

# BRIEFING ON NEW REVENUE RECOGNITION STANDARD – IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

ASMI partnered Deloitte Singapore to conduct a briefing on the New Revenue Recognition Standard IFRS 15 for 30 members on 13 August. IFRS 15 is an International Financial Reporting Standard (IFRS) promulgated by the International Accounting Standards Board (IASB) providing guidance on accounting for revenue from contracts with customers.

The IFRS 15 “Revenue from Contracts with Customers” was issued by the IASB in May 2014 and is effective for annual periods beginning on or after January 2018. The IFRS 15 sets out the requirements for recognising revenue that apply to all contracts with customers except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments.

IFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. It replaces the previous revenue standards - IAS 18 Revenue and IAS 11 Construction Contracts, and related interpretations on revenue recognition. In Singapore, the Accounting Standards Council has issued the IFRS 15 equivalent (FRS 115) in November 2014 with effective date likely to be January 2018 as well.

The objective of the briefing was to inform members of the new revenue recognition standard that would come into effect soon and prepare them for the changes. The briefing was attended by management personnel from the finance and contract departments. The session focused on key changes and challenges brought about by the new accounting requirements and highlighted the issues that could impact companies in the marine and offshore industry.

Ms Soh Lin Leng, Executive Director from Deloitte & Touche Business Advisory, kicked off the session with an “Overview



Briefing on the New Revenue Recognition Standard IFRS 15 organised by ASMI and conducted by Deloitte Singapore.

of IFRS 15”. She highlighted the key changes to revenue recognition and took participants through the steps on revenue recognition. This is done by identifying performance obligations, variable consideration, allocation of transaction price and satisfaction of performance obligations over time.

Ms Soh’s colleague, Mr Ghamazy Rashid, Director from Deloitte & Touche Business Advisory, then shared some case examples on satisfaction of performance obligations over time and modification of contracts to give the participants a clearer understanding of the issues and applications. He explained how a company’s revenue and profit profile would change as a result of the new accounting requirements as well as how company’s tax payments, distributable profits and loan covenants would be affected by these changes.

The briefing was useful judging by the number of queries raised during the ensuing question-and-answer session.

## ASMI 24<sup>TH</sup> GOLF CHAMPIONSHIP TOURNAMENT

ASMI held its annual golf championship tournament on 27 August at the Singapore Island Country Club. This is the 24<sup>th</sup> year that the Association is holding the friendly competition to foster closer camaraderie amongst members and provide opportunity for networking. The tournament attracted 130 golfers in 33 flights.

Golfers were in high spirits as they arrived at the club to register their attendance, check their handicap and collect the goodie bags. They then proceeded to a sumptuous buffet lunch in the club’s ballroom before going to their buggies to prepare for the shotgun tee-off.

The tee-off at the New Course began at 1.15pm sharp, and golfers worked their way through the 18-hole game with enthusiasm. The golfers were divided into two divisions – Division A & B, according to their handicap scores. The tournament was played according to Stableford Play format, and ended after more than five hours.

Golfers gathered at the ballroom foyer for pre-dinner cocktail while waiting for one another to return from the course before proceeding for dinner. Prize presentation was held during the 8-course Chinese dinner. Prizes were given out to the top 35 golfers in each division, whilst unplaced golfers took home a lucky draw prize each. Novelty prizes were also given out for ‘Ball Sweep’, ‘Nearest to Pin’, ‘Nearest to Line’ and ‘Longest Drive’.



Mr Patrick Low, guest of Invertek Drives Far East Pte Ltd, clinched the Overall Championship title. Mr Steward MacLean, guest of Kim Heng Marine & Oilfield, was the Division ‘A’ Champion, and Mr Raymond Tian of West Marine Engineering won the Division ‘B’ Champion prize.

Golfers had an enjoyable day of networking at the green as well as during lunch, pre-dinner cocktail and dinner. The golf tournament was well-supported with sponsorships from ASMI members and business partners.



The VIP golfers at the ASMI 24<sup>th</sup> Golf Championship Tournament.

Golfers tucked into an 8-course Chinese set dinner cum prize presentation ceremony following the golf game.

# MARITIME INDUSTRY GOT TOGETHER FOR APPRECIATION DINNER FOR MINISTER LUI TUCK YEW

More than 300 industry leaders, academics and representatives from the maritime industry got together on 22 September for an appreciation dinner organised in honour of Mr Lui Tuck Yew, Minister for Transport and Second Minister for Defence. The event was co-organised by ASMI, Singapore Maritime Foundation (SMF), Singapore Shipping Association (SSA) and Singapore Maritime Institute (SMI), held at The Ritz-Carlton, Millenia Singapore.

Mr Lui's relationship with the maritime community started in 2003 when he was Chief Executive of the Maritime and Port Authority of Singapore (MPA) and resumed in 2011 when he was appointed Minister for Transport in 2011.

Speaking on behalf of the organising committee, Mr S S Teo, Chairman of SMI, highlighted some of the key initiatives during Minister Lui's term in office. These

included the launch of the SMI to develop Singapore as a Maritime Knowledge Hub, development and launch of the Singapore Ship Sale Form to better meet the Singapore and Asian maritime community's needs, recognition of Singapore to represent the Asian seat of arbitration in BIMCO contracts, as well as taking the bold step for the Port of Singapore to be the first in the world to mandate the adoption of mass flow metering system for bunkering.

Mr Teo also spoke about the strong support, keen interest and commitment that the maritime industry had greatly appreciated during Mr Lui's tenure, and how it had made a difference in the development and growth of Singapore as a global hub port and International Maritime Centre.

Mr Teo added, "It was Mr Lui who brought about closer collaboration between ASMI and MPA as well as the larger maritime community through the formation of the SMF. He was broadminded and far-sighted



Minister Lui (4<sup>th</sup> from right) with ASMI members.

enough to see the role that the marine and offshore engineering industry could play in Singapore's global maritime aspirations."

A photobook featuring Mr Lui's involvement with the maritime industry at key events was presented to him as a token of their appreciation. Guests at the dinner included members of the shipping, and offshore and marine community.

## SEMINAR ON EMPLOYMENT LAWS FOR MARINE COMPANIES

Due to overwhelming response and positive feedback from its inaugural run, ASMI and Employment and Employability Institute (e2i) organised another run of the Seminar on Employment Laws for industry members.

The second run was held on 10 September 2015 at the e2i. This time, the Seminar was opened to all marine companies including shipyards. The first seminar held on 25 June 2015 was

targeted at marine contractors. The seminar was supported by the Marine Engineering Tripartite Committee.

The seminar covered topics such as roles and responsibilities of employers, employers' and employees' rights and obligations under the Employment Act, and key employment terms. The half-day session was conducted by Mr Chia Boon Cher, a veteran in human resource management and industrial relations. Some 150 participants comprising senior management, human resource practitioners and line management from marine companies attended the seminar.



Seminar on Employment Laws for Marine Companies.

### CALENDAR OF EVENTS (OCTOBER TO DECEMBER 2015)

#### TRAINING COURSES

Signalman Course	)
Rigger Course	) On-going, Approved Training Centres, various shipyards
Marine Metal Scaffolding Course for Scaffolders	)
Confined Space Safety Course for Shipyard Workers/Attendant	2, 9, 16, 30 Oct, 6, 13, 20, 27 Nov, 4, 11, 18 Dec, MITC
Confined Space Safety Course for Shipyard Supervisors	28 Oct, 25 Nov, 23 Dec, MITC
Marine Project Management for Managers Course	20 Oct - 11 Dec, Ngee Ann Polytechnic
Marine Project Management for Supervisors Course	17 Oct - 21 Nov, Ngee Ann Polytechnic
Risk Assessment Course	8 Oct, 20 Oct, 13 Nov, 30 Nov, MITC
Safety Instruction Course for Ship Repair Managers	12 - 15 Oct, 14 - 17 Dec, MITC
Shipyard Supervisor Safety Course	5 - 8 Oct, 16 - 19 Nov, 7 - 10 Oct, MITC
WSQ Develop A Risk Management Implementation Plan	15 - 16 Oct, 21 - 22 Oct, 26 - 27 Oct, 23 - 24 Nov, 21 - 22 Dec, MITC

#### TRADE EXHIBITIONS

Singapore Pavilion @ Seatrade Offshore Marine & Workboats Middle East 2015	5 - 7 Oct, Abu Dhabi National Exhibition Centre, Abu Dhabi, UAE
Singapore Pavilion @ Indonesia Maritime Expo 2015	7 - 9 Oct, Jakarta International Expo, Kemayoran, Jarkarta, Indonesia
Singapore Pavilion @ Oil & Gas Myanmar 2015	15 - 17 Oct, Myanmar Event Park, Yangon, Myanmar
Singapore Pavilion @ Gastech 2015	27 - 30 Oct, Singapore Expo, Singapore
Singapore Pavilion @ ADIPEC 2015	9 - 12 Nov, Abu Dhabi National Exhibition Centre, Abu Dhabi, UAE
Singapore Pavilion @ Marintec China 2015	1 - 4 Dec, Shanghai International New Expo Centre, Shanghai, China

#### SOCIAL & OTHER EVENTS

Amazing Maritime Challenge	18 Oct, Stadium Roar, Singapore Sports Hub
ASMI 47 <sup>th</sup> Anniversary Dinner	23 Oct, Fairmont Ballroom, Fairmont Singapore