

rh19990130b

Singapore Government

PRESS RELEASE

Media Division, Ministry of Information and the Arts, #36-00 PSA Building, 460  
Alexandra Road, Singapore 119963. Tel: 3757794/5

=====

EMBARGO INSTRUCTIONS

The attached press release/speech is EMBARGOED UNTIL AFTER DELIVERY.

Please check against delivery.

For assistance call 3757795

=====

SPRINTER 3.0, Singapore's Press Releases on the Internet, is located at:

<http://www.gov.sg/sprinter/>

=====

SPEECH BY DR RICHARD HU, MINISTER FOR FINANCE AT OFFICIAL OPENING OF CPA HOUSE ON  
SATURDAY, 30 JAN 99 AT 11.00AM AT 20 ALJUNIED ROAD

Mr Tan Boen Eng, President of the Institute of Certified Public  
Accountants of Singapore

Distinguished guests

# National Archives of Singapore

Ladies and Gentlemen,

I am pleased to join you here today for the official opening of the CPA House. This House will now be home to both the Secretariat of the Institute of Certified Public Accountants of Singapore (ICPAS) as well as its training arm, the Singapore Accountancy Academy (SAA). I would like to extend my warmest congratulations to ICPAS on this landmark occasion.

ICPAS Past and Present

ICPAS has certainly come a long way since its inception in June 1963 as the Singapore Society of Accountants (SSA). Since then, the SSA has reconstituted and been renamed the Institute of Certified Public Accountants of Singapore in February

1989. I have been told that when the SSA was first formed, its premises at Amber Mansions in Orchard Road consisted of just four small rooms and a library. Today, CPA House covers about 30,000 square feet, including 13 training rooms, 2 computer laboratories, a library, and 2 conference rooms, among other facilities, spread out over 5 storeys. This expansion speaks volumes about how ICPAS has flourished from a fledgling society into a vibrant and dynamic institution that is worthy of the high standards and ethics demanded of the profession it upholds.

### Facing the Future

ICPAS' maturity comes at a timely juncture. As Singapore faces the challenge of riding through the present economic problems brought on by the regional financial crisis, the accounting profession will play a critical role in underpinning our economic recovery efforts. We have been fortunate that our economy does not share the same gravity of problems faced by some of our neighbours. Our companies have not borrowed extensively from overseas. Our banking system remains sound and we have steadfastly built up ample reserves over the years precisely to buffer us against such turbulent times.

But the years ahead will not be an easy ride for Singapore. Regional problems remain unsettled, and the possibility of a global economic slowdown still casts a shadow over us.

Even as the region recovers, we should not expect that life will get any easier. Once the ailing banks and companies in the region have restructured themselves and taken the painful measures to put their own houses in order, we will face a different set of problems. We must be ready to face leaner, tougher competitors who have bitter experience in their favour and a strengthened will to challenge us in the marketplace. Globalisation and falling trade barriers will continue to produce increasingly stiffer competition on an international level. We will have to face up to large foreign companies with the resources and economies of scale ready to compete on a level global playing field.

### Meeting the Challenges

In order to hone our competitive edge to keep in step with these new demands, we must ensure that the corporate architecture of our economic environment remains sound and conducive to commercial enterprise. The accountancy profession is a cornerstone of these efforts. Public accountants play a key role in maintaining public confidence in the integrity of our corporate environment, and as custodians of public interest. To fulfil this, ICPAS must in turn work hand in hand with the Public Accountants Board (PAB) to uphold the high standards of technical competence and ethical conduct which a public accountant is expected to possess.

The Accountants (Amendment) Act 1998, which Parliament passed in November last year, was aimed at improving the standards and regulation of the professional accounting practice in Singapore. With global trends moving towards greater transparency and disclosure in corporate regimes, there is a need to ensure that our public accountants continually improve their high standards to ensure the continued integrity of our financial system.

The amendments therefore incorporated provisions to cater for this. For instance, the three-year duration of a public accountant's licence was reduced to one year, to facilitate more timely information on applicants and greater leeway to regulate errant practitioners. In addition, it was provided that a public

rh19990130b

accountant's certificate of registration be renewed only if he has complied with the prescribed requirements on Continuing Professional Education (CPE). This gave legal effect to standards already required of public accountants by ICPAS. Every public accountant registered with the PAB also has to observe the Code of Professional Conduct and Ethics, set out in the Board Rules, and conduct himself in a manner consistent with the good reputation of the accountancy profession, which demands high standards of integrity, objectivity, independence and moral character.

I was pleased to note that Mr Gerard Ee, in his capacity as Nominated Member of Parliament, had observed that despite initial sentiments that the provisions may have been too tough, he had reached the conclusion that the changes would ultimately bring accountancy to a higher level of professionalism and ethical standards. The amendments will be crucial in ensuring that Singapore's accountants deliver the best services of international quality to their corporate employers. This would translate to dispensing sound, prudent and forthright advice to their clients.

#### Rising Competition for the Accountancy Profession

In line with the heavier demands on an accountancy profession expected to deliver on high standards, the past few years have also seen a worldwide trend towards corporate mergers to take on the irresistible forces of globalisation. The merger of Price Waterhouse and Coopers and Lybrand is probably the one closest to accountants' minds. Mergers undeniably provide companies with the means to grow bigger in a shorter period of time, and achieve a large enough scale to dominate the business environment.

Our public accountants will need to take stock of the looming impact of these global developments and prepare themselves for it. Bigger foreign firms with greater resources will inevitably threaten the survival of smaller players who do not look ahead far and fast enough to stay on top of the competition. The way forward is not to shelter in a safe harbour, and lock out tougher competition from larger practices. Global consolidation is not about to disappear overnight. Singapore's small size does not mean that our public accountants should be content with being cosy domestic players. It is in these tough times that they need to re-think themselves, to aim for growth and economies of scale, develop the reach to go regional, and eventually world-class.

Singapore's accounting profession therefore needs to upgrade, and innovate, and consolidate in order to provide more and better services to meet Singapore's economic and financial challenges in the 21st century. I am glad ICPAS and its members are prepared to take on this challenge. On this note, I would once again like to congratulate ICPAS on the official inauguration of its new home. I declare CPA House open, and wish its members many productive years ahead.

Thank you.

-----

rh19990130b

# National Archives of Singapore