

Foreword

How has the role of the CFO evolved in the past decade?

As the role of finance functions is being redefined, CFOs are challenged to change their traditional finance processes and operational support models in an effort to deliver faster, more accurate and insightful analysis and reporting – while at the same time managing risks and reducing costs.

A recent KPMG survey found that Singapore based CFOs in the Financial Services sector seem to be moving at a slower pace in gearing their finance function towards a greater strategic role, compared to their peers in Europe and the US. This may be due to how they tend to regard their finance department more as an operational back-office function rather than a strategic value-driver.

The intelligent finance organisation of today and indeed the future must go beyond its business-as-usual financial operations,

reporting and control roles to become a value-adding provider of intelligence that the Board and business units can depend on to make strategic business decisions.

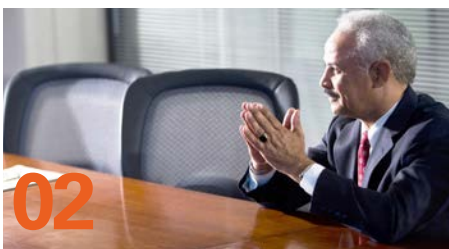
In this issue, we offer our thoughts on how you can chart a plan to position your finance function at the forefront of growth. I trust you find this issue useful.

Leong Kok Keong

Partner

Head of Financial Services KPMG LLP

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CFOs shifting gears to drive growth

By: Martyn van Wensveen

The role of the CFO is an evolving one, as the expectation on the finance executive to advance their organisation's growth and improve its competitiveness is growing, while at the same time the need to remain compliant with all policies and regulations remains non-negotiable. Moving from being a 'diligent scorekeeper' to a 'strategic business partner' is a perennial goal of many CFOs today, but one which may prove elusive.

During the height of the recent global crisis, the decline in overall demand meant that many CFOs were able to deliver great value through belt-tightening measures to protect underlying profitability and allow organisations to safely navigate through choppy waters. Today, the appetite for growth has improved considerably, especially here in Asia, even as the global recovery remains fragile.

In this dynamic environment, CFOs need to be a key supporter and facilitator of business expansion by providing insights that can steer effective cost optimisation as well as profitable growth. To that end, what is required is a transformation of the finance function to enable it to

become a real value driver. Moving to an 'intelligent finance function' that balances rigorous compliance with high performance means CFOs need to devote lesser time on basic transaction processing and 'business as usual' financial reporting tasks, and contribute more towards strategic business performance and risk management activities.

The evolving role of finance function in Singapore

Last year, KPMG Global conducted its latest biannual global survey of finance professionals to find out the current state and future aspirations of finance functions in some of the world's best performing companies. Polling 440 senior finance executives, the survey presents an insightful overview of the CFOs quest to derive more efficiency, effectiveness and value from their finance functions, as highlighted in KPMG's latest CFO report titled "Being the Best: Inside the Intelligent Finance Function"

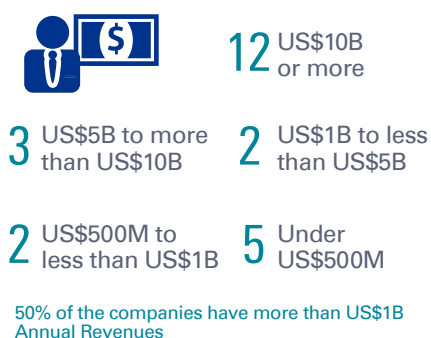
KPMG in Singapore recently performed the same survey in Singapore, which specifically targeted CFOs working in the Financial Services (FS) sector in

Singapore. In total, 24 Singapore-based senior finance executives responded, representing some of the largest and most profitable financial institutions in the region and covering various sub-sectors including banking, insurance and investment/asset management (see graphs below).

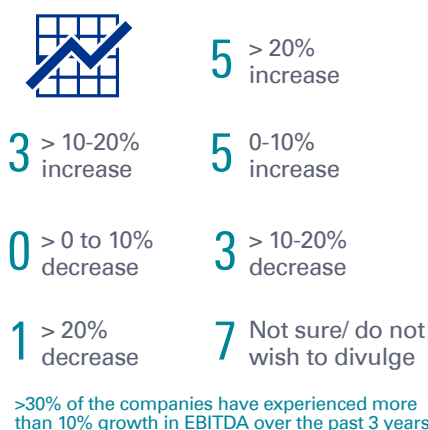
FS sub-sectors covered



Size of companies



EBITDA (average EBITDA growth/decline over the past three fiscal years)



Lacking driver for change

Though the sentiments of Singapore-based CFOs were largely in line with their global counterparts in many areas, there were also some interesting differences.

For one, FS CFOs in Singapore seem to be moving at a slower pace in gearing their finance function towards a greater strategic role compared to their peers in Europe and the US. This may be due to

the current lack of a 'burning platform' for change in this part of the world.

The global financial crisis has meant that CFOs in the US and Europe not only need to report more frequently and in greater detail to their board and regulators, but they also have an increasing obligation to find and support the business growth agenda through innovative ways, such as using data analytics supported by modern business intelligence tools to drive product and channel innovation in response to new market opportunities.

Comparatively, there seems to be no real sense of urgency with most Singaporean banks and insurers to transform their finance function, because they are still making relatively good money in a rapidly growing market, while they tend to regard their finance department more as an operational back-office function rather than a strategic value driver.

Finance activities much more centralised

The survey also revealed there is much more centralisation of key finance activities in Singapore compared to other parts of the world. Financial institutions here cite 'consolidation' and 'policy setting' as the main activities they most handle centrally, while 'external reporting' was identified as the least centralised process.

With Singapore's status as a fast growing regional financial hub and its relatively high cost of wages and

shortage of skilled finance staff within the financial service sector, there is clearly more incentive to centralise or outsource certain finance activities and also utilise various tools to automate repetitive and labour-intensive finance operations.

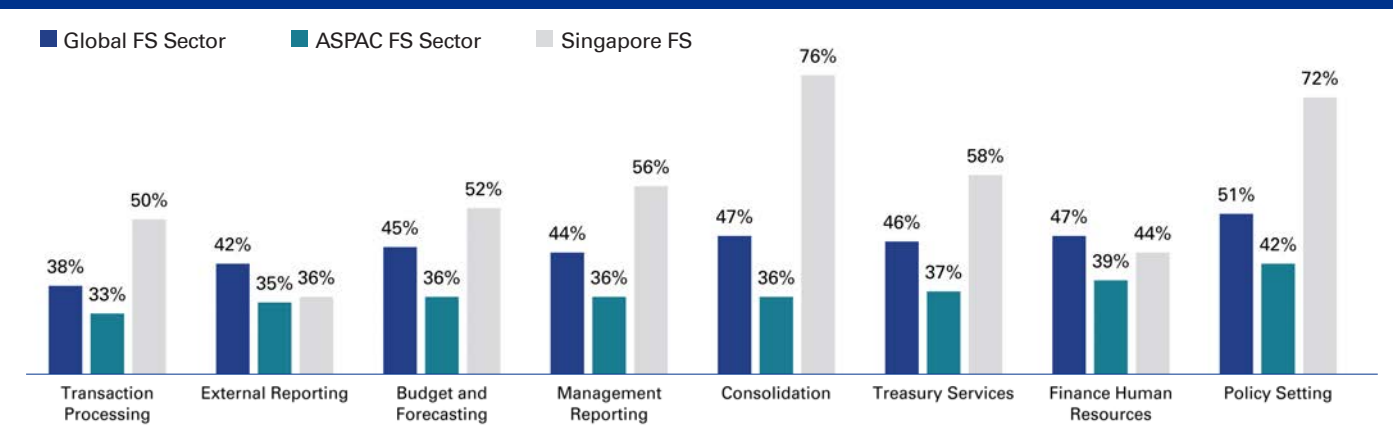
Investing in change

Financial institutions surveyed in Singapore also attached much greater significance to embracing 'lean finance' principles in their organisations. 38 percent of FS respondents in Singapore cited 'lean finance' as being of great importance to their organisation, compared to only 11 percent in the wider Asia-Pacific region and 8 percent globally.

This is a positive sign as firms move towards optimising their basic finance processes such as accounting, controlling and reporting, thus eliminating waste and enabling them to focus on more value-adding finance tasks such as budgeting & forecasting and decision support. In order to achieve this goal, respondents in Singapore consider talented finance staff and underlying IT systems and applications as the most important enablers of change.

This underlines the importance of major investments in finance talent management and finance shared services in the FS sector in Singapore and the wider ASEAN region over the next few years, to support the transformation of finance into a broad business partner role.

Approximately what percentage of the following Finance activities are handled and managed centrally?



Managing the finance transformation journey

Managing people

Talent management is key in making the transition to an intelligent finance function, as it is the area which many respondents cited as the most important but also the hardest to improve.

Attracting and developing a more diversified finance talent pool in Singapore and the ASEAN region is indeed crucial, as the traditional finance & accounting skills would no longer be sufficient when trying to steer the attention towards strategy formation, decision support and risk management.

In developing the optimal finance skill-set mix for the future, we typically observe that one-third of the finance people working in the finance department need to be re-skilled and can make the transition to better support decision making. Another third can be retained to continue to perform the traditional bookkeeping, controlling and reporting tasks, which means you might have to let go of the remaining third for efficiency reasons, or find other jobs for them.

In preparing future talent to support management in making better business decisions, CFOs would need to identify those with a strong background in analytics, combined with well developed communication skills and business acumen, which would

enable them to spot trends and help the business to take advantage of new market opportunities.

These new group of 'business partners' need not necessarily have an accountancy or finance background, but would more likely have an MBA or mathematics background with strong analytical skills.

Managing change

Seeking to better integrate the finance function into the core decision-making activities of all parts of the organisation and changing finance professionals from back-office financial reporters into trusted business advisors to decision-makers at every level of the organisation is a daunting task.

A disciplined approach to change management is necessary to forge a finance function that is able to deliver valuable business intelligence.

Our experience is that CFOs in this part of the world need to become more aware first of the need to change and the specific challenges posed by the finance change journey, before they will decide to manage it like a real transformation programme as they should.

"Transforming the finance function into a real value driver is a delicate balancing act to perform under increasingly challenging circumstances, though it is slowly but surely gaining

traction in Singapore and the rest of Southeast Asia."

No turning back

As the financial sector in this region is booming, CFOs have an increasing impetus to streamline the finance function and enable it to be a facilitator for growth. Taking a proactive approach is much more desirable than waiting for change to be imposed by way of regulatory demands or the need to survive.

Given the relatively high attrition rates amongst finance executives, finance transformation is also crucial to remain relevant and attractive to top talents who are looking for a challenging and rewarding work environment.

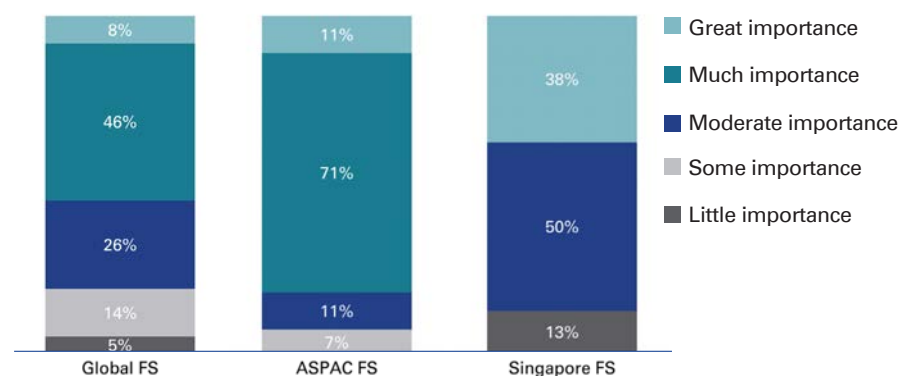
The relatively high staff turnover rate (sometimes as high as 30 to 40%) within the finance function of many Asian companies shows that finance professionals are very mobile, so there is a real need for change and strong need to actively undertake talent management to attract and retain the best finance people in your organisation.

The time is now for forward-thinking finance leaders to chart a comprehensive plan to position their finance function at the forefront of growth.

Next steps

1. Identify the specific challenges and weaknesses in your own finance function (in relation to these CFO survey results)
2. Embark on a benchmarking exercise to determine how your finance function is performing against your peers in order to validate your finance priorities
3. Organize a Finance Strategy workshop with your senior finance executives to discuss these results and agree specific priorities for improvement
4. Consider the interdependencies of the finance improvement opportunities with other strategic change initiatives in your organization

How important is embracing and adopting "lean finance" principles and capabilities to your organization?



Regulatory and tax updates



Regulatory Updates

Commercial Banks/ Merchant Banks/Finance Companies/ Securities, Futures and Fund Management/Financial Advisers

Circular on System Vulnerability Assessments and Penetration Testing

The MAS Technology Risk Management Guidelines details the MAS's expectations of Financial Institutions to implement robust security measures to ensure that systems and data are well protected.

The expectations include:

- Vulnerability Assessments: Monitoring for emergent security exploits and performing regular vulnerability assessments of their IT systems against common and emergent threats;
- Penetration Testing: Performing penetration tests at least annually on their internet facing systems; and
- Timely Remediation: Establishing a process to remedy issues identified from the vulnerability assessments and penetration testing in a timely manner.

The above mentioned measures will apply to outsourced activities. Where an outsourcing arrangement involves the handling of sensitive customer data by the service provider, FIs should ensure that the data is accorded the same

level of protection as if it is processed in-house.

Consultation Paper on Proposed Amendments to the MAS Act and Trust Companies Act

In June 2014, the MAS consulted on the proposed amendments to the MAS Act and Trust Companies Act. These amendments are mainly targeted at enhancing the effectiveness of Singapore's Anti-money laundering and countering the financing of terrorism (AML/CFT) regime, especially with regard to international cooperation.

The MAS has proposed to include designated financial holding companies so that they will be subject to appropriate AML/CFT regulations. Furthermore, the MAS Act will be amended to set out the need to perform customer due diligence and keep proper records in primary legislation. The MAS has also proposed to widen their powers to obtain and exchange supervisory information with:

- Foreign counterpart authorities for AML/CFT supervisory purposes ; and
- Singapore authorities for AML/CFT supervisory, investigation and law enforcements purposes.

It is also proposed that financial institutions regulated under the Trust Companies Act may also be subject to consolidated supervision by their foreign parent supervisory authorities.

Consultation Paper on Obligations of Financial Institutions under the Personal Data Protection Act 2012 – Amendments to AML/CFT Notices

The MAS issued a consultation paper dated 2 June 2014 on the proposed amendments to the existing AML/ CFT legislation to clarify FI's obligations, while preserving the right of individuals to protect their personal data. The amendments are intended to be effective from 2 July 2014.

The amendments clarify that for the purposes of meeting the AML/CFT requirements, such as in the course of performing customer due diligence, FIs may collect, use, and disclose personal

data without customer consent, as per existing practice. The amendments also acknowledge customer's right under the Personal Data Protection Act (PDPA) to access and correct their personal data.

Securities, Futures and Fund Management and Financial Advisers

Notice on Reporting of Suspicious Activities & Incidents of Fraud [CMG-N01]

Notice on Technology Risk Management [CMG-N02]

Notice on Risk Based Capital Adequacy Requirements for Holders of Capital Markets Services Licences [SFA04-N13]

Guidelines on Fit and Proper Criteria [FSG-G01]

Guidelines on Criteria for the Grant of CMSL other than for Fund Management [SFA04-G01]

Guidelines on the Application of Section 339 (Extra-Territoriality) of the Securities and Futures Act [SFA 15-G01]

Guidelines on Short Selling Disclosure [SFA15-G02]

On 6 March 2014, the above notices and guidelines were amended primarily as a result of the extension of the regulatory regime for clearing facilities to OTC derivatives, and the introduction of the new regulatory regime for trade repositories. They are:

- Notice on Reporting of Suspicious Activities & Incidents of Fraud [CMG-N01]
- Notice on Technology Risk Management [CMG-N02]
- Notice on Risk Based Capital Adequacy Requirements for Holders of Capital Markets Services Licences [SFA04-N13]
- Guidelines to Fit and Proper Criteria [FSG-G01]
- Guidelines on Criteria for the Grant of CMSL other than for Fund Management [SFA04-G01]
- Guidelines on the Application of Section 339 (Extra-Territoriality) of the Securities and Futures Act [SFA15-G01]

- Guidelines on Short Selling Disclosure [SFA15-G02]

Securities and Futures (Licensing and Conduct of Business) Regulations [SF(LCB)R]

To strengthen the level of record keeping where orders are placed over Internet based trading platforms, Regulation 39(3) of the SF(LCB)R has been amended to require banks, merchant banks, finance companies and Capital Markets Services Licensees that provide Internet-based trading platforms, to record and maintain the Internet Protocol address from which orders are received.

Securities and Futures (Reporting of Derivatives Contracts) Regulations [SF(RDC)R]

The SF(RDC)R has been amended to postpone the reporting commencement date for credit derivative contracts and interest rate derivatives contracts traded in Singapore by one year.

Notice on Minimum Entry and Examination Requirements for Representatives of Holders of Capital Markets Services licence and Exempt Financial Institutions under the SFA [SFA 04-N09]

Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers [FAA-N13]

On 10 June 2014, the notices were revised to allow individuals who have certain qualifications administered by the Chartered Institute for Securities and Investment to be exempted from passing Module 6 of the Capital Markets and Financial Advisory Services Examination.

Consultation Paper on Draft Regulations to Enhance the Regulatory Framework for Unlisted Margined Derivatives Offered to Retail Investors

The consultation paper sets out the draft regulations to effect the proposals set out in the May 2012 consultation paper. This involves recommendations to enhance the regulatory requirements for the offer of unlisted margined derivatives, such as contracts for differences ("CFDs") and leveraged foreign exchange ("LFX") products, and retail investors. The proposals include the introduction of a new set of regulations, the Securities and Futures (Margin Requirements for Exempt Financial Institutions) Regulations which prescribe the margin requirements for banks that offer CFDs and LFX products to retail investors. The consultation closed on 14 April 2014.

Tax Updates

Singapore

Following the Budget 2014 announcement, the Monetary Authority of Singapore ("MAS") has recently released further details on the tax changes concerning the financial services industry. We highlight below the relevant updates:

1. Treating Basel III Additional Tier 1 ("AT 1") Instruments as Debt for Tax Purposes

Singapore implemented the Basel III capital standards with effect from 1 January 2013. Under the standard, the minimum requirement is for banks to hold at least 6% of its risk weighted assets in the form of Tier 1 capital, which could be made up of both Common Equity Tier 1 and AT 1 capital. However, from 1 January 2015, the MAS requires Singapore-incorporated banks to meet capital requirements which are 2% points higher than the Basel III minimum requirements.

The tax treatment for AT 1 instruments has been clarified as follow:-

- Specified financial institutions are required to comply with the capital adequacy ratio requirements in MAS Notice 637 both at the solo and group levels.

- AT 1 instruments (other than shares) issued by the above specified financial institutions for these purposes will be treated as debt for income tax purposes. This will take effect from Year of Assessment ("YA") 2015.
- This tax treatment will also apply to AT 1 instruments that are issued in excess of minimum capital adequacy requirements, provided they are considered as capital for the purposes of satisfying regulatory requirements imposed on the specified financial institution.
- Accordingly, distributions made or liable to be made on AT 1 instruments will be tax deductible for issuers and taxable in the hands of investors. Where AT 1 instruments are issued as Qualifying Debt Securities or Qualifying Debt Securities Plus, investors will be able to enjoy the relevant tax concessions available under these schemes.
- AT 1 instruments issued to comply with the capital adequacy ratio requirements on a group level refer to such instruments issued by the specified financial institution and its following entities (excluding their foreign branches):
 - A. Any subsidiary (excluding insurance subsidiaries) or any other entity which is treated as part of the group of the specified financial institution according to the Accounting Standards ; or
 - B. Any special purpose vehicle, if the proceeds from the issuance are immediately available without limitation to an operating entity or holding company in the consolidated group of the specified financial institution in a form which meets or exceeds all of the other criteria for inclusion in AT1 capital.

2. Extending and refining Tax Incentive Schemes for qualifying funds

Under the tax incentive schemes for qualifying funds, such funds managed by Singapore-based fund managers



would be exempted from tax on "specified income" from "designated investments". The qualifying funds can also enjoy withholding tax exemption on interest and other qualifying payments made to all non-resident persons (excluding permanent establishments ("PEs") in Singapore).

- **Extension of tax incentive schemes for qualifying funds**

The following schemes which were due to expire on 31 March 2014 have been extended for another five years to 31 March 2019:

- A. The Offshore Fund Tax Incentive Scheme (Section 13CA of the Singapore Income Tax Act ("SITA"));
- B. The Resident Fund Tax Incentive Scheme (Section 13R of the SITA); and
- C. The Enhanced-Tier Fund Tax Incentive Scheme (Section 13X of the SITA).

All funds that are on the relevant tax incentive schemes on or before 31 March 2019 will continue to enjoy the tax exemption after 31 March 2019,

subject to the conditions under the respective schemes.

- **Subsuming the Section 13C scheme under Section 13CA scheme**

The Section 13C scheme, which provides the exemption for trust funds administered by a Singapore-based trustee and managed by a Singapore fund manager, is not included in the extension list mentioned in (A) above. This scheme was allowed to lapse on 31 March 2014 and will be subsumed under the Section 13CA scheme from 1 April 2014.

For the existing Section 13C funds whose financial year end is not on 31 March 2014, transitional provisions may be applied to these funds to assist them in moving into the Section 13CA platform.

- **Computation of the value of issued securities based on current value**

The Section 13CA and Section 13R scheme carry certain prescribed

ownership thresholds for Singapore corporate investors. Broadly, no more than 30% of the value of all issued securities of the fund is held by a Singapore corporate investor if there are less than 10 investors or if there are 10 or more investors, not more than 50% of the value of all issued securities of the fund should be held by a Singapore corporate investor).

With effect from 1 April 2014, the "value" of issued securities would be computed based on the prevailing net asset value of the issued securities as at the last day of the fund's financial year.

- **Expansion of the "designated investment" and "specified income" lists**

The list of "designated investments" which qualify for tax exemption under the fund tax incentive schemes has been expanded to include the following investments derived on or after 21 February 2014:

- A. Loans granted to any offshore trust where no interest,



commission, fee or other payment in respect of the loan is deductible against any income of that trustee of the offshore trust accruing in or derived from Singapore;

- B. Interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore; and
- C. Bankers' acceptances issued by financial institutions.

- D. The "specified income" list has also been refined to exclude the income or gain derived or deemed to be derived from Singapore from a limited liability company where tax is paid or payable in Singapore on such income of the limited liability company by withholding or otherwise.

- **Clarifying on scope of Financial Sector Incentive – Fund Manager ("FSI-FM") award**

The MAS has clarified that the FSI-FM award covers a sub-delegation arrangement where the investment management agreement is between the main fund manager and the fund being managed, and there is no direct

contractual relationship between the fund and the Singapore-based sub-advisor.

Following the above, a Singapore-based sub-advisor can qualify for the concessionary tax rate of 10%, as long as it provides services to an incentivised fund in respect of the designated investments under a sub-delegation arrangement.

3. Recovery of Goods and Service Tax ("GST") for qualifying funds

As a concession, under the GST remission scheme, qualifying funds are allowed to claim GST incurred on expenses at an annual fixed rate set by the MAS, without having to register for GST.

The above GST remission scheme which was due to expire on 31 March 2014 has been extended for another five years to 31 March 2019. The fixed recovery rate for GST for the period from 1 January 2014 to 31 December 2014 is 90%. The MAS has provided updates in relation to the GST remission scheme, as follows:-

- With effect from 1 April 2014, the GST remission is extended to funds that satisfy the conditions for income tax concession as a section 13CA fund as at the last day of its preceding financial year.
- For section 13CA funds which may be treated as "belonging in Singapore" and receive GST-chargeable services, the GST remission takes effect from 1 April 2014. As a transitional measure, section 13CA funds with quarters ending on 30 April 2014 are to consolidate their first set of GST claims into the next statement
- Clarification on belonging status of a fund
The belonging status of a fund has been clarified as follows:-
 - A. A fund, other than a trust fund, is treated as "belonging in Singapore" if it has:
 - i. a business establishment ("BE") or some other fixed establishment ("FE") in Singapore and no such establishment elsewhere;
 - ii. no BE or FE in any country but it is incorporated in Singapore

(in the case of a company) or registered in Singapore (in the case of a limited partnership); or

- iii. a BE or FE outside of Singapore and another BE or FE in Singapore, and the establishment at which the services are most directly used or to be used is in Singapore.

Following the above, a fund belongs in Singapore if the fund has an administration office with employees in Singapore. If a fund does not have any employee and administration office of its own in any country and wholly relies on a Singapore fund manager to carry on its business activities, the fund also belongs in Singapore.

- B. A fund in the form of a trust fund is treated as “belonging in Singapore” if its trustee belongs in Singapore.

4. Refining the Designated Unit Trust (“DUT”) Scheme

The DUT Scheme provides tax deferral benefits (whereby specified income derived by a DUT is taxed in the hands of the relevant investors only upon the distribution of such specified income) to qualifying retail and non-retail unit trust, subject to meeting conditions.

- **Exclusion of non-retail unit trust from the DUT scheme**

With effect from 21 February 2014, the DUT scheme is only available to retail unit trusts. Existing non-retail unit trusts which have been granted the DUT status and still remains on the DUT scheme on 20 February 2014 are grandfathered (excluding sub-funds established by the grandfathered non-retail unit trust after 20 February 2014) and can enjoy the tax deferral benefits provided that they continue to satisfy all the existing conditions for non-retail unit

trust under the DUT scheme.

Existing non-retail unit trust that could not meet the above conditions will no longer be eligible to claim DUT tax deferral benefit for that basis period and all subsequent basis periods. Notwithstanding, these non-retail unit trust and / or non-retail unit trust established on or after 21 February 2014 may consider other tax incentive schemes provided under Section 13CA and Section 13X of the SITA.

- **Self assessment and submission of annual declaration**

With effect from 1 September 2014, the DUT scheme will be administered on a self-assessment basis (with existing requirements continue to apply).

To avail to the DUT scheme for each relevant YA, the trustee of the unit trust claiming the DUT tax deferral benefits must complete and submit an annual declaration form together with the relevant tax return of the unit trust for the relevant YA. Any late or

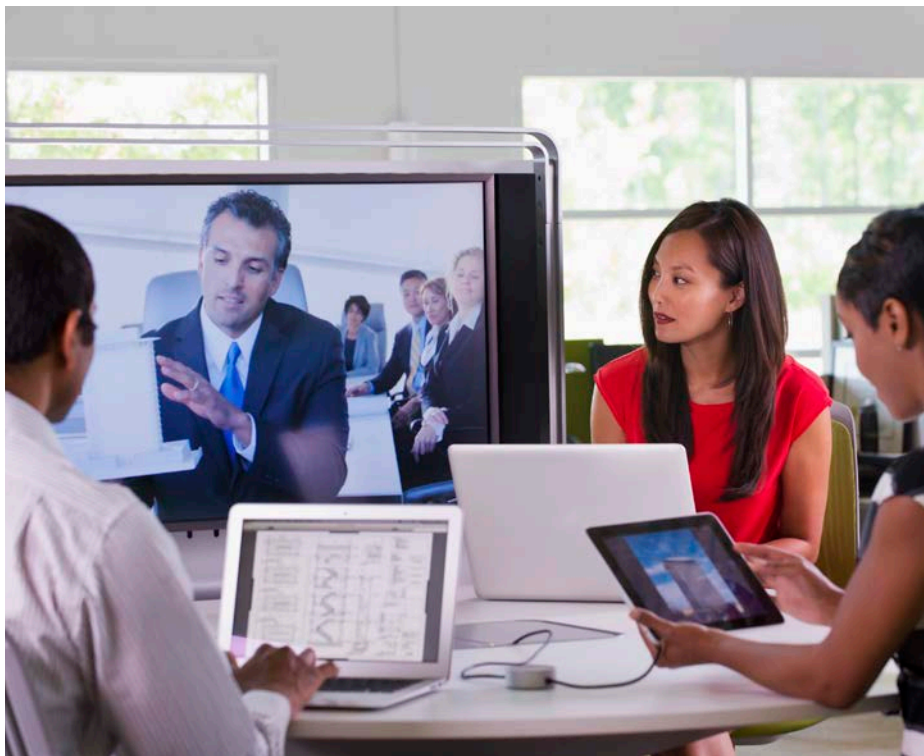
incomplete submission of the annual declaration form will render the unit trust ineligible for DUT tax benefits.

Should a grandfathered non-retail unit trust fails to submit the annual declaration form for the YA 2015 or any subsequent YA, the non-retail unit trust will be regarded as having exited from the DUT scheme and the DUT scheme will not be available to it for all subsequent YA.

- **Deeming provision**

With effect from 1 June 2015, where a unit trust ceases its DUT tax status or fails to meet any DUT condition, the undistributed DUT income will be deemed as income taxable in the hands of the relevant investors (based on the distribution policy in the trust deed) on the relevant date, insofar as this would have been identified as income of the relevant investors if it had been distributed before the relevant date. When the deeming provision is triggered, the trustee of the unit trust is required to:





immediately preceding the basis period beginning on or after 1 April 2019 and has submitted the annual declaration form together with the Form UT) can continue to enjoy the tax deferral benefits under the DUT scheme if the grandfathered DUT continues to meet all the DUT conditions.

On the other hand, a grandfathered DUT that fails to meet any DUT conditions in a basis period beginning on or after 1 April 2019 will be permanently excluded from the DUT scheme and will no longer be eligible to claim the DUT tax deferral benefits for that basis period and subsequent basis periods.

5. Introduction of Sunset Clause for Tax Incentive Schemes for trusts

Currently, the following tax exemption schemes do not have any expiry date:-

- Tax exemption of income of foreign trust (Section 13G of the SITA);
- Tax exemption of income of prescribed locally administered trust (Section 13Q of the SITA); and
- Tax exemption of income of foreign account of philanthropic purpose trust (Section 13O of the SITA).

A 5-year sunset clause starting from 1 April 2014 to 31 March 2019 will be introduced to the above-mentioned tax incentive schemes for trusts.

Qualifying trusts and their eligible holding companies can continue to enjoy the schemes if they continue to meet all the prescribed conditions under the relevant scheme in the basis periods beginning on or after 1 April 2019.

Notwithstanding the above, where the prescribed conditions are not met in any of the subsequent periods, these trusts and their eligible holding companies will be permanently excluded from the relevant scheme and will not enjoy the benefits of the scheme for that basis period in breach and all subsequent periods.

- Notify the CIT within 21 days and submit a statement to the CIT showing the amount of undistributed income and the proportion and number of relevant investors as at the relevant date; and

- Inform the relevant investors within 21 days from the date of cessation of the DUT status or date of breach of any DUT condition, of the prescribed amount of undistributed DUT income that would be deemed as their income liable to tax on the relevant date

• Refinement of the definition of foreign investor

With effect from 1 September 2014, the DUT scheme will be administered on a self-assessment basis (with existing requirements continue to apply).

In the case where the foreign investor is set up as a company:-

- at least 80% of the total number of the company's issued shares

is beneficially owned, directly or indirectly by non-residents, regardless of the number of shareholders; and

- it will exclude a non-resident entity carrying on a business through a PE in Singapore.

In the case where the foreign investor is set up as a trust, in addition to the existing definition (where at least 80% of the value of the trust is beneficially held, directly or indirectly, by non-residents, where the trust is created outside Singapore; and the trustees of the trust are neither citizen nor resident in Singapore), the trustee must also not be carrying out its duties through a PE in Singapore.

• Sunset clause for the DUT scheme

A sunset clause of 31 March 2019 has been introduced to the DUT scheme.

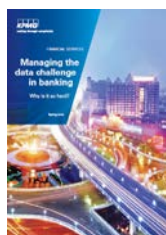
The MAS has clarified that a grandfathered DUT (one that meets all the DUT conditions in the basis period

Global topics



Evolving Investment Management Regulation (June 2014)

The fourth annual report on regulation in the global investment management industry focuses on key areas where regulation, combined with other pressures, is forcing asset managers to make significant changes.



Managing the Data Challenge in Banking - Why is it so Hard? (June 2014)

This report looks at the challenge for banks in aggregating and managing vast amounts of risk data and accurately reporting their financial positions. The publication also addresses how companies can develop a coherent understanding of strategic implications; and understand the significance of aligning a firm's data strategy with the overall business strategy.



Investing in the Future – how megatrends are reshaping the future of the investment management industry – Full report (May 2014)

Demographic technological environmental and social values and behavior trends are set to re-draw the investment management landscape. While megatrends present challenges, they also bring unprecedented opportunities for the investment management industry. This report looks at how megatrends are reshaping the future of the investment management industry.



Aligning Bank Reporting with Shareholder Value (April 2014)

Developed by KPMG Global, Better Business Reporting team, provides suggestions to help banks' financial reports provide investors with a broader picture of shareholder value creation.



IFRS Newsletter - The Bank Statement Q1 2014 (April 2014)

A quarterly publication which provides updates on IFRS developments and accounting issues impacting banks. It will also discuss potential accounting implications of regulatory developments.



ACI's Global Boardroom Insights: The Cyber Security Challenge (April 2014)

In this publication, KPMG's Audit Committee Institute (ACI) talked to directors and executives from around the world for their perspective on cyber risk oversight and governance.



Customer Experience Barometer – Report (April 2014)

A report based on a survey of 5,000 consumers across five major markets (Australia, China, Germany, the US and the UK) and key FS sectors. The KPMG Customer Experience Barometer allows service-based organisations to benchmark their customer experience against peers across industry sectors and geographies.



The Future of Investment Banking – Full Version (April 2014)

This report looks at the forces and trends affecting the investment banking landscape, and some of the tactics being employed by leading investment banks to transform themselves to compete in the business landscape of the future.



Evolving Insurance Regulation - The kaleidoscope of change (April 2014)

This report shares the findings from our first global survey of Internationally Active Insurance Groups (IAIGs). It examines how regulatory change at the global and regional levels is altering the business landscape and how this will affect insurers.



Frontiers in Finance (April 2014)

This issue of frontiers, we explore the challenges that financial companies face in today's rapid and transformational developments in data, information and technology. We will also address how the role of Chief Information Officer has never been more important to the future success of the business.

Contributors to this issue



Leong Kok Keong
Head of Financial Services
T: +65 6213 2008
E: kokkeongleong@kpmg.com.sg



Andrew Tinney
Head of Financial Services
Advisory
T: +65 6411 8026
E: andrewtinney@kpmg.com.sg



Alan Lau
Head of Financial Services Tax
T: +65 6213 2027
E: alanlau@kpmg.com.sg



Yvonne Chiu
Chief Editor
T: +65 6213 2323
E: yvonnechiu@kpmg.com.sg



Gary Chia
Risk & Compliance
T: +65 6411 8288
E: garydanielchia@kpmg.com.sg



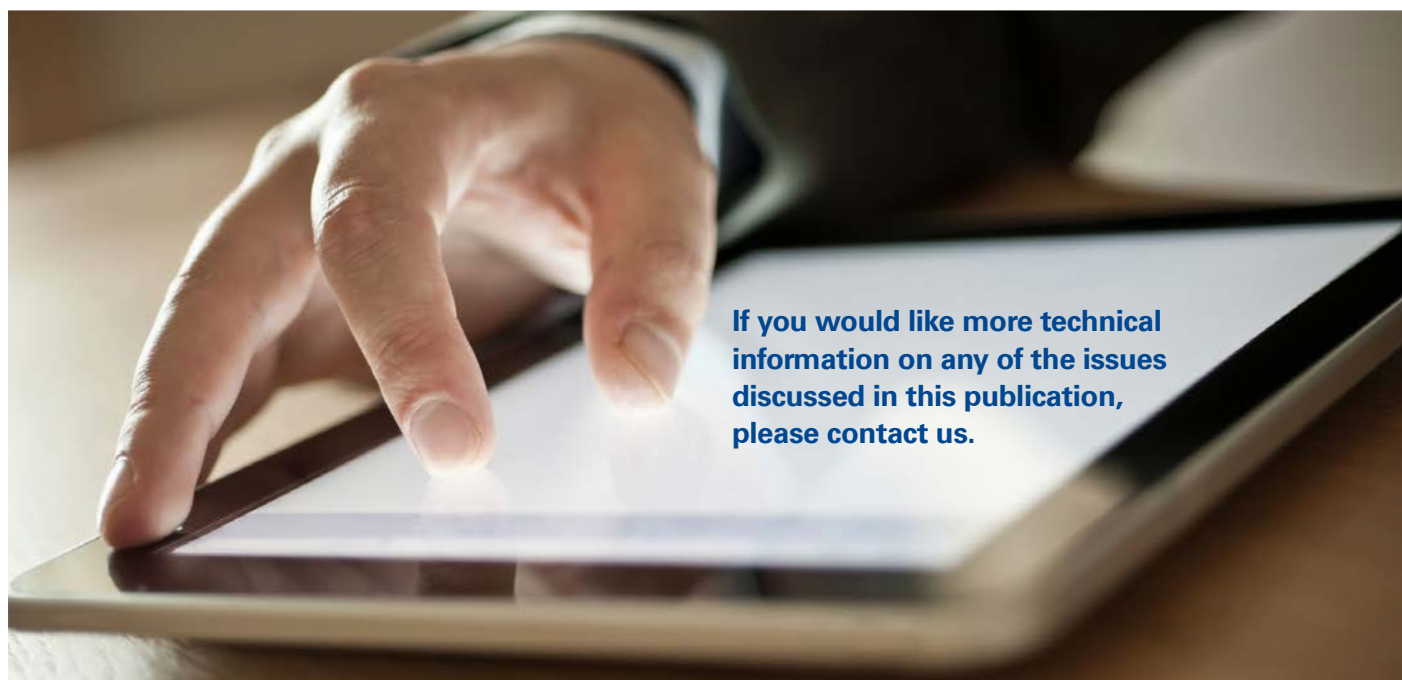
Lyon Poh
IT Assurance
T: +65 6411 8899
E: lpoh@kpmg.com.sg



Reinhard Klemmer
Accounting Advisory Services
T: +65 6213 2333
E: rklemmer2@kpmg.com.sg



Martyn van Wensveen
Global Head of Financial
Management
T: +65 6411 8821
E: martynvanwensveen@kpmg.com.sg



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