FIDReC

Financial Industry Disputes Resolution Centre

Reaching Up and Out

ANNUAL REPORT 2019/2020

Contents

About Us

WHO WE ARE

Launched on 31 August 2005, the Financial Industry Disputes Resolution Centre Ltd (FIDReC) is an independent and impartial institution specialising in the resolution of consumer financial disputes through mediation and adjudication. We are a not-for-profit company limited by guarantee.

At present, FIDReC's services are available to consumers who are individuals or sole-proprietors. Consumers may seek FIDReC's help when they cannot resolve their issues with financial institutions like banks, finance companies, life insurers, general insurers, capital markets services licensees, licensed financial advisers and insurance brokers.

OUR CORE PRINCIPLES

Accessibility

We are committed to providing an affordable and accessible dispute resolution service that does not require parties to obtain external help from lawyers.

Independence

We operate independently of the government, financial institutions and consumer bodies, and are impartial, credible and worthy of public trust.

Effectiveness

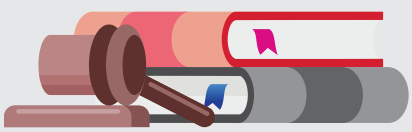
We set targets to measure the effectiveness and promptness of our services and regularly review our processes to ensure they remain relevant and in line with best practices.

Accountability

We report on our performance, including sharing statistics and case studies where appropriate, and submit to regular independent reviews.

Fairness

We monitor our procedures and process outcomes to ensure they are consistent with the law and what is fair and equitable.



OUR MISSION

To provide an affordable alternative dispute resolution scheme that is independent and impartial, so as to encourage and assist in the resolution of disputes between consumers and financial institutions in an amicable and fair manner.

Message from the Chair

In 2019/2020, we received 7,049 enquiries and 1,227 claims as compared with 6,175 enquiries and 1,037 claims the year before. Yet, we still managed to conclude a healthy 89% of claims within 6 months.

The year under review has been challenging for the world and for Singapore as we struggled to cope with the COVID-19 pandemic. We experienced a "Circuit Breaker" that brought a halt to many business activities, curtailed human interactions and changed the way we live and work. Enormous uncertainties in the economy and the healthcare sector remain in the year ahead.

During these difficult times, FIDReC continued to serve consumers and financial institutions. The staff started to work from home and in split teams; consumers were served via telephone and online communications; mediation and adjudication were also moved online as far as possible. We thank all those who cooperated with us as we adjusted our processes to avoid or minimise physical contact during the critical period.

We had to make all these adjustments while coping with a higher number of enquiries and complaints. In 2019/2020, we received 7,049 enquiries and 1,227 claims as compared with 6,175 enquiries and 1,037 claims the year before. Yet, we still managed to conclude a healthy 89% of claims within 6 months.

The types of complaints handled by FIDReC in 2019/2020 were similar to those of the previous year. Complaints against banks and finance companies made up 45% of the complaints (as compared to 51% last year). Complaints against life insurers and general insurers were 27% and 21% of total complaints respectively (as compared to 27% and 16% respectively last year). The increase in complaints against general insurers correlated with a significant increase in travel insurance claims.

For the claims against banks and finance companies, 34% involved disputes on inappropriate advice, misrepresentation or disclosure issues. 29% involved unauthorised transactions, fraud or scams. For the claims against life insurers, 47% involved disputes on inappropriate advice, misrepresentation or disclosure issues. 18% involved disputes on liability. For the claims against general insurers, 79% related to disputes on liability. These types of claims also featured as the most prominent claims in the previous year.

More than 49% of the consumers bringing claims at FIDReC were aged 51 and older. The monetary claim amounts ranged from $26.52 to $4 million, with the median claim amount at $6,020.

Of the claims completed in 2019/2020, 81% were concluded at mediation and 19% concluded after adjudication. This was the second consecutive year this figure exceeded 75%.

In addition to resolving disputes of consumers, FIDReC continued to improve its processes and was also actively involved in public outreach programmes and dialogues with the financial institutions.

I wish to thank the Directors for their valuable contributions to FIDReC, the adjudicators for partnering with FIDReC in resolving disputes and the management and staff of FIDReC for their hard work, adaptability and heart to serve. The upcoming year will be a busy one for FIDReC as it continues to pursue excellence. After completing the groundwork for a new digital platform in 2019/2020, FIDReC will embark on developing the new platform in 2020/2021. The first release will likely be ready by early 2022. This platform will enable our staff to work more effectively and allow us to serve our stakeholders better.

KOH JUAT JONG

Chairwoman, FIDReC

Message from the CEO

Reaching up represents improving FIDReC as a whole. Reaching out represents sharing our experiences and knowledge, including contributing to public education. We are proud that despite the challenging climate, we achieved what we set out to do for the year.

FIDReC's theme for 2019/2020 was: "Reach Up and Reach Out". Reaching up represents improving FIDReC as a whole. Reaching out represents sharing our experiences and knowledge, including contributing to public education. We are proud that despite the challenging climate, we achieved what we set out to do for the year.

As part of reaching up, we completed an internal audit, reviewed our panel of adjudicators, mapped out the requirements for a new digital portal management system, and implemented feedback surveys for our customers.

We achieved customer satisfaction of over 80% since we began collecting feedback. The feedback described our staff as "*friendly*", "*knowledgeable*", "*helpful*", "*committed*", "*professional and capable*". Two compliments that reflect why we do the work we do read:

"I have the pleasure of being served by you … when I was at a loss and depressed over my dispute. … You were patient and took time to understand my issue and promptly advised on the next steps to take. You sent me the materials expeditiously. … I was pleasantly surprised you called to follow up on my case … AFTER office hours, when most service staff would have called it a day. … Wonderful service! Every customer needs this kind of support in trying times …"

"[The Case Manager] always demonstrated admirable passion, dedication and willingness to help. … [She] grasped my unfortunate predicament with empathy and was meticulous in collecting all of the necessary background information, picking out the most pertinent points with great skill. … She is a tremendous asset to the organisation and I can only hope she remains in situ to help others in a similar position to me."

Another positive statistic is that we completed handling more than 75% of claims at the mediation stage for the second year running. A high mediation completion rate reflects the value FIDReC creates for both the financial institution and consumer as it concludes a claim without a combative adjudication process. It is also testament to the hard work and sincere efforts of the FIDReC team. We recognise that there are still areas for improvement. For example, in providing consumers with a smoother claims-filing experience. We will start developing a new digital portal management system this year to address this and other inefficiencies.

As part of reaching out, FIDReC expanded its outreach efforts in 2019/2020. We participated in the annual My Money Seminar, spoke at webinars, published articles, and appeared in the media. These efforts promoted awareness of FIDReC and bettered understanding of common financial issues. We also engaged with financial institutions to share information and discuss issues.

On 31 August 2020, FIDReC entered its 15th anniversary year. Our theme in this milestone year is "building on our past, shaping the future". We want to build on the knowledge gained from past experiences, and leverage technology to pave the way forward. In this way, we strive to contribute to Singapore as a resilient financial centre.

FIDReC's success is very much a team effort. I would like to end by thanking our Chairwoman and Board of Directors for their guidance and support. Also, the FIDReC team for their commitment to excellence and FIDReC's mission. I would further like to appreciate the Adjudicators of FIDReC and all who have partnered with us. These include the industry associations, Law Society Pro Bono Services, and the Singapore Mediation Centre.

EUNICE CHUA

Chief Executive Officer, FIDReC

2019/2020 at a Glance

FIDReC Received

7,049
enquiries

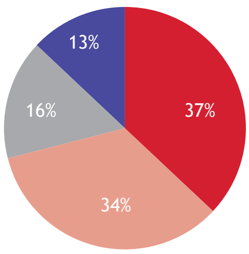
1,227
claims

subsequently handling[1]
1,188
claims

This was a significant increase from the previous year where FIDReC received 6,175 enquiries and 1,037 claims.

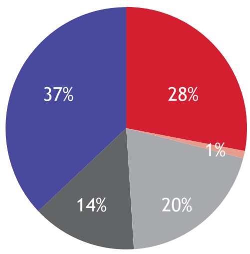
The profiles of the claims handled were as follows:

NATURE OF CLAIMS



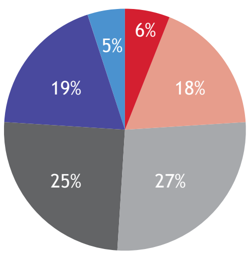
- Financial Institutions' Practice/Policies
- Market Conduct
- Service Standards
- Others

PRODUCT GROUP



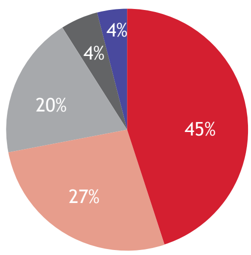
- Consumer/Personal Finance[2]
- Electronic Transactions & Payments
- General Insurance
- Investments
- Life Insurance

CONSUMER



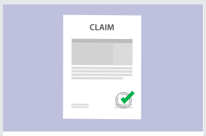
- 30 and below
- 31 to 40
- 41 to 50
- 51 to 60
- 61 to 70
- Above 70

FINANCIAL INSTITUTION[3]



- A
- B
- C
- D
- E

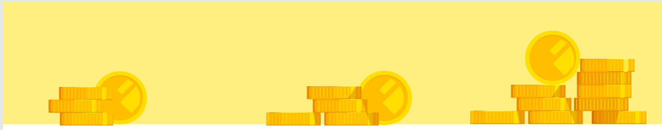
FIDReC completed



1,018
claims involving

62
financial institutions

89%
of claims were completed within 6 months[4]



The median claim amount was
$6,020

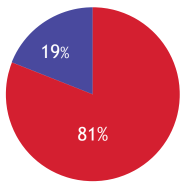
while the average claim amount was
$44,283

The largest claim amount was
$4,000,000

81% of all claims were completed at mediation. Of these, 52% had consumers accepting an offer from a financial institution and 48% had consumers deciding not to pursue their case further.

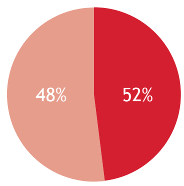
Of the 19% of claims completed at adjudication, 19% had an award in favour of the consumer and 81% had no award. made.

OUTCOME



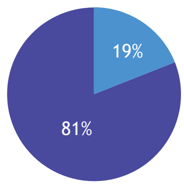
- Completed at Mediation
- Completed at Adjudication

COMPLETED AT MEDIATION



- With Settlement
- Without Settlement

COMPLETED AT ADJUDICATION



- Award Made
- No Award

[1] See page 18 for a detailed explanation

[2] Consumer/ Personal Finance includes disputes such as Credit Cards / Charge Cards, Housing / Renovation Loans, Personal Loans / Lines of Credit or Savings Account / Fixed Deposits / Current Account disputes

[3] The categories of financial institutions are as follows: (A) Banks and Finance Companies; (B) Life and Composite Insurers; (C) General and Composite Insurers; (D) Capital Markets Services Licensees; and (E) Licensed Financial Advisers and Insurance Intermediaries

[4] The time between the completion of mediation and commencement of adjudication is excluded as this is the time afforded to consumers to decide whether to proceed with adjudication.

Operating in a pandemic

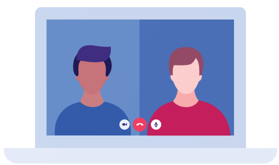
The Covid-19 pandemic required FIDReC to make physical adjustments and put in place safe management measures. FIDReC also adapted its processes to ensure the health and safety of all, while continuing to operate.

CONTACTING FIDREC

FIDReC closed its office during the Circuit Breaker in line with the Government's efforts to minimise the spread of Covid-19. The Circuit Breaker is over and FIDReC's office has re-opened. However, FIDReC continues to encourage contact by email or phone.

DISPUTE RESOLUTION FORM (DRF) FILING

A consumer wishing to file a complaint usually has to set out the complaint details in the DRF. The DRF is then submitted in hardcopy along with supporting documents. FIDReC now accepts electronic submission of the DRF and supporting documents over email to begin handling a case. The original signed DRF can be mailed in later.



E-MEDIATION

In-person mediation conferences became the exception. By default, mediation was conducted over the phone, through email exchanges, or through video conferencing.

E-ADJUDICATION

Similarly, in-person adjudication hearings became the exception. By default, adjudication was conducted over video conferencing or through documents only. Where necessary, FIDReC allowed partial e-Adjudication. This is where at least one participant attends at the FIDReC office and the others join in by video conferencing. Partial e-Adjudication has been used, for example, where the consumer has no access to suitable video conferencing technology or needs technical support.

READING OF GROUNDS OF DECISION

During the Circuit Breaker, FIDReC informed all parties by email of the final outcome of each adjudication. The reading of the full Grounds of Decision was postponed until after the Circuit Breaker. Reading of the Grounds of Decision has proceeded as usual after the Circuit Breaker, but with restrictions on the number of attendees.

The above measures are subject to further changes. Consumers are advised to contact FIDReC should they have any questions.

The FIDReC Process

DISPUTE RESOLUTION FORM FILED

- The consumer files a Dispute Resolution Form at FIDReC
- This signifies the start of a case at FIDReC
- The FIDReC process is private and confidential

CASE MANAGEMENT

- A Case Manager will look into the dispute to verify if the complaint is within FIDReC's jurisdiction
- If so, the Case Manager may arrange for mediation
- If not, FIDReC will be unable to handle the complaint

MEDIATION

- The Case Manager will facilitate discussions with the aim of helping all parties find a mutually acceptable outcome
- This may be done by telephone, over email or at a meeting
- The Case Manager may communicate with each party privately or with all parties jointly
- If a case is not settled, the consumer has the option to proceed with adjudication

ADJUDICATION

- All parties will prepare submissions and have the opportunity to present their case to an Adjudicator
- FIDReC has a panel of independent and highly-qualified Adjudicators to preside over and decide on cases

READING OF DECISION OF ADJUDICATOR

- Where an award is made in favour of the consumer, it is binding on the financial institution
- The consumer can choose whether or not to accept the award

FIDReC Dispute Resolution Scheme

The FIDReC Dispute Resolution Scheme applies to most cases at FIDReC. Where a dispute is settled at mediation, FIDReC's services are free-of-charge to the consumer and the financial institution pays $50 per claim. If mediation is unsuccessful and the case is referred for adjudication, the consumer has to pay a nominal fee of $50 per claim and the financial institution pays $500 per claim. All amounts are subject to prevailing GST.

There is no claim limit for mediation at FIDReC, but the jurisdiction for adjudications at FIDReC is up to $100,000 per claim.

MEDIATION (STAGE 1)

After a dispute is filed at FIDReC, a case manager looks into it to verify if the complaint is within FIDReC's jurisdiction. If so, the case manager will proceed to mediate the dispute between the parties.

Mediation is a voluntary process and the case manager does not have the power to force a decision on either party. During mediation, the case manager will facilitate discussions between the consumer and the financial institution to help them understand each other's perspectives.

At the same time, the case manager will also guide the parties in negotiating a mutually acceptable settlement if they are willing to do so. Mediation may be conducted through telephone, email or face-to-face mediation conferences. The case manager may communicate with each party privately or with all parties jointly.

The majority of claims at FIDReC conclude at this stage.

ADJUDICATION (STAGE 2)

Should the parties fail to come to an agreement, the consumer may refer the case to adjudication. Among FIDReC Adjudicators are former judges, senior lawyers and retired industry professionals.

Before the adjudication hearing, both parties must prepare written submissions and provide all the relevant evidence to the Adjudicator. Consumers who are not fluent in English may appoint a nominee to help them.

During the adjudication hearing, all parties will have the chance to present their cases to the Adjudicator. The consumer may have help from an appointed nominee where necessary. No representation by lawyers is allowed

The Adjudicator will decide based on the facts of the case, the evidence produced by the parties, and the law. Where the Adjudicator makes an award in favour of the consumer, it binds the financial institution. The consumer is free to choose whether to accept the award. Where the consumer does not accept the award or no award is made, the consumer is free to pursue the complaint elsewhere, including at the courts.

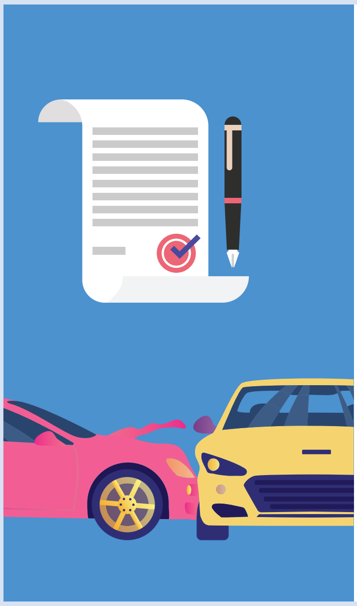
FIDReC Non-Injury Motor Accident (NIMA) Scheme

The FIDReC NIMA Scheme is for non-injury motor accident disputes where the amount claimed is below $3,000. These are motor accident disputes that: (1) do not involve bodily injury; and (2) are claims by consumers against insurers of the other party/parties.

Under the "Pre-action Protocol for Non-Injury Motor Accident Cases (Appendix C of the State Courts Practice Directions)" issued by the State Courts of Singapore, the above claims must first be dealt with by FIDReC before being brought to court.

If the dispute is completed at mediation, FIDReC's services are free-of-charge to the consumer. The financial institution pays $50 per claim. Where the dispute continues to adjudication, the consumer pays $250 per claim. The financial institution pays $500 per claim. All amounts are subject to prevailing GST.

A sum of $200 may be refunded to either the consumer or the insurer after the case is adjudicated. This will be determined by the Adjudicator based on FIDREC's prevailing Refund Rules.



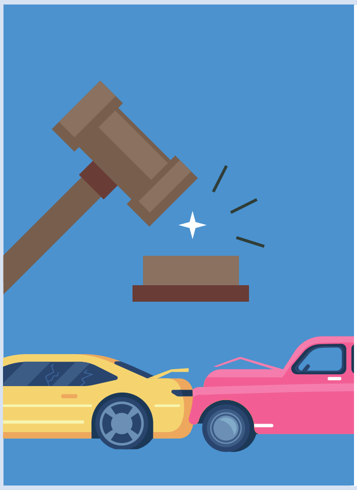
MEDIATION (STAGE 1)

Like the FIDReC Dispute Resolution Scheme, a case manager will look into and mediate the dispute between the parties.

If the consumer and the insurance company cannot come to an agreement, FIDReC will appoint a separate Mediator. This Mediator will provide an Indication on: (1) whether an award is likely to be made in favour of the consumer; and (2) if so, the likely amount of the award.

The Mediator will refer to the Barometer of Liability developed by the State Courts of Singapore. The Barometer of Liability provides guidance on the degree of liability each driver should bear in common accident scenarios.

The Mediator's Indication does not bind the consumer or the insurance company. Both are free to accept or disagree with the Mediator's Indication. If both the consumer and the insurance company accept the Mediator's Indication, the dispute is settled. Otherwise it will proceed for adjudication.



ADJUDICATION (STAGE 2)

As with adjudication under the FIDReC Dispute Resolution Scheme, both the consumer and the insurance company present their own case and legal representation is not allowed.

The Adjudicator will decide based on the facts of the case, the evidence produced by the parties, and the law. The Adjudicator will also refer to the Barometer of Liability.

The decision of the Adjudicator binds the insurer. The consumer is free to choose whether to accept the decision or to pursue his or her claim via other avenues. However, the Court may impose costs on the consumer if he or she obtains a court judgment that is less favourable than FIDReC's adjudication award.

FIDReC Outreach Efforts

PUBLIC AND INDUSTRY OUTREACH

FIDReC expanded its efforts to reach out to the public during the year under review.

- FIDReC manned a booth at the My Money Seminar on 16 November 2019. Officers from FIDReC distributed brochures and shared about FIDReC's services.

- Together with the Law Society Pro Bono Services, FIDReC organised a public webinar on 4 May 2020. The webinar attracted about 70 participants. Adjudicator Francis Goh and CEO Eunice Chua shared about how consumers can avoid and handle common life and health insurance issues.

- CEO Eunice Chua spoke at various conferences and seminars throughout the year.

FIDReC also made itself visible through the media in the following ways.

- CEO Eunice Chua spoke on Money FM89.3's Breakfast Huddle on 7 January 2020.

- FIDReC shared case studies and statistics in a *Lian He Zao Bao* news report on 3 February 2020.

- FIDReC published an article in the Consumer magazine on "Helping Consumers Resolve Financial Disputes" in October 2019.

- CEO Eunice Chua contributed another article to the Financial Planning Magazine in November 2019. The article's title was "Preventing and Managing Financial Disputes - Stories by FIDReC".

Links to the webinar recording, radio podcast, and the publications are available on the FIDReC website together with other useful resources under "Publications\Articles and Media".

The industry also worked with FIDReC to promote awareness of FIDReC's services. We thank Citibank, DBS (including POSB), HSBC, OCBC, Maybank and Standard Chartered Bank for putting up messages informing customers about FIDReC on ATM screens and TV screens at their premises.

In the spirit of building partnerships and mutual learning, FIDReC reached out to many organisations in the dispute resolution ecosystem and financial sector. This has led to joint initiatives such as the FIDReC-Singapore Mediation Centre co-mediation pilot, training workshops for financial institutions' staff, and establishing platforms for sharing of information. We look forward to more such collaborations in time to come.

INTERNATIONAL OUTREACH

FIDReC continued to play a role as a thought leader in the international financial dispute resolution community, hosting visits from:

- David Locke, CEO and Chief Ombudsman of the Australian Financial Complaints Authority;

- A delegation from Bank Negara Malaysia; and

- Prof Cho Chun-Hsiung, Ombudsman Committee Chair and President of Taiwan Financial Ombudsman Institution.

On 25 September 2019, Ho Meng Hee, FIDReC's Director of Alternative Dispute Resolution (ADR) was invited to speak at the Indonesia Financial Inclusion Forum in Jakarta. He shared about FIDReC's experience offering effective dispute resolution processes across the entire financial sector of Singapore.

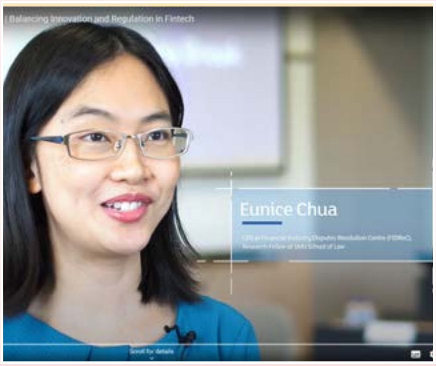
From 29 September to 2 October 2019, CEO Eunice Chua and Director of ADR Ho Meng Hee attended the annual International Network of Financial Ombudsman Conference in South Africa. CEO Eunice Chua also chaired a session on "The Challenges Faced by New Schemes" at the Conference.

Pictorials of Engagement Activities

Adjudicator Francis Goh and CEO Eunice Chua speaking on a webinar co-organised with Law Society Pro Bono Services on Life and Medical Insurance Issues, 4 May 2020

CEO Eunice Chua and fellow panel members at the Mediation A New Era Forum, 6 August 2019

CEO Eunice Chua at the Money FM89.3 Studio after an interview, 7 January 2020



CEO Eunice Chua being interviewed after speaking at the ESSEC Forum on Business-Government Relations in Asia, 28 November 2019

CEO Eunice Chua giving a presentation at the Singapore Management University Centre for AI and Data Governance Roundtable on AI and the Financial Sector, 1 November 2019

Visit to FIDReC by delegation from Bank Negara Malaysia, 23 August 2019

Pictorials of Engagement Activities

The FIDReC Team and officers from the Monetary Authority of Singapore enjoying a moment at the My Money Seminar, 16 November 2019

Learning visit to the Tripartite Alliance for Dispute Management (TADM), 18 July 2019

FIDReC Booth at the My Money Seminar 2019, 16 November 2019

CEO Eunice Chua receiving a token of appreciation after addressing the Taiwan Financial Ombudsman Institution, 27 December 2019

Visit to FIDReC by Mr David Locke, CEO and Chief Ombudsman of the Australian Financial Complaints Authority, 12 July 2019

FIDReC hosting a visit from Prof Cho Chun-Hsiung, Ombudsman Committee Chair and President of Taiwan Financial Ombudsman Institution, 4 November 2019

CEO Eunice Chua and Director of ADR Ho Meng Hee at the International Network of Financial Ombudsman Conference 2019 in South Africa, 29 September to 2 October 2019

Director of ADR Ho Meng Hee speaking at the Indonesia Financial Inclusion Forum in Jakarta, Indonesia on “Effective Dispute Resolution Processes Across the Entire Financial Sector of Singapore”, 25 September 2019

Board of Directors

FIDReC is an independent organisation with a Board chaired by Former Solicitor-General Mrs Koh Juat Jong. The Board includes directors with financial industry backgrounds and directors with backgrounds from outside the financial industry. The composition of the Board ensures FIDReC's independence.

The management of FIDReC is accountable to the Board of Directors, and both work together to ensure the success of FIDReC.

RESPONSIBILITIES OF THE BOARD

Among other things, the Board is responsible for:

- Ensuring the independence and impartiality of FIDReC;
- Providing leadership, and setting the strategic aims and direction of FIDReC to meet its objectives stated in the Memorandum and Articles of Association;
- Establishing a framework of prudent and effective controls to enable risks to be assessed and managed;
- Overseeing the management and operations of FIDReC;
- Appointing and reviewing the performance of the Adjudicators;
- Approving FIDReC's annual budget; and
- Evaluating FIDReC's progress and management performance.

Profiles of Board and Management

KOH JUAT JONG
Chairwoman

Mrs Koh Juat Jong had an illustrious career in the public service for over 30 years. Trained in both economics and law, she was involved in public work in the Ministry of Finance in the early part of her career. She was later a judge for many years, presiding over civil cases in the Subordinate Courts (now known as the State Courts) and heading the Family Court. She was Registrar of the Supreme Court from 2003 to 2008 and then Solicitor-General in the Attorney-General's Chambers from 2008 to 2014.

For her outstanding contributions to the public service, Mrs Koh was awarded the National Day Public Administration Gold Medal in 2005 and Public Administration Gold Bar Medal in 2011. As a Principal Mediator of the Singapore Mediation Centre, Mrs Koh currently mediates regularly in commercial, shareholders and matrimonial disputes.

ELSIE FOH
Director

Mrs Elsie Foh has more than 30 years of in-depth management experience in the financial services industry having held various senior management positions with DBS Bank over the course of her career, such as Managing Director as well as Chief Operating Officer of the bank's consumer banking group.

Mrs Foh has also served on the Boards of DBS Asset Management Ltd, previously the Insurance Corporation of Singapore, and DBS Finance Ltd. She was also a past Chairman and Director of the Network for Electronic Transfers (S) Pte Ltd and a member of the Public Education committee on Family. She was an alternate council member of the Association of Banks in Singapore and served as a panel member of the previous Consumer Mediation Unit (CMU).

LIM BIOW CHUAN
Director

Mr Lim Biow Chuan has been in legal practice since 1989 and is currently Managing Director of the law corporation which he set up. He was elected as a Member of Parliament (MP) for Marine Parade GRC (Mountbatten) in 2006; re-elected as the MP for Mountbatten SMC in 2011 and then again in 2015 and 2020. He was previously Deputy Speaker of Parliament between 2015 to 2020.

Mr Lim currently serves as the Chairman of the Marine Parade Town Council and sits as a member of the Government Parliamentary Committee for Ministry of Transport and Ministry of National Development. Outside Parliamentary work, he serves as President for the Consumers Association of Singapore and Honorary Adviser to Amalgamated Union of Public Employees, Singapore Engineering Merchants' Association, Singapore Pawnbrokers' Association and Singapore Lam Ann Association. He has been actively involved in community service since 1990 and was awarded the Public Service Medal (PBM) in 2001 for community service.

Profiles of Board and Management

TAN TIONG JIN CLIFTON

Director

Mr Tan Tiong Jin Clifton qualified with the Association of Chartered and Certified Accountants (ACCA) in 1980. He was subsequently conferred with the Fellowship from the ACCA (FCCA) in 1986. He has been a member of ICPAS (renamed Institute of Singapore Chartered Accountants) since 1985 and is currently the Chairman of the Chen Su Lan Methodist Children's Home amongst other appointments.

Mr Tan started his career with the public accounting firms of Ernst and Young and PwC before becoming Group Finance Manager at Scott Paper Singapore. He was headhunted to start up the Estee Lauder Companies in Singapore where he served in different capacities for 27 years before leaving the organisation as concurrently its Director, Finance & Administration, and Regional Finance Director for the Asia Pacific Travel Retailing operations. Mr Tan was previously on the Board of the Health Sciences Authority of Singapore.

TAN HOCK LYE

Director

Mr Tan Hock Lye had a career both in the public and private sectors. He was with PSA for 26 years serving 20 years as part of the senior management team while concurrently serving as CEO of the Singapore Cable Car. He joined Great Eastern Life in 1997 and served as Chief Corporate Officer and then as Managing Director (Operations). He spearheaded the obtaining of insurance licenses in China and Vietnam and was the President Commissioner of Great Eastern Indonesia. He retired at end 2008. For his services to PSA, he was awarded the Public Administration Medal (Silver) in 1989.

Mr Tan is presently on the Advisory Board of Singapore Human Resources Institute and is Honorary Treasurer of Singapore Professionals' and Executives' Co-operative.

LIM CHEE HUA, ANDREW

Director

With over 25 years of experience in the general insurance industry, Mr Andrew Lim is presently a member of the Strategic Corporate Development Committee of United Overseas Insurance Limited (UOI). Prior to UOI, he was Head of General Insurance with The Overseas Assurance Corporation Limited (renamed Great Eastern General Insurance Ltd in 2017) from 2013 to 2019. He was previously Executive Director of MSIG Insurance (Singapore) Pte Ltd.

Mr Lim was appointed to the Management Committee (MC) of General Insurance Association (GIA) from 2007 to 2013 and again from 2015 to 2019. During these periods, he served as Convenor of the Property and Marine Committee, a member of the Special Risks Pool Committee and Nomination, Appointment and Remuneration Committee, as well as Chairman of the Agents' Registration Board. He has represented GIA as a member of the National Fire & Civil Emergency Preparedness Council and National Crime Prevention Council.

PATRICK TEOW

Director (until 7 April 2020)

Mr Patrick Teow has been the Chief Executive Officer of AIA Singapore since 2015, responsible for overseeing and managing AIA's operations in the market. With a strong track record of transforming businesses onto the path of growth, his experience spans more than 34 years within the life insurance industry both locally and regionally, succeeding in key leadership roles throughout his career.

Before moving to AIA, Mr Teow spent close to 28 years at Prudential where he held the role of Regional Chief Agency Officer for Asia in his last year. He also served as the President of LIA for 2 years from March 2017.

Profiles of Board and Management

KHOR HOCK SENG

Director (from 8 April 2020)

Mr Khor Hock Seng was appointed as the Group Chief Executive Officer of Great Eastern Holdings Limited, The Great Eastern Life Assurance Company Limited and Great Eastern General Insurance Limited on 2 November 2015. He is presently Chairman of Great Eastern Financial Advisers Private Limited, Lion Global Investors Limited and Director of Great Eastern Life Assurance (Malaysia) Berhad, Great Eastern General Insurance (Malaysia) Berhad, Great Eastern Takaful Berhad and other Great Eastern group of companies.

Mr Khor has over 35 years of insurance experience in actuarial, operations, sales and marketing and general management roles. Prior to joining Great Eastern, Mr Khor was the Chief Executive Officer of Aviva Asia Pte Ltd from March 2013 to 2015.

EUNICE CHUA

Chief Executive Officer

Ms Eunice Chua has more than 13 years' experience in mediating, managing and adjudicating disputes. Prior to her appointment at FIDReC, Ms Chua was an Assistant Professor at the Singapore Management University School of Law. She remains a Research Fellow of the Singapore International Dispute Resolution Academy at the School.

Ms Chua has served as a Justices' Law Clerk and an Assistant Registrar of the Supreme Court of Singapore. While at the Supreme Court, she concurrently held appointments as a Magistrate of the State Courts and Assistant Director of the Singapore Mediation Centre. She was also the Deputy Chief Executive Officer of the Singapore International Mediation Centre and played a key role in its initial set up.

Case Study
- The Phishing Scam*

John was a young professional in his first job. He got his first credit card and linked it to an electronic wallet. A week later, he received an email supposedly from his electronic wallet provider. The email said that his account had been "restricted" and that he needed to log into the account to "verify it".

John clicked on the link in the email to "verify" his account. He followed the website instructions and keyed in his electronic wallet credentials. He then received an SMS notification of a one-time password (OTP) from his credit card bank. This notification stated: "Your … OTP Code for online purchase is XXXXXX". John proceeded to key in the code on the website thinking it was necessary to remove the restriction on his account.

Later that morning, John noticed an SMS alert from the bank. It stated that there had been a charge of EUR1,400 on his credit card by a merchant called "dumpster.com". He realised something was wrong and immediately called the bank. He reported that his electronic wallet had probably been hacked. The bank immediately cancelled John's card and issued a replacement card.

The bank also made a chargeback request on John's behalf. A chargeback is a request from the card-issuing bank to the merchant for a reversal under the dispute resolution process of the card scheme. Unfortunately, the chargeback was not successful. The bank said that John should be liable for the full amount. John refused and came to FIDReC.

When mediation was not successful, John proceeded for adjudication at FIDReC. The bank accepted that John was the victim of a phishing scam. But it said that John should not have provided his OTP for an online purchase when he was not making one. Because the bank could not get a chargeback from the merchant, John should be responsible for the full amount. John argued that he was an innocent victim and that he thought he was verifying his restricted account. Further, if the OTP SMS had stated the name of the merchant as dumpster.com, John would not have provided the OTP.

The adjudicator considered the submissions and evidence of both parties. He noted that both John and the bank were victims of a scam. John should not have provided his OTP, but the bank's OTP SMS could also have been clearer by stating the name of the merchant. The adjudicator decided that John and the bank should each bear 50% of the amount.

KEY LEARNING POINTS

- Criminals can use **phishing scams** to trick you into giving away your personal information. This may happen through, email, SMS, or phone calls.
- **Always be cautious** when you receive any email, SMS, or phone call with an alarming message requiring you to act by verifying your account.
- **Never give out your OTP** unless you are certain that it is for a transaction that you have made.
- The credit card agreement usually allows you to **limit liability for unauthorised transactions** on your card. However, this is only where you have not acted fraudulently or negligently, and you have informed the card issuer of the unauthorised transaction as soon as reasonably practicable.
- You can **enable SMS or email alerts** for all banking transactions to allow you to make a prompt report when something goes wrong.

Case Study
- When Travel Plans Go Awry*

Simon was a 69-year-old retiree. He planned to travel to a few cities in China with his wife, Cindy, in late January 2020. In November 2019, he purchased the air tickets from a budget airline. In early January 2020, Simon and Cindy saw in the news that there was an outbreak of severe pneumonia cases in Wuhan city, Hubei Province, China. They did not pay serious attention to this news because Wuhan city was not on their itinerary and they thought these cases were of a one-off nature.

As the travel date drew closer, Simon and Cindy purchased a single-trip travel insurance policy. As was their practice, they made the purchase 3 days before their scheduled departure. But on the following day, their budget airline emailed them to state that their flight to China was cancelled.

In light of the flight cancellation, Simon and Cindy were unable to continue with their trip. They proceeded to file a claim for the “Trip Cancellation” benefit under their travel insurance policy. They wanted to claim for the air tickets and accommodation they had paid for upfront. These amounted to $800 per person.

After reviewing their claim, the insurer rejected it. The insurer explained that they were not liable for the claim as the Covid-19 situation in China at the time they purchased their insurance was a known event. Further, the insurer had published on their website that any claims relating to Covid-19 for any travel insurance policies purchased after the cut-off date would not be admitted.

Both Simon and Cindy came to FIDReC after unsuccessful appeals to the insurer.

Simon and Cindy went through mediation at FIDReC. At mediation, it was pointed out that at the time of purchase of the travel insurance, the travel advisory issued by the Singapore Government only referred to Wuhan city and not to other parts of China. The insurer also acknowledged that Simon and Cindy may not have been aware of their website announcement. The insurer offered to settle the dispute on a goodwill basis for $120 per person. This being a refund of the premiums paid with a nominal deduction for administrative charges. Both Simon and Cindy accepted and entered into a written settlement with the insurer.

KEY LEARNING POINTS

- **Buy your travel insurance early.** The future is unpredictable and unexpected situations can happen anytime. If you are purchasing a single-trip travel insurance policy, you can mitigate your risk by doing so as soon as you have confirmed your trip.

- For frequent travellers who have an **annual travel insurance policy**, ensure that your insurance policy is still in force and the effective coverage period covers the entire period of your trip. You may not be covered under the insurance policy if it expires during your trip.

- Before purchasing your travel insurance policy, **always shop around first**. Although many travel insurance policies provide similar cover, the scope and ambit of the cover may differ.

- **Pay attention to the Terms and Conditions of the insurance policy**. Some travel insurance policies may not cover certain situations or events. Choosing a suitable travel insurance policy will help to minimise your inconveniences and losses.

- **Before filing the claim**, make sure that you have all the documents required by the financial institution. The required documents are generally listed in their claim form or their website.

- In most cases, the financial institution will need you to show **documentary proof** that the claims you are making will not be refunded. It is prudent to get this written confirmation before submitting your claim.

* *These case studies have been modified so as not to identify any actual cases at FIDReC. They are provided for purposes of learning and are not necessarily indicative of outcomes at FIDReC.*

Detailed Statistics

PROGRESS OF FIDREC

FY 2019/20 (1 July 2019 to 30 June 2020)

CASES AND INQUIRIES RECEIVED BY FIDREC	
Number of cases received by FIDReC (via email, post, fax and phone) *	1,227
Number of inquiries handled by FIDReC	7,049

CLAIMS RECEIVED AND HANDLED BY FIDREC	
Number of claims received by FIDReC*	1,227
Number of claims accepted (which were at the Pre-Acceptance Stage in the previous financial year)**	3
Number of claims handled by FIDReC*	1,188
Number of claims referred back to Financial Institutions (FI)	16
Number of claims outside jurisdiction	23
Number of claims at Pre-Acceptance Stage	3

* In the period from 1 July 2019 to 30 June 2020, FIDReC received 1,227 claims. Out of these 1,227 claims, 42 were either referred back to FI, outside FIDReC jurisdiction or were at the Pre-Acceptance Stage. In addition, FIDReC handled another 3 claims which were at the Pre-Acceptance Stage in the previous financial year. Accordingly, a total of 1,188 claims were handled by FIDReC.

** These claims were lodged in the preceding periods.

STATUS

STATUS	CLAIMS+	INQUIRIES
Completed by FIDReC	1,018	7,049
Pending (as at 30 June 2020)	615	-
Referred to FI	16	-
Out of jurisdiction	23	-
Pre-Acceptance Stage	3	-
Total	1,675	7,049

\+ These figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020.

TURNAROUND TIME FOR CLAIMS RESOLVED BY FIDREC*

TURNAROUND TIME^	CLAIMS COMPLETED BY FIDREC
Within three months	45.38%
Within six months	89.00%
Within nine months	98.62%
More than nine months	1.38 %

Accordingly, 89.00% of claims are completed within six months, and 98.62% are completed within nine months.

^ Turnaround Time tracks the period from the date a claim is filed to its completion at mediation or the reading of the grounds of decision where the claim is adjudicated. The time between completion of mediation and commencement of adjudication is excluded.

OUTCOME OF COMPLAINTS	
Number of claims completed by mediation	822
Number of adjudicated claims where awards were made	38
Number of adjudicated claims where no awards were made	158
Total number of adjudicated claims	196

Detailed Statistics

PERIOD: 1 JULY 2019 TO 30 JUNE 2020

Breakdown by Nature of Claims

	CLAIMS HANDLED						CLAIMS COMPLETED#			
BLOCK*	FINANCIAL INSTITUTIONS' PRACTICE/ POLICIES	MARKET CONDUCT	SERVICE STANDARDS	OTHERS	TOTAL	%	NO. OF CLAIMS COMPLETED BY MEDIATION	NO. OF CLAIMS ADJUDICATED (AWARDS MADE)	NO. OF CLAIMS ADJUDICATED (NO AWARDS MADE)	NO. OF CLAIMS PENDING AS AT 30 JUNE 2020
A	62	207	106	156	531	44.70%	326	18	79	379
B	138	150	28	0	316	26.60%	272	3	48	89
C	234	1	8	0	243	20.45%	169	11	19	85
D	2	2	49	0	53	4.46%	25	0	7	37
E	2	41	2	0	45	3.79%	30	6	5	25
Total	438	401	193	156	1,188	100.00%	822	38	158	615
%	36.87%	33.75%	16.25%	13.13%	100.00%					

*** Notes :**

Block A - Banks and Finance Companies
Block B - Life and Composite Insurers
Block C - General and Composite Insurers
Block D - Capital Markets Services Licensees
Block E - Licensed Financial Advisers and Insurance Intermediaries

These figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020

Detailed Statistics

PERIOD: 1 JULY 2019 TO 30 JUNE 2020

(Breakdown by Nature of Claims) - Category A

BREAKDOWN OF CLAIMS	CLAIMS HANDLED: NO. OF CLAIMS	CLAIMS HANDLED: %	CLAIMS COMPLETED#: NO. OF CLAIMS COMPLETED BY MEDIATION	CLAIMS COMPLETED#: NO. OF CLAIMS ADJUDICATED (AWARDS MADE)	CLAIMS COMPLETED#: NO. OF CLAIMS ADJUDICATED (NO AWARDS MADE)	NO. OF CLAIMS PENDING AS AT 30 JUNE 2020
Financial Institutions' Practice / Policies						
Debt restructuring	2	0.38%	2	0	0	2
Disputes on claim amount awarded	2	0.38%	3	0	0	1
Disputes on liability	3	0.56%	4	0	0	1
Non-renewal of services/ underwriting	10	1.88%	1	0	0	9
Other contractual matters	2	0.38%	3	0	0	0
Policy values and investment returns	2	0.38%	1	0	1	2
Pricing policies / premiums / interest rates / fees & charges	41	7.72%	27	0	5	19
Rejection of new applications / underwriting decisions	0	0.00%	0	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	62	11.68%	41	0	6	34
Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	179	33.71%	110	5	34	186
Other misconduct	2	0.38%	0	0	0	2
Unauthorised transactions / fraud / forgery	26	4.90%	14	1	0	13
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	207	38.98%	124	6	34	201
Service Standards						
Delay / Failure in processes	102	19.21%	68	2	24	49
Staff-related issues	4	0.75%	4	0	0	2
Sub-Total for : Service Standards	106	19.96%	72	2	24	51
Others						
Others - Fraud/ Unauthorised transactions/ Scam	156	29.38%	89	10	15	93
Sub-Total for : Others	156	29.38%	89	10	15	93
Grand Total for All Nature of Claims	531	100.00%	326	18	79	379

These figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020

Detailed Statistics

PERIOD: 1 JULY 2019 TO 30 JUNE 2020

(Breakdown by Nature of Claims) - Category B

BREAKDOWN OF CLAIMS	CLAIMS HANDLED: NO. OF CLAIMS	CLAIMS HANDLED: %	CLAIMS COMPLETED#: NO. OF CLAIMS COMPLETED BY MEDIATION	CLAIMS COMPLETED#: NO. OF CLAIMS ADJUDICATED (AWARDS MADE)	CLAIMS COMPLETED#: NO. OF CLAIMS ADJUDICATED (NO AWARDS MADE)	NO. OF CLAIMS PENDING AS AT 30 JUNE 2019
Financial Institutions' Practice / Policies						
Disputes on claim amount awarded	8	2.53%	5	0	2	5
Disputes on liability	58	18.35%	63	0	3	26
General industry feedback	0	0.00%	0	0	0	0
Non-renewal of services / underwriting	14	4.43%	10	0	2	6
Other contractual matters	3	0.95%	1	0	0	2
Policy values and investment returns	47	14.87%	27	0	14	14
Pricing policies / premiums / interest rates / fees & charges	7	2.22%	5	0	4	2
Rejection of new applications / underwriting decisions	1	0.32%	1	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	138	43.67%	112	0	25	55
Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	149	47.15%	136	3	14	26
Issues on fitness and propriety of licensees / regulated persons	0	0.00%	0	0	0	0
Other misconduct	0	0.00%	0	0	0	0
Unauthorised transactions / fraud / forgery	1	0.32%	0	0	0	1
Sub-Total for : Market Conduct	150	47.47%	136	3	14	27
Service Standards						
Delay / Failure in processes	27	8.54%	23	0	9	6
Staff-related issues	1	0.32%	1	0	0	1
Sub-Total for : Service Standards	28	8.86%	24	0	9	7
Others						
Others	0	0.00%	0	0	0	0
Sub-Total for : Others	0	0.00%	0	0	0	0
Grand Total for All Nature of Claims	316	100.00%	272	3	48	89

These figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020

Detailed Statistics

PERIOD: 1 JULY 2019 TO 30 JUNE 2020

(Breakdown by Nature of Claims) - Category C

	CLAIMS HANDLED		CLAIMS COMPLETED#			
BREAKDOWN OF CLAIMS	**NO. OF CLAIMS**	**%**	**NO. OF CLAIMS COMPLETED BY MEDIATION**	**NO. OF CLAIMS ADJUDICATED (AWARDS MADE)**	**NO. OF CLAIMS ADJUDICATED (NO AWARDS MADE)**	**NO. OF CLAIMS PENDING AS AT 30 JUNE 2020**
Financial Institutions' Practice / Policies						
Disputes on claim amount awarded	38	15.64%	25	3	2	13
Disputes on liability	192	79.01%	129	8	17	68
Non-renewal of services / underwriting	2	0.82%	4	0	0	1
Other contractual matters	0	0.00%	0	0	0	0
Pricing policies / premiums / interest rates / fees & charges	2	0.82%	0	0	0	2
Rejection of new applications / underwriting decisions	0	0.00%	0	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	234	96.30%	158	11	19	84
Market Conduct						
Inappropriate advice / misrepresentation / disclosure issues	1	0.41%	2	0	0	1
Unauthorised transactions / fraud / forgery	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	1	0.41%	2	0	0	1
Service Standards						
Delay / Failure in processes	8	3.29%	9	0	0	0
Sub-Total for : Service Standards	8	3.29%	9	0	0	0
Grand Total for All Nature of Claims	243	100.00%	169	11	19	85

These figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020

Detailed Statistics

PERIOD: 1 JULY 2019 TO 30 JUNE 2020

(Breakdown by Nature of Claims) - Category D

	CLAIMS HANDLED		CLAIMS COMPLETED#			
BREAKDOWN OF CLAIMS	**NO. OF CLAIMS**	**%**	**NO. OF CLAIMS COMPLETED BY MEDIATION**	**NO. OF CLAIMS ADJUDICATED (AWARDS MADE)**	**NO. OF CLAIMS ADJUDICATED (NO AWARDS MADE)**	**NO. OF CLAIMS PENDING AS AT 30 JUNE 2020**
Financial Institutions' Practice / Policies						
Disputes on liability	0	0.00%	0	0	0	0
Non-renewal of services / underwriting	0	0.00%	3	0	1	0
Other contractual matters	0	0.00%	0	0	0	0
Policy values and investment returns	0	0.00%	0	0	0	0
Pricing policies / premiums / interest rates / fees & charges	2	3.77%	0	0	0	2
Sub-Total for : Financial Institutions' Practice / Policies	2	3.77%	3	0	1	2
Market Conduct						
Inappropriate advice / misrepresentation / disclosure issues	2	3.77%	1	0	0	1
Other misconduct	0	0.00%	0	0	1	0
Unauthorised transactions / fraud / forgery	0	0.00%	3	0	0	0
Sub-Total for : Market Conduct	2	3.77%	4	0	1	1
Service Standards						
Delay / Failure in processes	49	92.45%	18	0	3	34
Staff-related issues	0	0.00%	0	0	0	0
Sub-Total for : Service Standards	49	92.45%	18	0	3	34
Others						
Others - Fraud/ Unauthorised transactions	0	0.00%	0	0	2	0
Sub-Total for : Others	0	0.00%	0	0	2	0
Grand Total for All Nature of Claims	53	100.00%	25	0	7	37

These figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020

Detailed Statistics

PERIOD: 1 JULY 2019 TO 30 JUNE 2020

(Breakdown by Nature of Claims) - Category E

	CLAIMS HANDLED		CLAIMS COMPLETED#			
BREAKDOWN OF CLAIMS	**NO. OF CLAIMS**	**%**	**NO. OF CLAIMS COMPLETED BY MEDIATION**	**NO. OF CLAIMS ADJUDICATED (AWARDS MADE)**	**NO. OF CLAIMS ADJUDICATED (NO AWARDS MADE)**	**NO. OF CLAIMS PENDING AS AT 30 JUNE 2020**
Financial Institutions' Practice / Policies						
Disputes on liability	2	4.44%	0	0	0	2
Sub-Total for : Financial Institutions' Practice / Policies	2	4.44%	0	0	0	2
Market Conduct						
Inappropriate advice / misrepresentation / disclosure issues	41	91.11%	28	5	5	23
Other misconduct	0	0.00%	0	0	0	0
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Unathorised transactions/ fraud/ forgery	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	41	91.11%	28	5	5	23
Service Standards						
Delay / Failure in processes	1	2.22%	1	1	0	0
Staff-related issues	1	2.22%	1	0	0	0
Sub-Total for : Service Standards	2	4.44%	2	1	0	0
Grand Total for All Nature of Claims	45	100.00%	30	6	5	25

These figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020

Detailed Statistics

OUTCOME DISTRIBUTION:

	TOTAL COMPLETION		
	TOTAL NO. OF CLAIMS	COMPLETION AT MEDIATION %	COMPLETION AT ADJUDICATION % *
Category A	423	77.07%	22.93%
Category B	323	84.21%	15.79%
Category C	199	84.92%	15.08%
Category D	32	78.13%	21.88%
Category E	41	73.17%	26.83%
Total	1,018	80.75%	19.25%

	COMPLETION AT MEDIATION				
	NO. OF CLAIMS	WITH SETTLEMENT	WITHOUT SETTLEMENT	WITH SETTLEMENT %	WITHOUT SETTLEMENT %
Category A	326	168	158	51.53%	48.47%
Category B	272	120	152	44.12%	55.88%
Category C	169	107	62	63.31%	36.69%
Category D	25	7	18	28.00%	72.00%
Category E	30	26	4	86.67%	13.33%
Total	822	428	394	52.07%	47.93%

	COMPLETION AT ADJUDICATION*				
	NO. OF CLAIMS	AWARD MADE	NO AWARD	AWARD MADE %	NO AWARD %
Category A	97	18	79	18.56%	81.44%
Category B	51	3	48	5.88%	94.12%
Category C	30	11	19	36.67%	63.33%
Category D	7	0	7	0.00%	100.00%
Category E	11	6	5	54.55%	45.45%
Total	196	38	158	19.39%	80.61%

* excluding those claims referred for adjudication but hearings were aborted

Categories of Claims

NATURE OF DISPUTE	DEFINITIONS / EXAMPLES
<u>Service Standards</u>	
Staff-related issues	Dissatisfaction with FI's standard of service (e.g. rude or incompetent staff); Mistake or oversight by staff.
Delay / failure in processes	Delay or inability of FI to perform certain services due to system problems or inflexible procedures. Delays in processing and settlement of insurance claims should be included here.
General industry feedback	General feedback on service standards of the financial services industry, not targeted at any particular FI.
<u>Financial Institutions Practice / Policies</u>	
Pricing policies / premiums / interest rates / fees & charges	Disputes over interest rates on credit facilities, savings accounts and other banking facilities; insurance premiums; and fees & charges of investment products and services (e.g. subscription fees, fees and charges for opening of accounts etc.).
Policy values & investment returns	Lower policy values (including bonus cuts, dividends etc); Poor investment returns (not relating to misrepresentation by adviser).
Disputes on liability	FI has repudiated liability but complainant argues that it is a valid claim.
Disputes on claim amount awarded	Complainant is unhappy with the claim amount awarded.
Other contractual matters	Disputes relating to the terms & conditions of contractual agreements (except pricing matters, which should be classified under "Pricing Policies").
Rejection of new applications / underwriting decisions (new applications)	Disputes over FI's assessment / underwriting decisions leading to a rejection of new applications for credit cards, loans, insurance policies and other financial products and services.
Non-renewal of services / underwriting decisions (renewal)	Disputes over FI's assessment / underwriting decisions leading to FI's refusal to renew existing insurance policies or other financial products or services, or inclusion by FI of additional costs or exclusion clauses in view of higher claims / higher risks assumed (except matters on pricing / premiums, which should be classified under "Pricing Policies").
Debt Restructuring	Appeals to have debts restructured due to complainants' inability to service their debts.
General industry feedback	General feedback on commercial practices and business decisions of the financial services industry, not targeted at any particular FI.

Categories of Claims

NATURE OF DISPUTE	DEFINITIONS / EXAMPLES
Market Conduct	
Unauthorised transactions / fraud / forgery	Allegations of unauthorised / dishonest transactions by FIs / FI's staff and cases of cheating & fraud.
Inappropriate advice / misrepresentation / disclosure issues	Making recommendations without due consideration to the client's financial objectives, financial situation and particular needs (insufficient explanation of product features / risks or insufficient fact-find analysis); Making deceptive, false and misleading statements; Not making full and / or adequate disclosure of all facts for clients to make an informed decision.
Unregulated / unlicensed activities	Unlicensed persons carrying on licensable activities; Regulated entities carrying on activities without proper licence / authorisation.
Issues on fitness and propriety of licensees / regulated persons	Claims about the integrity / fitness and propriety of licensees / persons providing financial advisory services.
Aggressive sales tactics	Aggressive product pushing and marketing of financial products and services; Nuisance calls and hard selling by advisers.
Other misconduct	Misconduct other than those described above. Examples of such misconduct include 'pooling' (Agent A submits a new application under Agent B in order to help Agent B reach his quota), 'financing' (Agent is subsidising the payment of premiums for policyholder in order to close sales and achieve production quota), 'phantom policy' (Agent submits proposal using fictitious policyholder name in order to achieve production quota) and 'replacement of policy'.
General industry feedback	General feedback on market conduct issues relevant to the financial services industry including unfair / unethical practices undertaken by industry as a whole (e.g. cartel pricing).
Enquiries	General enquiries on procedures for filing a dispute, when to file a dispute, operating hours etc.
Others	Other types of disputes not listed above.

Financial Industry Disputes Resolution Centre Limited

(Registration No: 200502125D)

Statement By Directors And Financial Statements
Year Ended 30 June 2020

Statement by Directors and Financial Statements

Statement by Directors

The directors of the company are pleased to present the audited financial statements of the company for the reporting year ended 30 June 2020.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company for the reporting year covered by the financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Han Juat Jong	(Chairman)
Low Elsie	
Lim Biow Chuan	
Tan Tiong Jin Clifton	
Tan Hock Lye	
Lim Chee Hua, Andrew	
Khor Hock Seng	(Appointed on 8 April 2020 as Alternate Director to Lim Chee Hua, Andrew)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

The company is a company limited by guarantee and has no share capital.

4. OPTIONS

The company is a company limited by guarantee. As such, there are no share options or unissued shares of the company under option.

Statement by Directors

5. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On behalf of the directors

Han Juat Jong	**Low Elsie**
Director	Director

11 November 2020

Independent Auditor's Report

to the Members of FINANCIAL INDUSTRY DISPUTES RESOLUTION CENTRE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Financial Industry Disputes Resolution Centre Limited (the "company"), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and the Financial Reporting Standards (FRS) so as to give a true and fair view of the financial position of the company as at 31 December 2019 and of the financial performance, changes in accumulated fund and cash flows of the company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in statement by directors and the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

to the Members of FINANCIAL INDUSTRY DISPUTES RESOLUTION CENTRE LIMITED

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Independent Auditor's Report

to the Members of FINANCIAL INDUSTRY DISPUTES RESOLUTION CENTRE LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Other matters

The financial statements for the reporting year ended 30 June 2019 were audited by other independent auditor whose report dated 11 November 2020 expressed an unqualified opinion on those financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Tay Hui Jun, Sabrina.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

11 November 2020

Engagement partner - effective from year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

Year Ended 30 June 2020

	Notes	2020 $	2019 $
Revenue	4	3,639,940	3,393,359
Other operating income	5	212,554	48,152
Total income		3,852,494	3,441,511
Expenditure:			
Adjudicator fees		(114,700)	(117,300)
Depreciation of plant and equipment	8	(36,318)	(118,973)
Depreciation of right-of-use assets	15	(437,448)	-
Directors' remuneration / honorarium	3	(86,000)	(86,000)
Employee benefits expense	6	(1,995,066)	(2,174,530)
Finance cost	15	(137,497)	(694)
Insurance		(28,301)	(24,774)
Office maintenance		(162,235)	(120,509)
Office rental expense		-	-
Professional fees		(329,332)	(163,042)
Security services		(39,600)	(50,850)
Training and courses		(12,026)	(30,641)
Other administrative expenses		(220,957)	(727,789)
Total expenditure		(3,599,480)	(3,615,102)
Surplus / (deficit) before income tax		253,014	(173,591)
Income tax expense	7	-	-
Net surplus / (deficit), representing total comprehensive income / (loss) for the financial year		253,014	(173,591)

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 30 June 2020

	Notes	2020 $	2019 $
ASSETS			
Non-current assets			
Plant and equipment	8	32,489	52,031
Right-of-use assets	15	1,968,515	-
Total non-current assets		2,001,004	52,031
Current assets			
Trade and other receivables	9	56,953	47,579
Other non-financial assets	10	185,189	174,537
Cash and cash equivalents	11	2,769,985	2,412,712
Total current assets		3,012,127	2,634,828
Total assets		5,013,131	2,686,859
FUND AND LIABILITIES			
Fund			
Accumulated surplus		2,246,617	1,993,603
Total fund		2,246,617	1,993,603
Non-current liabilities			
Provision	13	165,000	165,000
Financial liabilities - lease liabilities	15	1,629,927	8,139
Total non-current liabilities		1,794,927	173,139
Current liabilities			
Trade and other payables	14	565,817	517,249
Financial liabilities - lease liabilities	15	405,770	2,868
Total current liabilities		971,587	520,117
Total liabilities		2,766,514	693,256
Total fund and liabilities		5,013,131	2,686,859

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Accumulated Fund

Year Ended 30 June 2020

	Accumulated surplus $
Current year:	
As at 1 July 2019	1,993,603
Net surplus, representing total comprehensive income for the financial year	253,014
Balance as at 30 June 2020	2,246,617
Previous year:	
As at 1 July 2018	2,167,194
Net deficit, representing total comprehensive loss for the financial year	(173,591)
Balance as at 30 June 2019	1,993,603

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

Year Ended 30 June 2020

	2020 $	2019 $
Cash flows from operating activities		
Surplus / (Deficit) before income tax	253,014	(173,591)
Adjustment for:		
Depreciation of plant and equipment	36,318	118,973
Depreciation of right-of-use assets	437,448	-
Interest income	(16,270)	(17,163)
Interest expense	137,497	2,884
Operating cash flows before changes in working capital	848,007	(68,897)
Trade and other receivables	(9,374)	(7,453)
Other non-financial assets	(10,652)	(989)
Trade and other payables	48,568	207
Net cash flows from operations	876,549	(77,132)
Income taxes paid	-	-
Interest paid	-	(2,190)
Net cash flows from / (used in) operating activities	876,549	(79,322)
Cash flows from investing activities		
Interest received	16,270	17,163
Purchase of plant and equipment	(16,776)	(10,540)
Net cash flows (used in) / from investing activities	(506)	6,623
Cash flows from financing activities		
Lease liabilities - principal portion paid	(381,273)	(2,712)
Lease liabilities - interest paid	(137,497)	(694)
Net cash flows used in financing activities	(518,770)	(3,406)
Net increase / (decrease) in cash and cash equivalents	357,273	(76,105)
Cash and cash equivalents, statement of cash flows, beginning balance	2,412,712	2,488,817
Cash and cash equivalents, statement of cash flows, ending balance (Note 11)	2,769,985	2,412,712

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

Year Ended 30 June 2020

1. GENERAL

The company is incorporated in Singapore as a company limited by guarantee. The financial statements are presented in Singapore dollars.

Each member of the company has undertaken to contribute such amounts not exceeding $1 to the assets of the company in the event the company is wound up and the monies are required for payment of the liabilities of the company. The company had 2 (2019: 2) members at the end of the reporting year.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities are to act as independent and impartial institution specialising in the resolution of disputes between financial institutions and complaints.

The registered office is: 36 Robinson Road #15-01, City House, Singapore 068877. The principal place of business is in Singapore.

Statement of compliance with financial reporting standards

The financial statements of the company have been prepared in accordance with the Singapore Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Notes to the Financial Statements
Year Ended 30 June 2020

1. GENERAL (CONT'D)

Covid-19 pandemic and the aftermath

The Covid-19 pandemic and the aftermath of the pandemic globally forced to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by the governments to contain the spread of Covid-19, including travels, social distancing and closure of non-essential services. This resulted in an economic slowdown, which have adversely impacted on the business of the reporting entity. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets or valuation of certain assets and liabilities reflected in these financial statements. An assessment was made by management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). The recoverability of the assets and the ability of the entity to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by Singapore and the affected countries overseas to successfully meet those economic challenges. As the pandemic continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the entity's businesses and the countries where the reporting entity operates.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Income recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Case fees: Revenue for levy and case fees are recognised when the services have been performed and rendered.

Other income

Interest income is recognised using the effective interest method.

Notes to the Financial Statements

Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority.

Notes to the Financial Statements

Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Income tax

The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for leasehold improvements and certain leased assets, the shorter lease term). The annual rates of depreciation are as follows:

Furniture and fittings	-	3 years
Office equipment	-	3 years
Computers and software	-	3 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 13 on non-current provision.

Notes to the Financial Statements

Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment. The right-of-use assets are depreciated over 5.5 years.

Leases as lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements

Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments

Initial recognition, measurement and derecognition:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment classified as measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Notes to the Financial Statements

Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Notes to the Financial Statements

Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Key management compensation:

	2020 $	2019 $
Directors' remuneration / honorarium	86,000	86,000
Salaries and other short-term employee benefits	708,196	1,013,246
Contributions to defined contribution plan	38,304	32,562
	832,500	1,131,808

Key management personnel are the directors, chief executive officer and the senior officers having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

Notes to the Financial Statements

Year Ended 30 June 2020

4. REVENUE

	2020 $	2019 $
Levy from subscriber financial institutions	3,435,940	3,240,105
Case fees from subscriber financial institutions and complaints	204,000	153,254
	3,639,940	3,393,359

The service revenue is recognised based on point in time. The customers are financial institutions in Singapore.

5. OTHER OPERATING INCOME

	2020 $	2019 $
Government grants	192,964	30,989
Interest income from fixed deposits	16,270	17,163
Other income	3,320	-
	212,554	48,152

6. EMPLOYEE BENEFITS EXPENSE

	2020 $	2019 $
Short term employee benefits expense	1,786,707	1,962,482
Contributions to defined contribution plan	208,359	212,048
Total employee benefits expense	1,995,066	2,174,530

Notes to the Financial Statements
Year Ended 30 June 2020

7. INCOME TAX EXPENSE

7A. Components of tax expense (income) recognised in profit or loss include:

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2019: 17%) to surplus / (deficit) before income tax as a result of the following differences:

	2020 $	2019 $
Surplus / (Deficit) before income tax	253,014	(173,591)
Income tax expense / (income) at the above rate	43,012	(29,510)
Expenses not deductible for tax purposes	10,812	1,612
Unrecognised deferred tax assets - (decrease)/increase	(53,824)	27,898
Total income tax (credit) / expense	-	-

7B. Deferred tax expense (income) recognised in profit or loss includes:

	2020 $	2019 $
Excess of tax over book depreciation on plant and equipment	4,519	(19,667)
Provisions	(6,196)	10,604
Unutilised capital allowance	33,841	2,825
Tax losses carryforward	21,660	(21,660)
Unrecognised deferred tax assets	(53,824)	27,898
	-	-

7C. Deferred tax balance in the statement of financial position:

	2020 $	2019 $
Excess of tax over book depreciation on plant and equipment	9,911	14,430
Provisions	11,724	5,528
Unutilised capital allowance	13,639	47,480
Tax losses carryforward	-	21,660
Unrecognised deferred tax assets	(35,274)	(89,098)
	-	-

The above deferred tax assets for the tax losses that have not been recognised as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law.

Notes to the Financial Statements

Year Ended 30 June 2020

8. PLANT AND EQUIPMENT

	Furniture and fittings $	Office equipment $	Computers and software $	Total $
Cost:				
At 1 July 2018	626,831	163,569	420,852	1,211,252
Additions	-	-	10,540	10,540
At 30 June 2019	626,831	163,569	431,392	1,221,792
Additions	-	-	16,776	16,776
Disposals	-	(64,459)	(94,458)	(158,917)
At 30 June 2020	626,831	99,110	353,710	1,079,651
Accumulated depreciation:				
At 1 July 2018	546,259	136,188	368,341	1,050,788
Depreciation charge	78,535	14,137	26,301	118,973
At 30 June 2019	624,794	150,325	394,642	1,169,761
Depreciation charge	2,037	9,365	24,916	36,318
Disposals	-	(64,459)	(94,458)	(158,917)
At 30 June 2020	626,831	95,231	325,100	1,047,162
Carrying value:				
At 1 July 2018	80,572	27,381	52,511	160,464
At 30 June 2019	2,037	13,244	36,750	52,031
At 30 June 2020	-	3,879	28,610	32,489

Certain items are under finance lease agreement (see Note 15).

Notes to the Financial Statements

Year Ended 30 June 2020

9. TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Trade receivables:		
Outside parties	-	2,814
Unbilled receivables	44,150	38,750
	44,150	41,564
Other receivables:		
Outside parties	12,803	6,015
Total trade and other receivables	56,953	47,579

These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

The average credit period on trade receivables is 30 days (2019: 30 days).

Other receivables are normally with no fixed terms and therefore there is no maturity.

10. OTHER NON-FINANCIAL ASSETS

	2020 $	2019 $
Deposits to secure services	155,513	155,513
Prepayments	29,676	19,024
	185,189	174,537

Notes to the Financial Statements

Year Ended 30 June 2020

11. CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Not restricted in use	2,769,985	2,412,712

The interest earning balances are not significant.

11A. Reconciliation of liabilities arising from financing activities:

	2019 $	Cash flows $	Non-cash changes $	2020 $
Lease liabilities	11,007	(518,770)	2,543,460	2,035,697
Total liabilities from financing activities	11,007	(518,770)	2,543,460	2,035,697

(a) Arising from initial adoption of FRS 116 Leases (see Note 15).

	2018 $	Cash flows $	Non-cash changes $	2019 $
Other financial liabilities	13,719	(3,406)	694	11,007
Total liabilities from financing activities	13,719	(3,406)	694	11,007

12. CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to support its business. In order to maintain or achieve an optimal capital structure, the company needs to ensure profitability by consciously obtaining general levy and supplementary levy from financial institutions.

The company regards the accumulated surplus as its capital.

The company is not subject to any externally imposed capital requirements. The company's overall strategy remains unchanged since the last financial year ended 30 Jun 2019. No changes were made in the objectives, policies or processes during the years ended 30 June 2020 and 30 June 2019.

Notes to the Financial Statements

Year Ended 30 June 2020

13. PROVISION

	2020 $	2019 $
Provision for dismantling	165,000	165,000

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased premises. The estimate is based on a quotation from external contractor.

14. TRADE PAYABLES

	2020 $	2019 $
Outside parties and accrued liabilities	565,817	517,249

15. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

The leases are for office space and office equipment. The lease contracts are for a fixed period of 3 to 5 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreement does not impose any covenants, but leased assets may not be used as security for borrowing purposes.

At the date of transition to the new standard on leases, management elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition (applied to leases previously classified as finance leases or operating leases). The lease liability does not include the short-term leases and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Notes to the Financial Statements

Year Ended 30 June 2020

15. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS (CONT'D)

The right-of-use assets and lease liabilities are in the statement of financial position. The movements are as follows:

	Right-of-use asset $	Lease liabilities $
At 1 July 2019	2,405,963	2,416,970
Accretion of interest	-	137,497
Lease payments - principal portion paid	-	(381,273)
Interest paid	-	(137,497)
Accumulated depreciation:		
At 1 July 2019	-	-
Depreciation for the year	(437,448)	-
Carrying value:		
At 1 July 2019	2,405,963	2,416,970
At 30 June 2020	1,968,515	2,035,697

Lease liabilities are presented in the statement of financial position as follows:

	2020 $	2019 $
Lease liabilities, current	405,770	2,868
Lease liabilities, non-current	1,629,927	8,139
Total lease liabilities	2,035,697	11,007

The new standard on leases has been applied using the modified retrospective transition approach. Therefore, no comparative amounts for the year ended 30 June 2019 are presented.

On transition to the new standard on leases the weighted average incremental borrowing rate applied to lease liabilities recognised was 6.25%. The finance lease, the right-of-use asset and lease liability before the date of initial application are measured at the same amounts as under the new standard.

The obligations under finance leases of $8,139 (2019: $11,007) are secured by a legal charge over the leased assets.

Notes to the Financial Statements

Year Ended 30 June 2020

15. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS (CONT'D)

Reconciliation of lease commitments and lease liability at the date of initial application:

	2020 $
Operating lease commitments as at 30 June 2019	1,546,128
Other minor adjustments	(257,688)
Subtotal - Operating lease liabilities before discounting	1,288,440
Discounted using incremental borrowing rate	(296,304)
Operating lease liabilities, net	992,136
Reasonably certain extension options	1,413,827
Finance lease obligations recognised as at 30 June 2019	11,007
Total lease liabilities recognised at 1 July 2019	2,416,970

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	Minimum payments	Finance charges	Present value
2020			
Minimum lease payments payable:			
Not later than one year	518,759	(112,989)	405,770
Between 2 to 5 years	1,809,150	(179,223)	1,629,927
Total	2,327,909	(292,212)	2,035,697
Net book value of plant and equipment under finance lease			2,878
Net book value of right-of-use assets			1,968,515
2019			
Minimum lease payments payable:			
Not later than one year	3,394	(526)	2,868
Between 2 to 5 years	8,718	(579)	8,139
Total	12,112	(1,105)	11,007
Net book value of plant and equipment under finance lease			7,812

The carrying amount is a reasonable approximation of the fair value (Level 2).

Finance lease liabilities were reclassified to lease liabilities on 1 July 2019 arising from the adoption of FRS 16.

Notes to the Financial Statements

Year Ended 30 June 2020

16. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

16A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2020 $	2019 $
Financial assets:		
Financial assets at amortised cost	2,826,938	2,460,291
At end of year	2,826,938	2,460,291
Financial liabilities:		
Financial liabilities at amortised cost	2,601,514	528,256
At end of year	2,601,514	528,256

Further quantitative disclosures are included throughout these financial statements.

16B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising currency risk. Management has certain practices for the management of financial risks. However, these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices. There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

16C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

Notes to the Financial Statements

Year Ended 30 June 2020

16. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

16D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counterparties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12-month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

16E. Liquidity risk - financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	Less than 1 year	Within 2 to 5 years	Total
	$	$	$
Non-derivative financial liabilities:			
2020:			
Gross lease liabilities	518,759	1,809,150	2,327,909
Trade and other payables	565,817	-	565,817
At end of the year	1,084,576	1,809,150	2,893,726

	Less than 1 year	Within 2 to 5 years	Total
	$	$	$
Non-derivative financial liabilities:			
2019:			
Other financial liabilities	2,868	8,139	11,007
Trade and other payables	517,249	-	517,249
At end of the year	520,117	8,139	528,256

Notes to the Financial Statements

Year Ended 30 June 2020

16. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

16E. Liquidity risk - financial liabilities maturity analysis (cont'd)

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2019: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

16F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

	2020 $	2019 $
Financial liabilities with interest:		
Fixed rates	2,035,696	11,007
Total at end of the year	2,035,696	11,007

The interest rate is disclosed at the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant

17. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements except as disclosed in Notes 15 and 19.

FRS No.	Title
FRS 116	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)
INT FRS 123	Uncertainty over Income Tax Treatments
FRS 12	Improvements (2017) – Amendments: Income Taxes

Notes to the Financial Statements

Year Ended 30 June 2020

18. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1 and 8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting	1 January 2020
FRS 116	Amendment to FRS 116: COVID-19 Related Rent Concessions	1 June 2020

19. CHANGES IN ACCOUNTING POLICIES

Leases:

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee almost all leases are brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the entity has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted (debits / (credits)) in the current reporting year 2019 by the application of the new standard on leases are disclosed in the relevant notes to the financial statements. The reporting entity elected to apply the modified retrospective approach for this standard new standard on leases. Under the modified retrospective approach the comparative information is not restated and therefore there is no presentation of a third column for the statement of financial position.

Notes to the Financial Statements

Year Ended 30 June 2020

20. COMPARATIVE FIGURES

The financial statements for the reporting year ended 30 June 2019 were audited by other independent auditor whose report dated 7 October 2019 expressed an unqualified opinion on those financial statements.

21. RECLASSIFICATION

Reclassifications have been made to the prior year's statement of financial activities to enhance comparability with current year's classifications. There are no changes to other components of the financial statements. The changes were for some splits or regrouping in the statement of financial activities, but these did not affect the statement of financial position. Accordingly, a statement of financial position as at the beginning of the earliest comparative period is not presented.

Financial Industry Disputes Resolution Centre Limited

The Accompanying Supplementary Statement of Profit or Loss

Has Been Prepared for Management Purposes Only

and Does Not Form Part of the Audited Financial Statements

Supplementary Statement of Profit or Loss

Year Ended 30 June 2020

	2020 $	2019 $
Revenue	3,639,940	3,393,359
Other operating income	212,554	48,152
	3,852,494	3,441,511
Expenditure:-		
Adjudicator fees	(114,700)	(117,300)
Depreciation of plant and equipment	(36,318)	(118,973)
Depreciation of right-of-use assets	(437,448)	-
Directors' remuneration / honorarium	(86,000)	(86,000)
Employee benefits expense	(1,995,066)	(2,174,530)
Finance cost	(137,497)	(694)
Insurance	(28,301)	(24,774)
Office maintenance	(162,235)	(120,509)
Professional fees	(329,332)	(163,042)
Security services	(39,600)	(50,850)
Training and courses	(12,026)	(30,641)
Other administrative expenses	(220,957)	(727,789)
Total expenditure	(3,599,480)	(3,615,102)
Surplus / (deficit) before income tax	253,014	(173,591)

Not part of audited financial statements

Supplementary Statement of Profit or Loss

Year Ended 30 June 2020

Other administrative expenses	2020 $	2019 $
Bank charges	1,532	1,221
Company activities & retreat	1,813	4,828
Gifts and floral, books and periodical	1,857	795
Luncheon (Board of directors and adjudicators)	3,320	3,126
Meals	4,014	4,675
Mediators' Honorarium	1,000	300
Medical	12,699	18,934
Miscellaneous	15,805	4,976
Newspapers	706	743
Office cleaning	19,332	12,710
Office interest expenses	-	2,190
Office rental	-	514,208
Office service charges	103,075	103,075
Postage and courier	4,892	4,301
Recruitment	1,590	6,295
Refreshments	2,490	5,182
Stationery	15,813	8,368
Storages	4,897	4,953
Subscription	3,668	4,541
Telephone	11,620	11,807
Transportation	5,469	5,518
Utilities	5,365	5,043
	220,957	727,789

Contact Us

Walk in and talk to us or write to us:
Financial Industry Disputes Resolution Centre Limited (FIDReC)
36 Robinson Road
#15-01 City House
Singapore 068877

Call us by telephone or fax:
Tel: 6327 8878
Fax: 6327 8488 / 6327 1089

Email us:
info@fidrec.com.sg

Visit our website:
www.fidrec.com.sg