MEDIA RELEASE

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22 August 2019

THE ACCOUNTANCY INDUSTRY DIGITAL PLAN (IDP),
LAUNCHED TO ACCELERATE THE SECTOR'S DIGITAL TRANSFORMATION

The Accountancy IDP was developed to help
small and medium-sized accountancy firms adopt technology.

Singapore, 22 August 2019 – The Accountancy Industry Digital Plan (IDP) was launched today to digitally transform the accountancy sector. The plan will help Small and Medium-sized Practices (SMPs), which make up 98% of the accountancy industry, adopt technology for greater productivity and competitiveness. The IDP was announced today by Ms Indranee Rajah, Minister, Prime Minister's Office, Second Minister for Finance and Second Minister for Education.

2. The Accountancy IDP was developed by the Singapore Accountancy Commission (SAC), the Institute of Singapore Chartered Accountants (ISCA) and the Infocomm Media Development Authority (IMDA). It is part of IMDA's SMEs Go Digital Programme to help SMPs to embark on their digital transformation journey.

3. The IDP will focus on three strategies: enhancing digital skills and knowledge; promoting the adoption of technology; and developing accounting technology and innovations.

4. The Accountancy IDP comprises a Digital Roadmap to provide guidance to SMPs on the digital solutions to adopt, and employee training to undergo, at each stage of their digital development.

5. To support the digital development of SMPs, new initiatives launched today include the SMP Centre, a one-stop portal with information to support SMPs on their digitalisation journey; and the Accounting Technology & Innovation Centre which will be set up to develop new accountancy technologies and business models. (Please see Annex 1 for an overview of the Accountancy IDP)

6. The Accountancy IDP was developed to support the goals of the Accountancy Roadmap which was launched in June 2018 to develop Singapore into a leading global accountancy hub through four focus areas: developing and enhancing skills; boosting productivity; fostering innovation; and promoting internationalisation. The Accountancy Roadmap is aligned with the Industry Transformation Map (ITM) for Professional Services which aims to develop Singapore into a globally-leading Professional Services industry. (Accountancy is one of these Professional Services, together with Advertising, Architecture and Engineering services, Consulting, and Legal services).

7. "Today, we launch the Accountancy Industry Digital Plan (IDP) to equip accountants with the relevant skills for the Digital Economy, and support Small and Medium-sized Practices (SMPs) on their digitalisation journey. We recognise that SMPs are often faced with limited resources to scale up. Leveraging on technology will help them offer value-added services to their clients and improve productivity. The digital transformation of the accountancy sector and the development of accountancy talent for the future will provide the competitive edge we need to develop Singapore into a leading global accountancy hub," said Mr Evan Law, Chief Executive, Singapore Accountancy Commission.

8. "To thrive in this rapidly changing business landscape, accounting firms need to leverage new technologies to drive productivity and innovation. The Accountancy IDP provides a structured roadmap to guide and support SMPs in every step of their journey towards digitalisation," said Mr Lee Fook Chiew, ISCA's Chief Executive Officer.

9. "Small and Medium-sized practices play an important role by providing all businesses, including SMEs, with robust foundational financial, accounting and business services. We are excited to have worked closely with the Singapore Accountancy

Commission and Institute of Singapore Chartered Accountants to help our SMPs digitalise in Singapore's Digital Economy", said Tan Kiat How, Chief Executive, IMDA.

Digital Roadmap

10. The Accountancy IDP provides a Digital Roadmap, a step-by-step guide on the digital solutions that SMPs can adopt at each stage of their digital development. The IDP also includes a roadmap on training to equip the sector's workforce with new capabilities and the necessary mindset to embark on the digital journey. Broadly, the three stages of an SMP's digital development are:

- **Stage 1: Getting Digital Economy Ready**
  The initial stage aims to help SMPs get ready for Singapore's digital economy and lists the basic digital solutions that enable SMPs to stay competitive. These include Practice Management, Audit Management and Tax Management solutions to streamline operations and optimise resources.

- **Stage 2: Growing in the Digital Economy**
  The second stage highlights digital solutions such as Data Analytics for Advisory, and the integration of digital solutions for seamless transactions that enable the consolidation of data for SMPs to generate deeper insights.

- **Stage 3: Leaping Ahead**
  The third stage identifies advanced digital technologies that SMPs can implement to provide new innovative services and develop more intelligent businesses. These include using Artificial Intelligence (AI) enabled digital solutions for business operations and provision of services in audit and accounting.

(Please see Annex 2 for more information)

11. SMPs can visit the SMP Centre for a comprehensive business diagnosis and advice on adopting digital solutions in their operations. SMPs that are embarking on more advanced solutions, such as AI, can seek assistance from the Accounting Technology & Innovation Centre (AccTech Centre).

SMP Centre

12. The SMP Centre is a one-stop platform (www.SMPcentre.org.sg) to serve the needs of an SMP on its digital journey to harness technology for greater productivity, growth and competitiveness.

13. The centre's services include an online self-assessment toolkit to determine an SMP's digital readiness; the digital and training roadmap that identifies pre-approved digital solutions and curated training required at each stage of an SMP's digital development (see paragraph above on the Digital Roadmap); available funding support; and information on the upcoming Accounting Technology & Innovation Centre (AccTech Centre) which will be set up to help SMPs innovate business processes, models and services.

14. The SMP Centre was set up by the Institute of Singapore Chartered Accountants (ISCA), and supported by the Singapore Accountancy Commission (SAC).

15. "Via the SMP Centre's online portal, staff at an SMP can use the online self-assessment toolkit to determine their firm's stage of digital readiness; identify the relevant digital solutions and training programmes, and source for available funding schemes," added ISCA CEO Mr Lee Fook Chiew.

(Please see Annex 3 for more information.)

Accounting Technology & Innovation Centre (AccTech Centre)

16. The Accounting Technology & Innovation Centre (AccTech Centre) is a resource centre that facilitates collaboration and catalyses technology and business innovations in the accounting sector. The AccTech Centre will help SMPs to innovate business processes, business models, service delivery, and services. Through the Centre, SMPs could work with academics, technology partners and government agencies to experiment and prototype innovative ideas.

17. In addition to co-creating innovative ideas with SMPs, the Centre will also provide networking opportunities with thought leaders and technology partners. Participants can benefit from workshops and symposiums on advanced accounting technologies, as well as attend trainings and attain certifications through the Singapore Institute of Technology (SIT) to upgrade their technologies skillset. The AccTech Centre is a joint initiative between SIT and SAC.

18. Associate Professor Ivan Lee, Vice President (Industry & Community), SIT, commented: "The role of accounting professionals has evolved, and with the advent of disruptive technologies, accounting entities need to innovate more than ever in order to stay competitive. As Singapore's University of Applied Learning, SIT aims to fill this gap by collaborating with SAC. We will work with accounting firms on specific innovation projects, as well as offer training in areas such as artificial intelligence, data analytics and design thinking."

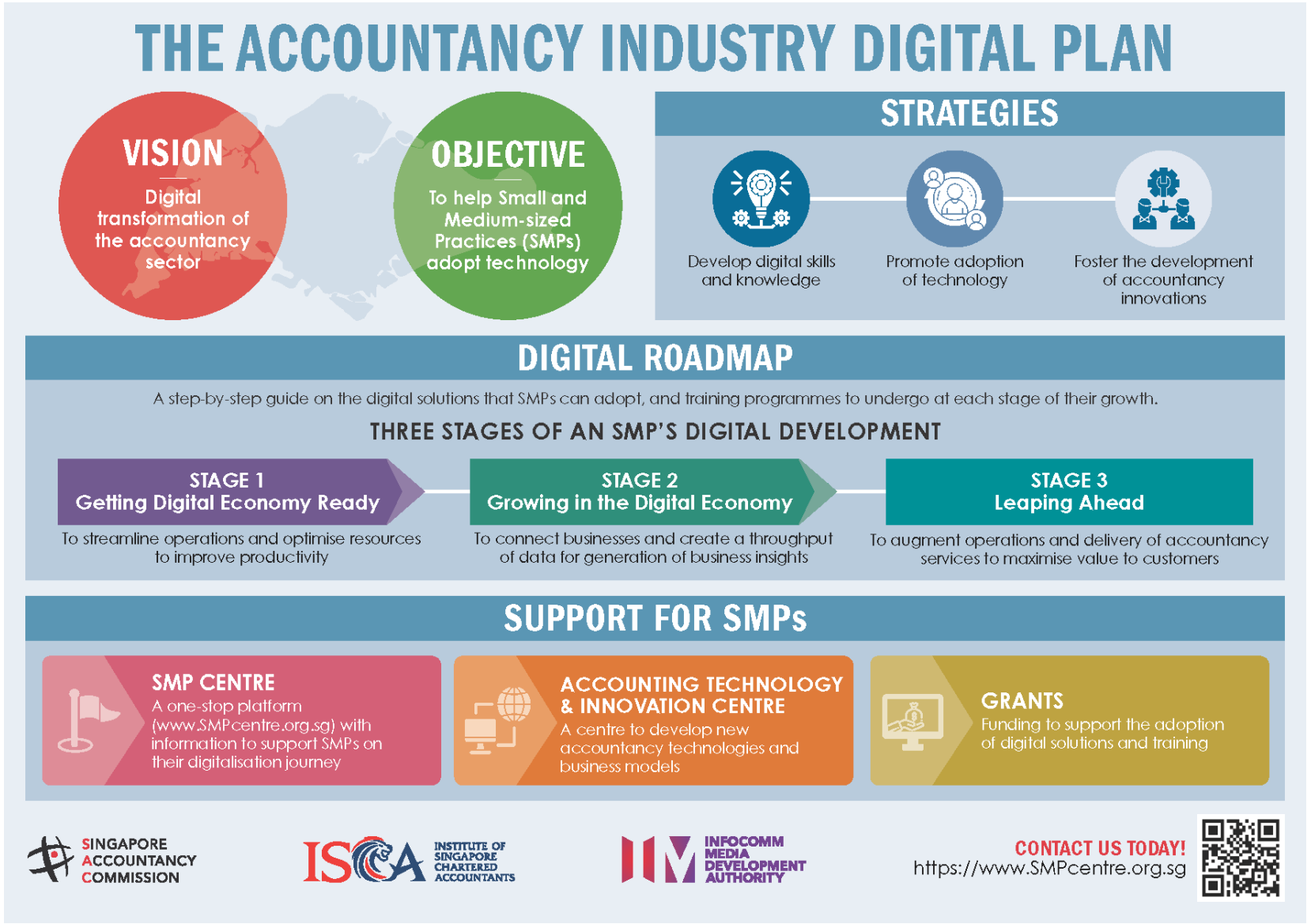
19. SAC and SIT signed the collaboration agreement on the establishment of the Accounting Technology & Innovation Centre today.

20. Located at SIT, the AccTech Centre will be in operation from 1 September 2019. (Please see Annex 4 for more information)

SMPs on the digitalisation journey

21. SMPs that have begun to adopt technology are already seeing benefits. (Please see Annex 5 for their profiles)

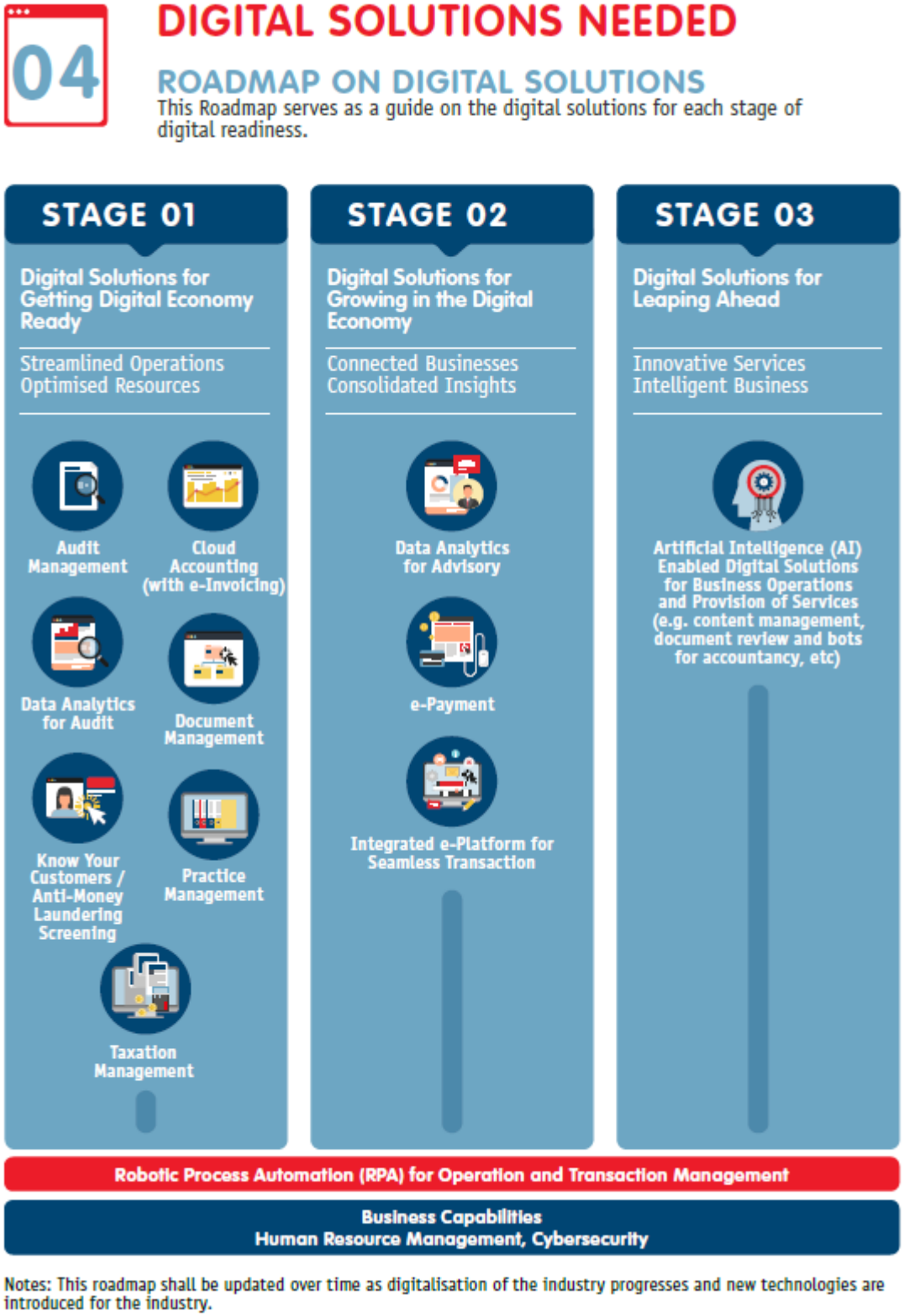
Annex 1


THE ACCOUNTANCY INDUSTRY DIGITAL PLAN
VISION
Digital transformation of the accountancy sector
OBJECTIVE
To help Small and Medium-sized Practices (SMPs) adopt technology
STRATEGIES
Develop digital skills and knowledge
Promote adoption of technology
Foster the development of accountancy innovations
DIGITAL ROADMAP
A step-by-step guide on the digital solutions that SMPs can adopt, and training programmes to undergo at each stage of their growth.
THREE STAGES OF AN SMP'S DIGITAL DEVELOPMENT
STAGE 1
Getting Digital Economy Ready
To streamline operations and optimise resources to improve productivity
STAGE 2
Growing in the Digital Economy
To connect businesses and create a throughput of data for generation of business insights
STAGE 3
Leaping Ahead
To augment operations and delivery of accountancy services to maximise value to customers
SUPPORT FOR SMPs
SMP CENTRE
A one-stop platform (www.SMPcentre.org.sg) with information to support SMPs on their digitalisation journey
ACCOUNTING TECHNOLOGY & INNOVATION CENTRE
A centre to develop new accountancy technologies and business models
GRANTS
Funding to support the adoption of digital solutions and training
SINGAPORE ACCOUNTANCY COMMISSION
ISCA INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS
IMDA INFOCOMM MEDIA DEVELOPMENT AUTHORITY
CONTACT US TODAY!
https://www.SMPcentre.org.sg

Annex 2

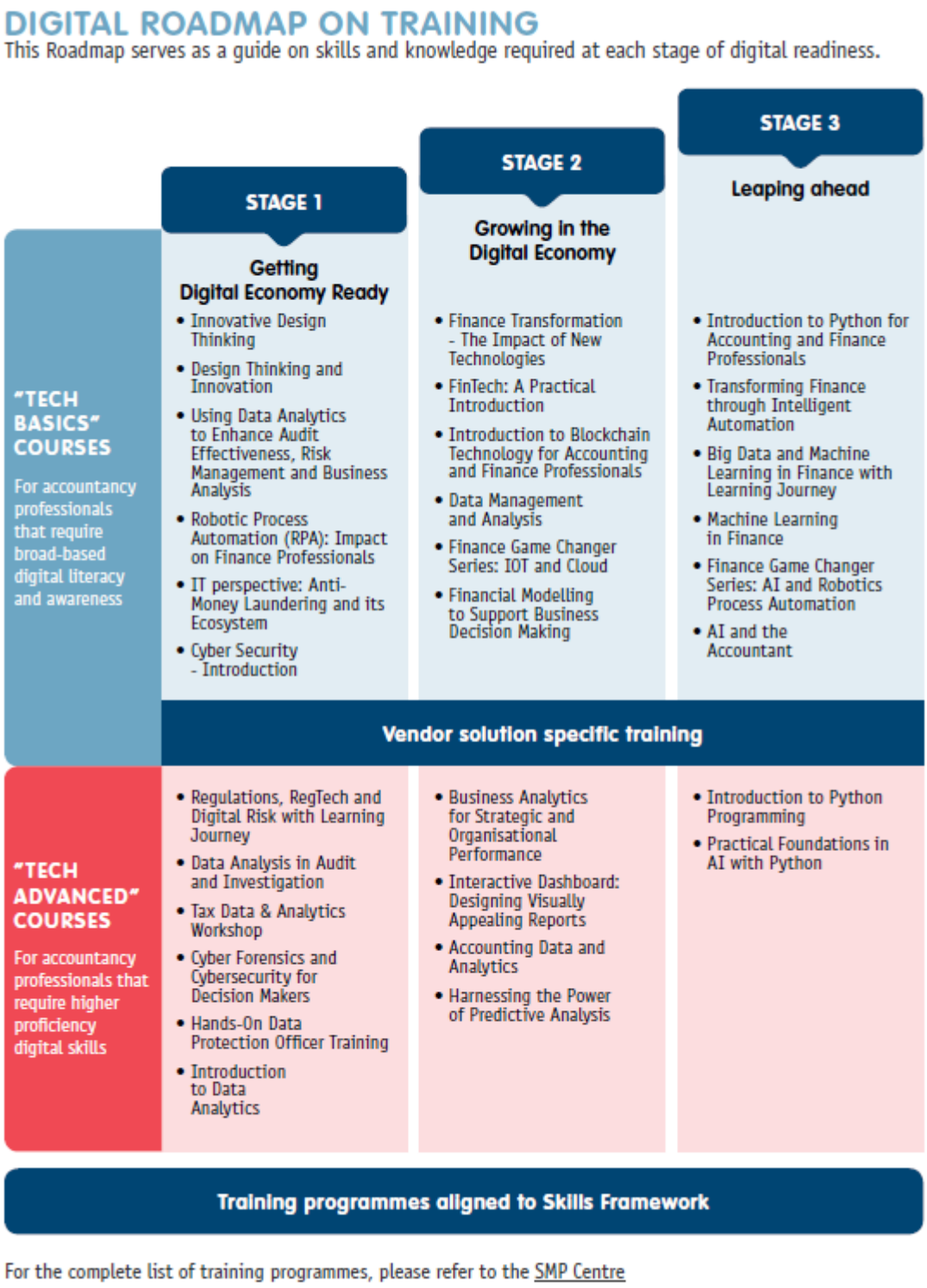
Roadmap on Digital Solutions & Training

The Digital Roadmap of the IDP charts out the solutions that SMPs can adopt based on their digital readiness. The digital roadmap will be updated over time as the industry progresses and newer, more relevant technologies are introduced.



Notes: This roadmap shall be updated over time as digitalisation of the industry progresses and new technologies are introduced for the industry.

The IDP also includes a Digital Roadmap on Training to ensure that the industry's workforce is adequately prepared with the necessary skills to adopt digital solutions, and is ready for changes that come with digital transformation.



SMPs can also use the online self-assessment checklist to assess their digital readiness and identify opportunities to go digital based on their current business operations, level of digitalisation and business expansion plans. For more information on the Accountancy IDP, visit: www.imda.gov.sg/accountancy-idp or www.SMPcentre.org.sg

Please see Annex 6 for the Accountancy Digital Plan booklet.

Annex 3

SMP Centre

The SMP Centre (www.SMPcentre.org.sg) will provide information to support SMPs on their digitalisation journey.

Currently, the SMP Centre provides the following:

- Roadmaps on Digital Solutions & Training (See Annex 1);

- List of pre-approved digital solutions and curated training programmes required at each level of an SMP's digital development;

- A self-assessment tool for SMPs to determine their stage of digital development on the Digital Roadmap;

- Information on funding support available for the adoption of digital solutions;

  i. Digital Transformation for Accountancy (DTACT) programme, a joint initiative by SAC and Enterprise Singapore (ESG)

  DTACT helps SMPs adopt baseline technologies by providing funding support of up to 70% for the first year of adoption of solutions in Practice Management, Tax, and Internal Audit, capped at $30,000 per firm for the first year.

  ii. Local Enterprise Association Development (LEAD) programme by Enterprise Singapore (ESG)

  Under the LEAD programme, ISCA, with the support from ESG, spearheads efforts to help SMPs adopt technology, build capabilities and skills in high-growth practices and regionalise for growth.

  DTACT and LEAD will be available until 30th September 2020 and 30th April 2020 respectively.

- Information on the Accounting Technology & Innovation Centre (AccTech Centre) – a centre to develop new business processes, business models, service delivery, and services.

More services will be included as the industry develops.

Annex 4

Accounting Technology & Innovation Centre (AccTech Centre)

- SAC and the Singapore Institute of Technology (SIT) will set up the Accounting Technology & Innovation Centre to help SMPs innovate business processes, business models, service delivery, and services.

- Funded by SAC and SIT, the Centre will be located at SIT and will start operations from 1 September 2019.

- Through the Centre, SMPs will have the opportunity to work with academics, technology partners and government agencies to experiment and prototype innovative ideas.

- The Centre aims to:
  - Promote collaboration between SMPs and technology vendors to develop technology and business innovations;
  - Promote adoption of advanced accounting technology amongst SMPs;
  - Upskill accounting professionals in advanced accounting technology.

- The Centre will conduct the following:

1. **Company Projects**

   SMPs and software developing companies can approach the Centre to work with SIT faculty to develop advanced technological solutions or redesign business processes. They will also be able to tap on SIT's database of SIT Accountancy students' innovation projects to spark new ideas and collaborate with SIT to develop them.

2. **Focus Group Sessions**

   Focus group sessions will be conducted to deepen the understanding of the SMPs' needs in areas involving advanced technology such as Data Analytics and Artificial Intelligence. These sessions, which could involve software developing companies, aim to increase collaboration between SIT, SMPs and software developing companies, as well as increase the awareness of advanced technology among SMPs.

3. **Workshops and Symposia**

   Workshops and symposia will be conducted to discover current trends in areas of advanced accounting technology, and accounting performance management systems.

4. **Training and Certifications**

   SIT will offer courses through the Centre to upskill accounting professionals. Examples of such courses include Design Thinking and Data Analytics.

For more information, please email: AccTechCentre@SingaporeTech.edu.sg

Annex 5

SMPs on the digitalisation journey

CA Trust

"*Digitalisation drives capability and productivity, enabling SMPs to stay relevant and become more competitive whilst providing services which are relevant and create value for clients, compared to providing just compliance services. We acknowledge the fast pace of change that is happening in our accounting industry and do our best to keep up with these changes*."

Mr Paul Tan, Director, CA Trust PAC

Since 2015, CA Trust has adopted various technologies that allowed access anywhere, anytime via "cloud" to meet clients changing demands. These included ProFx for audit, SingTax for Taxation, iFIRM for practice management, Payboy for payroll and XERO for accounting. In 2018, they adopted RPA technology to automate the repetitive tasks such as clients' on-boarding process, preparation of bank confirmation for audit purposes etc.

Precursor

"*With the launch of these new initiatives, SMPs can definitely leverage on digitalisation to scale themselves and the sector to create greater growth. By digitalising, processes are more streamlined, services are more accessible and tasks become automated. SMPs can then become more mobile, effective, efficient, thus enabling them to do more for less*."

Mr Tan Khoon Guan, Managing Director, Precursor

Precursor is digitalising their entire business and have currently completed digitalising their business operations. In fact, they have disrupted the accountancy industry and successfully transformed themselves into a technology-empowered accounting firm, making them the first in the accounting industry to offer technology solutions built on Cloud-Native Architecture to digitalise the business of their clients and their industry peers.

KYC

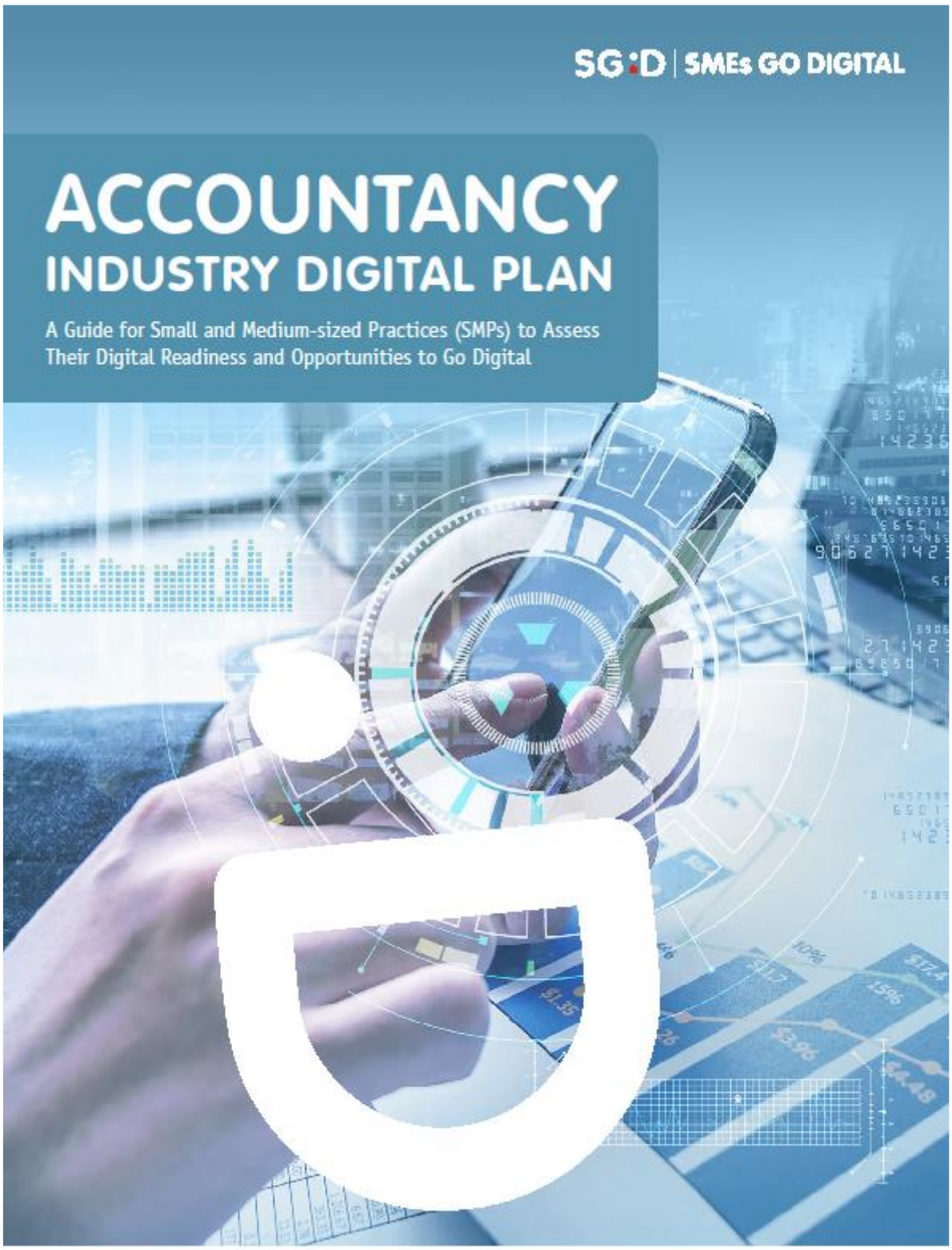
"*When we decided to start our digitalisation journey, our staff was reluctant. But, when they saw the reduction in time taken and the ease in handling their work, they were convinced of the benefits. Subsequent efforts to digitalise became easier and received more support*."

Mrs Vivienne Chiang, Founder & Managing Partner, KYC

KYC started their digitalisation journey 5 years ago with the implementation of a practice management software for the firm to track all clients and their jobs' status and recovery, staff productivity and resource allocation. The prompt information helped management to manage the audit cost and identify profitability of each job. They also automated their audit work files into digital workpapers which helped to control the amendments made to the files during/after review, and provided easy access to reliable information onsite or offsite; and converted their accounting system from a desktop version to a cloud accounting, making available client's data 24x7.

Annex 6

Accountancy Industry Digital Plan



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About Singapore Accountancy Commission
The Singapore Accountancy Commission (SAC) spearheads the development of the Singapore accountancy sector with the vision of developing Singapore into a leading global accountancy hub. SAC is working to achieve this by deepening the skills of the accountancy talent pool; developing the industry to capture growth opportunities; and creating a hub and exchange by building Singapore into a centre for thought leadership. SAC is a statutory body under the Ministry of Finance. For more information, please visit www.sac.gov.sg

About Infocomm Media Development Authority (IMDA)
The Infocomm Media Development Authority (IMDA) leads Singapore's digital transformation with infocomm media. To do this, IMDA will develop a dynamic digital economy and a cohesive digital society, driven by an exceptional infocomm media (ICM) ecosystem – by developing talent, strengthening business capabilities, and enhancing Singapore's ICM infrastructure. IMDA also regulates the telecommunications and media sectors to safeguard consumer interests while fostering a pro-business environment, and enhances Singapore's data protection regime through the Personal Data Protection Commission. For more news and information, visit www.imda.gov.sg or follow IMDA on Facebook IMDAsg and Twitter @IMDAsg.

About the Institute of Singapore Chartered Accountants
The Institute of Singapore Chartered Accountants (ISCA) is the national accountancy body of Singapore. ISCA's vision is to be a globally recognised professional accountancy body, bringing value to our members, the profession and wider community. There are over 32,000 ISCA members making their stride in businesses across industries in Singapore and around the world.

Established in 1963, ISCA is an advocate of the interests of the profession. Possessing a Global Mindset, with Asian Insights, ISCA leverages its regional expertise, knowledge, and networks with diverse stakeholders to contribute towards Singapore's transformation into a global accountancy hub.

ISCA is the Designated Entity to confer the Chartered Accountant of Singapore - CA (Singapore) - designation.

ISCA is a member of Chartered Accountants Worldwide, a global family that brings together the members of leading institutes to create a community of over 1.8 million Chartered Accountants and students in more than 190 countries. For more information, visit www.isca.org.sg.

About Singapore Institute of Technology

Singapore Institute of Technology (SIT) is Singapore's university of applied learning. It aims to be a leader in innovative university education by integrating learning, industry and community as part of its unique pedagogy. Partnering world-class universities, SIT offers applied degree programmes targeted at growth sectors of the economy. SIT also aims to cultivate in its students four distinctive traits, or the SIT-DNA, which will prepare them to be 'thinking tinkerers', who are 'able to learn, unlearn and relearn', be 'catalysts for transformation' and finally, become 'grounded in the community'. For more information, visit www.SingaporeTech.edu.sg.