BDO CONNECT

MANAGING PARTNER'S MESSAGE

Frankie Chia
BDO Singapore

Just like that, we are four months into the year! BDO has had a great first quarter and hope all of you did too!

The Jubilee Budget was released as citizens and residents of Singapore celebrate her 50th year of nationhood. Most notably, this year's Budget focuses on investing in skills for the future; restructuring our economy by promoting innovation and internationalisation; investing in economic and social infrastructure; strengthening employees' assurance in retirement; and enhancing support for middle-income families.

This year's Budget also encourages us to give back to the community with tax deductions for donations this year increasing from 250% to 300% and the 250% tax deduction for donations extends until end of 2018.

This quarter, we also organised our Annual Budget Seminar. We had the honour of having speakers from various organisations such as ASME, Baker & Mackenzie. Wong & Leow, SFIC and SIM University. We also had the privilege to hear Dr Tan Kee Wee present his annual investment outlook for the year 2015. We hope to see you in our next event!

March was a sombre period for Singapore with passing of Mr Lee Kuan Yew. His enduring legacy must be honoured by all us. We should carry on his legacy by upholding the excellent infrastructure and the vibrant economy he created for us. Mr Lee loved his people and Singaporeans should continue to respect one another and live harmoniously in this tiny island we call home.

Lastly, on behalf of BDO, I would like to wish everyone good health and fortune for the rest of the year. We hope to offer you with leadership and insight in this issue.

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IFRS 15 - Revenue recognition to change for retailers

Potential delays in revenue recognition

This month we take a closer look at the impacts of IFRS 15 *Revenue from Contracts with Customers* on retailers. In Singapore IFRS 15 has been adopted by the Accounting Standards Council as part of Singapore FRS as FRS 115. The effective date of this standard is annual reporting periods beginning on or after 1 January 2017.

For retailers, FRS 115 may result in a delay in revenue recognition. This could affect bank covenants, performance-based compensation (including bonuses and share-based payments), internal budgeting process and market and investor communications. Obviously many retailers pay rent based on sales and these arrangements will have to be re-examined to properly determine what 'sales' means.

FRS 115 contains more specific guidance on revenue recognition than the current FRS 18 *Revenue* standard.

The following areas are likely to be of significant impact for retailers under FRS 115:

- Warranties – you will need to separately identify warranties that are 'assurance' type warranties and those that can be sold separately.
- Free maintenance services – you will need to allocate a portion of revenue to 'free' services and only recognise revenue when the service is performed.
- Customer incentives such as discount coupons will result in a portion of the revenue being deferred.

Examples

Retailer Y&Z has a 30 June year end and on 20 June 2018 launched its 10 day end of financial year sale.

On 29 June 2018, a customer purchases a washing machine for $1,000. The washing machine comes with a 12 month warranty against manufacturing defects (which is not sold separately). Y&Z also provides customers with an extended two year warranty against manufacturing defects and free repair and maintenance service for three years. The extended warranty and the free repair and maintenance service can be purchased separately.

Y&Z will also supply 1kg of washing powder every month for the next 18 months. In addition, the customer will receive a discount voucher for a 30% discount off its next in store purchase in the next six months, up to the value of $100.

How should Y&Z account for the sale under FRS 115?

Y&Z has sold the following five goods or services to the customer under FRS 115:

- A washing machine with a 12 month warranty
- Extended two year warranty
- Repair and maintenance services for three years
- 18kg of laundry powder
- Discount voucher.

Revenue ($1,000) needs to be allocated to each of the above goods or services based on the relative standalone selling prices of each good or service, and revenue is recognised as and when each good is delivered, or service is performed.

A washing machine with a 12 month warranty

The 12 month warranty is not accounted for separately because it provides the customer with the assurance that the washing machine will work as intended for one year, and it is not sold separately. Y&Z accounts for this 'assurance-type' warranty in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Extended two year warranty

A portion of the sales price needs to be allocated to the extended warranty and recognised over the period of the warranty because this extended warranty is sold separately. Assume that the extended warranty is sold separately for $200.

Repair and maintenance service for three years

Revenue needs to be allocated to the repair and maintenance service and recognised as that service is performed. Assume that the repair and maintenance service is sold separately for $150.

18kg of laundry powder

Revenue needs to be allocated to the laundry powder and recognised as the laundry powder is delivered each month over the next 18 months. Assume the laundry powder is sold separately for $5/kg.

Discount voucher

Y&Z needs to determine the standalone selling price of the discount voucher and defer the amount until the voucher is redeemed. Assume that Y&Z estimates the likelihood that the customer will use the voucher is 80% and the standalone selling price of the voucher is $80 ($100 x 80%).

Pattern of revenue recognition under FRS 115

The following table sets out the amount of revenue allocated to each good or service in proportion to their standalone selling prices:

Good or Service	Standalone selling price	Revenue allocated
Washing machine & 12 month warranty	$1,000	$658 (($1,000x(1,000/1,520))
Extended two year warranty	$200	$132 (($1,000x(200/1,520))
Repair and maintenance	$150	$99 (($1,000x(150/1,520))
Laundry powder	$90 ($5x18)	$59 (($1,000x(90/1,520))
Discount voucher	$80	$53 (($1,000x(80/1,520))
Total	**$1,520**	**$1,000**

The table below sets out the pattern of revenue recognition under FRS 115:

Good or Service	Revenue Recognition under FRS 115				
	30/06/2018 year end	30/06/2019 year end	30/06/2020 year end	30/06/2021 year end	**Total**
Washing machine & 12 month warranty	$658	-	-	-	$658
Extended two year warranty	-	-	$66	$66	$132
Repair and maintenance	-	$33	$33	$33	$99
Laundry powder	-	$39	$20	-	$59
Discount voucher	-	$53	-	-	$53
Total	**$658**	**$125**	**$118**	**$99**	**$1,000**

You can see from the above that the FRS 115 revenue model can result in a significant decrease in revenue and profit in the current year, with a compensating increase in the years that follow.

In practice under FRS 18, most retailers would recognise revenue of $1,000 for the 30 June 2018 year end, and a provision for the 36 month warranty. The costs for repairs and maintenance, and laundry powder, would only likely be recognised as and when they are incurred. When the customer uses its discount voucher in the next six months, the discounted selling price is recognised as revenue.

Impacts of significant changes

The impacts of FRS 115 are not just delayed revenue as the above example has shown. Retailers will also need to think about the related deferred tax impacts, and also about system and process changes that would be required so that revenue is recognised in accordance with the new requirements.

In the above example, processes will have to change to determine all performance obligations promised to the customer, a suitable value must then be determined for each 'promise' made. Systems will then have to be modified to track and amortise the deferred revenue arising from this 'simple' sale.

More information about IFRS 15

For more information on IFRS 15, BDO resources on IFRS 15 include:

- IFRS 15 Practical Issues - IFR Bulletins
- Industry impacts of new revenue standard - IFR Bulletins IFRS Industry Issues 2014/001-007
- Need to Know
- IFRS in Practice

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Five Disciplines of Growth

Over the fifteen days throughout the Chinese New Year festivities, I was invited to various luncheons and dinners by clients, partners and business associations. While the obvious attraction lies in the endless drinking and eating with close associates, there was one key topic that stirred from numerous conversations, amidst all the frenzy, particularly: “How can we continue to grow our business in the auspicious Year of the Goat?”.

Every successful businessman, in their own way, has created a theory of growth based on experiences, instead of relentless “insistence on the “right” answers. Throughout the years I’ve spent in this industry, the interviews, projects and conversations with the business folks, have contributed to the shifts I made in my paradigm towards growth. These “reflections from practice” allow me to guide, direct and hopefully inspire many of other clients to focus on the five main disciplines for tomorrow’s business growth.

From the early days of seagoing traders to today’s sophisticated businessmen armed with infinite knowledge, we have been taught to break down problems. This somewhat eases complex business challenges and helps to manage barriers encountered along the way. The path to growth is similar to this doctrine; break it down into manageable parts in order to “view the bigger picture “.

Money Money Money

The very driver of growth is through competent allocation of your resources especially in financial terms. The various financial tools and modellings have served businesses well. That being said, financial management has always been and will continue to be the Achilles’ heel of many businessmen in future, simply because aside from rocket science, financial management is probably the next hardest subject to comprehend for laymen and even more so for businessmen who have prided themselves for various attributes of success such as innovations, marketing skills etcetera. For those who do not believe in financial management, my little hint to you is that there’s a reason why good CFOs are paid so well in large corporations. It is the heartbeat to everything you seek to achieve, with your businesses and ideas.

If Branding is Not of Importance, Why Give Yourself a Name in the First Place?

A common observation is that businesses also ignore the importance of leveraging, growing and protecting their respective brands. By nurturing your brand, it serves as a door opener to other aspects in your business that may have become more challenging across time. Simply put, a brand is everything that represents your business and the growth of your business can be correlated to the growth of your brand. Branding is a strategic option for the consideration of any management team when yearning to understand what constitute a business success. For example, winning clients through aggressive price wars is always a short-term approach but retaining and turning clients into brand champions helps sustain the business in the long run.

Understanding Systems to Achieve Business Excellence

We often hear that small changes can produce big results - but the areas of highest leverage are often the least obvious. Many businesses have grown so big so fast that the very fundamentals that led to their initial success are overlooked. This discipline of business growth requires a deeper look at the various interrelated systems in an organisation. The core criteria in achieving business excellence lies in the ability of an organisation to align and deploy its resources in its processes, efficiently. Business continuous improvement is now a necessity for growth rather than a strategic edge. From the early days of 5Ss to today’s focus on continuous learning and improvement, businessmen will do well to keep abreast how the resonances and synergies of the internal business systems are affecting the performances.

What You Don’t Know, Won’t Hurt You?

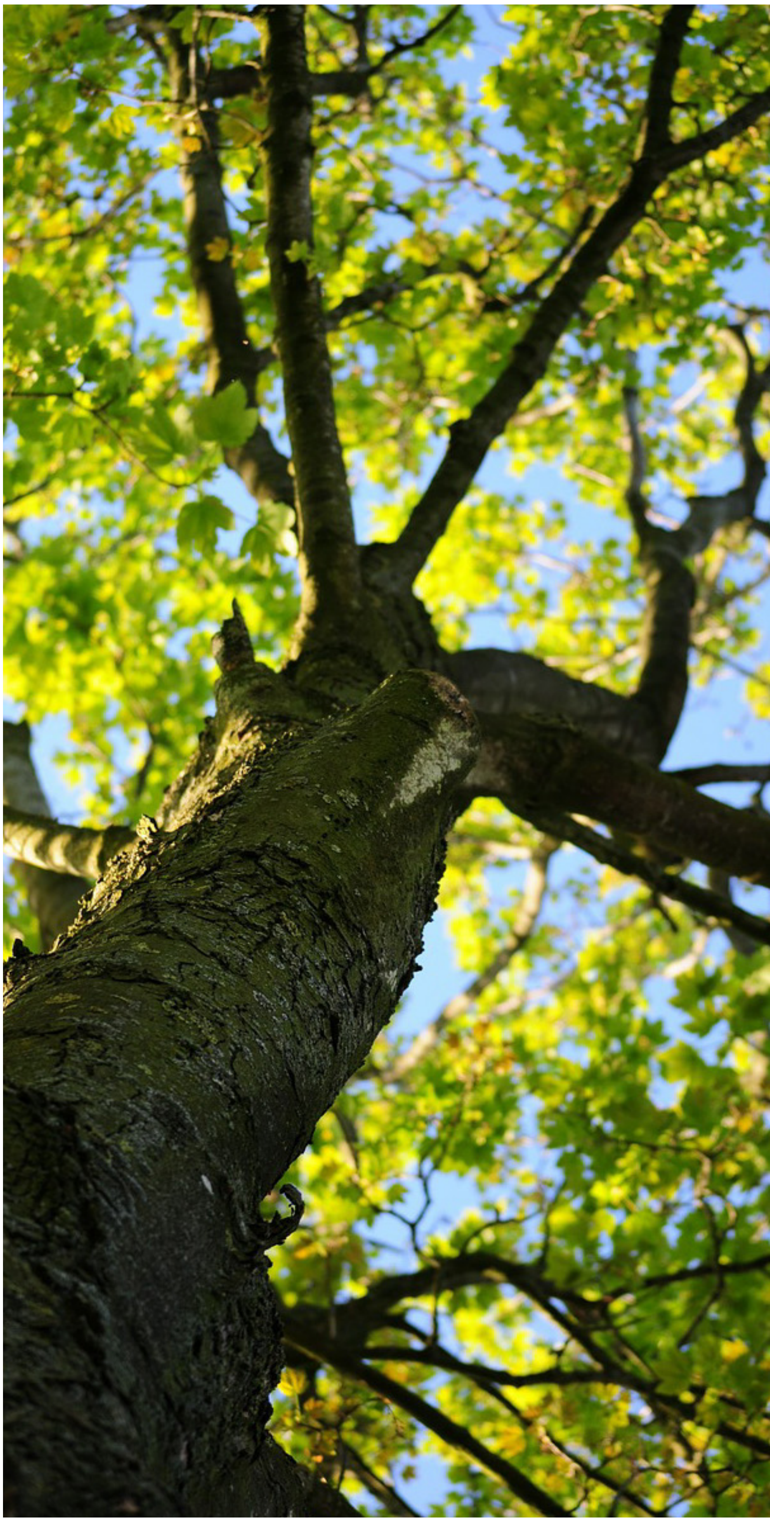
I was honoured to be a panellist at a recent business discussion. One of the things that caught my attention during this seminar was that most businessmen in attendance do not know things that may be relevant to their businesses. Businesses lack intuition and subsequently the necessary business intelligence that will assist to bridge the unknown with facts; light the dark with fire. Many successful businesses have sustained themselves over generations simply because they want, need and desire to know what's out there. No 'black ops' is involved in this process, in say, digging out the dirt about your competitors. Business intelligence should serve as a shield to protect and guide businesses in this ever-changing competitive world of value creation. This is especially true for businesses seeking to venture overseas as part of their growth plan.

People - love them, hate them!

The new rulebook of employee engagement is here to stay. Gen Y, Gen X and Baby Boomers are all caught in this emerging web of complex communication, coordination and the need for cohesiveness. Talent identification, development and retention drives many conversations amongst businessmen today. Salaries and compensation can no longer attract talents. Reward strategies must be in-line with the new age employees and it is equally important to strike a comfortable balance in aligning the rewards systems with the overall financial performance of an organisation.

Business owners today must understand the notion that they are no longer the masters of the universe, whereby no employees will revolve around their wishes. Successful business owners simply see themselves as the guardian and steward of the business for current stakeholders and future owners that very well might be the employees themselves.

The five disciplines seek to provide fresh insights as to how businesses can initiate change as well as deal creatively with the challenges that arise against business growth and sustainability. All five disciplines are interrelated and not mutually exclusive of one another. In the long run, the only source of competitive advantage is your business' ability to learn these five disciplines faster than your competitors.



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IRAS Updates Transfer Pricing Guidelines

The second edition of transfer pricing guidelines was issued by Inland Revenue Authority of Singapore ("IRAS") on 6 January 2015. This edition consolidates the four previous e-tax guides on transfer pricing, that is, the first edition released in 2006, the transfer pricing consultation paper of 2008 and the supplementary guidelines on advance pricing arrangements, related party loans and related party services. The revised guidelines also set out IRAS' position on certain transfer pricing matters. All in all, the content of this revised guidelines is largely in line with the previous e-tax guides; however significant changes have been introduced around the documentation requirements with a clear message on the need of maintaining contemporaneous documentation.

The key changes are discussed in detail hereunder.

Arm's length principle

The revised guidelines reinforce the adoption of arm's length principle in dealing with related parties under Section 34D of the Income Tax Act ("ITA"). However, IRAS is mindful and recognises that the application of the arm's length principle is not without difficulties for complicated and unique arrangements. Therefore, taxpayers are not expected to adhere rigidly to a defined set of rules to establish the arm's length pricing for these arrangements and deviation from the suggested approach will be acceptable.

In applying the arm's length principle, IRAS recommends undertaking a comparability analysis. Whilst the guidance on the comparability analysis mirrors the text in 2006 guidelines, there are additional aspects on comparability analysis included within the revised guidelines. Of interest are the recommendations that the arm's length principle should be applied on a transaction-by-transaction basis and the aggregation approach is acceptable only when the individual transactions are highly inter-related. Further, the use of multiple year data as opposed to single year data is acceptable and factors to be considered in accepting loss generating comparable companies while undertaking a comparability analysis are included as well.

Exhaustive and detailed commentary on the five transfer pricing methods is available in the revised guidelines. The commentary also provides examples of various net profit indicators/ profit level indicators that may be used in applying the transactional net margin method including the Berry Ratio; albeit the Berry Ratio can be used only when all the circumstances specified in the revised guidelines are present. IRAS has also provided further guidance in selecting the tested party, that is, the party on which to apply the transfer pricing analysis. Paragraph 5.86 clearly articulates that the tested party is the one where:

a. *A transfer pricing method can be applied in the most reliable manner; and*

b. *Most reliable comparables can be found.*

Documentation

Under the revised guidelines, taxpayers are required to keep contemporaneous transfer pricing records to support the pricing of their transactions with related parties. This has been clearly articulated at paragraph 6.2, as:

"it is important that taxpayers prepare and keep contemporaneous records to support the pricing of their transactions with their related parties".

By maintaining contemporaneous documentation, IRAS believes that taxpayers will be better equipped in demonstrating their compliance with the arm's length principle and also avoid the consequences of any double taxation through transfer pricing adjustments. The contemporaneous documents are defined as those prepared prior to or at the time of undertaking the related party transactions. In order to ease the compliance burden for taxpayers, IRAS has indicated that any documentation prepared at any time no later than the time of completing and filing the tax return for the financial year in which the transaction takes place will be acceptable as contemporaneous documents.

However, IRAS continues its position of taxpayers maintaining the documents and submitting them only upon request. The revised guidelines now specify the timeframe of 30 days for submitting the documents upon request. Further, IRAS has stated that in the event the taxpayers are unable to provide the documents, they may be penalised under Section 94(2) of the ITA for not complying with the record keeping requirements under the ITA which demonstrates that IRAS now expects taxpayers to strictly adhere to maintaining contemporaneous documents.

Drawing reference from the OECD initiative under its BEPS project, IRAS has also adopted a two tiered approach regarding the type of documentation to be maintained. IRAS now expects documentation to be organised at the Group level and Entity level.

The Group level documentation is expected to provide a good overview of the group's businesses and should include details on the group's global business, organisation structure, the nature of the global business operations and overall transfer pricing policies. The Entity level documentation contains much of the similar information as was required previously, with new additions of the management structure of the Singapore taxpayer including a description of the individuals to whom the Singapore management reports, organizational chart of the taxpayer showing the number of employees in each department, segmented financial accounts with respect to the transactions, if any, etc.

Notwithstanding the new documentation requirements, IRAS is mindful of the substantial compliance and administrative costs in preparing transfer pricing documentation. Hence, the revised guidelines introduce some administrative rules to simplify the transfer pricing documentation requirements. The revised guidelines excuse taxpayers from the documentation requirements in the following situations:

a. if the taxpayer engages in transactions with another related party in Singapore subject to the same tax rate (excluding related party loans);

b. for related domestic loan between taxpayer and the related party in Singapore, provided the lender is not in the business of borrowing or lending;

c. if the taxpayer provides routine services and applies the 5 percent safe harbour mark-up; or

d. if the transactions do not exceed specified thresholds per financial year.

In spite of the simplication, taxpayers will still need to demonstrate compliance with the arm's length principle. Further, in the absence of any supporting documents transfer pricing adjustments under Section 34D will be inevitable if IRAS establishes that the taxpayers have understated their profits through improper transfer pricing. However, IRAS has not clarified on the level of documents needed for these exempted taxpayers. It will therefore be worthwhile if an indicative list of documents or the process to be adopted is articulated to avoid any ambiguity.

Other issues

Adjustments relating to transfer pricing

IRAS has stated its views on the acceptability of year-end adjustments provided taxpayers have a contemporaneous transfer pricing documentation, symmetrical adjustments are reflected in the accounts of affected related parties and the adjustments are done before filing their tax returns.

IRAS frowns on self-initiated retrospective adjustments arising from global transfer pricing policy changes, revisions in transfer pricing analyses or to avoid potential transfer pricing adjustments by a tax authority in the absence of a transfer pricing documentation.

Finally, relief through mutual agreement procedures provided in the tax treaty should be adhered to for avoiding any double taxation arising from transfer pricing adjustments by a foreign tax authority. Taxpayers should not on their own accord make any corresponding adjustments in their tax returns or tax computations without informing IRAS.

Related party loans

The revised guidelines now provide a detailed commentary with examples on the process to conduct a comparability analysis for related party loans. Within the comparability analysis, adjustments for differences in the base reference rate and the margin are called for through adoption of sophisticated models i.e. credit estimation models. However, a further explanation regarding the application of these models will be worthwhile which is absent from the revised guidelines. However, to reduce compliance burden for taxpayers with multiple related party loans, IRAS is willing to accept an aggregation approach. In other words, taxpayers can choose to determine the arm's length interest rate for comparable loans on an aggregate basis using the comparability analysis.

In short

Transfer pricing is here to stay for Singapore. This message is echoed in clear and unequivocal terms throughout the revised guidelines. As an offshoot, related party transactions will now cast an onerous responsibility on the taxpayers, coupled with the fact that IRAS is adopting a two tiered approach to documentation which will further increase the cost of compliance.

And while this is just the beginning, one should not forget about the footnote to paragraph 6.2 which states that IRAS is monitoring the compliance level and may, if necessary, consider more stringent measures including specific record-keeping regulations for transfer pricing. All this is a clear sign for taxpayers to get their documentation in place if they want to avoid being penalised. Also, it will be a good governance practice of maintaining the transfer pricing documentation.

IRAS has indeed taken a step in the right direction of providing guidance to Singapore taxpayers with all the brouhaha surrounding the BEPS development and the focus on transfer pricing. The revised guidelines will serve a basis for taxpayers to get their transfer pricing right though certain clarifications should clear the air.

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Singapore's Measures To Stay Corrupt-Free

Transparency International's most recent Corruption Perception Index features Singapore as the least corrupt nation in 7th place, two positions below the year before. It could be easily surmised that the recent high profile corruption cases involving both corporate executives as well as public officials contributed to this slide. These cases had not only tarnished the organisations' but also the country's reputation.

In his oration to the civil servants, Prime Minister Lee Hsien Loong unveiled stiffer measures against corruption; announcing that a One-Stop Corruption Reporting Centre will be set up. He confirmed that Corrupt Practices Investigation Bureau (CPIB) will increase its manpower and the Prevention of Corruption Act (PCA) will be reviewed.

Our views on various sources highlighting potential reform are as below.

More than Just A One-Stop Corruption Reporting Centre

There should be laws protecting whistle-blowers. The Inland Revenue Authority of Singapore operates a scheme which rewards whistle-blowers for information that leads to tax being recovered. The establishment of corruption reporting centre could be a helpful facility, and the concern of protection against retaliation should be looked into. An all-encompassing-law to protect whistle-blowers should be put in place to ensure employee whistle-blowers retain their jobs.

In addition to, establishing a corruption reporting centre, whistle-blowers should be incentivised too, to help practices within corruptions. Apart from the incentive of protection, monetary incentives can be given to whistle-blowers to encourage their active participation in the prevention of corrupt practices in corporations. Nevertheless, this could be controversial as some believe that whistleblowing should be done purely out of civic-mindedness. It seems that the lack of local public criticism against existing monetary incentives for whistleblowing in other areas that lead to tax recovery validates its appropriation for corruption and fraud cases too.

More efficiency and integrity from CPIB

Having more manpower may not necessarily lead to a more efficacious process to root out corruption. The government needs to ensure that the standard of administrative efficiency is not compromised. Moreover, steps to tighten the system is equally important. The key is to strike a balance between establishing more safeguards and strengthening the system with too many checks.

An enhanced evaluation, such as psychometric tests, should be conducted to screen candidates to ensure that CPIB is recruiting personnel suited for the roles. It should set high ethical standards such as integrity, public trust and responsibility. CPIB should also consider imposing more severe punishment on its own personnel charged with corruption.

More power to PCA

The PCA should be enhanced to deal with corruption in corporations. As it currently stands, the PCA prosecutes individuals who are found guilty in bribery offences. However, it is difficult to conclusively prove the necessary intent for corruption in a corporation. Therefore, the veil should be lifted with respect to the prosecutions and the evidential threshold of corporate liability should be lowered. With this reform, a compliance defence can be introduced for corporations. This provides a legal impetus for companies to establish anticorruption compliance programmes. It also helps absolve the corporation's legal liability in the case of a charge of corruption by showing it has taken the necessary steps to prevent corruption.

The PCA should be extraterritorial. In this competitive business environment, unethical opportunists will find loopholes to incorporate Singapore corporations outside the country. The PCA is silent on the corrupt conduct abroad. Hence, the PCA should be enhanced to address such gaps in the law.

A good corporate governance practice has been the enduring competitive advantage for Singapore for the past 50 years. This is ultimately the goal for both nations and companies, not just for survival but achieving international competitiveness.

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Championing The Brand From Within

In today's context, Branding is commonly seen as a capability building tool in helping businesses expand and be more relevant to their consumers. However, it is often regarded as a back burner; overshadowed by business operations such as product development, marketing and inventory management etc. due to the lack of its immediate and quantifiable impact. This is especially so for small medium enterprises, which are often strapped by their limited pool of resources.

An important aspect of branding is the need for internal brand alignment. Internal branding is the linking of an organisation's culture and value to its employees' individual values, in ways that enable both parties to achieve their goals. It is about aligning the internal stakeholders to the brand; where their actions are translated into consistent delivery of the brand's promise and values through the organisation's key activities, culture and rewards systems.

A company with strong internal branding manages its touch-points to consistently deliver the envisaged brand experience to its staff and consumers. Take Ritz Carlton as an example. The organisation is well-known for its exceptional customer service where employees embrace and live the essence of the brand in their daily work – denoted in its core value of "Ladies and Gentlemen serving Ladies and Gentlemen".

> "Internal branding is the linking of an organisation's culture and value to its employees' individual values, in ways that enable both parties to achieve their goals."

Benefits of internal branding

Internal branding nurtures an organisation's identity

It helps employees understand who they are and what they do. It builds a common platform to the brand, where the organisation's vision, mission, values and objectives are clearly defined and communicated.

Internal branding as a mode of communication to signal commitment

It is also a mode of communication where the actions required to fulfil the brand's promise and values are clearly clarified. It serves to raise employees' morale through the shared beliefs and vision.

Internal branding aids in clarifying alignment

Very often, a consumer's experience with a brand is the determining factor that may make or break the deal. Full comprehension of the brand's promise and values enables employees to effectively communicate the messages that are attached to the brand. By keeping employees' values in tune with the corporate values, the company is better able to ensure product performance and service efficiency.

An example of a company with strong internal branding is Singapore Airlines. The company focuses on an experiential brand strategy (in-flight hospitality), which is well associated with its core values of excellence, safety and customers. The consistent permeation of the brand in every facet such as their inflight facilities and entertainment, flight schedules, and services by the Singapore Girl warrant its traveller a safe and pleasant journey on board. This in turn, strengthens the brand's positioning as a product and service differentiator.

Building the internal brand

Several factors have been identified to help align your organisation with your brand promise and values.

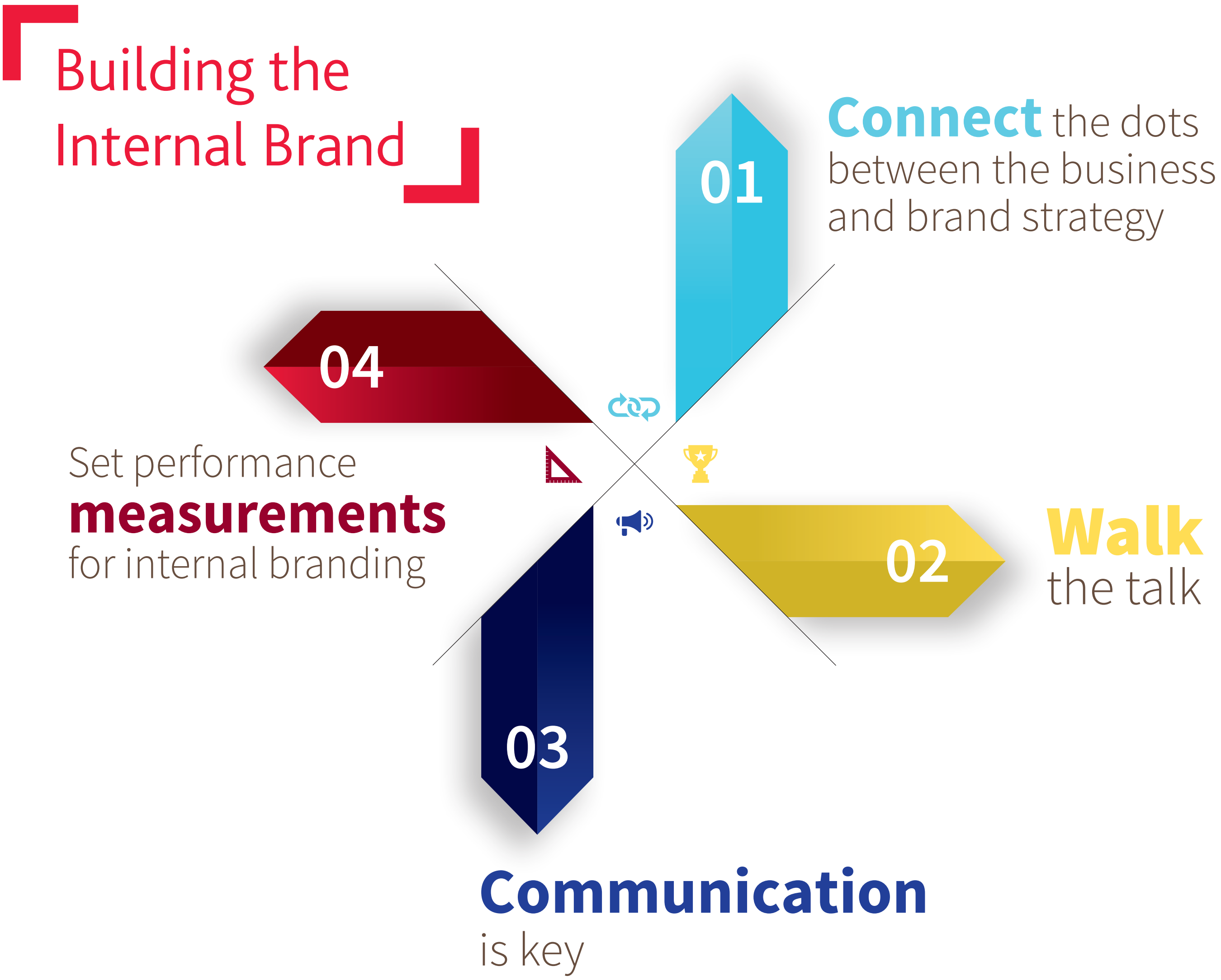
Connect the dots between the business and brand strategy

Build the brand by defining what the organisation stands for! The key activities of a business should be communicated in the same manner as its brand promise. The organisation culture is formed when both the business and brand strategies are aligned. A part of this alignment process includes hiring suitable candidates who share the same values as the organisation. When internal stakeholders are able to attune the brand's value to customers' needs and wants in their day-to-day interactions, the brand comes to life naturally.

Walk the Talk

Leadership drives the brand to its success. It is important for senior management to understand and demonstrate the importance of internal branding through their individual dedication to the brand's promise and values. Their actions could then be translated into inspirations for their staff, fostering a company-wide movement towards attaining the organisation's goals.

Mr Ho Kwon Ping, Founder and Executive Chairman of Banyan Tree Group, is such a leader. "My job has been to drum that message (brand vision) into everyone, and to also focus everyone's work towards promoting the brand equity." He believes that every department has to have the "brand" as the key driving force.



Communication is key

Communication is the focal point in relationship management. A brand without communication will not make an impression on its consumers. Internally, employees will be confused about their identity. Communication tools such as employee meetings, organisational-wide memos will help to reinforce the brand. However, this should not be limited to a one-way approach where information is passed down from the top. Employees should be engaged at all points of the communication process as they are ultimately the ones championing the brand.

Set performance measurements for internal branding

Performance measures should be set in place to check the progress of internal brand alignment within the organisation. Examples of which include the assessment of employees behaviour in relation to the brand's values during their performance appraisals or customer feedback to monitor the effectiveness of brand delivery at each touch-point. By having these measurements in place, it allows the organisation to assess the validity of its brand promise and values through the feedback of its staff and customers.

Brands, which are strong in internal branding, stand out. Internal brand alignment contributes to credibility and makes brands trustworthy entities to both its employees and consumers. With organisational-wide unity, half the battle of establishing a successful business will be won.

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Singapore News

BDO Budget Seminar 2015

Our Annual Budget Seminar was held on 9 March at ParkRoyal on Pickering Hotel. The first part of session was the Budget Highlights covered by our three tax directors.

We also had a panel discussion on the latest changes on the Budget. Associate Professor, Darren Koh from SIM University moderated the session. We had the honour of hosting panellists from ASME, SFIC and Baker & Mckenzie. Wong & Leow.

Following the panel discussions was the Q&A session, which gave an opportunity for participants to gain further insights from our panel speakers and seek clarifications on the proposed changes.

The final part of the seminar featured the investment outlook of the year by Dr. Tan Kee Wee. Dr Tan spent many years in the finance industry as an economist, forecasting on the financial markets and global economies.

Remembering Mr. Lee Kuan Yew (1923 - 2015)

We, the Partners, Directors and Staff of BDO Singapore are deeply saddened by the passing of Mr. Lee Kuan Yew, the Founding Father and First Prime Minister of modern Singapore.

Our tribute to Mr. Lee Kuan Yew

For his vision, inspiration, tenacity and wisdom

For devoting his entire life to building a first world nation

Let us always remember his ideals and honour his spirit

Let us build on his foundation

Let us keep Singapore truly exceptional

For generations to come

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