

LEGAL UPDATE

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LEGISLATION UPDATE

ACRA PRACTICE DIRECTION 5 OF 2007: NEW ANNUAL RETURN FORM AND REQUIREMENT TO FILE FINANCIAL STATEMENTS IN XBRL FORMAT

The Accounting and Corporate Regulatory Authority (“**ACRA**”) has issued Practice Direction 5 of 2007 entitled “New Annual Return Form and Filing of Financial Statements in XBRL w.e.f. 1 November 2007” (the “**Practice Direction**”). Local companies are to use a new Annual Return Form for their annual filings and are to file their financial statements in Extensible Business Reporting Language (“**XBRL**”) format with effect from 1 November 2007. Foreign companies and their locally-registered branches are not affected by the new requirements.

New Annual Return

Merger of Summary of Return and Main Return

Before the Practice Direction was issued, companies had to file a Summary of Return (“**SR**”) and a Main Return (“**MR**”) with ACRA after each annual general meeting.

With effect from 1 November 2007, the SR and MR have been merged into one new Annual Return (the “**new AR**”). A single filing fee of S\$20.00 will be payable in respect of the new AR. Sample forms of the new AR can be viewed by clicking “Sample forms for new AR” at the heading “Related Links” below.

Filing of the new AR on or after 1 November 2007

To facilitate preparation of financial statements in XBRL, ACRA has made “FS Manager”, a software system which enables internet users to prepare and manage their companies’ financial statements in XBRL format, freely accessible from ACRA’s website regardless of whether the users have a SingPass login password or not.

As a typical XBRL financial statement takes some time to upload, companies filing the new ARs should ensure that they have either previously uploaded their financial statements not more than 1 week before or have their XBRL financial statements ready for uploading in their local drive or storage device at the time of filing.

Dormant companies and exempt private companies need not attach the statement exempting them from audit requirements. If the correct company type is selected when filling in the online form, the appropriate online declarations will appear in the new AR.

Submissions of Financial Statements in XBRL

Full XBRL or Partial XBRL form

From 1 November 2007, Singapore-incorporated companies which are either limited by shares or unlimited are required to file their financial statements for financial periods ending on or after 30 April 2007 either under the Full XBRL Option (“**Option A**”), where they will have to file their full set of financial statements in XBRL, or under the Partial XBRL Option (“**Option B**”) where only their balance sheet and income statement would be filed in XBRL. If Option B is chosen, the company also has to file a PDF copy of its full set of financial statements as tabled at its AGM. Financial highlights are not required for companies filing under Option A or Option B.

Full PDF form

Certain companies need only file their financial statements in Full PDF form (“**Option C**”). However, they are also required to set out their financial highlights in the new AR. Option C is applicable to:

- banks, insurance companies and finance companies regulated by the Monetary Authority of Singapore;
- companies allowed by law to prepare accounts with accounting standards other than the Singapore Financial Reporting Standards or the International Financial Reporting Standards; and
- companies limited by guarantee.

Companies filing their financial statements for financial periods ending before 30 April 2007 will continue to file them in full PDF form and concurrently set out their financial highlights in the new AR.

Further details on filing financial statements in XBRL format are available by clicking the relevant link under “Related Links” below.

Changes to the Law effective from 1 November 2007

The Second and the Eighth Schedules to the Companies Act and the Companies (Filing of Documents) Regulations will be amended to consolidate the requirements of the SR and the MR into the new AR and to consolidate the fee requirements.

Waiver of Penalties when filing under Full XBRL format

To encourage companies to file their financial statements under Option A, ACRA will not impose any penalty on companies other than public listed companies if there has been a delay of less than a month after the time period prescribed by the Companies Act in doing any of the following:

- (a) holding the annual general meeting after the prescribed period;

- (b) laying the financial statements before the shareholders; or
- (c) filing the financial statements using Option A (where (a) and (b) were carried out within the prescribed time period).

Feedback

ACRA welcomes feedback on the performance of the FS Manager and on the new filing procedures. Users can access the feedback form by clicking on the relevant link below.

Related Links

1. [ACRA's press release](#)
2. [Practice Direction 5 of 2007 \(full text\)](#)
3. [Sample formats for the new AR](#)
4. [Practice Direction 2 of 2007 on further directions on using XBRL](#)
5. [ACRA's feedback form](#)

If you would like more information about this practice direction or wish to discuss how it may potentially affect you or your business, please feel free to contact DrewCorp Services Pte Ltd:

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