2023 International Accounting Standards Board Agenda And Meeting Papers Available

For this IASB meeting held from 24 to 26 January 2023, topics discussed include Supplier Finance Arrangements – Transition, Effective Date and Due Process, Equity Method and Business Combinations – Disclosures, Goodwill and Impairment.

For more information, please visit

<https://www.ifrs.org/news-and-events/calendar/2023/january/international-accounting-standards-board/>

SUSTAINABILITY & CLIMATE CHANGE

January 2023 ISSB Agenda And Meeting Papers Available

Topics discussed at the ISSB meeting held from 17 to 19 January 2023 include redeliberation of the proposals in the exposure drafts for general sustainability-related and climate-related disclosures.

For more information, please visit

<https://www.ifrs.org/news-and-events/calendar/2023/january/international-sustainability-standards-board/>

January 2023 ISSB Update And Podcast Available

In this podcast, ISSB Chair Emmanuel Faber and Vice Chair Sue Lloyd share on topics discussed at the Board's January meeting, including 2023 priorities and milestones; clarity on proposed objective of metrics disclosures in IFRS S1 and S2; disclosure of judgements, assumptions and estimates; and repurposing the IASB's concept of "reasonable and supportable information".

For more information, please visit

<https://www.ifrs.org/news-and-events/news/2023/01/january-2023-issb-update-and-podcast-now-available/>

ISSB

exposure draft

sustainability-related standards

climate disclosures





Felix Wong



Safe harbours (for related party loans) are typically unilateral and do not provide certainty in the other jurisdiction.

The Bare Side Of Transfer Pricing

TP Questions Answered And
Practical Tips



- Publicly available information may be retrieved and used to test certain related party transactions, while subscription to commercial databases may be required to get access to certain financial data for other related party transactions.
- To adhere to the arm's length principle, it is essential for the company to have a thorough understanding of the conditions and circumstances surrounding the transaction.
- Businesses should be proactive in planning their TP strategies and processes, and working them into the company's natural business lifecycle.



Adriana Calderon,
Director, Transfer
Pricing Solutions
Asia, shared her
practical insights
into TP issues raised
by the participants
in a candid session
organised by the
Singapore Chartered
Tax Professionals

INDICATIVE MARGINS ARE GENERALLY APPLICABLE FOR LOANS UNDER A CERTAIN VALUE. What can be done if a related party loan exceeds the threshold? This was just one of the many transfer pricing (TP) issues discussed at a new-format online session organised by the Singapore Chartered Tax Professionals.

During the robust session which focused on TP queries raised by participants, Adriana Calderon, Director of Transfer Pricing Solutions Asia, provided practical insights into the current TP climate, as well as the variety of TP issues raised by the participants. Here are some of the highlights.

1. Could you share, based on your experience, some of the tools and resources used for benchmarking analysis?

A benchmarking analysis (or comparability analysis) is conducted to compare the



related party transaction being tested, with transactions entered into between independent parties in same or similar circumstances. It is performed using internal comparables (which compare the related party transaction being tested with similar transactions carried out by the company and independent parties) or external comparables (which compare the



When using commercial databases, the key is to select suitable and reliable external comparables by sensibly screening the data

related party transaction being tested with similar transactions carried out between independent parties). Internal comparables, where available, can usually be easily retrieved from the company's financial system or records. However, there may be scenarios where internal comparables are not available (for example, where a company

manufactures and sells its products exclusively to related parties). In the absence of suitable internal comparables, the company would have to rely on external comparables.

Publicly available information (such as financial statements, central bank interest rates, or commodity indices) may be retrieved and used to test certain related party transactions. For other related party transactions, taxpayers may need to subscribe to commercial databases to get access to the financial data.

When using commercial databases, the key is to select suitable and reliable external comparables by sensibly screening the data based on industry classification, business description, geographical locations, scale of operations, as well as other appropriate factors for the specific type of transaction.

2. How do we ensure that an organisation's transfer prices are established in accordance with the arm's length principle?

The arm's length principle requires a transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party. This is premised on the fact that where market forces drive the terms and conditions agreed in an independent party transaction, the pricing of the transaction would reflect the true economic value of the contributions made by each party in that transaction. In practice, it is noted that tax authorities are increasingly focusing on the "big picture" to understand the specific role of the taxpayer and the nature of the transaction in the overall scheme of things.

To adhere to the arm's length principle, it is essential for the company to have a thorough understanding of the conditions and circumstances surrounding the transaction, including the group's business model, the related parties involved, their respective roles in the overall supply chain, as well as the specific nature of the transaction. If the company does not have a clear understanding of its role and of the related party transaction, it will not be able to arrive at a good basis to determine the appropriate market data or comparables to use for its benchmarking analysis.



In practice, it is noted that tax authorities are increasingly focusing on the “big picture” to understand the specific role of the taxpayer and the nature of the transaction in the overall scheme of things.



3. What should taxpayers do when the indicative margin (or safe harbour) for related party loans is different in the two relevant countries?

To alleviate the compliance burden and uncertainty faced by taxpayers, some tax authorities provide an indicative margin for related party loans. Taxpayers may choose to approximate an arm's length interest rate for their loan by adding the indicative margin to their choice of base reference rate. However, such safe harbours are typically unilateral and do not provide certainty in the other jurisdiction.

In an independent loan transaction involving a bank and a borrower, the focus will generally be on the credit ratings of the borrower and its risk of default. Similarly,

where there is conflict between the indicative margins on related party loans between two countries, the company may first consider the transaction from the borrower's perspective and accordingly, rely on the indicative margin of the borrower's jurisdiction. In practice, this approach may not always sit well with the tax authority of the lender's jurisdiction as it may opine that the transfer price is inadequate. Tax disputes may ensue.

Indicative margins are generally applicable for loans under a certain value. In Singapore, taxpayers can only choose to apply the indicative margin to a related party loan if it

does not exceed \$15 million at the time the loan is obtained or provided. Where indicative margins are not applicable, the company may need to perform a TP analysis on the loan transaction and apply an arm's length interest rate based on the analysis.

Where the size of the loan is substantial or if certainty is important, the company may consider applying for a bilateral Advance Pricing Arrangement (APA), which is essentially an agreement between IRAS and an Avoidance of Double Taxation Agreement (DTA) partner on the transfer price of a transaction between entities in their respective jurisdictions. As the application of bilateral APA is a resource-intensive exercise,

In Singapore, taxpayers can only choose to apply the indicative margin to a related party loan if it does not exceed \$15 million at the time the loan is obtained or provided

taxpayers should consider it only for substantial or important transactions.

4. From your experience, what are some common misconceptions that taxpayers may have in regard to TP documentation?

One common misconception that taxpayers have is that as long as a company manages to put together a lengthy TP documentation just before the tax-filing due date (such that it qualifies as contemporaneous TP documentation), its TP issues will all be resolved.

To successfully manage TP, the company needs to plan for the right people, processes, and technology to be put in place and ensure that the right data are captured for TP purposes. It is essential for taxpayers to recognise that the TP planning should start before a transaction is carried out. In practice, the TP lifecycle generally starts with the careful planning of TP strategies and subsequently, the execution of the TP policies when the transaction is carried out.

TP documentation captures the relevant information of the group's businesses that are relevant to the business operations in Singapore, as well as the details of the Singapore taxpayer's business and transactions with its related parties. However, no matter how lengthy or well written the TP documentation may be, it cannot change the substance of the company's TP policies, processes, or transactions. If a company has carried out its related party transactions haphazardly and only prepared its TP documentation before the tax-filing due date, it may be too late for the company to amend its TP positions to comply with the arm's length principle.

As the TP landscape changes, passively reacting to TP issues only when the tax authority raises a query or launches a TP audit is no longer enough. Instead, businesses should be proactive in planning their TP strategies and processes, and working them into the company's natural business lifecycle. ISCA

Felix Wong is Head of Tax, Singapore Chartered Tax Professionals.



Pro Forma Financial Information Preparation

Important Requirements And Considerations

PHOTOSHUTTERSTOCK

COMPANIES LOOKING TO LIST ON THE SINGAPORE EXCHANGE (ISSUERS) must include pro forma financial statements in the prospectus if certain rules apply under the 5th Schedule of the Securities and Futures Act (Cap. 289)¹ (the "Regulation") and Singapore Exchange (SGX) Listing Rules (LR). These statements benefit investors by providing a more complete overview of the issuer's historical financial statements (HFS) when making investment decisions.

In this article, we take a closer look at the preparation of pro forma financial information (PFI).

PFI are special financial data related to historical periods that supplement an issuer's historical financial information assuming that certain events or transactions occurred

TEXT BY



Jimmy Seet

ISCA Corporate Finance Committee

Takeaways

- Companies looking to list on the Singapore Exchange (issuers) must include pro forma financial statements in the prospectus if certain rules apply under the 5th Schedule of the Securities and Futures Act (Cap. 289) and Singapore Exchange Listing Rules.
- A successful preparation of pro forma financial information (PFI) requires time and expertise by the finance team of the issuer.
- Equipped with knowledge of the relevant requirements and considerations, issuers may plan a transaction in advance to avoid preparation of the PFI.

at an earlier date. The objective of PFI is to provide investors with information about the continuing impact of a particular event or transaction by indicating how the event or transaction might have affected HFS had it occurred at an earlier date.

When should issuers prepare PFI?

Based on the Regulation, PFI must be disclosed in the prospectus if the answer to one of the questions in Table 1 is "yes".



¹ <https://sso.agc.gov.sg/SL/SFA2001-S664-2018?DocDate=20181005&Provides=Sc5-#Sc5->

TABLE 1

Has the relevant corporation:

- acquired or disposed of any asset or any entity, business or business trust, OR
- entered into any agreement to acquire or dispose of any asset or any entity, business, or business trust, between the beginning of the most recently completed financial year and date of registration of the final prospectus AND

- Net book value or profit or loss (P/L) before tax of asset, entity, business, or business trust is 10% or more of net assets/net liabilities, or P/L before tax of issuer's group, OR

- Total net book value or P/L before tax of asset, entity, business, or business trust is 20% or more of net assets/net liabilities, or P/L before tax of issuer's group?

Has the relevant corporation had any significant change to the capital structure (including any material distribution) between the beginning of the most recently completed financial year and date of registration of the final prospectus?



PFI can be exempted if the prospectus includes an opinion from the auditor that the PFI is the same in all material respects with the audited financial statements of the issuer that have been included in the prospectus.



What are the typical events triggering significant changes in capital structure?

- Declaration of dividends;
- Issuance of shares, and
- Conversion of shares.

Which statements and periods are required to be presented?

Based on the Regulation, pro forma income statement, cash flow statement and balance sheet must be prepared for the most recently completed financial year. If interim financial statements of the relevant corporation have been included in the prospectus, pro forma

financial statements must be disclosed for the period covered by the interim financial statements too.

The pro forma income statement and cash flow statement will be prepared on the assumption as if the acquisition, disposal or significant change had occurred at the beginning of the most recently completed financial year. The pro forma balance sheet will be prepared on the assumption that the acquisition, disposal or significant change had occurred at the end of the financial year and the end of interim period (if interim financial statements have been provided in the prospectus).



There are specific circumstances where the issuer can request MAS for a PFI disclosure waiver; each request is singularly examined

PHOTOSHUTTERSTOCK

Based on SGX LR, PFI must be presented for reverse takeover where there have been material changes to the group structure of the issuer, or in the case of a listing of a REIT or a business trust. Under SGX LR, pro forma income statement or statement of comprehensive income should be presented for the latest three financial years and for the most recent interim period (if applicable) as if the restructured group had been in existence at the beginning of the period reported on. The pro forma statement of financial position should be presented as at the date to which the most recent pro forma income statement or statement of comprehensive income was made up.

Can the issuer request a waiver for PFI disclosure?

There are specific circumstances where the issuer can request the Monetary Authority of Singapore (MAS) for a waiver, and each request is singularly examined. A common request for waiver is often due to the non-availability of information for the compilation of PFI by the issuer.

Are disclosure exemptions possible?

Pro forma profit and loss and cash flow statements may not be required to be disclosed if the acquisition or disposal relates to an inactive business. In addition, PFI can be exempted if the prospectus includes an opinion from the auditor that the PFI is the same in all material respects with the audited financial statements of the issuer that have been included in the prospectus. While the Regulation requires a pro forma opinion from the auditor, there is no specific auditing standard for it. As the reasons

for not presenting pro forma profit and loss or cash flow statements would be disclosed in the pro forma financial statements, the auditor's pro forma opinion would indirectly cover this.

What type of pro forma adjustments can be adjusted?

Adjustments should be given to events that are (all conditions to be met):

- Directly attributable to the transaction;
- Factually supportable, and
- Expect to have continuing impact.

Common pro forma adjustments include material charges, credits and related tax effects. These may include:

- Adjustments to reflect the effects of purchase price allocation in a business combination, such as adjustments to recognise assets and liabilities acquired at fair value, recognition of goodwill and changes in depreciation and amortisation charges;
- Adjustments to reflect the effects of financing necessary to complete an acquisition;
- Adjustments to reflect the conversions of liability to equity;
- Adjustments to reflect changes in debt structure and interest expense due to debt assumed or retired.

How should PFI be presented?

The prospectus must include:

- The purpose for which PFI have been prepared;
- The fact that PFI have been prepared for illustrative purposes only;
- That, because of their nature, PFI address a hypothetical situation and therefore, do not represent the company's actual financial position or results;
- The basis upon which PFI are prepared, including the source of each item of information;
- A statement of whether the pro forma financial statements were audited, the auditing standards that were adopted by the auditors in the audit of the financial statements and the auditors who audited the financial statements, and
- Any material adjustment made to any information used in the preparation of the pro forma financial statements and the reason for making that adjustment.



Who is involved in the preparation of PFI?

The preparation of PFI requires cooperation and assistance between the issuer and other parties involved in the transaction, such as the respective auditor.

Another important collaboration is between the issuer and its auditor, as the issuer is required to include, in the prospectus, the auditor's opinion on the compilation of pro forma financial statements. The auditor conducts its engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus (SSAE 3420)². The auditor's responsibility is to report on whether the PFI have been compiled, in all material respects, by the responsible party based on the applicable criteria.



The preparation of PFI requires cooperation and assistance between the issuer and other parties involved in the transaction, such as the respective auditor



² <https://isca.org.sg/media/775759/ssae-3420.pdf>

CONCLUSION

A successful preparation of PFI requires time and expertise by the finance team of the issuer. The issuer should ensure alignment of the accounting policies of acquired businesses when preparing the PFI, as well as sufficient disclosure of the nature of the pro forma adjustments made. Equipped with knowledge of relevant requirements and considerations set out in this article, issuers may plan a transaction in advance to avoid preparation of the PFI. ISCA

This article was written by Jimmy Seet, Director, Assurance – Capital Markets Services Group, PwC, and the ISCA Corporate Finance Committee.

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