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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES
(OFFERS OF INVESTMENTS) (EXEMPTION
FROM PRESCRIBED ACCOUNTING AND
AUDITING STANDARDS IN RELATION TO
FINANCIAL STATEMENTS IN PROSPECTUSES)
REGULATIONS 2005

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
2. Definitions
3. Exemption from prescribed accounting standards
4. Exemption from prescribed auditing standards

In exercise of the powers conferred by section 247 (1) of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Exemption from Prescribed Accounting and Auditing Standards in relation to Financial Statements in Prospectuses) Regulations 2005 and shall come into operation on 28th January 2005.

Definitions

2. In these Regulations, unless the context otherwise requires —
“IAS” means the International Accounting Standards or the International Financial Reporting Standards;
“ISA” means the International Standards on Auditing;

“SAS” means the Singapore Statements of Accounting Standards or the Financial Reporting Standards;

“SSA” means the Singapore Standards on Auditing;

“US GAAP” means the US Generally Accepted Accounting Principles;

“US GAAS” means the US Generally Accepted Auditing Standards.

Exemption from prescribed accounting standards

3.—(1) Subject to paragraph (2), a person who lodges with the Authority a prospectus making an offer of, or inviting subscription for or purchase of, shares in or debentures of, or units of shares in or debentures of, a corporation, shall be exempt —

- (a) from the requirement under paragraph 3 of Part IX of the Fifth Schedule, paragraph 3 of Part IX of the Sixth Schedule, paragraph 4 of Part VIII of the Seventh Schedule, or paragraph 4 of Part IX of the Eighth Schedule, to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations (Rg 1), as the case may be, that the annual financial statements provided in the prospectus be prepared or re-stated in accordance with the SAS, the IAS or the US GAAP;
- (b) from the requirement under paragraph 18 (b) of Part IX of the Fifth Schedule, paragraph 17 (b) of Part IX of the Sixth Schedule, paragraph 19 (b) of Part VIII of the Seventh Schedule, or paragraph 18 (b) of Part IX of the Eighth Schedule, to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations, as the case may be, to provide a statement that the financial statements of each entity used in the preparation of the pro forma financial statements be prepared or re-stated in accordance with the SAS, the IAS or the US GAAP; and
- (c) from the requirement under paragraph 20 (a) of Part IX of the Fifth Schedule, paragraph 19 (a) of Part IX of the Sixth Schedule, paragraph 21 (a) of Part VIII of the Seventh Schedule, or paragraph 20 (a) of Part IX of the Eighth Schedule, to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations, as the case may be, to include, in the prospectus, an opinion from

the auditors that the financial statements of each entity used in the preparation of the pro forma financial statements were prepared or re-stated in accordance with the SAS, the IAS or the US GAAP.

(2) The exemptions under paragraph (1) shall be subject to the condition that the prospectus referred to in that paragraph includes the following:

- (a) a statement identifying the body of accounting standards that was adopted in the preparation of the financial statements of the corporation whose shares or debentures, or units of shares or debentures, are being offered;
- (b) in the case referred to in paragraph (1) (a), an opinion from the auditors that no material adjustments would be required to re-state the annual financial statements in accordance with the SAS, the IAS or the US GAAP, as the case may be; and
- (c) in the case referred to in paragraph (1) (b), an opinion from the auditors that —
 - (i) the pro forma financial statements included in the prospectus were properly prepared from financial statements of the entities within the pro forma group which were prepared in accordance with, or consistent with, the SAS, the IAS or the US GAAP, as the case may be; and
 - (ii) in respect of the financial statements of the entities within the pro forma group which were not prepared or re-stated in accordance with the SAS, the IAS or the US GAAP, as the case may be, no material adjustments would be required to re-state such financial statements in accordance with the SAS, the IAS or the US GAAP, as the case may be, for the purposes of preparing the pro forma financial statements.

Exemption from prescribed auditing standards

4.—(1) Subject to paragraph (2), a person who lodges with the Authority a prospectus making an offer of, or inviting subscription for or purchase of, shares in or debentures of, or units of shares in or debentures of, a corporation, shall be exempt from the requirement

under paragraph 4 of Part IX of the Fifth Schedule, or paragraph 5 of Part VIII of the Seventh Schedule, to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations (Rg 1), as the case may be, that the annual financial statements provided in the prospectus be audited in accordance with the SSA, the ISA or the US GAAS for at least the most recent completed financial year and, where the most recent completed financial year is for a period less than 6 months, for the financial year preceding the most recent completed financial year.

(2) The exemption under paragraph (1) shall be subject to the condition that the prospectus referred in that paragraph includes the following:

- (a) a statement identifying the body of auditing standards that was adopted by the auditors in the audit of the annual financial statements; and
- (b) an opinion from the auditors that there are no material differences between —
 - (i) the auditing standards adopted by them in the audit of the annual financial statements; and
 - (ii) the SSA, the ISA or the US GAAS, as the case may be, to the extent applicable in the audit of those statements.

Made this 27th day of January 2005.

KOH YONG GUAN
Managing Director,
Monetary Authority of Singapore.

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