

Accountants (Amendment) Bill

Bill No. 25/2022.

Read the first time on 12 September 2022.

A BILL

intituled

An Act to amend the Accountants Act 2004 and to make consequential amendments to the Banking Act 1970.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Accountants (Amendment) Act 2022 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

5 Amendment of section 2

2. Section 2 of the Accountants Act 2004 (called in this Act the principal Act) is amended by deleting subsection (2) and substituting the following subsection:

10 “(2) In this Act, a reference to improper conduct by, of or on the part of, a public accountant, an accounting corporation, an accounting firm or an accounting LLP includes any breach of any code of professional conduct and ethics prescribed by order under section 64AA(1)(a).”.

Amendment of section 4

15 3. Section 4 of the principal Act is amended —

- (a) by deleting the word “Schedule” in subsection (4) and substituting the words “First Schedule”; and
- (b) by deleting subsection (5).

Amendment of section 5

20 4. Section 5(1) of the principal Act is amended —

- (a) by deleting paragraph (g) and substituting the following paragraphs:

“(g) assist the Authority to determine, prescribe, issue, adopt and review —

25 (i) the requirements to be applied by public accountants, accounting corporations, accounting firms and accounting LLPs in relation to —

30 (A) the detection and prevention of money laundering or the financing of terrorism; and

- (B) the recording and reporting of transactions suspected of involving money laundering or the financing of terrorism, including any requirement necessary or expedient to give effect to any recommendation issued or adopted by the intergovernmental body known as the Financial Action Task Force relating to the prevention of money laundering and the financing of terrorism; 5 10
- (ii) the requirements in respect of professional conduct and ethics applicable to public accountants, accounting corporations, accounting firms and accounting LLPs when providing public accountancy services, other than the matters assigned to the Oversight Committee by the Authority and set out in the code of professional conduct and ethics prescribed by order under section 64AA(1)(a); and 15 20
- (iii) the standards, methods, procedures and other requirements to be applied by public accountants, accounting corporations, accounting firms and accounting LLPs when providing public accountancy services, other than any standard, method, procedure or requirement which is of a class or description specified in the Second Schedule; 25 30
- (ga) administer programmes to review the compliance by — 35

(i) accounting corporations, accounting firms and accounting LLPs with the quality control standards as defined in section 38B; and

5 (ii) public accountants, accounting corporations, accounting firms and accounting LLPs with the requirements relating to the detection and prevention of money laundering and the financing of terrorism,

in accordance with Part 5A;” and

(b) by deleting the word “and” at the end of paragraph (i), and by inserting immediately thereafter the following paragraphs:

15 “(ia) prescribe the code of professional conduct and ethics applicable to public accountants, accounting corporations, accounting firms and accounting LLPs;

20 (ib) prescribe any standard, method, procedure or other requirement which is of a class or description specified in the Second Schedule that is to be applied by public accountants, accounting corporations, accounting firms and accounting LLPs when providing public accountancy services; and”.

Amendment of section 13

30 **5.** Section 13(3) of the principal Act is amended by deleting paragraph (b) and substituting the following paragraph:

“(b) to comply with any order made under section 38(1) or (2)(b); or”.

Amendment of section 32

6. Section 32 of the principal Act is amended —

(a) by deleting the definition of “practice monitoring programme” and substituting the following definitions:

““Oversight Committee’s professional standards assessment framework” means the assessment framework of the Oversight Committee to determine the extent of a public accountant’s compliance with the professional standards; 5

“practice monitoring programme” means a programme to determine whether a public accountant has complied with the professional standards when providing public accountancy services;”; and 10

(b) by deleting the definitions of “practice review” and “reviewer” and substituting the following definitions: 15

““practice review” means a study, an appraisal, or a review carried out under a practice monitoring programme in respect of one or more aspects of the public accountancy services that are provided by a public accountant; 20

“practice reviewer” means any individual who is appointed by the Oversight Committee under section 35 to carry out a practice review; 25

“professional standards”, in relation to the provision of public accountancy services, means the standards, methods, procedures and other requirements that are prescribed by the Authority or Oversight Committee to be applied by a public accountant, an accounting corporation, an accounting firm and an accounting LLP when providing public accountancy services.”. 30

Amendment of section 33

7. Section 33 of the principal Act is amended —

- (a) by deleting the words “and successfully pass the practice reviews carried out under the practice monitoring programme” in subsection (1); and
- (b) by deleting subsection (2) and substituting the following subsection:

“(2) A public accountant undergoing a practice monitoring programme must pay any fee prescribed in connection with the administration of the practice monitoring programme.”.

Amendment of section 35

8. Section 35 of the principal Act is amended —

- (a) by deleting the word “reviewer” and substituting the words “practice reviewer”; and
- (b) by deleting the word “reviewers” in the section heading and substituting the words “practice reviewers”.

Amendment of section 36

9. Section 36 of the principal Act is amended —

- (a) by deleting the word “reviewer” wherever it appears in subsections (1) and (2) and substituting in each case the words “practice reviewer”; and
- (b) by deleting the word “reviewer’s” wherever it appears in subsection (2)(d) and substituting in each case the words “practice reviewer’s”.

Amendment of section 37

10. Section 37 of the principal Act is amended —

- (a) by deleting the word “reviewer” in subsection (1) and substituting the words “practice reviewer”;

(b) by deleting subsection (2) and substituting the following subsection:

“(2) If, after considering the practice reviewer’s report under subsection (1), the Practice Monitoring Sub-committee is of the opinion that —

(a) the public accountant’s compliance with any of the professional standards is partially satisfactory under the Oversight Committee’s professional standards assessment framework; or

(b) the public accountant’s compliance with any of the professional standards is not satisfactory under the Oversight Committee’s professional standards assessment framework,

the Practice Monitoring Sub-committee must submit a report of its opinion and recommendations to the Oversight Committee.”; and

(c) by deleting the word “Reviewer” in the section heading and substituting the words “Practice reviewer”.

Repeal and re-enactment of section 38 and new section 38A

11. Section 38 of the principal Act is repealed and the following sections substituted therefor:

“Where compliance with professional standards by public accountant is partially satisfactory or not satisfactory

38.—(1) Where the Oversight Committee, after considering the report and recommendations of the Practice Monitoring Sub-committee under section 37(2), is satisfied that the public accountant’s compliance with any of the professional standards is partially satisfactory under the Oversight Committee’s professional standards assessment framework, the Oversight Committee may make one or more of the following orders:

(a) an order requiring the public accountant to undergo and satisfactorily complete any remedial programme

specified or approved by the Oversight Committee in relation to his or her compliance with the professional standards;

- 5 (b) an order requiring the public accountant to take any other steps specified by the Oversight Committee to improve the public accountant's practice in relation to his or her compliance with the professional standards;
- 10 (c) an order requiring the public accountant to give any undertaking in relation to his or her compliance with the professional standards that the Oversight Committee thinks fit;
- (d) any other order to improve the public accountant's compliance with the professional standards that the Oversight Committee thinks necessary or expedient.

15 (2) Where the Oversight Committee, after considering the report and recommendations of the Practice Monitoring Sub-committee under section 37(2), is satisfied that the public accountant's compliance with any of the professional standards is not satisfactory under the Oversight Committee's professional standards assessment framework, the Oversight Committee may —

- (a) make any of the following orders:
 - 25 (i) an order cancelling the public accountant's registration;
 - (ii) an order suspending the public accountant's registration for a period not exceeding 2 years;
 - (iii) an order refusing to renew the public accountant's registration;
- 30 (b) in lieu of an order in paragraph (a)(i), (ii) or (iii), or in addition to an order in paragraph (a)(ii), make one or more of the following orders:
 - (i) an order restricting the public accountant's provision of public accountancy services in

the manner that the Oversight Committee thinks fit for a period not exceeding 2 years;

- (ii) an order requiring the public accountant to undergo and satisfactorily complete any remedial programme specified or approved by the Oversight Committee in relation to his or her compliance with the professional standards; 5
- (iii) an order requiring the public accountant to take any other steps specified by the Oversight Committee to improve the public accountant's practice in relation to his or her compliance with the professional standards; 10
- (iv) an order requiring the public accountant to give any undertaking in relation to his or her compliance with the professional standards that the Oversight Committee thinks fit; 15
- (v) an order requiring the public accountant to send a copy of the order made under this subsection and served on him or her under subsection (8) (or any part of the second-mentioned order determined by the Oversight Committee), to each person to whom the public accountant provided public accountancy services in respect of which the Oversight Committee is satisfied that the public accountant's compliance with the professional standards is not satisfactory; 20
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- (vi) any other order to improve the public accountant's compliance with the professional standards that the Oversight Committee thinks necessary or expedient. 30

(3) Where the Oversight Committee has made an order under subsection (1), the Oversight Committee may, having regard to any change in circumstances or for other good reason —

- (a) revoke the order and make any one or more different orders under subsection (1); or 35

(b) vary the order and make any one or more different orders under subsection (1) in addition to that order.

(4) Where the Oversight Committee has made an order under subsection (2)(b), the Oversight Committee may, having regard to any change in circumstances or for other good reason —

(a) revoke the order and make any one or more different orders under subsection (2)(b); or

(b) vary the order and make any one or more different orders under subsection (2)(b) in addition to that order.

(5) Where the Oversight Committee is satisfied that a public accountant has breached any order made under subsection (1), the Oversight Committee may make any of the following orders:

(a) an order cancelling the public accountant's registration;

(b) an order suspending the public accountant's registration for a period not exceeding 2 years;

(c) an order refusing to renew the public accountant's registration.

(6) Where the Oversight Committee is satisfied that a public accountant has breached any order made under subsection (2)(b), the Oversight Committee may make any of the following orders:

(a) an order cancelling the public accountant's registration;

(b) an order suspending the public accountant's registration for a period not exceeding 2 years;

(c) an order refusing to renew the public accountant's registration.

(7) Where the Oversight Committee makes an order to suspend the public accountant's registration under subsection (5)(b) or (6)(b), the Oversight Committee may —

- (a) in the case of an order under subsection (5)(b) — also make one or more orders under subsection (1); or
- (b) in the case of an order under subsection (6)(b) — also make one or more orders under subsection (2)(b).

(8) The Registrar must serve a copy of every order made under subsection (1), (2), (3), (4), (5), (6) or (7) on the public accountant concerned. 5

(9) The Oversight Committee may cause any order (or the part of that order determined by the Oversight Committee) that is required to be sent by a public accountant to any person under subsection (2)(b)(v) to be sent to that person if the Oversight Committee has reason to believe that the public accountant has failed to do so. 10

(10) The Oversight Committee must not make an order under subsection (2)(a), (5), (6) or (7) unless it has given the public accountant an opportunity to show cause against the proposed order. 15

(11) An order of the Oversight Committee made under subsection (2)(a), (5), (6) or (7) does not take effect until the latest of the following: 20

- (a) one month after the date the order has been served on the public accountant;
- (b) the date specified by the Oversight Committee in the order as the date on which the order takes effect;
- (c) where an appeal against the order is made to the General Division of the High Court under subsection (12), the date immediately after the date the appeal has been determined or withdrawn. 25

(12) Any public accountant who is aggrieved by an order of the Oversight Committee under subsection (2)(a), (5), (6) or (7) may appeal to the General Division of the High Court within a period of 30 days or within any further period that the General Division of the High Court may allow, after the order of the Oversight Committee has been served on the public accountant. 30

(13) The decision of the General Division of the High Court on an appeal under subsection (12) is final.

Refusal to undergo practice monitoring programme

5 **38A.**—(1) If a public accountant refuses, without reasonable excuse (the burden of proof of which lies with the public accountant), to undergo a practice monitoring programme as required by the Oversight Committee, the Oversight Committee may by order suspend the public accountant’s registration for a period not exceeding 2 years.

10 (2) An order of the Oversight Committee made under subsection (1) does not take effect until the latest of the following:

 (a) one month after the date the order has been served on the public accountant;

15 (b) the date specified by the Oversight Committee in the order as the date on which the order takes effect;

 (c) where an appeal against the order is made to the General Division of the High Court under subsection (3), the date immediately after the date
20 the appeal has been determined or withdrawn.

 (3) Any public accountant who is aggrieved by an order of the Oversight Committee under subsection (1) may appeal to the General Division of the High Court within a period of 30 days or within any further period that the General Division of the High
25 Court may allow, after the order of the Oversight Committee has been served on the public accountant.

 (4) The decision of the General Division of the High Court on an appeal under subsection (3) is final.

 (5) In this section, without limiting the expression, a public
30 accountant refuses to undergo a practice monitoring programme if the public accountant —

 (a) expressly informs a practice reviewer, the Oversight Committee or the Authority that he or she refuses to undergo the practice monitoring programme;

- (b) refuses to permit a practice reviewer to enter, at any reasonable hours in the day for the purposes of carrying out a practice review, the registered office or business premises of the accounting corporation, accounting firm or accounting LLP in which the public accountant practises as a public accountant; 5
- (c) refuses to comply with a requirement of a practice reviewer made under section 36(2)(a) or (b) within 14 days after the notice of the requirement has been served on him or her; 10
- (d) refuses to permit a practice reviewer to inspect, examine or make copies of or take any abstract of or extract from any record or document produced under section 36(2)(a) or (b); or
- (e) refuses, where a written notice requiring the public accountant to undergo a practice monitoring programme has been served on him or her under section 33(1), to respond to the notice within 14 days after the date the notice has been served or any longer period that the practice reviewer, the Oversight Committee or the Authority may allow. 15 20
- (6) This section only applies where a public accountant is required by the Oversight Committee on or after the date of commencement of the Accountants (Amendment) Act 2022 to undergo a practice monitoring programme.”. 25

New Part 5A

12. The principal Act is amended by inserting, immediately before Part 6, the following Part:

“PART 5A

REVIEW OF COMPLIANCE WITH QUALITY CONTROL
STANDARDS AND ANTI-MONEY LAUNDERING AND
COUNTERING FINANCING OF TERRORISM
REQUIREMENTS

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Interpretation of this Part**38B.** In this Part —

“accounting entity” means an accounting corporation, an accounting firm or an accounting LLP;

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“AML/CFT requirements” or “Anti-Money Laundering and Countering the Financing of Terrorism requirements” means the prescribed requirements relating to the detection and prevention of money laundering or the financing of terrorism by public accountants and accounting entities;

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“AML/CFT requirements review” means a review to determine the compliance with any AML/CFT requirements by an accounting entity and any of its individual practitioners;

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“entity reviewer” means any individual who is appointed by the Oversight Committee under section 38E to carry out a quality control standards review or an AML/CFT requirements review;

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“individual practitioner”, in relation to an accounting entity, means —

(a) in the case of an accounting corporation or accounting LLP — a corporate practitioner; or

(b) in the case of an accounting firm — a public accountant who is —

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(i) a partner or an employee of the accounting firm; and

(ii) practising as a public accountant in the accounting firm;

“Oversight Committee’s quality control standards assessment framework” means the assessment framework of the Oversight Committee to determine the extent of an accounting entity’s compliance with the quality control standards;

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“quality control standards” means the standards, methods or procedures on quality control that are prescribed by the Authority or the Oversight Committee to be applied by an accounting entity when providing public accountancy services;

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“quality control standards review” means a review to determine the compliance with any quality control standards by an accounting entity.

Composition of Oversight Committee for this Part

38C.—(1) For the purposes of this Part, unless the context otherwise requires, a reference to the Oversight Committee means the Oversight Committee without any of its members who are public accountants.

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(2) A member of the Oversight Committee who is a public accountant must not, directly or indirectly, by himself or herself or by any other person in any manner whatsoever influence or attempt to influence —

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(a) the performance of any of the functions of the Oversight Committee under this Part; or

(b) any deliberation or decision of, or order made or to be made by, the Oversight Committee under this Part.

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(3) Despite anything in the First Schedule, the Authority may, where the Authority considers it necessary that the Chairperson not act as the Chairperson for the purposes of this Part or for any other reason, appoint another member of the Oversight Committee who is not a public accountant to take the place of the Chairperson for the purposes of this Part and in such a case that other member —

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- (a) must act as and discharge the duties of the Chairperson for the purposes of this Part; and
- (b) has the powers of the Chairperson —
- (i) specified in paragraph 7 of the First Schedule in relation to any meeting of the Oversight Committee for the purposes of this Part; and
- (ii) to authenticate the common seal specified in paragraph 8 of the First Schedule where necessary for the purposes of this Part.

Requirement to undergo quality control standards review or AML/CFT requirements review

38D.—(1) The Oversight Committee may require, as a condition for an accounting entity to remain approved as such, that the accounting entity undergoes a quality control standards review during the periods determined by the Oversight Committee.

(2) The Oversight Committee may require, as a condition for an accounting entity to remain approved as such, that —

- (a) the accounting entity undergoes an AML/CFT requirements review during the periods determined by the Oversight Committee; and
- (b) one or more individual practitioners of the accounting entity undergo an AML/CFT requirements review during the periods determined by the Oversight Committee.

(3) Where an accounting entity is required by the Oversight Committee to undergo a quality control standards review under subsection (1) or an AML/CFT requirements review under subsection (2)(a), or both, the accounting entity must —

- (a) undergo the quality control standards review or the AML/CFT requirements review, or both, as required by the Oversight Committee by written notice served on the accounting entity; and

- (b) pay any fee prescribed in connection with the administration of the quality control standards review or the AML/CFT requirements review, or both, as the case may be.

(4) Where an individual practitioner is required by the Oversight Committee to undergo an AML/CFT requirements review under subsection (2)(b) — 5

- (a) the individual practitioner must undergo the AML/CFT requirements review, as required by the Oversight Committee by written notice served on the individual practitioner; and 10

- (b) the accounting entity, in respect of which the individual practitioner undergoes the AML/CFT requirements review, must pay any fee prescribed in connection with the administration of the AML/CFT requirements review. 15

Appointment of entity reviewers

38E.—(1) The Oversight Committee may appoint any employee of the Authority, or any other individual who is suitably qualified, as an entity reviewer to carry out a quality control standards review or an AML/CFT requirements review, or both. 20

(2) An entity reviewer must carry out a quality control standards review or an AML/CFT requirements review, or both, in accordance with — 25

- (a) the practice and procedures of conducting a quality control standards review or an AML/CFT requirements review determined by the Oversight Committee; and
- (b) any instructions issued by the Authority or the Oversight Committee. 30

Duties and powers of entity reviewers

38F.—(1) The following provisions apply where an accounting entity is undergoing a quality control standards review or an AML/CFT requirements review:

- 5 (a) the accounting entity must, if required by the entity reviewer —
- (i) produce to the entity reviewer or give the entity reviewer access to, within the time and at the place reasonably required by the entity reviewer, any record or document, or class or description of records or documents, which is in the possession or under the control of the accounting entity and which the entity reviewer reasonably believes is or may be relevant to the review;
- 10 (ii) give to the entity reviewer any explanation or further particulars in respect of any record or document produced under sub-paragraph (i) if required by the entity reviewer; and
- 15 (iii) give to the entity reviewer all assistance in connection with the quality control standards review or the AML/CFT requirements review which the accounting entity is reasonably able to give;
- 20 (b) where any information or matter relevant to the quality control standards review or the AML/CFT requirements review is recorded otherwise than in a legible form, the power of an entity reviewer to require the production of any record or document conferred under paragraph (a) includes the power to require the production of a reproduction of any such information or matter or of the relevant part of it in a legible form;
- 25 (c) an entity reviewer may inspect, examine or make copies of or take any abstract of or extract from any
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record or document produced under paragraph (a) or (b);

- (d) an entity reviewer exercising a power under this section must, if so requested by the accounting entity, produce for inspection by the accounting entity, evidence of the entity reviewer's appointment by the Oversight Committee as an entity reviewer.

(2) Where an individual practitioner of an accounting entity is undergoing an AML/CFT requirements review, subsection (1) applies to the individual practitioner as if a reference to an accounting entity in that subsection were a reference to the individual practitioner.

(3) Nothing in this section compels the production by an accounting entity or its individual practitioner of a record or document containing a privileged communication by or to a legal practitioner in that capacity.

Submission of report to Registrar, etc.

38G.—(1) An entity reviewer who carries out a quality control standards review or an AML/CFT requirements review must submit —

- (a) a report to the Registrar at the conclusion of the quality control standards review or the AML/CFT requirements review; and
- (b) any interim report that the Registrar may require.

(2) The Registrar must submit a report to the Oversight Committee if —

- (a) following a quality control standards review and after considering the entity reviewer's report submitted under subsection (1), the Registrar is of the opinion that —
- (i) the accounting entity's compliance with any of the quality control standards is partially satisfactory under the Oversight Committee's

quality control standards assessment framework; or

(ii) the accounting entity's compliance with any of the quality control standards is not satisfactory under the Oversight Committee's quality control standards assessment framework; or

(b) following an AML/CFT requirements review and after considering the entity reviewer's report submitted under subsection (1), the Registrar is of the opinion that the accounting entity or any of its individual practitioners has breached any of the AML/CFT requirements.

Where compliance by accounting entity with quality control standards is partially satisfactory or not satisfactory

38H.—(1) Where the Oversight Committee, after considering the Registrar's report submitted under section 38G(2)(a), is satisfied that the accounting entity's compliance with any of the quality control standards is partially satisfactory under the Oversight Committee's quality control standards assessment framework, the Oversight Committee may make one or more of the following orders:

(a) an order requiring the accounting entity to undergo and satisfactorily complete any remedial programme specified or approved by the Oversight Committee in relation to the accounting entity's compliance with the quality control standards;

(b) an order requiring the accounting entity to take any other steps specified by the Oversight Committee to improve the accounting entity's compliance with the quality control standards;

(c) an order requiring the accounting entity to give any undertaking in relation to its compliance with the quality control standards that the Oversight Committee thinks fit;

- (d) any other order to improve the accounting entity's compliance with the quality control standards that the Oversight Committee thinks necessary or expedient.

(2) Where the Oversight Committee, after considering the Registrar's report submitted under section 38G(2)(a), is satisfied that the accounting entity's compliance with any of the quality control standards is not satisfactory under the Oversight Committee's quality control standards assessment framework, the Oversight Committee may — 5

- (a) make any of the following orders: 10

- (i) an order revoking the approval granted to the accounting entity as an accounting entity under Part 4;
- (ii) an order suspending the accounting entity from providing public accountancy services for a period not exceeding 2 years; 15

- (b) in lieu of an order in paragraph (a)(i) or (ii), or in addition to an order in paragraph (a)(ii), make one or more of the following orders:

- (i) an order restricting the provision of public accountancy services by the accounting entity in the manner that the Oversight Committee thinks fit for a period not exceeding 2 years; 20

- (ii) an order imposing on the accounting entity a penalty not exceeding the lower of the following: 25

(A) \$250,000;

- (B) 5% of the accounting entity's audit turnover during the period of 12 months ending on the last day of its financial year immediately before the start of the quality control standards review; 30

(iii) an order requiring the accounting entity to undergo and satisfactorily complete any remedial programme specified or approved by the Oversight Committee in relation to the accounting entity's compliance with the quality control standards;

(iv) an order requiring the accounting entity to take any other steps specified by the Oversight Committee to improve the accounting entity's compliance with the quality control standards;

(v) an order requiring the accounting entity to give any undertaking in relation to its compliance with the quality control standards that the Oversight Committee thinks fit;

(vi) any other order to improve the accounting entity's compliance with the quality control standards that the Oversight Committee thinks necessary or expedient.

(3) Where the Oversight Committee has made an order under subsection (1), the Oversight Committee may, having regard to any change in circumstances or for other good reason —

(a) revoke the order and make any one or more different orders under subsection (1); or

(b) vary the order and make any one or more different orders under subsection (1) in addition to that order.

(4) Where the Oversight Committee has made an order under subsection (2)(b), the Oversight Committee may, having regard to any change in circumstances or for other good reason —

(a) revoke the order and make any one or more different orders under subsection (2)(b); or

(b) vary the order and make any one or more different orders under subsection (2)(b) in addition to that order.

(5) Where the Oversight Committee is satisfied that an accounting entity has breached any order made under subsection (1), the Oversight Committee may make any of the following orders:

- (a) an order revoking the approval granted to the accounting entity as an accounting entity under Part 4; 5
- (b) an order suspending the accounting entity from providing public accountancy services for a period not exceeding 2 years;
- (c) an order imposing on the accounting entity a penalty not exceeding the lower of the following: 10
 - (i) \$250,000;
 - (ii) 5% of the accounting entity's audit turnover during the period of 12 months ending on the last day of its financial year immediately before the start of the quality control standards review. 15

(6) Where the Oversight Committee is satisfied that an accounting entity has breached any order made under subsection (2)(b)(i), (iii), (iv), (v) or (vi) (where the order was not made together with an order under subsection (2)(b)(ii)), the Oversight Committee may make any of the following orders: 20

- (a) an order revoking the approval granted to the accounting entity as an accounting entity under Part 4;
- (b) an order suspending the accounting entity from providing public accountancy services for a period not exceeding 2 years; 25
- (c) an order imposing on the accounting entity a penalty not exceeding the lower of the following:
 - (i) \$250,000;
 - (ii) 5% of the accounting entity's audit turnover during the period of 12 months ending on the last day of its financial year immediately before the start of the quality control standards review. 30

(7) Where the Oversight Committee is satisfied that an accounting entity has breached any order made under subsection (2)(b)(i), (iii), (iv), (v) or (vi) (where the order was made together with an order under subsection (2)(b)(ii)), the Oversight Committee may make any of the following orders:

- (a) an order revoking the approval granted to the accounting entity as an accounting entity under Part 4;
- (b) an order suspending the accounting entity from providing public accountancy services for a period not exceeding 2 years.

(8) Where the Oversight Committee makes an order to suspend the accounting entity from providing public accountancy services under subsection (5)(b), (6)(b) or (7)(b), the Oversight Committee may —

- (a) in the case of an order under subsection (5)(b) — also make one or more of the following orders:

- (i) an order imposing on the accounting entity a penalty not exceeding the lower of the following:

- (A) \$250,000;

- (B) 5% of the accounting entity's audit turnover during the period of 12 months ending on the last day of its financial year immediately before the start of the quality control standards review;

- (ii) one or more orders under subsection (1);

- (b) in the case of an order under subsection (6)(b) — also make one or more orders under subsection (2)(b); or

- (c) in the case of an order under subsection (7)(b) — also make one or more orders under subsection (2)(b)(i), (iii), (iv), (v) or (vi).

(9) Any penalty imposed by an order made under this section is recoverable as a debt due to the Authority from the accounting entity.

(10) Without affecting subsection (9), where an accounting entity is ordered to pay a penalty under this section but fails to pay the penalty by the date the order takes effect under subsection (13), the Oversight Committee may, if it thinks fit, make an order to —

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- (a) revoke the approval granted to the accounting entity as an accounting entity under Part 4; or
- (b) suspend the accounting entity from providing public accountancy services for a period not exceeding 12 months.

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(11) The Registrar must serve a copy of every order made under subsection (1), (2), (3), (4), (5), (6), (7), (8) or (10) on the accounting entity concerned.

(12) The Oversight Committee must not make an order under this section to —

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- (a) revoke the approval granted to an accounting entity as an accounting entity under Part 4;
- (b) suspend an accounting entity from providing public accountancy services (including any order under subsection (8)(a), (b) or (c)); or
- (c) impose on an accounting entity a penalty,

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unless the Oversight Committee has given the accounting entity an opportunity to show cause against the proposed order.

(13) An order made by the Oversight Committee under this section to —

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- (a) revoke the approval granted to an accounting entity as an accounting entity under Part 4;
- (b) suspend an accounting entity from providing public accountancy services (including any order under subsection (8)(a), (b) or (c)); or

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(c) impose on an accounting entity a penalty,
does not take effect until the latest of the following:

(d) one month after the date the order has been served on
the accounting entity;

5 (e) the date specified by the Oversight Committee in the
order as the date on which the order takes effect;

10 (f) where an appeal against the order is made to the
General Division of the High Court under
subsection (14), the date immediately after the date
the appeal has been determined or withdrawn.

(14) Any accounting entity that is aggrieved by an order of the
Oversight Committee under this section to —

(a) revoke the approval granted to the accounting entity
as an accounting entity under Part 4;

15 (b) suspend the accounting entity from providing public
accountancy services (including any order under
subsection (8)(a), (b) or (c)); or

(c) impose on the accounting entity a penalty,

20 may appeal to the General Division of the High Court within a
period of 30 days or within any further period that the General
Division of the High Court may allow, after the order of the
Oversight Committee has been served on the accounting entity.

(15) The decision of the General Division of the High Court on
an appeal under subsection (14) is final.

25 (16) In this section, “audit turnover” means the gross revenue
derived by an accounting entity from the audit and reporting on
financial statements.

Non-compliance by accounting entity with AML/CFT requirements

38I.—(1) Where the Oversight Committee, after considering the Registrar’s report submitted under section 38G(2)(b), is satisfied that the accounting entity has not complied with any of the AML/CFT requirements, the Oversight Committee may — 5

(a) make any of the following orders:

(i) an order revoking the approval granted to the accounting entity as an accounting entity under Part 4; 10

(ii) an order suspending the accounting entity from providing public accountancy services for a period not exceeding 12 months;

(b) in lieu of an order in paragraph (a)(i) or (ii), or in addition to an order in paragraph (a)(ii), make one or more of the following orders: 15

(i) an order restricting the provision of public accountancy services by the accounting entity in the manner that the Oversight Committee thinks fit for a period not exceeding 12 months; 20

(ii) an order imposing on the accounting entity a penalty not exceeding \$25,000 for each breach of the AML/CFT requirements;

(iii) an order censuring the accounting entity.

(2) Where the Oversight Committee has made an order under subsection (1)(b), the Oversight Committee may, having regard to any change in circumstances or for other good reason — 25

(a) revoke the order and make any one or more different orders under subsection (1)(b); or

(b) vary the order and make any one or more different orders under subsection (1)(b) in addition to that order. 30

(3) Where the Oversight Committee is satisfied that an accounting entity has breached an order made under subsection (1)(b)(i), the Oversight Committee may make any of the following orders:

- 5 (a) an order revoking the approval granted to the accounting entity as an accounting entity under Part 4;
- (b) an order suspending the accounting entity from providing public accountancy services for a period not exceeding 12 months.

10 (4) Where the Oversight Committee makes an order to suspend the accounting entity from providing public accountancy services under subsection (3)(b), the Oversight Committee may also make one or more orders under subsection (1)(b)(i) or (iii).

15 (5) Any penalty imposed by an order made under this section is recoverable as a debt due to the Authority from the accounting entity.

 (6) Without affecting subsection (5), where an accounting entity is ordered to pay a penalty under this section but fails to pay the penalty by the date the order takes effect under subsection (9), the Oversight Committee may, if it thinks fit, make an order to —

- 20 (a) revoke the approval granted to the accounting entity as an accounting entity under Part 4; or
- 25 (b) suspend the accounting entity from providing public accountancy services for a period not exceeding 12 months.

 (7) The Registrar must serve a copy of every order made under subsection (1), (2), (3), (4) or (6) on the accounting entity concerned.

30 (8) The Oversight Committee must not make an order under this section to —

- (a) revoke the approval granted to an accounting entity as an accounting entity under Part 4;

(b) suspend an accounting entity from providing public accountancy services (including any order under subsection (4)); or

(c) impose on an accounting entity a penalty,

unless the Oversight Committee has given the accounting entity an opportunity to show cause against the proposed order. 5

(9) An order made by the Oversight Committee under this section to —

(a) revoke the approval granted to an accounting entity as an accounting entity under Part 4; 10

(b) suspend an accounting entity from providing public accountancy services (including any order under subsection (4)); or

(c) impose on an accounting entity a penalty,

does not take effect until the latest of the following: 15

(d) one month after the date the order has been served on the accounting entity;

(e) the date specified by the Oversight Committee in the order as the date on which the order takes effect;

(f) where an appeal against the order is made to the General Division of the High Court under subsection (10), the date immediately after the date the appeal has been determined or withdrawn. 20

(10) Any accounting entity that is aggrieved by an order of the Oversight Committee under this section to — 25

(a) revoke the approval granted to the accounting entity as an accounting entity under Part 4;

(b) suspend the accounting entity from providing public accountancy services (including any order under subsection (4)); or 30

(c) impose on the accounting entity a penalty,

may appeal to the General Division of the High Court within a period of 30 days or within any further period that the General Division of the High Court may allow, after the order of the Oversight Committee has been served on the accounting entity.

(11) The decision of the General Division of the High Court on an appeal under subsection (10) is final.

Non-compliance by individual practitioner of accounting entity with AML/CFT requirements

38J.—(1) Where the Oversight Committee, after considering the Registrar’s report submitted under section 38G(2)(b), is satisfied that any individual practitioner of an accounting entity has not complied with any of the AML/CFT requirements, the Oversight Committee may —

(a) make any of the following orders:

(i) an order cancelling the individual practitioner’s registration;

(ii) an order suspending the individual practitioner’s registration for a period not exceeding 12 months;

(b) in lieu of an order in paragraph (a)(i) or (ii), or in addition to an order in paragraph (a)(ii), make one or more of the following orders:

(i) an order restricting the provision of public accountancy services by the individual practitioner in the manner that the Oversight Committee thinks fit for a period not exceeding 12 months;

(ii) an order imposing on the individual practitioner a penalty not exceeding \$10,000 for each breach of the AML/CFT requirements;

(iii) an order censuring the individual practitioner.

(2) Where the Oversight Committee has made an order under subsection (1)(b), the Oversight Committee may, having regard to any change in circumstances or for other good reason —

- (a) revoke the order and make any one or more different orders under subsection (1)(b); or 5
- (b) vary the order and make any one or more different orders under subsection (1)(b) in addition to that order.

(3) Where the Oversight Committee is satisfied that the individual practitioner has breached an order made under subsection (1)(b)(i), the Oversight Committee may make any of the following orders: 10

- (a) an order cancelling the individual practitioner's registration;
- (b) an order suspending the individual practitioner's registration for a period not exceeding 12 months. 15

(4) Where the Oversight Committee makes an order to suspend the individual practitioner's registration under subsection (3)(b), the Oversight Committee may also make one or more orders under subsection (1)(b)(i) or (iii). 20

(5) Any penalty imposed by an order made under this section is recoverable as a debt due to the Authority from the individual practitioner.

(6) Without affecting subsection (5), where an individual practitioner is ordered to pay a penalty under this section but fails to pay the penalty by the date the order takes effect under subsection (9), the Oversight Committee may, if it thinks fit, make an order to — 25

- (a) cancel the individual practitioner's registration; or
- (b) suspend the individual practitioner's registration for a period not exceeding 12 months. 30

(7) The Registrar must serve a copy of every order made under subsection (1), (2), (3), (4) or (6) on the individual practitioner concerned.

(8) The Oversight Committee must not make an order under this section to —

- (a) cancel an individual practitioner’s registration;
- (b) suspend an individual practitioner’s registration (including any order under subsection (4)); or
- (c) impose on an individual practitioner a penalty,

unless the Oversight Committee has given the individual practitioner an opportunity to show cause against the proposed order.

(9) An order made by the Oversight Committee under this section to —

- (a) cancel an individual practitioner’s registration;
- (b) suspend an individual practitioner’s registration (including any order under subsection (4)); or
- (c) impose on an individual practitioner a penalty,

does not take effect until the latest of the following:

- (d) one month after the date the order has been served on the individual practitioner;
- (e) the date specified by the Oversight Committee in the order as the date on which the order takes effect;
- (f) where an appeal against the order is made to the General Division of the High Court under subsection (10), the date immediately after the date the appeal has been determined or withdrawn.

(10) Any individual practitioner who is aggrieved by an order of the Oversight Committee under this section to —

- (a) cancel the individual practitioner’s registration;
- (b) suspend the individual practitioner’s registration (including any order under subsection (4)); or

(c) impose on the individual practitioner a penalty,
 may appeal to the General Division of the High Court within a
 period of 30 days or within any further period that the General
 Division of the High Court may allow, after the order of the
 Oversight Committee has been served on the individual
 practitioner. 5

(11) The decision of the General Division of the High Court on
 an appeal under subsection (10) is final.

**Refusal to undergo quality control standards review or
 AML/CFT requirements review** 10

38K.—(1) If an accounting entity refuses, without reasonable
 excuse (the burden of proof of which lies with the accounting
 entity), to undergo a quality control standards review or an
 AML/CFT requirements review as required by the Oversight
 Committee, the Oversight Committee may by order suspend the
 accounting entity from providing public accountancy services
 for a period not exceeding 2 years. 15

(2) If —

(a) an individual practitioner of an accounting entity
 refuses to undergo an AML/CFT requirements
 review; and 20

(b) it is proved that his or her refusal was with the consent
 or connivance or was attributable to any neglect on
 the part of the accounting entity,

the individual practitioner's refusal is to be treated as a refusal
 by the accounting entity to undergo an AML/CFT requirements
 review under subsection (1). 25

(3) An order of the Oversight Committee under subsection (1)
 does not take effect until the latest of the following:

(a) one month after the date the order has been served on
 the accounting entity; 30

(b) the date specified by the Oversight Committee in the
 order as the date on which the order takes effect;

(c) where an appeal against the order is made to the General Division of the High Court under subsection (4), the date immediately after the date the appeal has been determined or withdrawn.

5 (4) Any accounting entity that is aggrieved by an order of the Oversight Committee under subsection (1) may appeal to the General Division of the High Court within a period of 30 days or within any further period that the General Division of the High Court may allow, after the order of the Oversight Committee has
10 been served on the accounting entity.

(5) The decision of the General Division of the High Court on an appeal under subsection (4) is final.

15 (6) In this section, without limiting the expression, an accounting entity refuses to undergo a quality control standards review or an AML/CFT requirements review if the accounting entity —

(a) expressly informs an entity reviewer, the Oversight Committee or the Authority that the accounting entity
20 refuses to undergo the quality control standards review or the AML/CFT requirements review;

(b) refuses to permit an entity reviewer to enter, at any reasonable hours in the day for the purposes of carrying out the quality control standards review or the AML/CFT requirements review, its registered
25 office or business premises;

(c) refuses to comply with a requirement of an entity reviewer made under section 38F(1)(a) or (b) within 14 days after the notice of the requirement has been served on the accounting entity;

30 (d) refuses to permit an entity reviewer to inspect, examine or make copies of or take any abstract of or extract from any record or document produced under section 38F(1)(a) or (b); or

(e) refuses, where a written notice requiring the accounting entity to undergo the quality control standards review or the AML/CFT requirements review has been served on the accounting entity under section 38D(3)(a), to respond to the notice within 14 days after the date the notice has been served or any longer period that the entity reviewer, the Oversight Committee or the Authority may allow. 5

(7) In this section, without limiting the expression, an individual practitioner of an accounting entity refuses to undergo an AML/CFT requirements review if the individual practitioner — 10

(a) expressly informs an entity reviewer, the Oversight Committee or the Authority that the individual practitioner refuses to undergo the AML/CFT requirements review; 15

(b) refuses to permit an entity reviewer to enter, at any reasonable hours in the day for the purposes of carrying out the AML/CFT requirements review on the individual practitioner, the registered office or business premises of the accounting entity in which the individual practitioner practises as a public accountant; 20

(c) refuses to comply with a requirement of an entity reviewer made under section 38F(1)(a) or (b) (as applied by section 38F(2)) within 14 days after the notice has been served on the individual practitioner; 25

(d) refuses to permit an entity reviewer to inspect, examine or make copies of or take any abstract of or extract from any record or document produced under section 38F(1)(a) or (b) (as applied by section 38F(2)); or 30

(e) refuses, where a written notice requiring the individual practitioner to undergo the AML/CFT requirements review has been served on him or her under section 38D(4)(a), to respond to the notice 35

within 14 days after the date the notice has been served or any longer period that the entity reviewer, the Oversight Committee or the Authority may allow.”.

5 **Amendment of section 52**

13. Section 52 of the principal Act is amended by deleting subsection (9).

Amendment of section 53

14. Section 53 of the principal Act is amended —

- 10 (a) by deleting “\$100,000” in subsection (2)(d) and substituting “\$250,000”; and
 (b) by deleting subsection (9).

Amendment of section 54

15 15. Section 54(1) of the principal Act is amended by deleting the words “(or any further period that the Oversight Committee may allow on application in any particular case)” and substituting the words “or within any further period that the General Division of the High Court may allow,”.

Amendment of section 56

20 16. Section 56 of the principal Act is amended —

(a) by inserting, immediately after subsection (1), the following subsection:

“(1A) A public accountant —

- 25 (a) whose registration is suspended under Part 5 or 5A; or
 (b) who is suspended from practice under Part 6,

must not —

- 30 (c) practise as a public accountant during the period of his or her suspension;

(d) hold himself or herself out, in respect of the period for which he or she is suspended, to be a public accountant; or

(e) advertise any title or description tending to convey the impression that he or she is, in respect of the period for which he or she is suspended, a public accountant registered under this Act, or that he or she is authorised to provide public accountancy services in Singapore.”;

(b) by inserting, immediately after subsection (2), the following subsection:

“(2A) An accounting corporation that is suspended from providing public accountancy services under Part 5A or 6, must not —

(a) provide public accountancy services in Singapore during the period of its suspension;

(b) advertise or hold itself out or describe itself in any way, in respect of the period for which it is suspended, to be an accounting corporation or to be authorised to provide public accountancy services in Singapore; or

(c) use in connection with its name or with the name under which it carries on business, in respect of the period for which it is suspended —

(i) the words “Public Accounting Corporation” or any abbreviation or derivative of those words;

(ii) the acronym “PAC” at the end of its name; or

(iii) any combination of the following:

(A) the words mentioned in sub-paragraph (i);

5 (B) any abbreviation or derivative of the words mentioned in sub-paragraph (i);

(C) the acronym mentioned in sub-paragraph (ii).”;

10 (c) by inserting, immediately after subsection (3), the following subsection:

“(3A) An accounting firm that is suspended from providing public accountancy services under Part 5A or 6, must not —

15 (a) provide public accountancy services in Singapore during the period of its suspension; or

20 (b) advertise or hold itself out or describe itself in any way, in respect of the period for which it is suspended, to be an accounting firm or to be authorised to provide public accountancy services in Singapore.”;

(d) by inserting, immediately after subsection (4), the following subsection:

25 “(4A) An accounting LLP that is suspended from providing public accountancy services under Part 5A or 6, must not —

(a) provide public accountancy services in Singapore during the period of its suspension; or

30 (b) advertise or hold itself out or describe itself in any way, in respect of the period for which it is suspended, to be an accounting LLP or to be authorised to provide public accountancy services in Singapore.”;

(e) by deleting the words “subsection (1), (2), (3) or (4)” in subsections (5) and (6) and substituting in each case the words “subsection (1), (1A), (2), (2A), (3), (3A), (4) or (4A)”; and

(f) by inserting, immediately after “LLP” in the section heading, the word “, etc.”.

5

New section 56A

17. The principal Act is amended by inserting, immediately after section 56, the following section:

“Subsequent suspension orders

10

56A.—(1) Where the Oversight Committee has made a suspension order (*X*) against a public accountant, an accounting corporation, an accounting firm or an accounting LLP, the period of suspension ordered under any suspension order made against that public accountant, accounting corporation, accounting firm or accounting LLP that is subsequent to *X* must not, together with the period of suspension ordered under *X*, exceed a period of 2 years in aggregate.

15

(2) In this section, “suspension order” means —

20

(a) in relation to a public accountant, an order of the Oversight Committee to —

(i) suspend the registration of a public accountant under Part 5 or 5A; or

(ii) suspend a public accountant from practice under Part 6; and

25

(b) in relation to an accounting corporation, accounting firm or accounting LLP, an order of the Oversight Committee to suspend the accounting corporation, accounting firm or accounting LLP from providing public accounting services under Part 5A or 6.

30

(3) For the purposes of this section —

(a) in relation to a suspension order made against a public accountant, a suspension order is subsequent to *X* if —

5 (i) the suspension order was made after *X* but before the period of suspension ordered under *X* had expired; and

10 (ii) where 2 or more suspension orders were made after *X*, each such suspension order was made before the period of suspension ordered under the suspension order preceding it had expired; and

15 (b) in relation to a suspension order made against an accounting corporation, accounting firm or accounting LLP, a suspension order is subsequent to *X* if —

(i) the suspension order was made after *X* but before the period of suspension ordered under *X* had expired; and

20 (ii) where 2 or more suspension orders were made after *X*, each such suspension order was made before the period of suspension ordered under the suspension order preceding it had expired.”.

Amendment of section 64

25 **18.** Section 64 of the principal Act is amended —

(a) by deleting paragraphs (g) and (h) of subsection (2) and substituting the following paragraphs:

30 “(g) to prescribe the requirements to be applied by public accountants, accounting corporations, accounting firms and accounting LLPs in relation to —

(i) the detection and prevention of money laundering or the financing of terrorism; and

(ii) the recording and reporting of transactions suspected of involving money laundering or the financing of terrorism, 5

including any requirement necessary or expedient to give effect to any recommendation issued or adopted by the intergovernmental body known as the Financial Action Task Force relating to the prevention of money laundering and the financing of terrorism; 10

(h) to prescribe the requirements in respect of professional conduct and ethics applicable to public accountants, accounting corporations, accounting firms and accounting LLPs when providing public accountancy services, other than the matters assigned to the Oversight Committee by the Authority and set out in the code of professional conduct and ethics prescribed by order under section 64AA(1)(a); 15 20 25

(ha) to prescribe the standards, methods, procedures and other requirements to be applied by public accountants, accounting corporations, accounting firms and accounting LLPs when providing public accountancy services, other than any standard, method, procedure or requirement which is of a class or description specified in the Second Schedule;” 30 35

(b) by inserting, immediately after the words “public accountants” in subsection (2)(i), the words “, accounting corporations, accounting firms and accounting LLPs”;

5 (c) by inserting, immediately after paragraph (i) of subsection (2), the following paragraph:

“*(ia)* to provide for the publication of any decision or order of the Oversight Committee made under section 38, 38H, 10 38I, 38J, 52 or 53;” and

(d) by deleting subsections (3), (4) and (5) and substituting the following subsections:

“*(3)* In making rules for the purposes of subsection (2)(g), (h) and (ha), the Authority may 15 adopt by reference (whether wholly or in part, and with or without modification) the following (called in this section the external material):

(a) in the case of rules made for the purposes of subsection (2)(g) — any requirements issued or applied by any professional 20 accountancy body or organisation, whether in Singapore or elsewhere (as in force at a particular time or from time to time) to give effect to any recommendation issued or adopted by the intergovernmental body known as the Financial Action Task Force relating to the prevention of money 25 laundering and the financing of terrorism;

(b) in the case of rules made for the purposes of subsection (2)(h) — any requirements in respect of professional conduct and ethics issued or applied by any professional 30 accountancy body or organisation, whether in Singapore or elsewhere (as in force at a particular time or from time to time); 35

(c) in the case of rules made for the purposes of subsection (2)(*ha*) — any standard, method, procedure or other requirement issued or applied by any professional accountancy body or organisation, whether in Singapore or elsewhere (as in force at a particular time or from time to time). 5

(4) Any external material adopted by reference in any rules made for the purposes of subsection (2)(*g*), (*h*) or (*ha*) is to be treated as forming part of the rules. 10

(5) Unless otherwise provided in the rules, where any external material is adopted by reference as in force from time to time, every amendment to the external material that is made by the professional accountancy body or organisation that issued or applied the material is to be treated as forming part of the rules. 15

(6) Where any external material is adopted by reference in any rules made for the purposes of subsection (2)(*g*), (*h*) or (*ha*), the Authority must give notice in the *Gazette* stating — 20

(a) that the external material is adopted by reference and the date on which the external material is adopted by reference; 25

(b) that the external material is available for inspection during normal office hours, free of charge, and the place at which the external material may be inspected;

(c) the details of where and how the external material can be obtained, free of charge; and 30

(d) if copies of the external material are available in other ways, the details of

where and how the copies can be accessed or obtained.

(7) Where any external material adopted by reference in any rules made for the purposes of subsection (2)(g), (h) or (ha) is amended, the Authority must give notice in the *Gazette* stating —

- (a) that there has been an amendment to the external material and the date of the amendment;
- (b) that the external material as amended is available for inspection during normal office hours, free of charge, and the place at which the external material as amended can be inspected;
- (c) the details of where and how the external material as amended can be obtained, free of charge; and
- (d) if copies of the external material as amended are available in other ways, the details of where and how the copies can be accessed or obtained.”.

New sections 64AA and 64AB

19. The principal Act is amended by inserting, immediately after section 64, the following sections:

“Orders for code of professional conduct and ethics, standards, etc., prescribed by Oversight Committee

64AA.—(1) The Oversight Committee may, by order in the *Gazette*, prescribe —

- (a) the code of professional conduct and ethics applicable to public accountants, accounting corporations, accounting firms and accounting LLPs; and
- (b) any standard, method, procedure or other requirement which is of a class or description specified in the

Second Schedule that is to be applied by public accountants, accounting corporations, accounting firms and accounting LLPs when providing public accountancy services.

(2) For the purposes of subsection (1), the Oversight Committee may adopt by reference (whether wholly or in part, and with or without modification) — 5

(a) any code of professional conduct and ethics or any provision of any code of professional conduct and ethics; or 10

(b) any standard, method, procedure or other requirement,

(as the case may be) issued or applied by any professional accountancy body or organisation, whether in Singapore or elsewhere as in force at a particular time or from time to time (called in this section the external material). 15

(3) Any external material adopted by reference in an order under subsection (1) is to be treated as forming part of the order.

(4) Unless otherwise provided in the order, where any external material is adopted by reference as in force from time to time, every amendment to the external material that is made by the professional accountancy body or organisation that issued or applied the external material is to be treated as forming part of the order. 20

(5) Where any external material is adopted by reference in an order under subsection (1), the Oversight Committee must give notice in the *Gazette* stating — 25

(a) that the external material is adopted by reference and the date on which the external material is adopted by reference; 30

(b) that the external material is available for inspection during normal office hours, free of charge, and the place at which the external material may be inspected;

(c) the details of where and how the external material can be obtained, free of charge; and

(d) if copies of the external material are available in other ways, the details of where and how the copies can be accessed or obtained.

(6) Where any external material adopted by reference in an order under subsection (1) is amended, the Oversight Committee must give notice in the *Gazette* stating —

(a) that there has been an amendment to the external material and the date of the amendment;

(b) that the external material as amended is available for inspection during normal office hours, free of charge, and the place at which the external material as amended can be inspected;

(c) the details of where and how the external material as amended can be obtained, free of charge; and

(d) if copies of the external material as amended are available in other ways, the details of where and how the copies can be accessed or obtained.

Amendment of Schedules

64AB. The Authority may, with the approval of the Minister, by order in the *Gazette*, amend or vary the First or Second Schedule.”.

Amendment and renaming of Schedule

20. The principal Act is amended —

(a) by renaming the Schedule as the First Schedule; and

(b) by deleting the Schedule reference and substituting the following Schedule reference:

“Sections 4(4), 38C(3) and 64AB”.

New Second Schedule

21. The principal Act is amended by inserting, immediately after the First Schedule (as amended by section 20), the following Schedule:

“SECOND SCHEDULE

5

Sections 5(1), 64(2), 64AA(1) and
64AB

STANDARDS, METHODS, PROCEDURES AND OTHER REQUIREMENTS WHICH MAY BE PRESCRIBED BY OVERSIGHT COMMITTEE

10

1. Standards, methods, procedures and other requirements when auditing and reporting on financial statements.
2. Standards, methods or procedures on quality control to be applied when providing public accountancy services.”.

Miscellaneous amendments and saving and transitional provisions

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22.—(1) The principal Act is amended —

(a) by inserting, immediately after the words “Part 5” in the following provisions, “, 5A”:

Section 15(1)(e)

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Section 27(5) and (6)

Section 55(1)(a)

Section 59(1)(b); and

(b) by deleting the words “Part 6” in the following provisions and substituting in each case the words “Part 5A or 6”:

25

Section 31(1)(b), (2)(b) and (3)(b)

Section 55(1)(b).

(2) Despite section 5, section 13(3)(b) of the principal Act as in force immediately before the appointed day continues to apply to any application by a public accountant to renew his or her certificate of registration under section 13(1) of the principal Act that is submitted before that day.

30

(3) Any individual who, immediately before the appointed day, was a reviewer under section 35 of the principal Act as in force immediately before that day, is to be treated as having been appointed as a practice reviewer under that section as amended by this Act until the term of his or her appointment expires, or the day he or she dies, retires or has his or her appointment revoked before the expiry of his or her term of appointment.

(4) Despite sections 6 to 11 but subject to subsection (5), the provisions of Part 5 of the principal Act as in force immediately before the appointed day continue to apply in relation to a practice review under that Part that had commenced before that day.

(5) For the purposes of subsection (4), a reference to a reviewer in Part 5 of the principal Act as in force immediately before the appointed day is to be read as a reference to a practice reviewer.

(6) Despite sections 14(a) and 15, where —

(a) a complaint had been made to the Oversight Committee under section 40(1) of the principal Act before the appointed day; or

(b) information had been referred by the Oversight Committee to the Registrar under section 41(2) of the principal Act before the appointed day,

sections 53(2)(d) and 54(1) of the principal Act as in force immediately before that day continue to apply to any proceedings under Part 6 of the principal Act arising from the complaint or information.

(7) For a period of 2 years after the date of commencement of any provision of this Act, the Minister may by regulations prescribe such additional provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.

(8) In this section, “appointed day” means the date of commencement of the Accountants (Amendment) Act 2022.

Consequential amendments to Banking Act 1970

23. The Third Schedule to the Banking Act 1970 is amended —

- (a) by deleting the word “reviewer” in paragraph (a)(iii) in the third column of item 1 of Part 2 and substituting the words “practice reviewer”; and
- (b) by deleting the word “ “reviewer” ” in Part 3 and substituting the words “ “practice reviewer” ”.

5

EXPLANATORY STATEMENT

This Bill seeks to amend the Accountants Act 2004 (the Act) for the following main purposes:

- (a) to enhance the practice monitoring programme in respect of public accountants;
- (b) to require accounting corporations, accounting firms and accounting LLPs to undergo a review to determine their compliance with quality control standards;
- (c) to require the following persons to undergo a review to determine their compliance with anti-money laundering and countering the financing of terrorism requirements:
 - (i) accounting corporations and one or more of their directors or employees who are public accountants and who are practising as such in these accounting corporations;
 - (ii) accounting firms and one or more of their partners or employees who are practising as public accountants in these accounting firms;
 - (iii) accounting LLPs and one or more of their partners or employees who are practising as public accountants in these accounting LLPs;
- (d) to empower the Oversight Committee, instead of the Accounting and Corporate Regulatory Authority (the Authority), to prescribe —
 - (i) the code of professional conduct and ethics applicable to public accountants, accounting corporations, accounting firms and accounting LLPs; and

- (ii) certain standards, methods, procedures and other requirements that are to be applied by public accountants, accounting corporations, accounting firms and accounting LLPs when providing public accountancy services.

The Bill also makes consequential amendments to the Banking Act 1970.

Clause 1 relates to the short title and commencement.

Clause 2 makes a consequential amendment to section 2(2) to refer to a breach of any code of professional conduct and ethics prescribed by the Oversight Committee under the new section 64AA(1)(a) (inserted by clause 19) instead of a breach of any code of professional conduct and ethics prescribed under section 64.

Clause 3 makes a technical amendment to section 4(4) to rename the Schedule as the First Schedule. Section 4(5) is deleted as it is replaced by the new section 64AB (inserted by clause 19).

Clause 4 amends section 5 to expand the functions of the Oversight Committee as specified in the new subsection (1)(g), (ga), (ia) and (ib). These are to —

- (a) assist the Authority to determine, prescribe, issue, adopt and review —
 - (i) the requirements in relation to the detection and prevention of money laundering or the financing of terrorism and the recording and reporting of transactions suspected of involving money laundering or the financing of terrorism;
 - (ii) the requirements in respect of professional conduct and ethics when providing public accountancy services, other than the matters assigned to the Oversight Committee by the Authority and set out in the code of professional conduct and ethics prescribed by order under the new section 64AA(1)(a) (inserted by clause 19); and
 - (iii) the standards, methods, procedures and other requirements to be applied when providing public accountancy services, other than any standard, method, procedure or requirement which is of a class or description specified in the new Second Schedule (inserted by clause 21);
- (b) administer programmes to review compliance with the quality control standards and the requirements relating to the detection and prevention of money laundering and the financing of terrorism;
- (c) prescribe the code of professional conduct and ethics applicable to public accountants, accounting corporations, accounting firms and accounting LLPs; and

- (d) prescribe any standard, method, procedure or other requirement which is of a class or description specified in the new Second Schedule.

Clause 5 amends section 13(3) to specify that a public accountant is not entitled to have his or her certificate of registration renewed if he or she has failed to comply with any order made by the Oversight Committee under the new section 38(1) or (2)(b) (inserted by clause 11).

Clause 6 amends section 32 (interpretation of Part 5 relating to “practice monitoring programme”) to insert new definitions of “Oversight Committee’s professional standards assessment framework” and “professional standards”, to re-enact the existing definitions of “practice monitoring programme” and “practice review”; and to replace the definition of “reviewer” with the definition of “practice reviewer”.

Clause 7 amends section 33 —

- (a) to delete the requirement that a public accountant must successfully pass the practice reviews carried out under the practice monitoring programme in order to be allowed to remain in practice. Under the new section 38 (inserted by clause 11), the Oversight Committee can make orders with respect to the public accountant if it is satisfied that his or her compliance with any of the professional standards is partially satisfactory, or not satisfactory, under the Oversight Committee’s professional standards assessment framework; and
- (b) to require a public accountant undergoing a practice monitoring programme to pay any fee prescribed in connection with the administration of the programme.

Clause 8 amends section 35 to replace the term “reviewer” with “practice reviewer”. This is to differentiate a practice reviewer from an entity reviewer under, and as defined in, the new Part 5A (inserted by clause 12).

Clause 9 similarly amends section 36 to replace the term “reviewer” with “practice reviewer”.

Clause 10 amends section 37 —

- (a) to require the Practice Monitoring Sub-committee, after considering the practice reviewer’s report, to submit a report of its opinion and recommendations to the Oversight Committee if the Practice Monitoring Sub-committee is of the opinion that the public accountant’s compliance with any of the professional standards is partially satisfactory, or not satisfactory, under the Oversight Committee’s professional standards assessment framework; and
- (b) to replace the term “reviewer” with “practice reviewer”.

Clause 11 repeals and re-enacts section 38 and inserts a new section 38A.

The new section 38 empowers the Oversight Committee to make certain orders with respect to a public accountant where it is satisfied, after considering the report and recommendations of the Practice Monitoring Sub-committee, that the public accountant's compliance with any of the professional standards is partially satisfactory, or not satisfactory, under the Oversight Committee's professional standards assessment framework.

Where the Oversight Committee is satisfied that the public accountant's compliance is partially satisfactory, the Oversight Committee may make one or more of the following orders as specified in the new section 38(1):

- (a) require the public accountant to undergo and satisfactorily complete any remedial programme;
- (b) require the public accountant to take any other steps to improve the public accountant's practice;
- (c) require the public accountant to give any undertaking in relation to his or her compliance with the professional standards;
- (d) any other order to improve the public accountant's compliance with the professional standards.

Where the Oversight Committee is satisfied that the public accountant's compliance with the professional standards is not satisfactory, the Oversight Committee may —

- (a) make any of the following orders under the new section 38(2)(a) after giving the public accountant an opportunity to show cause against the proposed order:
 - (i) cancel the public accountant's registration;
 - (ii) suspend the public accountant's registration for a period not exceeding 2 years;
 - (iii) refuse to renew the public accountant's registration;
- (b) in lieu of an order in the new section 38(2)(a)(i), (ii) or (iii), or in addition to an order in the new section 38(2)(a)(ii), make one or more of the following orders as specified in the new section 38(2)(b):
 - (i) restrict the public accountant's provision of public accountancy services for a period not exceeding 2 years;
 - (ii) require the public accountant to undergo and satisfactorily complete any remedial programme;
 - (iii) require the public accountant to take any other steps to improve the public accountant's practice;

- (iv) require the public accountant to give any undertaking in relation to his or her compliance with the professional standards;
- (v) require the public accountant to send a copy of the order made under the new section 38(2) (or any part of that order determined by the Oversight Committee) to each person to whom the public accountant provided public accountancy services;
- (vi) any other order to improve the public accountant's compliance with the professional standards.

The new section 38 also —

- (a) sets out the circumstances in which the Oversight Committee may revoke or vary certain orders made under the section;
- (b) sets out the orders that the Oversight Committee may make if the Oversight Committee is satisfied that a public accountant has breached any order made under the section;
- (c) provides that an order of the Oversight Committee under the section suspending the public accountant's registration for breaching an earlier order made under the section may be combined with certain other orders under the section; and
- (d) provides for an avenue of appeal to the General Division of the High Court against certain orders made by the Oversight Committee under the section.

The new section 38A empowers the Oversight Committee to make an order to suspend a public accountant's registration for a period not exceeding 2 years if he or she refuses, without reasonable excuse (the burden of proof of which lies with the public accountant), to undergo a practice monitoring programme. The new section 38A provides that a public accountant refuses to undergo a practice monitoring programme if (without limiting the expression) the public accountant —

- (a) expressly informs a practice reviewer, the Oversight Committee or the Authority of such refusal;
- (b) refuses to permit a practice reviewer to enter, at any reasonable hours in the day for the purposes of carrying out a practice review, the registered office or business premises of the accounting corporation, accounting firm or accounting LLP in which the public accountant practises as a public accountant;

- (c) refuses to comply with certain requirements of a practice reviewer within 14 days after the notice of the requirement has been served on the public accountant;
- (d) refuses to permit a practice reviewer to inspect, examine or make copies of or take any abstract of or extract from any record or document produced; or
- (e) refuses to respond to a written notice requiring the public accountant to undergo a practice monitoring programme within 14 days after the date the notice has been served or any longer period that the practice reviewer, the Oversight Committee or the Authority may allow.

The new section 38A also provides for an avenue of appeal to the General Division of the High Court against an order made by the Oversight Committee under the section.

The new section 38A only applies where a public accountant is required by the Oversight Committee on or after the date of commencement of the Accountants (Amendment) Act 2022 to undergo a practice monitoring programme.

Clause 12 inserts a new Part 5A (consisting of new sections 38B to 38K) relating to the review of compliance with quality control standards by accounting entities and Anti-Money Laundering and Countering the Financing of Terrorism requirements by accounting entities and their individual practitioners.

The new section 38B defines, for the purposes of the new Part 5A, the terms “accounting entity”, “AML/CFT requirements”, “AML/CFT requirements review”, “entity reviewer”, “individual practitioner”, “Oversight Committee’s quality control standards assessment framework”, “quality control standards” and “quality control standards review”.

The new section 38C provides that the Oversight Committee for purposes of the Part excludes its members who are public accountants. Such members must also not influence or attempt to influence the Oversight Committee in the performance of its functions or any of its deliberations, decisions or orders made or to be made under the Part. The Authority may, if it considers necessary or for any other reason, appoint another member of the Oversight Committee (who is not a public accountant) to act as and discharge the duties of the Chairperson of the Oversight Committee for the purposes of the Part.

The new section 38D empowers the Oversight Committee to require, as a condition for an accounting entity to remain approved as such —

- (a) the accounting entity to undergo a quality control standards review; and
- (b) the accounting entity and one or more of its individual practitioners to undergo an AML/CFT requirements review.

The accounting entity must pay any prescribed fee in connection with the administration of these reviews.

The new section 38E empowers the Oversight Committee to appoint any employee of the Authority, or any other individual who is suitably qualified, as entity reviewers to carry out a quality control standards review or an AML/CFT requirements review, or both.

The new section 38F requires an accounting entity undergoing a quality control standards review or an AML/CFT requirements review, as well as an individual practitioner undergoing an AML/CFT requirements review, to comply with any requirements under the new section 38F(1)(a) imposed by an entity reviewer. An entity reviewer has other powers specified in the new section 38F(1)(b) and (c).

The new section 38G requires an entity reviewer to submit a report to the Registrar of Public Accountants (the Registrar) at the conclusion of a quality control standards review or an AML/CFT requirements review. The entity reviewer must also submit any interim report that the Registrar may require.

The Registrar is also required to submit a report to the Oversight Committee if, after considering the entity reviewer's report, the Registrar is of the opinion that —

- (a) the accounting entity's compliance with any of the quality control standards is partially satisfactory, or not satisfactory, under the Oversight Committee's quality control standards assessment framework; or
- (b) the accounting entity or any of its individual practitioners has breached any of the AML/CFT requirements.

The new section 38H empowers the Oversight Committee to make certain orders with respect to an accounting entity where it is satisfied, after considering the Registrar's report, that the accounting entity's compliance with any of the quality control standards is partially satisfactory, or not satisfactory, under the Oversight Committee's quality control standards assessment framework.

Where the Oversight Committee is satisfied that the accounting entity's compliance is partially satisfactory, the Oversight Committee may make one or more of the following orders as specified in the new section 38H(1):

- (a) require the accounting entity to undergo and satisfactorily complete any remedial programme;
- (b) require the accounting entity to take any other steps to improve the accounting entity's compliance with the quality control standards;
- (c) require the accounting entity to give any undertaking in relation to its compliance with the quality control standards;

- (d) any other order to improve the accounting entity's compliance with the quality control standards.

Where the Oversight Committee is satisfied that the accounting entity's compliance with the quality control standards is not satisfactory, the Oversight Committee may —

- (a) make any of the following orders under the new section 38H(2)(a) after giving the accounting entity an opportunity to show cause against the proposed order:
 - (i) revoke the approval granted to the accounting entity as an accounting entity;
 - (ii) suspend the accounting entity from providing public accountancy services for a period not exceeding 2 years;
- (b) in lieu of an order in the new section 38H(2)(a)(i) or (ii), or in addition to an order in the new section 38H(2)(a)(ii), make one or more of the following orders as specified in the new section 38H(2)(b):
 - (i) restrict the accounting entity's provision of public accountancy services for a period not exceeding 2 years;
 - (ii) impose a penalty not exceeding the lower of \$250,000 and 5% of the accounting entity's audit turnover during the period of 12 months ending on the last day of its financial year immediately before the start of the quality control standards review;
 - (iii) require the accounting entity to undergo and satisfactorily complete any remedial programme;
 - (iv) require the accounting entity to take any other steps to improve the accounting entity's compliance with the quality control standards;
 - (v) require the accounting entity to give any undertaking in relation to its compliance with the quality control standards;
 - (vi) any other order to improve the accounting entity's compliance with the quality control standards.

The new section 38H also —

- (a) sets out the circumstances in which the Oversight Committee may revoke or vary certain orders made under the section;
- (b) sets out the orders that the Oversight Committee may make if the Oversight Committee is satisfied that an accounting entity has breached any order made under the section;

- (c) provides that an order of the Oversight Committee under the section suspending the accounting entity from providing public accountancy services for breaching an earlier order made under the section may be combined with certain other orders under the section;
- (d) provides that any penalty imposed by the Oversight Committee under the section is recoverable as a debt due to the Authority;
- (e) provides for the orders that the Oversight Committee may make if an accounting entity fails to pay the penalty imposed by the Oversight Committee under the section; and
- (f) provides for an avenue of appeal to be made to the General Division of the High Court against certain orders made by the Oversight Committee under the section.

The new section 38I empowers the Oversight Committee to make orders with respect to an accounting entity where the Oversight Committee is satisfied, after considering the Registrar's report, that the accounting entity has not complied with any of the AML/CFT requirements. These orders are:

- (a) any of the following orders under the new section 38I(1)(a) after giving the accounting entity an opportunity to show cause against the proposed order:
 - (i) revoke the approval granted to the accounting entity as an accounting entity;
 - (ii) suspend the accounting entity from providing public accountancy services for a period not exceeding 12 months;
- (b) in lieu of an order in the new section 38I(1)(a)(i) or (ii), or in addition to an order in the new section 38I(1)(a)(ii), one or more of the following orders under the new section 38I(1)(b):
 - (i) restrict the accounting entity's provision of public accountancy services for a period not exceeding 12 months;
 - (ii) impose a penalty not exceeding \$25,000 for each breach of the AML/CFT requirements;
 - (iii) censure the accounting entity.

The new section 38I also —

- (a) sets out the circumstances in which the Oversight Committee may revoke or vary certain orders made under the section;
- (b) sets out the orders that the Oversight Committee may make if the Oversight Committee is satisfied that an accounting entity has

breached an order restricting the accounting entity from providing public accountancy services made under the section;

- (c) provides that an order of the Oversight Committee under the section suspending the accounting entity from providing public accountancy services for breaching an earlier order made under the section may be combined with certain other orders under the section;
- (d) provides that any penalty imposed by the Oversight Committee under the section is recoverable as a debt due to the Authority;
- (e) provides for the orders that the Oversight Committee may make if an accounting entity fails to pay the penalty imposed by the Oversight Committee under the section; and
- (f) provides for an avenue of appeal to be made to the General Division of the High Court against certain orders made by the Oversight Committee under the section.

The new section 38J likewise empowers the Oversight Committee to make certain orders with respect to an individual practitioner of an accounting entity where the Oversight Committee is satisfied, after considering the Registrar's report, that the individual practitioner has not complied with any of the AML/CFT requirements. The orders are —

- (a) any of the following orders under the new section 38J(1)(a) after giving the individual practitioner an opportunity to show cause against the proposed order:
 - (i) cancel the individual practitioner's registration;
 - (ii) suspend the individual practitioner's registration for a period not exceeding 12 months;
- (b) in lieu of an order in the new section 38J(1)(a)(i) or (ii), or in addition to an order in the new section 38J(1)(a)(ii), one or more of the following orders under the new section 38J(1)(b):
 - (i) restrict the individual practitioner's provision of public accountancy services for a period not exceeding 12 months;
 - (ii) impose a penalty not exceeding \$10,000 for each breach of the AML/CFT requirements;
 - (iii) censure the individual practitioner.

The new section 38J also —

- (a) sets out the circumstances in which the Oversight Committee may revoke or vary certain orders made under the section;

- (b) sets out the orders that the Oversight Committee may make if the Oversight Committee is satisfied that an individual practitioner has breached an order restricting the individual practitioner from providing public accountancy services made under the section;
- (c) provides that an order of the Oversight Committee under the section suspending the individual practitioner's registration for breaching an earlier order made under the section may be combined with certain other orders under the section;
- (d) provides that any penalty imposed by the Oversight Committee under the section is recoverable as a debt due to the Authority;
- (e) provides for the orders that the Oversight Committee may make if an individual practitioner fails to pay the penalty imposed by the Oversight Committee under the section; and
- (f) provides for an avenue of appeal to be made to the General Division of the High Court against certain orders made by the Oversight Committee under the section.

The new section 38K empowers the Oversight Committee to make an order to suspend an accounting entity from providing public accountancy services for a period not exceeding 2 years where the accounting entity refuses, without reasonable excuse (the burden of proof of which lies with the accounting entity), to undergo a quality control standards review or an AML/CFT requirements review. An individual practitioner's refusal to undergo an AML/CFT requirements review is to be treated as a refusal by the accounting entity to undergo an AML/CFT requirements review if the individual practitioner's refusal was with the consent or connivance or was attributable to any neglect on the part of the accounting entity.

The new section 38K provides that an accounting entity or an individual practitioner of an accounting entity refuses to undergo a review if (without limiting the expression) the accounting entity or individual practitioner —

- (a) expressly informs an entity reviewer, the Oversight Committee or the Authority of such refusal;
- (b) refuses to permit an entity reviewer to enter the registered office or business premises of the accounting entity at any reasonable hours in the day for the purposes of carrying out the review;
- (c) refuses to comply with certain requirements of an entity reviewer within 14 days after the notice of the requirement has been served on the accounting entity or the individual practitioner;

- (d) refuses to permit an entity reviewer to inspect, examine or make copies of or take any abstract of or extract from any record or document produced; or
- (e) refuses to respond to a written notice requiring the accounting entity or individual practitioner to undergo a review within 14 days after the date the notice has been served or any longer period that the entity reviewer, the Oversight Committee or the Authority may allow.

The new section 38K also provides for an avenue of appeal by an accounting entity to the General Division of the High Court against an order made by the Oversight Committee under the section.

Clause 13 amends section 52 by deleting subsection (9) (which provides that while a public accountant remains suspended, he or she is deemed not to be registered as a public accountant under the Act). This is not necessary in view of clause 16, which amends section 56 to set out the consequences of suspension.

Clause 14 amends section 53 —

- (a) to increase the maximum penalty which the Oversight Committee can impose under subsection (2)(d) on an accounting corporation, accounting firm or accounting LLP upon receiving the report and recommendation of the Disciplinary Committee from \$100,000 to \$250,000; and
- (b) by deleting subsection (9) (which provides that while an accounting corporation, accounting firm or accounting LLP remains suspended from providing public accountancy services, it is deemed not to be approved as an accounting corporation, accounting firm or accounting LLP under the Act). This is not necessary in view of clause 16, which amends section 56 to set out the consequences of suspension.

Clause 15 amends section 54(1) to permit the General Division of the High Court (instead of the Oversight Committee) to extend the 30-day period within which an appeal against a decision of the Oversight Committee to the General Division of the High Court may be made.

Clause 16 amends section 56 to set out the consequences of —

- (a) the suspension of a public accountant's registration under Part 5 or under the new Part 5A (inserted by clause 12) or the suspension from practice of a public accountant under Part 6; and
- (b) the suspension of an accounting corporation, accounting firm or accounting LLP from providing public accountancy services under the new Part 5A (inserted by clause 12) or under Part 6.

Clause 17 inserts a new section 56A to clarify that where the Oversight Committee has made a suspension order (X) against a public accountant, an

accounting corporation, an accounting firm or an accounting LLP, the period of suspension ordered under any suspension order made against that public accountant, accounting corporation, accounting firm or accounting LLP that is subsequent to *X* must not, together with the period of suspension ordered under *X*, exceed 2 years in aggregate.

Clause 18 amends section 64 to set out additional matters which the Authority may make by rules with the Minister's approval. These are —

- (a) the requirements in relation to the detection and prevention of money laundering or the financing of terrorism and the recording and reporting of transactions suspected of involving money laundering or the financing of terrorism (as specified in the new subsection (2)(g));
- (b) the requirements in respect of professional conduct and ethics when providing public accountancy services, other than the matters assigned to the Oversight Committee by the Authority and set out in the code of professional conduct and ethics prescribed by order under the new section 64AA(1)(a) (inserted by clause 19) (as specified in the new subsection (2)(h));
- (c) the standards, methods, procedures and other requirements to be applied when providing public accountancy services, other than any standard, method, procedure or requirement which is of a class or description specified in the new Second Schedule (inserted by clause 21) (as specified in the new subsection (2)(ha));
- (d) matters relating to the discipline of accounting corporations, accounting firms and accounting LLPs in addition to public accountants; and
- (e) the publication of any decision or order of the Oversight Committee made under certain provisions of the Act.

The amended section 64 also —

- (a) provides that in making rules for the purposes of the new subsection (2)(g), (h) and (ha), the Authority may adopt by reference certain external material issued or applied by any professional accountancy body or organisation, whether in Singapore or elsewhere (as in force at a particular time or from time to time); and
- (b) sets out requirements relating to the notice that must be given where the external material is adopted by reference, or where the external material that is adopted by reference is amended.

Clause 19 inserts new sections 64AA and 64AB.

The new section 64AA empowers the Oversight Committee to prescribe, by order in the *Gazette* —

- (a) the code of professional conduct and ethics applicable to public accountants, accounting corporations, accounting firms and accounting LLPs; and
- (b) any standard, method, procedure or other requirement specified in the new Second Schedule (inserted by clause 21) to be applied when providing public accountancy services.

The new section 64AA also —

- (a) provides that in prescribing the code of professional conduct and ethics or any standard, method, procedure or other requirement specified in the new Second Schedule, the Oversight Committee may adopt by reference certain external material issued or applied by any professional accountancy body or organisation, whether in Singapore or elsewhere (as in force at a particular time or from time to time); and
- (b) sets out the requirements relating to the notice that must be given where the external material is adopted by reference, or where the external material that is adopted by reference is amended.

The new section 64AB empowers the Authority, with the Minister’s approval, to amend or vary the renamed First Schedule or the new Second Schedule.

Clause 20 renames the Schedule as the First Schedule as a consequence of clause 21 and makes other consequential amendments to that Schedule.

Clause 21 inserts a new Second Schedule to list the standards, methods, procedures and other requirements which may be prescribed by the Oversight Committee.

Clause 22 makes consequential amendments to certain provisions of the Act and also provides for saving and transitional provisions. The clause further empowers the Minister to make regulations of a saving and transitional nature for a period of 2 years after the relevant amendment comes into force.

Clause 23 makes consequential amendments to the Banking Act 1970 to replace the term “reviewer” in the Third Schedule with “practice reviewer”.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
