**Targeted Consultation on Proposed Financial Reporting Framework for Societies**

This consultation exercise, by the Registry of Societies (ROS) and the Accounting Standards Committee (ASC)[1], seeks feedback from societies in Singapore on the common accounting standard or financial reporting framework (FRF) that all societies should adopt in the preparation of their financial statements.

**Current FRFs issued by the ASC and used by societies**

The ASC has issued the following FRFs for use by different types of entities in Singapore:
(a) Singapore Financial Reporting Standards (International) (SFRS(I));
(b) Singapore Financial Reporting Standards (SFRS);
(c) Singapore Financial Reporting Standards for Small Entities (SFRS for SEs); and
(d) Charities Accounting Standard (CAS).

The Societies Act requires societies to use the applicable FRFs issued by the ASC, but the ASC did not specify a FRF for societies. However, we understand that a significant proportion of societies are likely using SFRS for their financial reporting.

**Proposal: Prescribe SFRS as the Single Mandatory FRF for Societies with Certain Relief**

The ROS and the ASC are proposing to simplify and standardise financial reporting for societies through the use of a common FRF. This will promote consistency and comparability in financial reporting across the societies, while reducing reporting burden on them, without compromising reporting quality. This proposal is part of the ASC's ongoing review to streamline financial reporting in Singapore, including the long-term viability and utility of SFRS for SEs[2].

As for societies with charity status, they may continue to apply the CAS as they will not be affected by this proposal.

After careful consideration, it is proposed that all societies be required to use SFRS as their single FRF. The effective date for this change will be determined after the consultation, but societies will be given at least two years notice to prepare before the change takes effect. Societies that are currently applying SFRS for SEs and wish to continue doing so will be allowed to, until the ASC advises otherwise. This approach

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1 The ASC is a committee set up under the Accounting and Corporate Regulatory Authority (ACRA) and is responsible for making or formulating accounting standards for companies, charities, co-operative societies and societies in Singapore.

2 As part of this review, the ASC has also amended FRS 119 *Subsidiaries and Small Entities without Public Accountability: Disclosures* to avail the benefits of reduced disclosure requirements to eligible small entities including societies, making it less onerous for them to prepare financial statements. In addition, FRFs with low adoption rates, such as SFRS for SEs, are being reviewed for their continued relevance and may be phased out over time. SFRS for SEs currently sees limited adoption across co-operative societies, societies and companies, and is not widely familiar among accounting professionals. Societies that currently use SFRS for SEs should note that its latest third edition will be mandatory for annual reporting periods beginning on or after 1 January 2027.

allows societies which are ready to switch to SFRS to do so and enjoy the benefits of a standardised framework, while those that choose to remain on SFRS for SEs can continue until further changes are announced.

**Impact and implementation timeline**

With the transitional relief, the overall impact on societies is expected to be limited.

To support a smooth transition, the ROS and the ASC propose an implementation timeline of approximately two years following the announcement of final decisions. This will give societies sufficient time to assess the implications of the proposal and make any necessary preparations.

**Request for Feedback**

Please submit your responses via FormSG by **31 December 2026**. Your input is important in shaping the final proposal.

The consultation paper is available on both the ACRA website (https://www.acra.gov.sg/public-consultations/) and the ROS website (using a hyperlink) (https://www.ros.mha.gov.sg).