



Accounting, Tax & Sustainability Pulse

Quarterly Highlights

Dear Valued Client,

In today's rapidly evolving business landscape, staying informed and adapting to new standards and regulations is crucial for success. This newsletter offers valuable insights and guidance on key topics essential to businesses.

From the latest updates on financial reporting standards to developments in sustainability reporting, it covers a range of subjects to help you navigate the complexities of modern business practices—whether you're aiming to understand new regulations, improve financial reporting processes, or stay ahead of industry trends.

We hope this newsletter serves as a valuable resource for you and your organisation, supporting informed decisions and driving positive change in your business practices.

Financial Reporting

[ISCA publishes Exposure Draft for Financial Reporting Guidance \(ED FRG\) 6 – RAP 7 to SFRS\(I\) Implementation Roadmap](#)

With the amendments to Code on Collective Investment Schemes requiring Authorised Schemes to prepare financial statements under SFRS(I) no later than their respective financial years ending on or after 31 December 2028, ISCA has issued ED FRG 6 to support entities transitioning from RAP 7 (*Statement of Recommended Accounting Practice 7: Reporting Framework for Investment Funds*) to SFRS(I).

On application of SFRS(I), Authorised Schemes will need to:

- Apply SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* on transition.
- Assess the debt/equity classification for their units/shares in accordance with SFRS(I) 1-32 *Financial Instrument: Presentation*.
- Apply all new SFRS(I)s or amendments to SFRS(I)s which are effective for the reporting period.
- Present portfolio holdings and details of distributions (only required for property funds) in the notes to the financial statements instead of the primary financial statements.

Non-property funds will also need to:

- Present a statement of cash flows which was not previously required under RAP 7.

Impacted entities should read the ED FRG 6 and submit feedback by 30 April 2026.

[KPMG - IFRS Accounting: A Comprehensive Guide to Risk Mitigation Proposals](#)

The IASB proposes to introduce a new risk mitigation accounting (RMA) model and withdraw the hedge accounting requirements under IAS 39 *Financial Instruments: Recognition and Measurement*. Companies actively managing interest rate repricing risk, such as banks and insurers, are encouraged to review [KPMG's comprehensive guide](#) or watch the [IASB webcasts](#) to evaluate the potential impact of the proposals and consider commenting by 31 July 2026.

[KPMG – Tariff refunds: Assessing the impact](#)

Certain US import tariffs were imposed in 2025 under the International Emergency Economic Powers Act (IEEPA), and legal rulings have since indicated that the tariffs were unauthorised—potentially entitling some companies to refunds. However, the scope and timing of recovery remain uncertain. Companies should identify affected tariffs, assess at the reporting date whether recovery is “virtually certain” under IAS 37 (supported by legal advice where appropriate), and consider any related disclosures.

[KPMG - IFRS Accounting | Addressing Key Questions on Tax Incentives](#)

Worldwide, governments utilise tax incentives to advance public policy goals, yet the associated accounting can be complex and challenging. KPMG's digital guide on accounting for tax incentives offers clear answers to the key accounting questions that these incentives often raise.

[KPMG - IFRS Accounting | Your indispensable resource for financial statements](#)

KPMG has released its latest IFRS illustrative financial statements and disclosure guides. Companies can refer to these resources to enhance clarity, consistency, and the quality of their financial reporting.

- Illustrative [investment funds guide](#) for 2025
- [Illustrative annual and interim financial statements](#) for 2026

[IFRS 18 is coming – are you ready for the change?](#)

At its recent meeting, the IFRS Interpretations Committee (IFRIC) finalised [agenda decisions](#) on IFRS 18 *Presentation and Disclosure in Financial Statements*, including:

- Permitting an accounting policy choice for classifying foreign exchange differences on certain intragroup monetary items when related income/expense is eliminated on consolidation; and
- Excluding non-income taxes from the income tax category in the statement of profit or loss.

As IFRS 18 may affect financial reporting systems, processes and controls, companies should assess the impact early, monitor ongoing IFRIC developments, and plan for the transition, given the need for 2026 comparatives. Watch this [video](#) for a discussion of the key agenda decisions or read the transcript [here](#).

Tax

[KPMG Tax Alert – GST InvoiceNow - Latest Updates](#)

As part of the Inland Revenue Authority of Singapore's (IRAS) initiative to digitalise tax administration, Goods and Services Tax (GST) registered businesses are required to submit invoice data to IRAS using InvoiceNow-Ready Solutions. Companies are advised to assess their specific implementation timeline, commence early preparations of systems and processes, and explore available grants to facilitate this transition.

Regulatory

[ACRA Reviews Audit Exemption Framework](#)

ACRA is reviewing Singapore's audit exemption framework to reduce compliance costs for small companies. Currently, a private company is audit-exempt if it meets at least two of these criteria for each of the two preceding financial years: annual revenue ≤ \$10 million, assets ≤ \$10 million, or fewer than 50 employees. Subsidiaries qualify only if the group meets the criteria on a consolidated basis.

Key proposals include:

- Increasing the revenue and asset thresholds.
- Allowing certain subsidiaries to be audit-exempt even if the group does not meet the thresholds on a consolidated basis.

Companies should monitor these developments, which may simplify compliance for eligible entities.

[SGX – Regulator's Column: Forward guidance – Why it matters and how to get it right](#)

In this SGX Regulator's Column, SGX RegCo encourages issuers to treat forward guidance as a strategic tool to build investor confidence. Issuers should provide meaningful forward-looking insights which are supported by robust assumptions/data, and implement strong governance and documentation practices to ensure defensible disclosures.

[SGX – Regulator's Column: Expectations for AGM and reporting timeliness](#)

In this Column, SGX RegCo underscored the significance of Annual General Meetings (AGMs) as vital for shareholder engagement and an essential measure of governance quality. Timely issuance of financial statements, annual reports and sustainability reports is therefore critical. Companies are encouraged to plan AGMs and reporting timeliness in advance and to proactively manage their processes to mitigate delays and potential governance issues.

Sustainability

[Sustainability reporting under IFRS Sustainability Disclosure Standards \(ISSB standards\)](#)

- When preparing reports in accordance with ISSB standards, deciding what to disclose can be a challenge. KPMG's "[Materiality for Sustainability - How to Guide](#)" is designed to help companies navigate the complexities of sustainability reporting and emphasize the information that is most relevant to investors.
- IFRS S2 on *Climate-related Disclosures* mandates that entities disclose their climate resilience, including how climate-related scenario analysis informs this assessment. Entities are encouraged to view this [ISSB webcast](#) or consult the accompanying factsheet for a deeper understanding of how climate-related scenario analysis aids in evaluating climate resilience.
- The ISSB has proposed targeted [amendments to the Sustainability Accounting Standards Board \(SASB\) Standards](#) with the objective of enhancing alignment between industry-based disclosures and IFRS S1 and IFRS S2. Organizations currently utilizing or considering the adoption of SASB Standards are encouraged to evaluate the potential impact of these proposed changes on their disclosures and to consider submitting feedback to the ISSB..

Click [here](#) to read past issues.

If you have any questions or would like to discuss the findings further, feel free to reach out. We are here to assist you in managing regulatory changes and seizing opportunities, enabling you to remain informed, make confident decisions, and stay ahead of evolving trends.

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