Monetary Authority of Singapore

Response to Feedback Received
P007-2024 – 28 November 2025

Response to Feedback Received on Proposed Amendments to Requirements for Preparation of Financial Statements and Reports under the Code on Collective Investment Schemes

Contents

1. Preface

1.1. On 15 August 2024, MAS issued a consultation paper seeking views on the following proposals to:

(a) require financial statements relating to an authorised collective investment scheme[1] ("**Authorised Scheme**") to be prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") instead of the Statement of Recommended Accounting Practice 7: Reporting Framework for Investment Funds ("**RAP 7**"); and

(b) retain certain disclosures required by RAP 7 but are not required by SFRS(I), by prescribing these disclosures in the Code on Collective Investment Schemes ("**CIS Code**").

1.2. The consultation closed on 14 September 2024, and MAS would like to thank all respondents for their contributions. The list of respondents and their full submissions are set out in Annexes A and B respectively.

1.3. MAS has carefully considered the feedback received, and has incorporated respondents' suggestions where appropriate. Comments that are of wider interest, together with MAS' responses are set out below.

1.4. MAS will proceed to require all Authorised Schemes to prepare their financial statements in accordance with SFRS(I). SFRS(I), which is aligned with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"), would enable investors to better compare financial statements of Authorised Schemes with recognised schemes[2] in which they may also be invested in. It also allows for comparability with the listed companies in investors' portfolios, which largely use SFRS(I)[3]. As SFRS(I) is a standard prescribed by the Accounting Standards Committee ("**ASC**"), investors will also have an additional reassurance that the standards are set by a well-recognised standard setting body. Finally, using a set of internationally-aligned standards will also support the expansion of the industry overseas.

[1] Refers to a collective investment scheme that is constituted in Singapore and authorised by the MAS under Section 286 of the Securities and Futures Act 2001 ("**SFA**").
[2] Refers to a collective investment scheme that is constituted outside Singapore and recognised by the MAS under Section 287 of the SFA.
[3] Some foreign incorporated companies may choose to prepare their financial statements in accordance with US GAAP.

1.5. MAS has made amendments to the CIS Code to implement the final policy positions. The amendments, which are set out in Annex C, will take effect no later than the respective financial years ending on or after 31 December 2028. The timing for the amendments to take effect takes into account feedback from respondents to the consultation.

2. Review of Requirements for Preparation of Financial Statements

Authorised Schemes to adopt SFRS(I)

2.1. MAS sought views on the proposal to require Authorised Schemes (including real estate investment trusts (“**REITs**”)) to prepare their financial statements in accordance with SFRS(I) issued by the ASC. MAS also sought views on how SFRS(I) compares to other accounting standards that may also be suitable for preparing financial statements of Authorised Schemes.

2.2. Majority of the respondents agreed that SFRS(I), which is aligned with IFRS, would enable investors to better compare financial statements of Authorised Schemes with that of other major fund jurisdictions and across different types of capital market issuers in Singapore. They therefore supported the use of SFRS(I) by Authorised Schemes to prepare their financial statements.

2.3. On the other hand, two respondents suggested the use of IFRS, noting that its wide adoption and recognition in major financial jurisdictions would make Authorised Schemes more appealing to international investors and potentially improving the competitiveness of Singapore funds in the global market. One respondent suggested allowing retail variable capital companies (“**VCCs**”) to also use IFRS and US GAAP, which are permitted under the Variable Capital Companies Act 2018 (“**VCC Act**”) to serve global investors’ needs.

2.4. Three respondents expressed concerns over the costs of transition from RAP 7 to SFRS(I), including accounting advisory and training costs. Two of these respondents commented that the additional disclosures to be made in interim financial statements[4] required under SFRS(I) 1-34[5] would increase compliance cost and questioned if the incremental benefit from the additional disclosures is sufficiently meaningful against the potential cost increase. As an alternative, one respondent suggested granting REITs discretion to omit certain SFRS(I) disclosures from interim financial statements, and include them only in annual audited statements instead, as investors typically focus on distributable income, distribution per unit, and net asset value when reviewing a REIT’s interim financial statements.

[4] These disclosures include information on operating segments, related party transactions, and seasonality or cyclicity of interim operations.

[5] SFRS(I) 1-34: Interim Financial Reporting

MAS' Response

2.5. Given the broad support for the use of SFRS(I) over other accounting standards, MAS will proceed with the proposal to require all Authorised Schemes to prepare their financial statements in accordance with SFRS(I).

2.6. With regard to the suggestion on using IFRS, MAS would like to clarify that Authorised Schemes using SFRS(I) can voluntarily assert compliance with IFRS, given that SFRS(I) is identical to IFRS. MAS would also like to clarify that, notwithstanding other permissible accounting standards under the VCC Act, all Authorised Schemes (including retail VCCs) should prepare their financial statements in accordance with SFRS(I).

2.7. MAS notes the feedback on the usefulness of interim financial statements that are prepared in accordance with SFRS(I) 1-34, but is of the view that the adoption of SFRS(I) in its entirety is necessary to promote better comparability of financial statements of Authorised Schemes with those of other types of capital market issuers in Singapore. Specifically, MAS notes that Singapore-incorporated companies listed on the Singapore Exchange, as well as REITs that are currently applying IFRS and SFRS(I), have already been preparing interim financial statements in accordance with SFRS(I) 1-34.

2.8. MAS understands the concerns raised by respondents on the efforts required to transition from RAP 7 to SFRS(I). To address these concerns, MAS has worked with the Institute of Singapore Chartered Accountants ("**ISCA**") to put in place support measures, which include the issuance of a financial reporting guidance by ISCA ("**FRG 6**")[6] and an illustrative set of financial statements for Authorised Schemes (including REITs) based on SFRS(I). ISCA will also be organising training courses. Going forward, ISCA will monitor accounting-related developments and provide feedback to ASC and IASB on proposed changes to SFRS(I) and IFRS that may have an impact on Authorised Schemes. These measures aim to help ease challenges faced by the affected Authorised Schemes when moving to SFRS(I).

Exceptions

2.9. As an exception to the requirement for all Authorised Schemes to prepare their financial statements in accordance with SFRS(I), MAS had sought views on the proposal to allow (i) REITs that have been preparing their financial statements in accordance with IFRS, and (ii) REIT-listing aspirants that have sponsors and/or subsidiaries that had been preparing their financial statements in accordance with IFRS, to prepare their financial statements in accordance with IFRS.

[6] FRG 6: RAP 7 to SFRS(I) Implementation Roadmap

2.10. Respondents supported the proposal. However, some respondents also suggested that it will not be unduly burdensome for all REITs to align with the SFRS(I) accounting standards used by listed companies in Singapore by asserting dual compliance with IFRS and SFRS(I), since these two accounting standards are identical financial reporting frameworks.

MAS' Response

2.11. In light of the feedback that it would not be unduly burdensome for all REITs to adopt SFRS(I), MAS has further engaged the industry on this proposal. In this regard, MAS understands that REITs that are currently using IFRS can transition to SFRS(I) without conversion costs and consolidation issues with their sponsors and/or subsidiaries that had been preparing their financial statements in accordance with IFRS. Given that REITs using SFRS(I) can assert dual compliance with IFRS, global investors will be assured that the financial statements also comply with IFRS.

2.12. Given the feedback and these subsequent industry views, MAS will not proceed with the proposal and instead will require all REITs to adopt SFRS(I), without any exceptions, including REITs that have been granted waivers from complying with RAP 7.

3. Additional disclosures to be included in the CIS Code

3.1. MAS sought views on the proposal to retain certain disclosures required by RAP 7 but are not required by SFRS(I) by prescribing these disclosures in the CIS Code to provide critical and useful information to fund investors.

3.2. Respondents generally agree that there is value in retaining the additional disclosures that are required under RAP 7 but not under SFRS(I). They were of the view that the additional disclosures under RAP 7 provide relevant and granular information beyond the broader principles of SFRS(I) and facilitates benchmarking amongst Authorised Schemes. On the other hand, a few respondents expressed concerns on the higher operating expenses arising from the additional disclosures and its adverse impact on the competitiveness of Authorised Schemes compared to global peers.

3.3. Three respondents asked for clarity on the placement of the additional disclosures as this determines whether such information needs to be audited. One respondent suggested that the auditors' opinion should cover the additional disclosures, particularly the information relating to portfolio holdings and REIT distributions, as these disclosures are important and essential for investor engagement.

3.4. Several respondents also sought clarification on the application of the additional disclosure requirements. A few respondents sought clarification on the applicability of the statement of portfolio holdings for interim reporting, as most REITs conduct valuations annually, except when significant valuation changes occur, or material acquisitions are made during the period. They also asked if the information on the qualifications and recent valuation experience of the valuer for REITs should refer to the valuation firm or the individual valuer – the latter of which, may not be useful for investors. Two respondents sought clarification on the requirement to disclose information on each share class in financial statements since it is already disclosed in offer documents.

MAS' Response

3.5. Given the feedback that the additional information under RAP 7 provides value, MAS will proceed with the proposal to retain certain disclosures required by RAP 7 but are not required by SFRS(I).

3.6. To provide clarity on the placement of the additional disclosures, MAS will amend the CIS Code to clearly state that all the additional disclosures are to be set out in the financial statements (which includes the notes to the financial statements), which will be subject to audit. This is consistent with the current requirements under RAP 7.

3.7. Regarding concerns on operating expenses, MAS would like to clarify that these disclosures are existing requirements under RAP 7, rather than new disclosures. In addition, MAS would like to clarify that share class information[7] and statement of portfolio holdings for interim reporting should be disclosed as these are not specifically required under SFRS(I). In line with the current industry practice, MAS would also like to clarify that information on the qualifications and recent valuation experience of the valuer for REITs should refer to the valuation firm. The FRG 6[8] and illustrative set of financial statements to be issued by ISCA will also provide guidance on the presentation of these disclosures.

[7] The disclosures required may take reference to the disclosures made to comply with paragraph 33 of the Third Schedule of Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005.
[8] Refer to paragraph 2.8 above for details.

4. Transition period

4.1. To provide managers of Authorised Schemes (including REITs) adequate time to prepare for the transition from RAP 7 to SFRS(I), MAS had proposed to require Authorised Schemes (including REITs) to comply with the amended CIS Code with effect from the financial year ending on or after 31 December 2027.

4.2. Majority of the respondents expressed concerns about the adequacy of the transition period. They pointed out that the transition to SFRS(I) introduces considerable additional new reporting requirements and requested for an extension of the effective date to no earlier than the financial year ending on or after 31 December 2028 to facilitate a comprehensive assessment on the extent of impact of the transition and the associated costs. One respondent suggested for a phased approach to be considered to accommodate the varying levels of readiness across Authorised Schemes.

MAS' Response

4.3. MAS notes respondents' feedback on the additional time that is needed to assess and implement the transition. Having considered the foregoing, MAS will require Authorised Schemes (including REITs) to comply with the proposed amendments to the CIS Code with effect from the respective financial years ending on or after 31 December 2028 instead. Given the varying levels of readiness across the industry, MAS would like to clarify that Authorised Schemes may adopt SFRS(I) earlier if they choose to do so.

Annex A

List of respondents to the Consultation Paper on Proposed Amendments to Requirements for Preparation of Financial Statements and Reports under the Code on Collective Investment Schemes

1. Investment Management Association of Singapore

2. Eastspring Investments (Singapore) Limited

3. Schroder Investment Management (Singapore) Limited

4. REIT Association of Singapore

5. Mapletree Industrial Trust Management Ltd.

6. Institute of Singapore Chartered Accountants

7. KPMG LLP, Singapore

Note: 2 other respondents requested for their identities and submissions to be kept confidential.

Please refer to Annex B for the submissions.

Annex B

Submissions from respondents to the Consultation Paper on Proposed Amendments to Requirements for Preparation of Financial Statements and Reports under the Code on Collective Investment Schemes

S/N	Respondent	Responses from Respondent
1	Investment Management Association of Singapore	**Question 1(a):** Our members feel that RAP 7 is a specialised framework for investment funds in Singapore, closely aligned to SFRS, SFRS (I), and IFRS, hence is sufficient to meet our investors' unique financial reporting needs in investment funds. Any requirement by the Authority to require Authorized Schemes (including REITS) to prepare financial statements in accordance with SFRS (I) is likely to add to the TER of funds hence an undesirable outcome, given the increased cost pressure the industry is already coming under. This is due to the additional costs associated with report preparation, production, audit and fund administration given the substantial disclosure notes required under SFRS(I), which potentially requires more frequent updates. In addition, for cash flow statements required by SFRS (I) to be meaningful, it will need to include comparisons with previous years. Members then would like clarity from the Authority on the use of comparatives in the first set of financial statements prepared in accordance with SFRS (I). As our members feel that the semi-annual reports under RAP 7 standards are sufficient for investors, are more simplified without requirements of non-essential information vs SFRS (I), they query if the incremental benefits or value-add arising thereon from the additional requirements is sufficiently meaningful against the potential cost increase. **Question 1(b):** SFRS(I) and IFRS are broader standards used by a wide variety of entities globally, where the presentation structure and requirements are designed for general-purpose entities, less tailored to the needs of investment funds compared to RAP7. Compliance with SFRS(I) is akin to compliance with IFRS as SFRS(I) is based on IFRS standards.

		Question 2: Our member views this as keeping to the status quo, hence no impediment. IFRS is an internationally recognised standard; SFRS(I) comprise of standards and interpretations that are equivalent to IFRS issued by the IASB with effect from 1 January 2023. **Question 3:** This proposal is logical and reasonable. **Question 4:** Some of our members feel that the additional disclosures unique to RAP 7, i.e. statement of portfolio, expense ratio, turnover ratios, report to unitholders and statement of distributions (in the case of REITs) not required under SFRS(I), are pertinent information for investment funds or trusts. As such, fund investors who are already used to RAP7 would request for the information that are not presented in the SFRS(I) or audited annual and semi-annual reports. This information should logically be retained if there is no impact on the overall costs for the funds or trusts. However, if the Authority were to require financial statements prepared and published based on SFRS(I) and with RAP 7 additional disclosures, this will likely result in higher operating expenses for Singapore funds vs global peers, negatively impacting our competitive advantage. These financial statements will then present too much detail and may not necessarily add value to general investors. As such, if the move is towards the preparation of financial statements in accordance with SFRS (I), then our members feel that additional requirements under RAP 7 should not be retained as this does not foster comparability of financial statements against other major fund jurisdictions in any way while encumbering the local industry participants and funds with additional reporting costs. Under RAP 7, it is required to present the Statement of Portfolio according to the primary and secondary segments. Disclosures under the primary segment reporting are similar to the Investment Portfolio disclosure under IFRS. Hence this is already being disclosed under IFRS requirements. With regards to the secondary segment reporting, IFRS 7 requires disclosure of significant sector concentrations and does serve to meet such reporting requirements to a certain extent. IFRS 7 also requires other extensive risk disclosures that go above and beyond the current reporting requirements under RAP 7. Extensive risk information is already required and presented under the requirements of IFRS 7, which should suffice for users of financial statements.

		One member has asked whether semi-annual reports will need to follow the format of the full annual financial statements given Guidance 2 in 5.1.1 of the Annex which states that the interim financial statements should be prepared in accordance with the relevant accounting standards for interim financial reports under SFRS(I) or IFRS. Another member has also enquired if there will be incentives given by the MAS to offset additional costs of the new requirements, if imposed. **Question 5:** Our member firms commented that further information, such as the list of key differences between RAP 7 and SFRS (I) and an illustrative set of financial statements for Authorised Schemes based on SFRS(I) is required in order to assess how significant the impact is for the transition to take place. This will then help to determine if the proposed transition period is feasible and reasonable. The member firm asked for MAS to provide more practical expedients in advance to the industry to ease the transition. Our members commented that firms may still need to invest in training to prepare for adoption, and accounting advisory costs may be additionally incurred. One member proposed a transition period of 1.5 to 2 years, to allow sufficient time for the fund management companies to review and assess the change and cost implications with the auditors and fund administrators as well as to implement a project transition to effect the change requirements. The member firm highlighted the expected changes to be made in the report templates due to changes in the reporting presentation and format below: (i) Semi-annual report under RAP7 is a simplified version and will have to include the Notes to the interim financial statements under SFRS(I). (ii) The addition of the Statement of Cash Flows (required for SFRS(I)). (iii) Additional disclosures for financial risk management (e.g. disclosure of financial instruments by category - Financial assets/liabilities at amortised cost/fair value through profit or loss). (iv) Assessment of the classification of Equity vs Liabilities of the net assets attributable to the unitholders (In RAP7 – it is required to be classified as equity on initial recognition). (v) Changes in accounting policies.

		(vi) Comparative numbers for prior period to be restated due to change in standards/ presentation format. One member would like to seek clarification from the Authority on whether the prior year's information is required to be presented for the financial year ending on 31 December 2027. More time is needed for the industry to prepare for the change for the reporting in 2026 if such information is required to be presented. Auditors are still assessing how the new standard will apply to investment funds when IFRS18 becomes effective on 1 Jan 2027, due to the changes in the presentation and disclosures of the financial statements. Our member would like to seek clarification on whether the MAS has taken the assessment period into consideration when planning the proposed transition period.
2	Eastspring Investments (Singapore) Limited	**Question 1(a):** The purpose of this transition from RAP 7 to SFRS(I) is to align with international standards and promote better comparability of financial statements with those of other major fund jurisdictions. At this point, we do not foresee significant challenges in preparing the disclosures outlined in the consultation paper. We expect ISCA to publish a list of key differences between RAP 7 and SFRS(I) along with an illustrative set of financial statements. We will subsequently work with our service providers to prepare the statements according to the new requirements. **Question 1(b):** Will MAS consider changing the accounting standard for Authorised Schemes from RAP 7 to IFRS instead of SFRS(I), since SFRS(I) is meant to be identical to IFRS and the latter is already adopted by major fund jurisdictions? **Question 4:** 1) On additional disclosures required by RAP 7, which are not required under SFRS(I): Investors will be familiar with such additional disclosures as required by RAP 7 and may have considered those disclosures/ratios relevant for performance measurement. It may be challenging for fund managers to explain this change if RAP 7 disclosures are removed. While fund managers can consider continuing such disclosures as deemed necessary, we would like to clarify if these disclosures should be included as part of the audited financial statement or

		under the unitholder report where they are unaudited. We hope this is explicitly stated in the Code of CIS to avoid ambiguity. 2) There are some gap differences that may be incremental from RAP 7: - Statement of cash flows (previously not required under RAP 7 for non-property funds) - Analysis of equity/liability of issued units/instruments (previously deemed as equity under RAP 7) This may potentially lead to higher audit fees for the Fund. 3) We refer to S5.2(f)(iii) of the Consultation Paper i.e. a description of the different rights and terms attached to each class, including the rights on winding up and the policy for allocating taxation and distributable income. We seek clarification on the intention to provide such details in FS as we would classify these as Product information to differentiate the attributes of each classes that are already stipulated in the Fund's Prospectus and/or Distribution documents. **Question 5:** If MAS proposed to implement SFRS (I) effective FY 2027 and if the new framework SFRS (I) requires cash flow and balance sheet reclassification, it might need to go back 3 years so the data requirements start from closing FY 2025. Upon transitioning from RAP 7 to SFRS(I), there would be unavoidable transition costs for both auditors and preparers arising from SFRS(I). The expected ISCA publication of the list of key differences between RAP 7 and SFRS(I), along with an illustrative set of financial statements would be helpful for funds to alleviate compliance costs.
3	Schroder Investment Management (Singapore) Limited	**Question 1(a):** Due to the nature of Investment Funds, the Statement of Cash Flows may not be practically useful for fund investors. The Statement of Cash Flows will be displaying information which may be derived from the Statement of Total Return and the Statement of Financial Position. **Question 1(b):** International Financial Reporting Standards (IFRS) is widely adopted and recognised across major financial jurisdictions, which may offer a familiar reporting framework to global investors. This alignment with international standards could potentially make Singapore's funds more competitive in the global market, as it may facilitate easier comparison and integration with other investments and financial

		reports prepared under IFRS. If the MAS allows fund managers the option to comply with IFRS, it could enhance the appeal of Singapore-based funds to international investors. **Question 4:** Other than those in the Annex, distribution breakdown by record date, payment date and the corresponding rate/unit and amount for each distributing share class is also an item that is useful for the fund investors. **Question 5:** 31 December 2027 FYE is a feasible timeframe.
4	REIT Association of Singapore	**Question 1(a):** Subject to the qualifications set out in our current response to Question 1(a), REITAS supports MAS' proposal for financial statements to be presented in accordance with SFRS(I) as this will ensure consistency in information disclosures within the industry, with other corporates listed on the Singapore Exchange, as well as internationally and present a set of financial statements that are more useful to and accepted by users both within and outside of Singapore. Given the nature of Singapore real estate investment trusts' ("**S-REITs**") diverse investor base (which includes not only domestic investors or investors domiciled in Singapore but also overseas investors), it is important to ensure that the reporting and disclosure framework is consistent, transparent and widely accepted by global investors. As SFRS(I) adopts essentially the same principles as IFRS (with minor differences which in REITAS' opinion would not impact preparation or undermine investors' understanding), this proposal to align reporting standards in accordance with SFRS(I) is of even greater importance among S-REITs who invest predominantly or exclusively outside of Singapore, where IFRS is the common principle or framework adopted in the investment jurisdictions. Aligning the reporting framework in Singapore with the jurisdictions where the S-REITs' investments are located will not only help to enhance access to foreign capital given the similar framework and ease of understanding, but will also reduce internal costs for preparation and conversion due to variances in the underlying reporting frameworks between the principles adopted in where the assets are located and where the S-REIT is listed. However, given the tight turnaround for the preparation of the interim financial statements and the typically small working team for S-REIT managers, we propose that S-REITs be given the discretion to omit certain additional disclosures that are required to be made in interim financial statements under SFRS(I) (such as operating segments, related party transactions and fair value disclosures on financial instruments) so long as they are disclosed in the audited full-

		year financial statements. For instance, for the preparation of interim financial statements on a half-yearly basis, SFRS(I) 1-34 requires disclosures in interim financial statements on segment information, fair value disclosures of financial instruments and related parties' transactions, which are not currently required to be included in S-REITs' interim financial statements under RAP 7 but are disclosed in the annual audited financial statements of S-REITs. We respectfully submit that there should not be a need to disclose such information in interim financial statements given that, for the purposes of reviewing interim financial statements, investors in S-REITs typically focus on metrics such as distributable income, distribution per unit and net asset value, and additional disclosures such as segment information etc as mentioned above are not as critical and useful to investors in S-REITs but substantially increase the compliance time and cost of preparation of the accounts. As such, it is sufficient that they are included in the annual audited financial statements of S-REITs and do not need to be include in the interim financial statements. **Question 1(b):** REITAS notes that the IFRS (principles-based) and the US Generally Accepted Accounting Principles ("**GAAP**") (rules-based) are among the most widely recognized and adopted frameworks internationally for the preparation of financial statements. IFRS is adopted in more than 110 countries around the world, including the European Union and many Asian and South American countries, while GAAP is only used in the United States. SFRS(I) comprise standards and interpretations that are equivalent to IFRS, with minor drafting differences and issue dates given that updates to SFRS(I) are typically issued later than when the corresponding updates to IFRS are made as updates to SFRS(I) intentionally mirror the IFRS accounting standards. Accordingly, REITAS is of the view that SFRS(I) is not materially different from other accounting standards such as FRS and IFRS. As such, as stated in our response to Question 1(a) but subject to our concerns regarding the need for certain disclosures in interim financial statements highlighted in the above response to Question 1(a), preparing the S-REITs' financial statements in accordance with SFRS(I) is welcomed as it will enhance the ease of comparability for users of these statements within the industry, with other corporates listed on the Singapore Exchange, as well as internationally due to its alignment with IFRS. **Question 2:** REITAS is supportive of MAS' proposal to allow S-REITs to continue to prepare their financial statements in accordance with IFRS as the IFRS

		is not materially different from SFRS(I) and as mentioned by MAS in its Consultation Paper on Proposed Amendments to Requirements for Preparation of Financial Statements and Reports under the Code on Collective Investment Schemes (the "**Consultation Paper**"), there are no discernible benefits from switching from IFRS to SFRS(I). Further, having the option to ensure continuity in the disclosure and preparation framework is of paramount importance to such S-REITs as it helps ensure like-for-like comparison with previous periods, avoids additional internal costs on conversion, and prevents shrinkage of the investor base due to their unfamiliarity with the new preparation framework. **Question 3:** REITAS is supportive of MAS' proposal to allow an S-REIT listing aspirant to prepare its financial statements in accordance with IFRS if the REIT-listing applicant's sponsor and/or subsidiaries have been preparing their financial statements in accordance with IFRS prior to listing. Furthermore, as IFRS is among the most widely adopted frameworks internationally, being able to continue preparing the S-REITs' financial statements in accordance with IFRS will facilitate the preparation of such financial statements to be disclosed in the prospectus in connection with the initial public offering and allow aspiring S-REIT entrants to focus on other important and time-consuming workstreams for the initial public offering, such as acquisition of initial portfolio, brokers' underwriting, roadshows, etc. **Question 4:** For the purpose of Question 4, REITAS' response below is on the basis that Chapter 5.2 of the Code on Collective Investment Schemes (the "**CIS Code**") is not applicable to S-REITs as the lead-in to Part II of the CIS Code expressly states, among others, that Chapter 5.2 of the CIS Code in respect of the sending, preparation and content of semi-annual and annual reports does not apply to property funds. Accordingly, we have not commented on the proposed amendments to be made to Chapter 5.2 as set out in the Annex to the Consultation Paper (the "**Annex**") and have only considered the amendments in the Annex in relation to Appendix 6 to the CIS Code. In this respect, REITAS is generally supportive of the inclusion of the additional disclosures required by RAP 7 in the financial statements as set out in the proposed amendments to Appendix 6 to the CIS Code (the "**PFA**") contained in the Annex as these additional disclosures provide relevant and useful information to S-REIT investors as well as ease of benchmarking with industry peers. As such, we agree that such additional disclosures required by RAP 7 should continue to be disclosed, subject to the following qualifications:

		1. Due to the shorter time for the preparation of the interim financial statements made on a half-yearly basis, especially given the burden of complying with the additional disclosures required by SFRS(I), as mentioned earlier in our response to Question 1(a) above, we propose that S-REITs should have the discretion to omit certain additional RAP 7 disclosures from their interim financial statements. In particular, we note that it is proposed in the Annex (under paragraph 11.1(b) of the PFA) that a portfolio statement ("**Portfolio Statement**") will need to be included in the annual reports of S-REITs as well as (according to the new Guidance 2 to paragraph 11.1(b) of the PFA) the interim financial statements announced by S-REITs. We also note that per paragraph 11.1(b) of the PFA there is a new requirement to present portfolio statement by "primary and secondary" segment, which is currently not a requirement for property funds under RAP 7. We request that this new rule be made not applicable to REITs to maintain comparability with previous disclosures. We also respectfully submit that it should be sufficient for Portfolio Statements to be included in the full year financial results of S-REITs and do not need to be included in the interim financial statements as most S-REITs only conduct a new valuation of its assets once a year which is announced near the time of the year-end financial statements and would not be available at the time of the half-year interim financial statements. As such, we would strongly urge MAS to consider amending the proposed Guidance 2 to paragraph 11.1(b) of the PFA to make clear that Portfolio Statements do not need to be included in the interim financial statements. 2. Given that auditors are not likely to opine on RAP 7 requirements if they are outside the scope of SFRS(I), we are of the view that auditors should opine on the adaptation of SFRS(I) and the additional RAP7 disclosures and we strongly suggest that MAS should, together with ISCA, work with the auditors to provide assurance to the S-REIT industry that the auditors' opinions will cover such additional RAP7 disclosures if reporting under SFRS(I) comes into effect. Such assurance helps to avoid any misunderstanding and undue delay during the implementation, particularly for the inclusion of Portfolio Statements and distribution statements in financial statements, as these disclosures are important and essential for engaging with investors of S-REITs. 3. REITAS would be grateful if MAS could clarify the following:

		a. that the "qualifications" of the valuers of each asset that will need to be disclosed in the annual reports of S-REITs under the proposed paragraph 11.1(c) of the PFA in the Annex refer to the qualifications of the valuation firm and there is no need to disclose the name(s) or qualification(s) of the individual(s) who performed the real estate valuations; b. whether S-REITs should continue to disclose the Statement of Total Return as required by RAP 7 (which discloses corresponding figures in income, expenses, net income (i.e. net property income) and net gains or losses on value of investments and financial derivatives) or present the profit and loss as required by SFRS(I) (which present an analysis of expenses using a classification based on either their 'Nature' or their 'Function' within the entity); c. whether the definition for "related parties" in SFRS(I) is the same as that of RAP 7 (which includes the S-REIT's manager and trustee by reason of their relationship with the S-REIT); and d. whether S-REITs are required to present both (a) the Statement of Movements of Unitholders' Funds (as set out in the Annex) and (b) the Statement of Changes in Equity in accordance with SFRS(I), which requires each component of equity to be separately presented. Incidentally, REITAS also wishes to highlight that given that S-REITs are currently compliant with RAP7, which requires the accounting policies to generally comply with the principles relating to recognition and measurement under the FRS in Singapore, investors and stakeholders (including research analysts) have relied on disclosures based on RAP7 and as such, a departure from RAP7 might require additional education for investors. There is also the latent risk that adaptations to SFRS(I) standards, such as making additional disclosures required to be made in the interim financial statements of S-REITs under SFRS(I) 1-34, may not be relevant to or utilised by investors, despite the additional cost and effort required for S-REITs to comply with these disclosure requirements. **Question 5:** While REITAS is generally supportive of MAS' proposal for financial statements to be presented in accordance with SFRS(I) subject to the qualifications in response to Question 1a), REITAS is cognisant of the compliance burden on S-REIT managers in the coming years. REITAS notes that listed REITs would likely be required to comply with ISSB climate-related disclosures starting from FY2025, provide scope 3

		GHG emissions from FY 2026, and prepare for assurance of its scope 1 and 2 GHG emissions starting from FY2027. In addition, REITs will also be required to apply IFRS18 'Presentation and Disclosure in Financial Statements', which is effective for financial year ending 31 December 2027. Significant compliance effort is expected as the impacts of the new standard are pervasive. Many aspects of the presentation and disclosures in the financial statements will be affected, particularly the statement of total return. Accordingly, REITAS requests for a longer transition period such as an effective date that is no earlier than the financial year ending on or after 31 December 2028 with early adoption permitted. We also note that significant resources and effort will need to be expanded to facilitate the transition, and as such, we respectfully request: 1. for ISCA to issue a list of key differences between RAP7 and SFRS(I) as well as an illustrative set of financial statements for Authorised Schemes (including S-REITs) based on SFRS(I) ahead of the adoption so that we are able to assess and consider if any restatement to the opening balances arising from the transition of RAP7 to SFRS(I) is required; and 2. for it to be made clear if *SFRS(I) 1 First-time Adoption of SFRS (I)* (e.g. cumulative translation differences for all foreign operations are deemed to be zero at date of transition) is applicable for the transition of RAP7 to SFRS(I). We wish to also highlight that a member has expressed concern with the requirement to present three statements of financial position / balance sheet in the event that there is any need for restatement or SFRS(I) 1 is applicable We would be grateful if MAS could consider if it is possible to work with the relevant authorities to waive this requirement in the first set of financial statements prepared in accordance with SFRS(I).
5	Mapletree Industrial Trust Management Ltd.	**Question 4:** The MAS consultation paper includes a recommendation (Appendix 6-Investment: Property Funds/11. Disclosure Requirements/ 11.1b) Guidance 2) to disclose the Statement of Portfolio in the interim financial statements (i.e. for MIT, would be the SGX quarterly results announcement). Currently, in our quarterly announcement, the Statement of Portfolio is not presented.

		As we only conduct formal valuation on yearly basis and the Statement of Portfolio is very detailed, we are of the view that this new disclosure is a bit excessive on quarterly basis and a lot more resources will be required to complete this disclosure. In terms of valuation of the investment properties, we are already making certain key assumptions (which is already disclosed in the quarterly results) and we do not expect valuation to change significantly in short period of 3 months unless it is of exceptional circumstances. We do not see how disclosing the Statement of Portfolio on quarterly basis will be more meaningful to the investors. We need to balance between the resources required as well as the meaningfulness of the information. For your consideration please.
6	Institute of Singapore Chartered Accountants	**Questions 1(a) and 1(b):** We are generally supportive of MAS' proposal to require Authorised Schemes (including REITs) to prepare their financial statements in accordance with SFRS(I) so as to promote better comparability of financial statements of Authorised Schemes with those of other major fund jurisdictions and across different types of capital market issuers in Singapore. Authorised Schemes transitioning to SFRS(I) from RAP 7 would need to consider the following factors: 1. <u>Additional disclosure requirements under SFRS(I) 1-34 Interim Financial Reporting</u> There are additional disclosures required under SFRS(I) 1-34 *Interim Financial Reporting*, which are not required under RAP 7, such as segment reporting information, related party transactions and commentary on seasonal operations. 2. <u>Required reassessment of the classification of units and component parts</u> Under RAP 7, all units/shares, or its component parts, are classified as equity on initial recognition. On the other hand, SFRS(I) 1-32 *Financial Instruments: Presentation* requires Authorised Schemes to assess the classification of their units/shares and component parts. As such, Authorised Schemes transitioning to SFRS(I) may see a change in the classification, consequential measurement and disclosure differences on the units/shares issued. 3. <u>Application of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International), including preparation of two years of comparative Statements of Financial Position</u>

		Authorised Schemes whose financial statements are currently prepared under RAP 7 would be required to apply SFRS(I) 1 when transitioning to SFRS(I). SFRS(I) 1 requires comparatives of an entity's first interim or annual financial statements prepared in accordance with SFRS(I) to be restated based on specific requirements which includes retrospective application of SFRS(I) standards except when transitional provisions are applied. This means that certain balances in the financial statements prepared under RAP 7 might be different under SFRS(I). Authorised Schemes are also required to prepare two years of comparative Statements of Financial Position. 4. <u>Application of IFRS 18 Presentation and Disclosure in Financial Statements</u> We note that IFRS 18 applies to annual reporting periods beginning on or after 1 January 2027. Although the Accounting Standards Committee under ACRA has not issued the SFRS(I) equivalent of IFRS 18, we believe the effective date will be aligned with that of IFRS 18. As a result, the transition date of RAP 7 to SFRS(I) will coincide with the effective date of SFRS(I) 18. Authorised Schemes also need to consider the impact of additional disclosure requirements under SFRS(I) 18 which include reconciling the management performance measurements in the entities' other communications to the financial statements as well as changes to the presentation format of the Statement of Total Return. 5. <u>Statement of Cash Flows will now be required for non-Property Funds</u> Under SFRS(I), a complete set of financial statements includes a Statement of Cash Flows for the period, whereas under RAP 7, the Statement of Cash Flows is only required for Property Funds. This would mean that non-Property Funds transitioning to SFRS(I) will now need to prepare a Statement of Cash Flows which is previously not required under RAP 7. We also wish to highlight that Annex: Paragraph 5.2(a)(iv) which sets out the requirements for the 'Statement by the Manager' does not mention the Statement of Cash Flows. We would suggest for MAS to update its requirements in the said paragraph. 6. <u>Other regulatory requirements (applicable to Authorised Schemes listed on SGX) becoming effective in the coming years</u> For Authorised Schemes which are listed on SGX, they are required to provide (i) ISSB climate-related disclosures starting from FY2025 and (ii) primary components of a sustainability report starting from

		FY2026; and for large issuers, there is an expectation to provide scope 3 GHG emissions starting from FY2026. In addition, issuers may have to get ready for assurance of its scope 1 and 2 GHG emissions in due course. With these regulatory requirements and expectation already kicking in, the impending transition from RAP 7 to SFRS(I) will add to the compliance burden of these entities. <u>ISCA's proposals</u> (i) Allow for a longer transition period Based on MAS' proposed effective date for the proposals in this Consultation Paper, the date of transition for an Authorised Scheme with a financial year-end of 31 December would be 1 January 2026. If the proposals in this Consultation Paper are finalised in 2025, Authorised Schemes may not have sufficient time to transition as they only have one year or less to prepare for it. In consideration of the factors highlighted above, we would suggest for MAS to consider requiring the adoption of SFRS(I) to take effect no earlier than the financial year ending on or after 31 December 2028 with early adoption permitted. (ii) To encourage Authorised Schemes applying SFRS(I) to assert dual compliance with IFRS Paragraph 8 of the SFRS(I) Statement of Applicability states "an entity applying SFRS(I)s to its general purpose financial statements shall make an explicit and unreserved statement of compliance with SFRS(I)s in those financial statements. An entity applying SFRS(I)s is permitted, but not required, to simultaneously include an explicit and unreserved statement of compliance with IFRS Accounting Standards". We believe that it would not be unduly burdensome for the Authorised Schemes to assert dual compliance with IFRS. This would also be useful for Authorised Schemes with global investors who are more familiar with IFRS instead of SFRS(I), notwithstanding that the latter is equivalent to IFRS. We suggest for MAS to encourage the Authorised Schemes to assert dual compliance with IFRS. **Question 2:** We are supportive of MAS' proposal to allow REITs that have been preparing their financial statements in accordance with IFRS to continue to do so. **Question 3:** We are supportive of MAS' proposal to allow REIT-listing aspirant to prepare its financial statements in accordance with IFRS if the REIT-

		listing aspirant's sponsor and/or subsidiaries had been preparing their financial statements in accordance with IFRS prior to its listing. **Question 4:** We would like to highlight the following areas for MAS' consideration: 1. <u>Placement of the additional disclosure requirements</u> We note that MAS has set out the additional disclosure requirements in the Annex, but it is not clear whether those additional disclosures are to be included inside or outside the audited financial statements. This may have implications on the audit opinion in the 'Independent Auditor's Report' and the 'Statement by Manager'. It would be helpful if MAS provides clarification on this. We would like to seek clarification from MAS as to whether the additional disclosure requirements in the Annex: Paragraph 5.2 would be applicable to Property Funds. This is because we note that the preamble on Note II of the existing CIS Code states that "…For the avoidance of doubt, the manager and trustee of a property fund are to comply with the requirements set out in chapters 1 to 7 except for chapters 2.3(b), 3.2(b), 5.1 and 5.2 in respect of the sending, preparation and content of semi-annual and annual reports…" For example, without reference to Chapter 5.2(a)(iv), it is not clear what requirements would apply for Property Funds moving forward when RAP 7 is no longer applicable. 2. <u>Proposed requirement Annex: Paragraph 5.2(u)</u> We note that MAS has proposed to require an analysis of the scheme's risk management policies providing participants of the scheme with a perspective of the risk management of the scheme, but the following areas are not clear: (i) Whether the required analysis covers only financial risk management disclosures as currently required under RAP 7 If MAS has intended for the required analysis to cover only financial risk management disclosures, we wish to highlight that these disclosures are already required under SFRS(I) 7 *Financial Instruments: Disclosures*. Hence, it might not be necessary to include this requirement in the CIS Code. However, if MAS' intents is for the required analysis to cover risk management disclosures in addition to those covered by SFRS(I) 7 (e.g. cyber security, environmental etc), there would be additional compliance costs. We would suggest for the MAS to make clear in the CIS Code its intention as well as the specific risk management disclosures required. We suggest MAS to also consider if these

		additional disclosures are to be included inside or outside the audited financial statements (please see our earlier comments under "1. Placement of the additional disclosure requirements"). (ii) Whether the required analysis is mandatory for semi-annual reports SFRS(I) 1-34 *Interim Financial Reporting* includes the provisions allowing entities to present condensed financial statements and selected explanatory notes; and SFRS(I) 1-34 does not specifically require financial risk management disclosures. We have heard feedback that the incremental costs for the inclusion of such analysis in the semi-annual reports outweigh the potential benefits. We would suggest for MAS to clarify on this matter and take this feedback into consideration. 3. <u>Proposed requirement Annex: Paragraph 5.2(b) and Annex: Appendix 6, Paragraph 11.1(b)</u> We note that MAS has proposed to require the portfolio statement to be presented according to the scheme's primary and secondary segments in accordance with the relevant accounting standards for segment reporting under SFRS(I). (i) We would like to highlight the following: - SFRS(I) 8 *Operating Segments* is the relevant accounting standard for segment report and it generally applies only to listed entities (see paragraph 2 of SFRS(I) 8). - Paragraph 5 of SFRS(I) 8 includes the definition of an "operating segment", but there is no distinction between primary and secondary segments. In view of the above, we would suggest for MAS to consider: - For Authorised Schemes which are listed, to replace "primary and secondary segments" with "operating segments" - For Authorised Schemes which are non-listed, for the portfolio statement to be presented according to the scheme's primary and secondary segments, similar to current requirements under RAP 7. However, with the eventual withdrawal of RAP 7, and that primary and secondary segments are not defined in the SFRS(I), additional guidance would need to be provided on this so as to maintain comparability across non-listed Authorised Schemes.

		(ii) We would like to highlight a potential missing word "segments" in Annex: Paragraph 11.1(b) as follows: *"a portfolio statement presented according to its primary and secondary segments in accordance with the relevant accounting standards for segment reporting under SFRS(I) or IFRS…"* We also note that MAS has proposed to require the disclosure of the portfolio statement in the audited financial statements under Annex: Paragraph 11.1(b). We would like to highlight that in practice, details such as the properties' purchase prices, rentals received and occupancy rates, or the remaining terms of the property fund's leasehold properties, are included in the annual report instead of the financial statements as these have not been required by RAP 7. Inclusion of the above information in the audited financial statements would now lead to additional compliance costs. We suggest for MAS to consider the costs and benefits of this additional requirement. 4. Proposed requirement Annex: Paragraph 5.2(g) We note that MAS has proposed to require: - the disclosure of amount and percentage of borrowings to the scheme's NAV at the end of the period under review to distinguish between secured and unsecured borrowings; and - the disclosure of nature and carrying amount of the assets pledged as collateral (for secured borrowings). We wish to highlight that SFRS(I) already requires the disclosure of borrowings, nature, terms and collateral in the financial statements. For instance: - paragraph 74(a) of SFRS(I) 1-16 Property, Plant and Equipment requires the disclosure of "the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities"; - paragraph 75(g) of SFRS(I) 1-40 Investment Property requires the disclosure of "the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal"; - paragraph 14 and 15 of SFRS(I) 7 Financial Instruments: Disclosures require the disclosure of "the carrying amount of financial assets the entity has pledged as collateral for liabilities or contingent liabilities, and terms and conditions relating to its pledge". Hence, we would suggest for MAS to consider removing the requirement to disclose the nature and carrying amount of the assets pledged as collateral for secured borrowings.

		5. Proposed requirement Annex: Paragraph 5.2(a)(i) We note that MAS has proposed for the annual report to include "the report of the auditor". For avoidance of doubt, we would suggest for MAS to clarify the required report as "report of the auditors on the financial statements". **Question 5:** As set out in our response to Q1, we would suggest for MAS to consider providing a longer transition period with the adoption of SFRS(I) to take effect no earlier than the financial year ending on or after 31 December 2028 with early adoption permitted.
7	KPMG LLP, Singapore	**Question 1(a) and 1(b):** REITs: RAP 7, is a Singapore standard, that is designed to serve the financial reporting needs of investment funds and REITs in Singapore. ISCA had developed and updated RAP 7 after considering the views of the industry and the practitioners in order to ensure relevance to investment funds and REITs. The adoption of RAP 7 has led to largely consistent presentation and disclosures for funds and REITs applying RAP 7 in Singapore. Over the last two decades, the Singapore REIT market has grown to attract a global following of investors and, increasingly, global investors for foreign property assets too. These global investors are more familiar with IFRS and for US investors, US GAAP. However, we noted that 53.7% (1) of REITs comprising 61% (2) of the REITs' market capitalisation continue to apply RAP 7. It is also noted that listed REITs will likely need to comply with ISSB climate-related disclosures and provide mandatory sustainability disclosures starting from FY2025. In addition, listed REITs will likely need to provide scope 3 GHG emissions from FY 2026 and get ready for assurance of its scope 1 and 2 GHG emissions starting from FY2027. REITs will also be required to apply a new international accounting standard, IFRS18 'Presentation and Disclosure in Financial Statements', which is effective for financial year ending 31 December 2027. Significant compliance effort is expected as the impacts of the new standard are pervasive. Many aspects of the presentation and disclosures in the financial statements will be affected, particularly the income statement. With the transition to SFRS(I), additional efforts will be required, including but not limited to:

		a) Certain disclosure requirements under SFRS(I) 1-34: Interim Financial Reporting are new, such as: (i) segment reporting information (ii) related party transactions (iii) commentary on seasonal operations and (iv) fair value disclosures on financial instruments. b) With the removal RAP 7, REITs will need to reassess the requirements to account for units and its component parts in accordance with FRS 32 Financial Instruments: Presentation. Therefore, the transition from RAP 7 to SFRS(I) may give rise to classification differences, consequential measurement, and disclosure differences on the units issued. c) Adoption of SFRS(I) 1 and the preparation of the third balance sheet. The mandated change in accounting standards at this juncture may add to the compliance burden of REITs in the coming few years. We believe that longer transition period may be required to ease the compliance burden in the coming years. If the results of the consultation paper are finalised in 2025, REITs may not have sufficient time to transition as the SFRS(I) 1 will require third balance sheet as of 1 January 2026 to be prepared. Moreover, REITs will only have about one year to transition as they would need to adopt SFRS(I) and to revamp the income statement to comply with IFRS 18 by the first quarter/half of 2027. Therefore, we propose that if MAS proceeds with the mandatory change, it should take effect no earlier than the financial year ending on or after 31 December 2028 with early adoption permitted. Even if RAP 7 is retained as the reporting framework, we are of the view that MAS should allow listed REITs to apply or early adopt SFRS(I) without the need to seek for waiver from MAS since SFRS(I) is already adopted by most Singapore listed companies. In addition, we believe that MAS should allow all REITs applying SFRS(I) to assert dual compliance with IFRS. This will allow listed REITs to transition to SFRS(I) and IFRS based on market-driven demand for such financial statements at the right juncture to serve their investors' needs. <u>Other investment funds (Excluding REITs):</u> The enactment of the Variable Capital Companies (VCC) Act in 2018 introduced a new legal structure for funds in the form of VCC. The VCC Act, after due consideration of the needs of the fund industry, allows VCCs to prepare financial statements in accordance with various accounting standards (SFRS, SFRS(I), IFRS and US GAAP) in order to serve the needs of global investors. For VCCs that are Authorised

		Schemes, they are required by the CIS Code to prepare financial statements in accordance with RAP 7. Accordingly, VCCs that are Authorised Schemes have less flexibility in adopting accounting standards. We believe that aligning the acceptable accounting standards with that allowed by the VCC Act allows more flexibility for investment funds to serve the needs of its investor base. Based on our experience, international investors generally request for IFRS financial statements while investors based in the US generally request for US GAAP financial statements. Therefore, we agree with MAS for funds to prepare their financial statements in accordance with SFRS(I) as it is identical to IFRS to enhance comparability and consistency further. However, it is also noted that listed funds will likely need to comply with ISSB climate-related disclosures and provide mandatory sustainability disclosures starting from FY2025. In addition, listed funds will likely need to provide scope 3 GHG emissions from FY 2026 and get ready for assurance of its scope 1 and 2 GHG emissions starting from FY2027. Overall, the adoption of RAP 7 for funds has led to largely consistent presentation and disclosures. With the transition to SFRS(I), additional efforts will be required, including but not limited to: a) preparation cashflows will increase the cost of preparation of the financial statements and this information is generally not useful for the investors as the information such as redemption and distribution have already been included in primary financial statements (e.g., Statement of Movements of Unitholders' Funds). b) reassess the impact of FRS 32 Financial Instruments: Presentation on the classification of the units and its component parts. This may give rise to classification differences, consequential measurement, and disclosure differences on the units issued. c) Adoption of SFRS(I) 1 and the preparation of the third balance sheet. The mandated change in accounting standards at this juncture may add to the compliance burden of the funds in the coming few years. We believe that longer transition period may be required to ease the compliance burden in the coming years. If the results of the consultation paper are finalised in 2025, funds may not have sufficient time to transition as the SFRS(I) 1 will require third balance sheet as of 1 January 2026 to be prepared. Moreover, funds will only have about one year to transition as they would need to adopt SFRS(I) and to

		revamp the income statement to comply with IFRS 18 by the first quarter/half of 2027. Therefore, we propose that if MAS proceeds with the mandatory change, it should take effect no earlier than the financial year ending on or after 31 December 2028 with early adoption permitted. Even if RAP 7 is retained as the reporting framework for funds, we are of the view that MAS should allow the funds to apply or early adopt SFRS(I) without the need to seek for waiver from MAS. In addition, we believe that MAS should allow all funds applying SFRS(I) to assert dual compliance with IFRS. This will allow funds to transition to SFRS(I) and IFRS based on market-driven demand for such financial statements at the right juncture to serve their investors' needs. (1) Based on KPMG's survey of financial statements of REITs' annual reports that are publicly available as of 30 August 2024. (2) Based on KPMG's survey of market capitalisation of REITs as of 30 August 2024. **Question 2:** <u>REITs:</u> We agree with MAS that there are no discernible benefits of switching from IFRS to SFRS(I), which are identical financial reporting frameworks. REITs that have been preparing the financial statements using IFRS should be allowed to continue to adopt IFRS. Based on the Statement of Applicability (Para 8) issued by the Accounting Standards Committee, an entity applying SFRS(I)s to its general purpose financial statements shall make an explicit and unreserved statement of compliance with SFRS(I)s in those financial statements. An entity applying SFRS(I)s is permitted, but not required, to simultaneously include an explicit and unreserved statement of compliance with IFRS Accounting Standards. Therefore, we believe that it will also not be unduly burdensome for such REITs to assert dual compliance with IFRS and SFRS(I) to align with the accounting standards used by listed companies in Singapore, should they choose to do so. **Question 3:** <u>REITs</u>: We agree with MAS that a REIT-listing aspirant, whose sponsor has been preparing financial statements in accordance with IFRS prior to the REIT's listing, should be allowed to prepare its financial statements in accordance with IFRS.

		Based on the Statement of Applicability (Para 8) issued by the Accounting Standards Committee, an entity applying SFRS(I)s to its general purpose financial statements shall make an explicit and unreserved statement of compliance with SFRS(I)s in those financial statements. An entity applying SFRS(I)s is permitted, but not required, to simultaneously include an explicit and unreserved statement of compliance with IFRS Accounting Standards. Therefore, we believe that it will also not be unduly burdensome for such REITs to assert dual compliance with IFRS and SFRS(I) to align with the accounting standards used by listed companies in Singapore, should they choose to do so. In addition, we recommend that REIT-listing aspirant with majority subsidiaries in overseas jurisdictions that are already preparing their financial statements under local GAAP should be allowed to prepare their financial statements in accordance with SFRS(I) and IFRS. **Question 4:** Generally, we are of the view that there should not be a need to prescribe additional disclosures above and on top of SFRS(I) and IFRS when the accounting standards already prescribed the required disclosures. We recommend MAS revisits the list of prescribed disclosures and exclude those that are already provided for in the accounting standards and exclude those from the CIS code accordingly. In the event that non-IFRS disclosures are prescribed, we recommend that MAS works with ISCA on the appropriate location of the disclosures as some of these disclosures may be more suited to be disclosed in the annual report instead of the financial statements. Please see specific comments in table 1 on the changes. Table 1: Based on the CIS code, we noted that Chapter 5.2 applies to the non-property funds, while appendix 6 applies to property funds. We believe that the disclosures in Chapter 5.2 are generally not applicable to property funds post amendments, as these disclosures do not reflect the business nature of a REIT. However, below comments assume that Chapter 5.2 are applicable to the property funds. If not applicable, below comments relating Chapter 5.2 can be ignored for the REITs. <u>On 5.2a)</u> REITs: Assuming chapter 5.2 in the revised CIS is applicable to the property funds.

		For item (i), we recommend clarifying required report as "Report of the auditors on the financial statements". For (iv) "true and fair view" – we recommend to change the sentence to "are drawn up so as to present fairly, in all material respects ". Other investment funds (excluding REITs): Same as REITs. <u>On 5.2b)</u> REITs: Assuming chapter 5.2 in the revised CIS is applicable to the property funds. As listed REITs are required to present operating segment disclosures under SFRS(I) &/IFRS8, such portfolio statement is not necessary. Moreover, value of each holding of the scheme for REITs are traded in fair value instead of NAV. We recommend not to prescribe this disclosure for property funds. Other investment funds (Excluding REITs): SFRS(I) 8/IFRS 8 does not present segments according to primary or secondary segments and the portfolio statement should not be mandated as a primary statement, as it is not a requirement under SFRS(I)/IFRS. Moreover, segment reporting under SFRS(I) and IFRS do not prescribe primary and secondary statement so the portfolio statement will not be able to comply with SFRS(I)/IFRS. As the concept of primary and secondary segments are not in accounting standards and RAP7 will be removed, we recommend ISCA to provide guidance on the definition of the primary and secondary segments. Our suggested wordings are as follows: portfolio statement presented according to its primary and secondary segments in the notes to the financial statements, and disclose: i) the value of each holding of the scheme at fair value and as a percentage of the scheme's NAV as at the end of the period under review. The disclosure should distinguish between quoted and unquoted investments; and ii) the aggregate percentages for each of the primary and secondary segment as at the end of the period under review and a year ago;

		5.2g) REITs: Assuming chapter 5.2 in the revised CIS is applicable to the property funds. The disclosure requirement on the nature and carrying amount of the assets pledged have already been included in the current accounting standards requirements (i.e.: SFRS(I) 1-16 paragraph 74 and SFRS (I) 7 paragraph 14). Therefore, we recommend removing this additional disclosure requirement. Other investment funds (excluding REITs): Same as REITs. 5.2q) REITs: Assuming chapter 5.2 in the revised CIS is applicable to the property funds. As REITs do not issue and redeem units based on NAV, this requirement is usually not applicable to REITs, we recommend not to require property funds to provide such disclosure. Other investment funds (Excluding REITs) As mentioned above, we suggest MAS to remove additional disclosures that are not required by SFRS(I) and IFRS. 5.2r) REITs: Assuming chapter 5.2 in the revised CIS is applicable to the property funds. As this requirement is usually not applicable to REITs (i.e.: REITs typically have only 1 class of unit), we recommend not to require property funds to provide such disclosure. Other investment funds (Excluding REITs): As mentioned above, we suggest MAS to remove additional disclosures that are not required by SFRS(I) and IFRS. 5.2s) REITs: Assuming chapter 5.2 in the revised CIS is applicable to the property funds. IFRS already requires material expenses to be disclosed. We recommend that it is not necessary to prescribe the list.

		Other investment funds (excluding REITs): Same as REITs. <u>5.2u)</u> No comments <u>Appendix 6 - 11.1b)</u> REITs: The portfolio statement should not be mandated as a primary statement, as it is not a requirement under SFRS(I)/IFRS, and RAP7 does not require portfolio statement for the property fund to be presented by segments. The existing CIS code disclosures are also not required by RAP 7. Our suggested changes are as follows: - a portfolio statement with the latest valuations, in the notes to the financial statements; - Details of all the property fund's real estate assets, including the location of such assets, their purchase prices, rentals received and occupancy rates, or the remaining terms of the property fund's leasehold properties, where applicable, in the annual report; In addition, we believe that the portfolio statement may not be relevant for interim reporting, as most REITs only conduct valuations on an annual basis, unless there are significant changes to the valuations compared to previous period or when there are material acquisitions. Therefore, we suggest the following changes: - Guidance 2 In the case of a property fund that is listed on an approved exchange, such information should also be disclosed in the property fund's full-year financial statements in the financial results announcements. <u>Appendix 6 - 11.1c)</u> REITs: Name should be clarified whether it refers to the name of the valuers or the valuation firms. It will be onerous to disclose the list of the valuers' qualifications which may not be useful for the investors. Our suggested changes are as follows: - the name of the valuation firm and the professional body that it is registered with each of the real estate assets together with details of the basis of valuation of the real estate assets, and the

		date of the most recent full valuation of each real estate asset presented in the notes to the financial statements; Appendix 6 -11.1t) REITs: Similar to the portfolio statement, the distribution statement should not be a primary financial statement as it is not required by SFRS(I)/IFRS(I) and should be included in the notes to the financial statements instead. We suggest to only include the following items in the distribution note: a) Amount available for distribution to unitholders b) Distributions to unitholders c) Amount available for distribution to unitholders at end of the year d) Distribution per unit (cents) As part of the measures to ease transition, MAS should work with ISCA to provide guidance on computation of distribution per unit, since this is not prescribed by SFRS(I) and IFRS. **Question 5:** As discussed in question 1 above, MAS may consider longer transition period. We recommend that the effective date to be no earlier than the financial year ending on or after 31 December 2028 with early adoption permitted.