

AEcensus 20 20

THE NATIONAL CENSUS FOR ACCOUNTING ENTITIES



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FOREWORD

Singapore's accountancy sector grew 2.1% in 2019, reaching a total revenue of \$2.58 billion. The sector performed moderately well amidst trade uncertainties and geopolitical tensions that affected the Singapore economy, which grew 0.7% in 2019¹, the slowest in a decade².

DEMAND FOR SERVICES

Revenue from audit and assurance services grew 4.9% in 2019, surpassing growth in 2018 at 4.1%. These services continued to remain a key source of revenue for the AEs, accounting for 49% of the sector's operating receipts.

However, revenue for business advisory services declined for the first time in three years with a fall of 3.5% in 2019, down from an average growth of 12.6% from 2015 to 2018. In 2019, demand for advisory services in corporate finance and deal advisory, IT advisory, and restructuring and insolvency, declined due to the economic uncertainty that has impacted investment activities.

GROWING ACCOUNTANCY WORKFORCE

The Accounting Entities (AEs) workforce grew 2.7% with about 550 jobs created, bringing the workforce size to 20,830. Audit and assurance services saw the largest creation of jobs with 445 jobs. Tax related services and business advisory services created 266 and 74 jobs respectively. However, the number of corporate and administrative support roles declined by 235 jobs.

The sector continued to offer good wage progression. The median gross monthly salary at the managerial level outperformed their peers in other industries by 15%.

PRODUCTIVITY

Productivity decreased by 0.6% with an average revenue per employee of \$124,087. This was driven largely by the decrease in average revenue per employee for business advisory and tax compliance services by 5.1% and 5.3% respectively due to the fall in demand of such services globally. Additionally, the growth of tax advisory and compliance services workforce exceeded revenue generated by these services.

¹ Ministry of Trade and Industry Singapore, Economic Survey of Singapore 2019.

² Channel NewsAsia. "Singapore economy expands 0.7% in 2019, slowest in a decade, 2 Jan 2020.

DIGITALISATION

The year saw a rise in the adoption of digital solutions among AEs. Technologies such as Know Your Customers (KYC), and Anti-Money Laundering (AML) screening tools; and audit and cloud accounting software, were mostly adopted in audit and assurance, and corporate support services.

OUTLOOK FOR 2021

Most AEs are cautious of their growth prospects and have expressed caution in hiring for 2021 due to the uncertainty of how COVID-19 will continue to affect the global economy. Nonetheless, the census indicates that tax professionals may be in demand as the pandemic may accelerate the revamp of supply chains.

IN APPRECIATION

SAC produces the AECensus, Singapore's national census on the accountancy sector, to provide AEs with insights into the sector's developments. We hope this annual census, conducted since 2014, will help AEs as they formulate their growth strategies. Heartfelt thanks to all respondents for making AECensus 2020 possible.



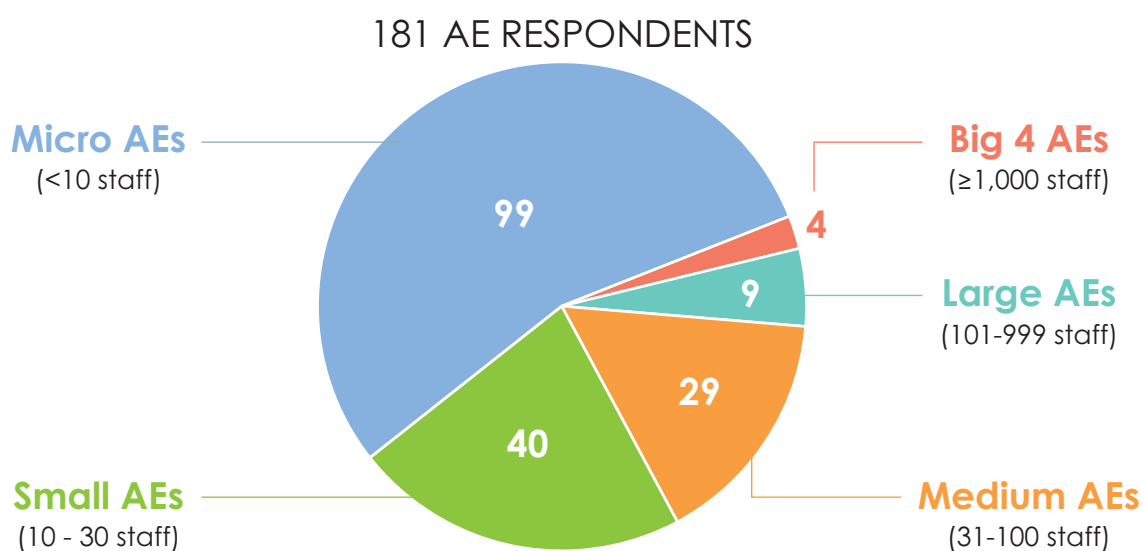
Mr Evan Law
Chief Executive
Singapore Accountancy Commission

INTRODUCTION

The AECensus is the national accountancy census, conducted by the Singapore Accountancy Commission (SAC) on Accounting Entities (AEs) that are registered under the Accountants Act (Chapter 2).

AECensus 2020 was conducted from 1 April to 26 June 2020 to capture activities for the year 2019. A total of 181 Accounting Entities (AEs) responded to the survey. These respondents generated close to 89% of the sector's total estimated revenue.

FIG 1 Respondents Profile



AE Size	Total Number of Respondents	% of Estimated Total Population Based on AE Size
Big 4 AEs (≥ 1,000 staff)	4 out of 4	100%
Large AEs (101 - 999 staff)	9 out of 9	100%
Medium AEs (31 - 100 staff)	29 out of 34	85%
Small AEs (10 - 30 staff)	40 of 188*	21%
Micro AEs (< 10 staff)	99 of 466*	21%

* Estimated based on total population of 701 Accounting Entities approved under the Accountants Act as at 31 March 2020

The census comprises five segments: market structure, accountancy workforce, productivity, technology adoption, and expected growth. These segments were measured as follows:

- **Market Structure**

Measured by both domestic revenue (work performed in Singapore) and foreign revenue (work performed outside Singapore).

- **Accountancy Workforce**

Measured firms' distribution of jobs across the 5 service categories; audit & assurance, business advisory, tax advisory & compliance, corporate support and admin/support.

- **Productivity**

Measured by the average annual revenue per employee; total wage expenses as a percentage of total operating revenue; and total wage expenses as a percentage of total operating expenses.

- **Technology Adoption**

Measured by the average adoption level of common accounting related; audit and tax software etc; and broad base softwares; HR/Payroll and Marketing/CRM software etc.

- **Expected Growth**

Measured the firms' expected annual revenue and headcount growth in 2020.

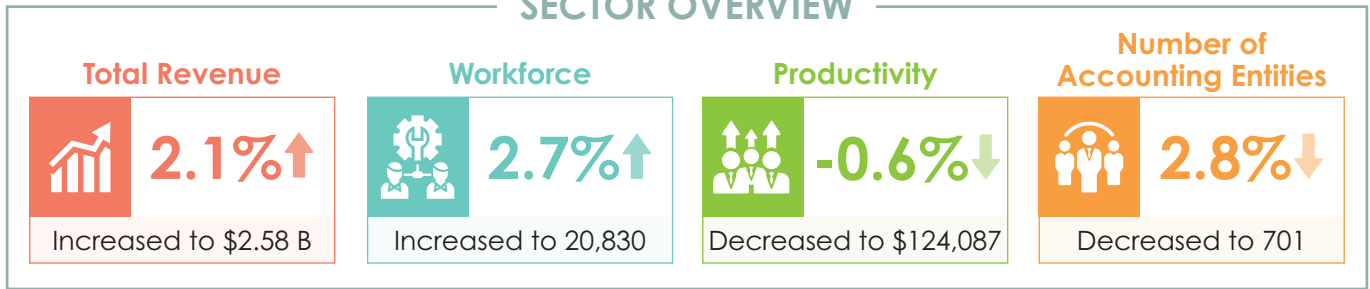
SAC would like to extend our sincere appreciation to all respondents and supporting partners, the Accounting and Corporate Regulatory Authority (ACRA), the Ministry of Manpower (MOM), and Workforce Singapore (WSG).

SUPPORTING PARTNERS



SUMMARY OF FINDINGS

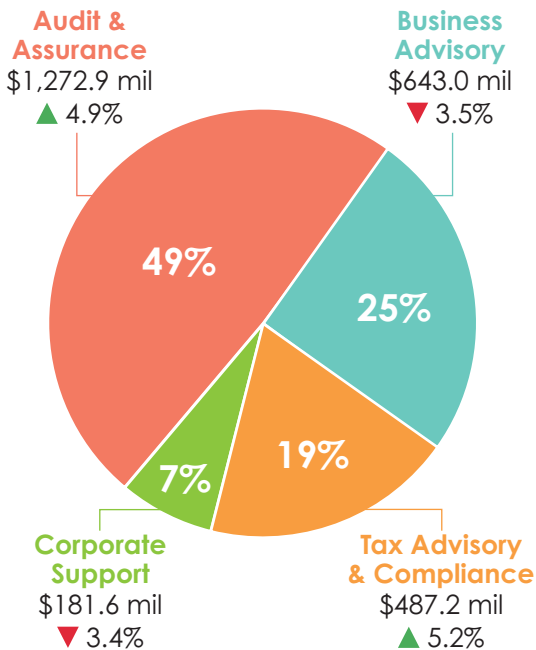
SECTOR OVERVIEW



REVENUE BY SERVICE CATEGORY

\$2,585 Million

Total operating receipts in 2019



Audit 4.9% vs **Non-audit growth -0.4%**

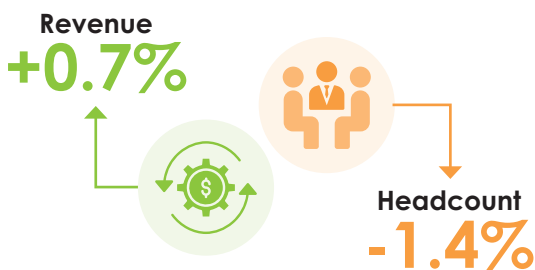
PRODUCTIVITY

Service	Average Revenue per Employee - 2019	Year-on-Year Change
Audit & Assurance	\$123,912	0.4%
Business Advisory	\$141,725	-5.1%
Tax Advisory & Compliance	\$181,794	-5.3%
Corporate Support	\$122,030	3.0%
TOTAL	\$124,087	-0.6%

Total wage expense as a percentage of total operating



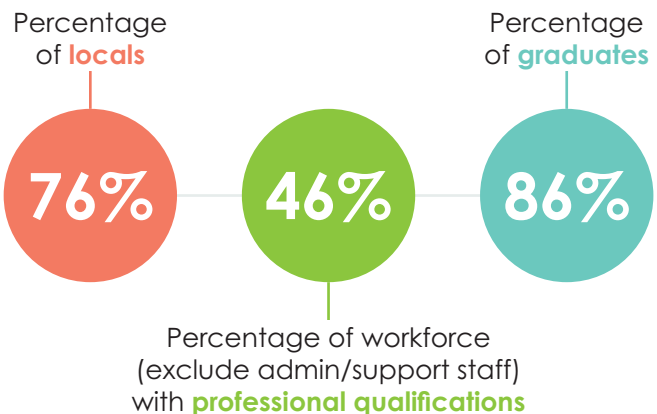
EXPECTED GROWTH IN 2021



MEDIAN GROSS MONTHLY SALARY



ACCOUNTANCY WORKFORCE



MARKET STRUCTURE

REVENUE COMPOSITION

In 2019, the total estimated revenue for the accounting sector grew 2.1% to S\$2,584.7 million. This was against the backdrop of 0.7% growth in the Singapore's economy and 1.4% growth in Singapore's business services sector in 2019⁴.

The census showed that the Big 4 AEs continued to dominate the sector. They contributed about 70% of the sector's overall revenue in 2019. The Big 4, Large and Small AEs also grew in 2019. Similar to 2018, Small AEs experienced the highest growth (6.7%). The Big 4 and Large AEs grew 3.8% and 1.5% respectively in 2019, adding about a total of \$70.0 million to their revenues. However, the Medium AEs and Micro AEs shrank 4.1% and 15.8% respectively in 2019.

2.1%

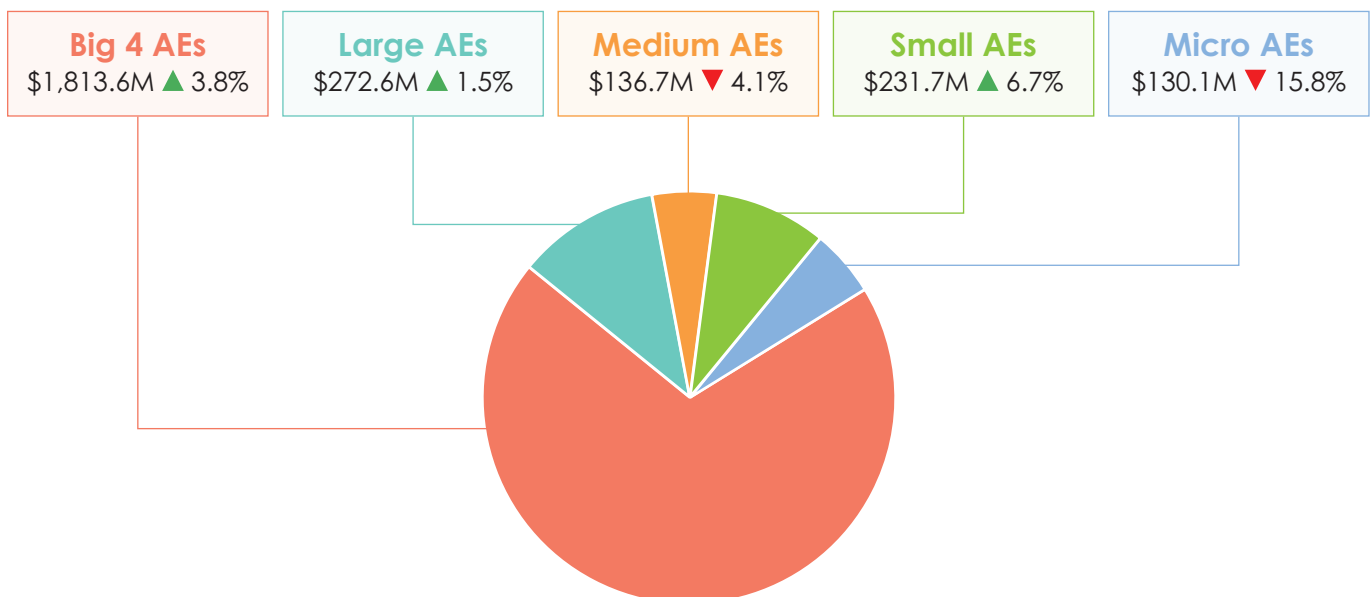
Growth in total revenue to S\$2.58 B

⁴ Ministry of Trade and Industry Singapore, Economic Survey of Singapore 2019

FIG 2 Estimated Revenue Generated (\$' million)



FIG 3 Revenue Composition, By AE Size



AUDIT VS NON-AUDIT REVENUE

In 2019, revenue from audit services grew 4.9% to \$1,272.9 million, higher than the 4.1% growth in 2018. In contrast, non-audit revenues, which had been growing on average about 8.7% in the preceding four years, contracted in 2019 by 0.4% to \$1,311.8 million.

The Big 4 AEs accounted for 65% of the total audit revenue in 2019. Of note, both the Big 4 AEs and Small AEs saw healthy growth in their audit revenue (7.9% and 7.6% respectively), while Micro AEs saw a sharp decline of 11.7% in their audit revenue in 2019.

The Big 4 AEs accounted for 75% of the total non-audit revenue in 2019. Growth in such revenue for the Big 4s slowed down to 0.6% in 2019, significantly lower than the 15% growth in 2018. While Large and Small AEs continue to see positive growth in such revenue of 2.2% and 4.9% in 2019, the total non-audit revenue of Medium and Micro AEs declined 7.6% and 22.0% respectively.

FIG 4 Growth of Audit vs Non-Audit Revenues

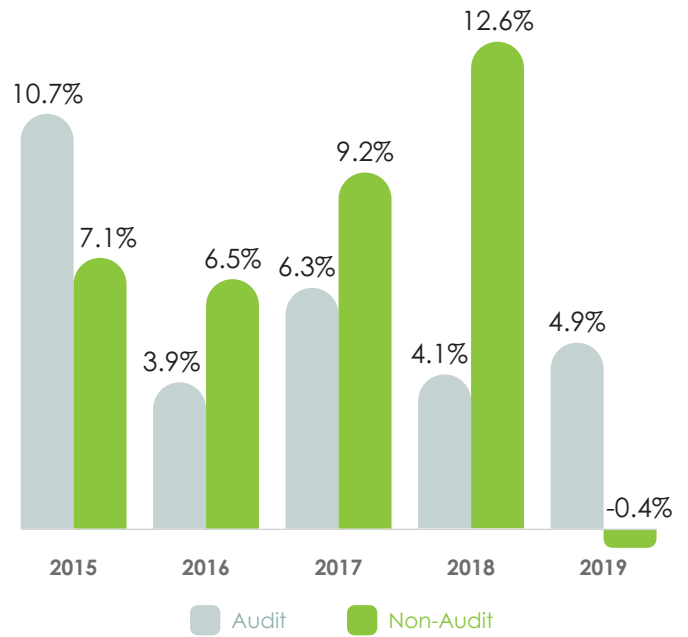


FIG 5 Estimated Audit & Assurance Revenue (\$' million)

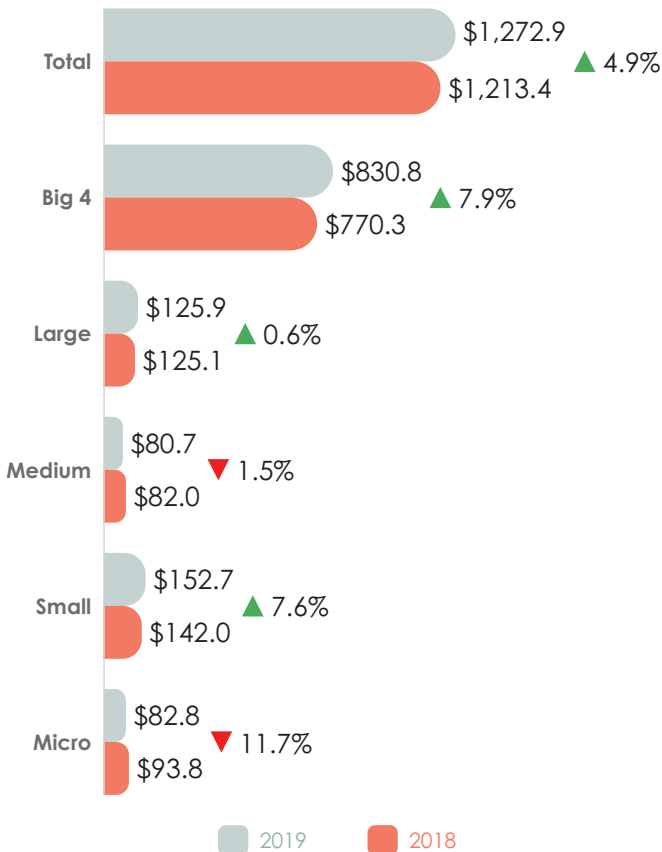
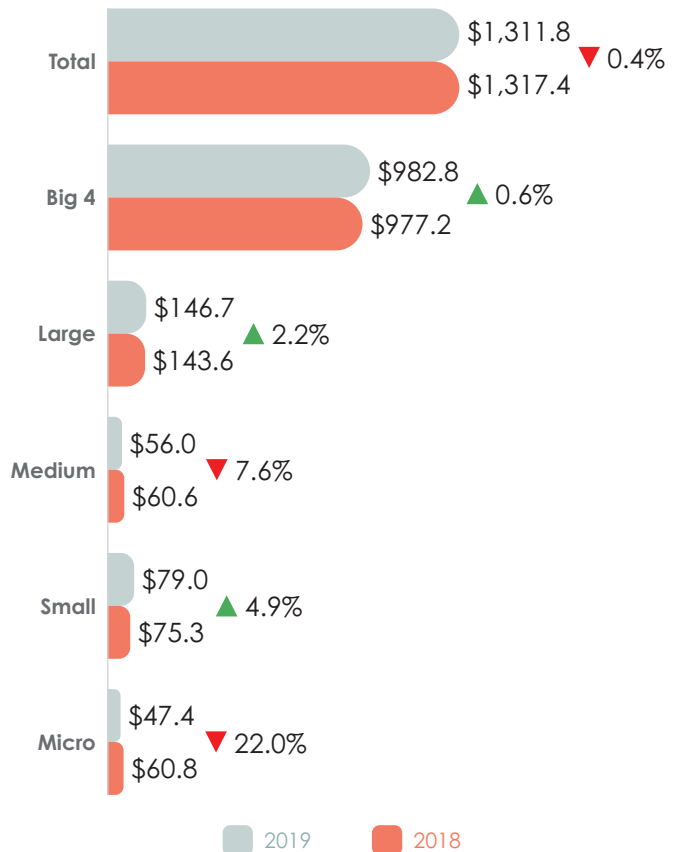


FIG 6 Estimated Non-Audit Revenue (\$' million)



REVENUE BY SERVICE CATEGORY

Audit and assurance services continued to be the primary source of revenue for AEs. In 2019, such revenue made up 49% of the sector's total operating receipts as compared to 48% in 2018. Business advisory services, which comprise corporate finance and deal advisory, risk management and governance, IT advisory, restructuring and insolvency, and other advisory services, contributed another 25% of receipts. The remaining 26% is made up of tax advisory and compliance services (19%) and corporate support services (7%).

Tax advisory and compliance services grew by 5.2% in 2019, higher than other service categories. This is mainly due to 24.1% growth in tax advisory revenues, offset by 4.9% decline in tax compliance revenues. Revenue from business advisory services declined 3.5% in 2019, largely due to reduced revenues from corporate finance and deal advisory (4.6%)⁵, IT advisory (16.5%)⁶ and restructuring and insolvency (30.8%). However, risk management and governance revenue increased 14.9% during the same period.

FIG 7 Revenue, By Service Category

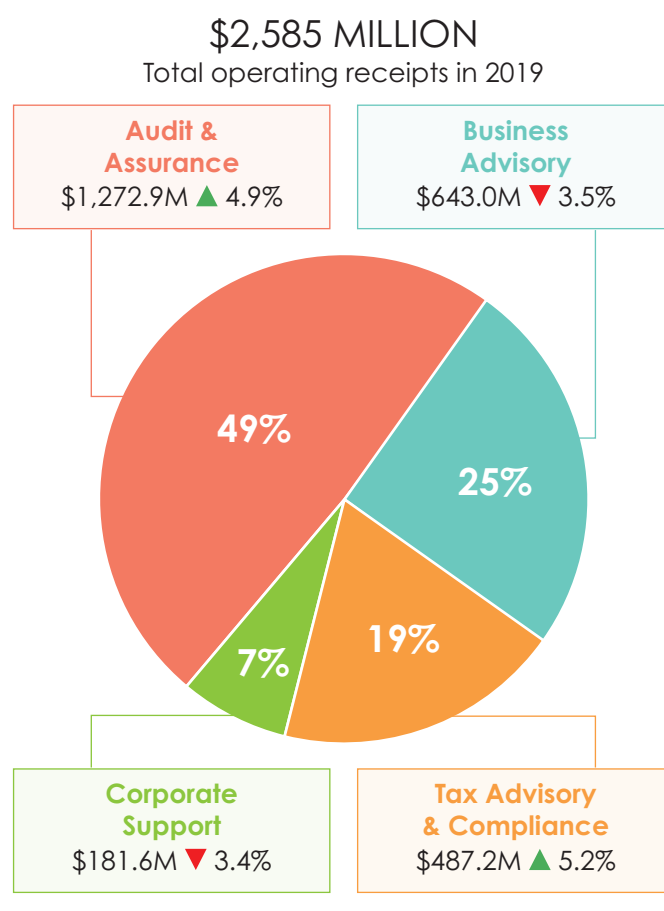


FIG 8 Revenue By Service Line (\$' million)

Type of Services	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Audit & Assurance	1,272.9	49%	▲ 4.9%
Tax Advisory	200.0	8%	▲ 24.1%
Tax Compliance	287.2	11%	▼ 4.9%
Corporate Support	181.6	7%	▼ 3.4%
Risk Management & Governance	206.5	8%	▲ 14.9%
Corporate Finance & Deal Advisory	168.6	7%	▼ 4.6%
IT Advisory	115.6	4%	▼ 16.5%
Restructuring & Insolvency	50.6	2%	▼ 30.8%
Other Advisory Services	101.8	4%	▲ 3.4%

⁵ The decline in corporate finance and deal advisory is in line with a 5% drop in deal count in Singapore's mergers and acquisitions (M&A) activities in 2019, despite seeing a 125.6% increase in M&A value. (Source: Mergermarket, Global & Regional M&A Report 2019)

⁶ The decrease is mainly to one service provider as majority of the AEs that provide such services reported increased IT advisory revenues.

BIG 4 AES

Total revenue grew 3.8% to reach \$1,813 million in 2019, up 3.8% from \$1,747 million in 2018. Audit and assurance services remained a key source of revenue for Big 4 AEs in 2019, accounting for 46% of their total revenues (2018: 44%)

FIG 9 Revenue By Service Category of Big 4 AEs (\$' million) (n=4)

Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Audit & Assurance	\$830.8	46%	▲ 7.9%
Business Advisory	\$566.2	31%	▼ 3.8%
Tax Advisory & Compliance	\$393.3	22%	▲ 5.9%
Corporate Support	\$23.3	1%	▲ 33.1%
TOTAL	\$1,813.6	100%	▲ 3.8%

Business advisory services produced almost a third of the total revenue (31%). However, this registered a 3.8% decrease in total revenue over 2018. Business advisory services such as IT advisory, restructuring and insolvency, and corporate finance and deal advisory services saw the largest fall in revenue with 17.2%, 33.9%, and 4.7% decrease respectively.

FIG 9.1 Revenue By Business Advisory Services

Business Advisory Services	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Risk Management and Governance Services	\$180.6	10%	▲ 12.3%
Corporate Finance and Deal Advisory Services	\$152.1	8%	▼ 4.7%
IT Advisory Services	\$104.2	6%	▼ 17.2%
Restructuring and Insolvency	\$34.1	2%	▼ 33.9%
Other Advisory Services	\$95.2	5%	▲ 5.2%
TOTAL	\$566.2	31%	▼ 3.8%

LARGE AES

Total revenue increased by 1.5% in 2019 to reach \$272.6 million with audit and assurance services accounting for 46% of total revenue. The most significant revenue increase was in tax advisory & compliance services which saw a 7.8% jump compared to 2018.

FIG 10 Revenue By Service Category of Large AEs (\$' million) (n=9)

Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Audit & Assurance	\$125.9	46%	▲ 0.6%
Business Advisory	\$57.3	21%	▲ 2.1%
Tax Advisory & Compliance	\$33.5	12%	▲ 7.8%
Corporate Support	\$55.9	21%	▼ 0.8%
TOTAL	\$272.6	100%	▲ 1.5%

Business advisory services contributed substantially to the total revenue (21%) and also saw an increase of 2.1% compared to 2018. More than a third of business advisory revenues can be attributed to risk management and governance services (34%).

FIG 10.1 Revenue By Business Advisory Services

Business Advisory Services	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Risk Management and Governance Services	\$19.3	7%	▲ 21.9%
Corporate Finance and Deal Advisory Services	\$14.2	5%	▼ 2.8%
IT Advisory Services	\$9.6	4%	▼ 13.6%
Restructuring and Insolvency	\$10.3	4%	▲ 1.4%
Other Advisory Services	\$3.9	1%	▼ 11.2
TOTAL	\$57.3	21%	▲ 2.1%

MEDIUM AES

Audit and assurance contributed more than half (59%) of the total revenue, which contracted by 4.1% in 2019 to \$136.7 million.

FIG 11 Revenue By Service Category of Medium AEs (\$' million)
(n=34)

Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Audit & Assurance	\$80.7	59%	▼ 1.5%
Business Advisory	\$9.8	7%	▼ 6.6%
Tax Advisory & Compliance	\$18.2	13%	▼ 6.2%
Corporate Support	\$28.0	21%	▼ 8.8%
TOTAL	\$136.7	100%	▼ 4.1%

Medium AEs provide limited advisory services. Almost 70% of such revenues are generated from risk management and governance. Decreases in revenue were observed for almost all service lines, except for risk management and governance services which grew 38.6%.

FIG 11.1 Revenue By Business Advisory Services

Business Advisory Services	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Risk Management and Governance Services	\$3.4	2%	▲ 38.6%
Corporate Finance and Deal Advisory Services	\$1.4	1%	▼ 32.1%
IT Advisory Services	\$1.3	1%	Unchanged
Restructuring and Insolvency	\$3.1	2%	▲ 0.6%
Other Advisory Services	\$0.6	1%	▼ 59.8%
TOTAL	\$9.8	7%	▼ 6.6%

SMALL AES

Total revenue grew 6.7% to \$231.7 million in 2019. Almost two-thirds of the total revenue were generated from audit and assurance (66%).

FIG 12 Revenue By Service Category of Small AEs (\$' million) (n=188)

Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Audit & Assurance	\$152.7	66%	▲ 7.6%
Business Advisory	\$7.8	3%	▲ 145.6%
Tax Advisory & Compliance	\$26.7	12%	▲ 22.3%
Corporate Support	\$44.5	19%	▼ 11.5%
TOTAL	\$231.7	100%	▲ 6.7%

Small AEs provide minimal business advisory services. Only 3% of their revenue were generated from such services. 86% of such revenues were derived from risk management and governance (35%), restructuring and insolvency (29%), and other advisory services (23%).

FIG 12.1 Revenue By Business Advisory Services

Business Advisory Services	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Risk Management and Governance Services	\$2.7	1%	▲ 453.3%
Corporate Finance and Deal Advisory Services	\$0.6	0%*	▲ 258.5%
IT Advisory Services	\$0.5	0%*	▲ 132.6%
Restructuring and Insolvency	\$2.2	1%	▲ 88.4%
Other Advisory Services	\$1.8	1%	▲ 58.4%
TOTAL	\$7.8	3%	▲ 145.6%

* % of Total Revenue computation are rounded down to nearest percentile

MICRO AES

Total revenue contracted by 15.8% to \$130.1 million in 2019. Similar to Small AEs, Micro AEs are highly dependent on audit and assurance revenue which made up 64% of their total revenues.

FIG 13 Revenue By Service Category of Micro AEs (\$' million) (n=466)

Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Audit & Assurance	\$82.8	64%	▼ 11.7%
Business Advisory	\$1.9	1%	▼ 76.2%
Tax Advisory & Compliance	\$15.5	12%	▼ 20.2%
Corporate Support	\$29.9	23%	▼ 9.9%
TOTAL	\$130.1	100%	▼ 15.8%

Only 1% of their total revenues were generated from business advisory services which were largely made up of restructuring and insolvency revenue (47%). The reduction in business advisory revenue was due to consolidation activities within the industry.

FIG 13.1 Revenue By Business Advisory Services

Business Advisory Services	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
Risk Management and Governance Services	\$0.5	0%*	▲ 509.3%
Corporate Finance and Deal Advisory Services	\$0.2	0%*	▲ 207.3%
IT Advisory Services	-	-	-
Restructuring and Insolvency	\$0.9	1%	▼ 87.2%
Other Advisory Services	\$0.3	0%*	▼ 61.7%
TOTAL	\$1.9	1%	▼ 76.2%

* % of Total Revenue computation are rounded down to nearest percentile

OVERSEAS REVENUE

Similar to 2018, about 10% of the sector's total revenue was generated from work performed outside Singapore. Such revenues totalled about \$255.1 million in 2019, with the Big 4 and Large AEs generating \$220.0 million (86%) and \$30.6 million (12%) respectively. Together, they accounted for 98% of such revenue.

Although the Big 4 AEs saw increased revenues from work outside Singapore in 2019, such revenue only made up 12.1% of their total revenue in 2019 as compared to 12.5% in 2018. Both their revenues from audit and assurance services, and tax advisory and compliance services increased in 2019, while business advisory services fell by 3.8%. This is of note as the latter services are considered generally more exportable than the two former services.

The proportion of revenue generated from work performed outside Singapore in 2019 for Large, Medium, Small and Micro AEs remained similar to 2018 (11%, 2%, 1%, and 1% respectively).

FIG 14 Estimated Revenue Derived From Work Performed Outside Singapore (\$' million)

AE Size	2019 (% of revenue)	2018 (% of revenue)	Year-on-year Change
TOTAL	\$255.1 (9.9%)	\$253.9 (10.0%)	▲ 0.5%
Big 4	\$220.0 (12.1%)	\$219.0 (12.5%)	▲ 0.5%
Large	\$30.6 (11.2%)	\$29.5 (11.0%)	▲ 3.6%
Medium	\$2.3 (1.7%)	\$2.4 (1.7%)	▼ 6.0%
Small	\$1.3 (0.6%)	\$2.2 (1.0%)	▼ 39.3%
Micro	\$0.9 (0.7%)	\$0.9 (0.6%)	▲ 6.1%

ACCOUNTANCY WORKFORCE

SIZE OF ACCOUNTANCY WORKFORCE

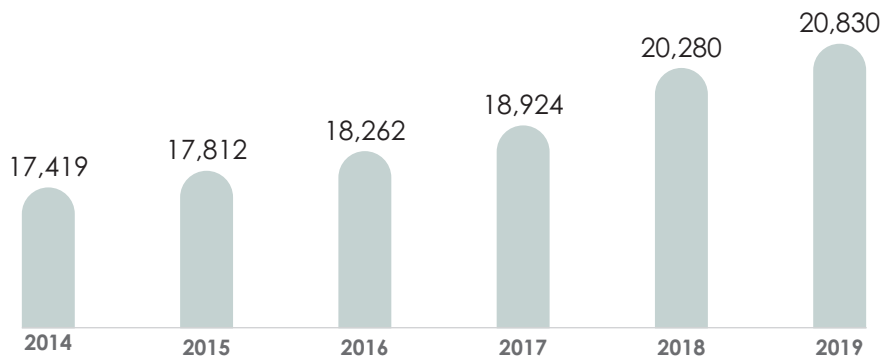
In 2019, an estimated 20,830 people were employed in AEs and their related entities, a 2.7% increase over 2018.

About 550 new jobs were created in 2019 of which 445 jobs were in audit and assurance services, followed by 266 jobs in tax advisory and compliance. Business advisory roles increased slightly by 1.7%. The estimated number of workers in corporate support and administrative / support roles declined in 2019 (6.3% and 6.8% respectively).

550

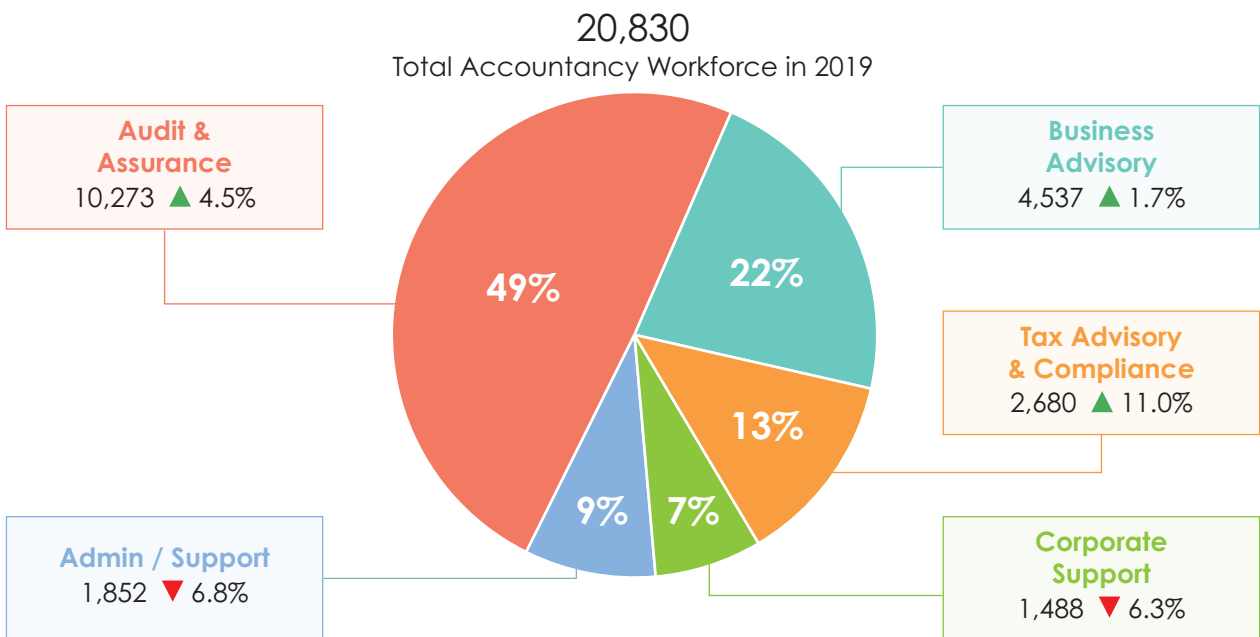
Jobs created
in 2019

FIG 15 Estimated Size of Accountancy Workforce



Almost half of the accountancy workforce worked in audit and assurance services (49%).

FIG 16 Workforce Composition, By Service Category



Among business advisory roles, IT advisory continued to create the highest number of jobs (216), an increase of 22.4% from 2018. Other advisory service jobs decreased by 26.1%. Both corporate support and administrative / support roles saw reductions of 6.3% and 6.8% in 2019. This could be due to the increased adoption of technologies within the sector.

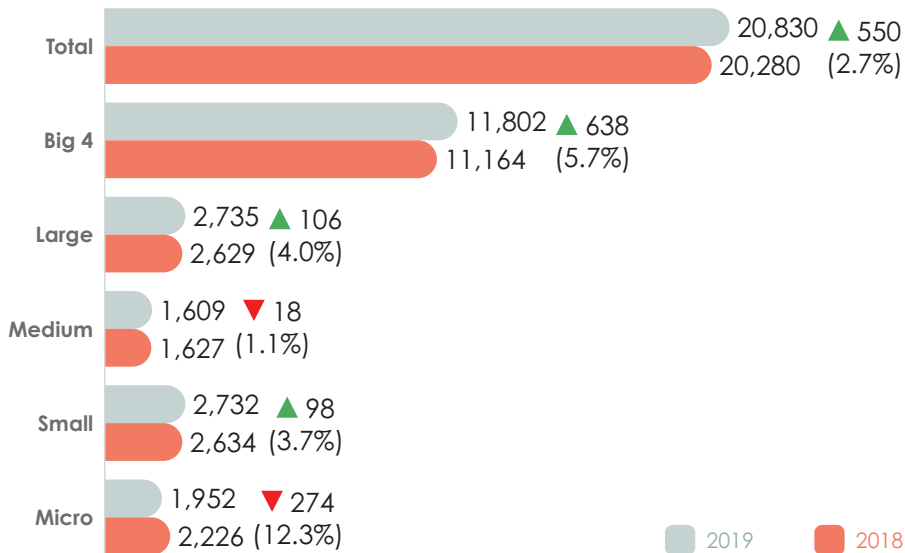
FIG 17 Workforce Composition, By Service Line

Type of Services	2019	2018	Jobs Created	Year-on-year Change
Audit & Assurance	10,273	9,828	445	▲ 4.5%
Tax Compliance	1,855	1,610	245	▲ 15.2%
Tax Advisory	825	804	21	▲ 2.6%
Corporate Support	1,488	1,588	-100	▼ 6.3%
Risk Management & Governance	1,236	1,069	167	▲ 15.6%
Corporate Finance & Deal Advisory	750	690	60	▲ 8.7%
IT Advisory	1,181	965	216	▲ 22.4%
Other Advisory	1,076	1,456	-380	▼ 26.1%
Restructuring & Insolvency	294	283	11	▲ 3.9%
Admin/ Support	1,852	1,987	-135	▼ 6.8%

MANPOWER DISTRIBUTION, BY AE SIZE

More than 57% of the accountancy workforce were employed by the Big 4 AEs. The remaining 43% worked across the remaining 697 AEs. The Big 4 AEs created 638 jobs in 2019 while the Large and Small AEs hired 106 and 98 more people respectively.

FIG 18 Estimated Manpower Distribution, By AE Size



WORKFORCE COMPOSITION

About a third of the accountancy workforce are in managerial and senior management roles (33%). The majority of workers were associates (28%) and senior associates (31%).

The Big 4 AEs, which has an average of almost 3,000 employees, held the highest proportion of senior staff. About 34% of their workforce are in management and senior management roles.

About a third of the Big 4 and Large AEs' workforce were senior associates (33% and 34% respectively). On the other hand, less than 30% of the workforce of Medium, Small and Micro AEs were senior associates (28%, 27% and 20% respectively).

FIG 19 Workforce Composition, By Seniority

AE Size	Associate	Senior Associate	Manager	Director / Partner	Others
TOTAL	28%	31%	21%	12%	8%
Big 4	27%	33%	25%	9%	7%
Large	29%	34%	19%	9%	9%
Medium	35%	28%	16%	12%	9%
Small	33%	27%	13%	16%	11%
Micro	24%	20%	15%	32%	9%

WORKFORCE DISTRIBUTION OF BIG 4 AEs

41% of the workforce worked in audit and assurance services, followed by business advisory (33%) and tax advisory and compliance (15%).

An increase of 60 positions were created for business advisory in 2019 (1.6%), mainly for risk management and governance, and IT advisory services.

FIG 20 Workforce Distribution of Big 4 AEs (n=4)

Service Category	Headcount	% of Workforce	Year-on-year Change
Audit & Assurance	4,860	41%	▲ 5.6% (259)
Tax Advisory & Compliance	1,822	15%	▲ 21.4% (321)
Corporate Support	164	1%	▼ 0.6% (1)
Business Advisory	3,857	33%	▲ 1.6% (60)
Admin/ Support	1,099	9%	▼ 0.1% (1)

WORKFORCE DISTRIBUTION OF LARGE AEs

Audit and assurance make up almost half of the workforce (47%) which also saw an increase of 96 extra positions.

The business advisory workforce increased marginally (1.5%), mainly due to having more risk management and governance professionals.

FIG 21 Workforce Distribution of Large AEs (n=9)

Service Category	Headcount	% of Workforce	Year-on-year Change
Audit & Assurance	1,295	47%	▲ 8.0% (96)
Tax Advisory & Compliance	254	9%	▲ 6.3% (15)
Corporate Support	492	18%	▼ 1.2% (6)
Business Advisory	419	15%	▲ 1.5% (6)
Admin/ Support	275	10%	▼ 1.8% (5)

WORKFORCE DISTRIBUTION OF MEDIUM AEs

The majority of the Medium AEs' workforce were in audit and assurance (61%), generating 59% of their revenue. The workforce for business advisory decreased by a quarter in 2019, mainly due to a decrease in headcount for other advisory services.

FIG 22 Workforce Distribution of Medium AEs (n=34)

Service Category	Headcount	% of Workforce	Year-on-year Change
Audit & Assurance	989	61%	▲ 3.5% (33)
Tax Advisory & Compliance	159	10%	▲ 3.9% (6)
Corporate Support	212	13%	▼ 4.5% (10)
Business Advisory	106	7%	▼ 25.4% (36)
Admin/ Support	143	9%	▼ 7.1% (11)

WORKFORCE DISTRIBUTION OF SMALL AEs

The business advisory workforce almost doubled in 2019 (91.1%), mainly in risk management and governance and other advisory services. Small AEs had less resources for administrative and support roles to support their practices which saw a decrease of 20.6%.

FIG 23 Workforce Distribution of Small AEs (n=188)

Service Category	Headcount	% of Workforce	Year-on-year Change
Audit & Assurance	1,908	70%	▲ 8.9% (156)
Tax Advisory & Compliance	210	8%	▼ 7.1% (16)
Corporate Support	314	11%	▼ 12.0% (43)
Business Advisory	107	4%	▲ 91.1% (51)
Admin/ Support	193	7%	▼ 20.6% (50)

WORKFORCE DISTRIBUTION OF MICRO AEs

In line with the slower than expected growth of the Singapore economy in 2019, headcounts in Micro AEs generally decreased across all service categories as smaller businesses continue to grapple with lower demand and competition in attracting talent in a tight labour market.

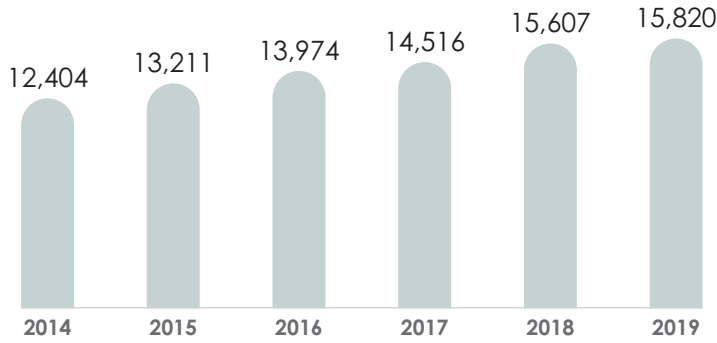
FIG 24 Workforce Distribution of Micro AEs (n=466)

Service Category	Headcount	% of Workforce	Year-on-year Change
Audit & Assurance	1,221	63%	▼ 7.5% (99)
Tax Advisory & Compliance	235	12%	▼ 20.3% (60)
Corporate Support	306	16%	▼ 11.6% (40)
Business Advisory	48	2%	▼ 12.7% (7)
Admin/ Support	142	7%	▼ 32.4% (68)

LOCAL WORKFORCE

Three in four workers in the accountancy workforce were locals in 2019. The total number of locals grew 1.4% with more than 200 locals added to the workforce in 2019⁷. Since 2014, the local accountancy workforce has increased by more than 3,400 to 15,820 in 2019.

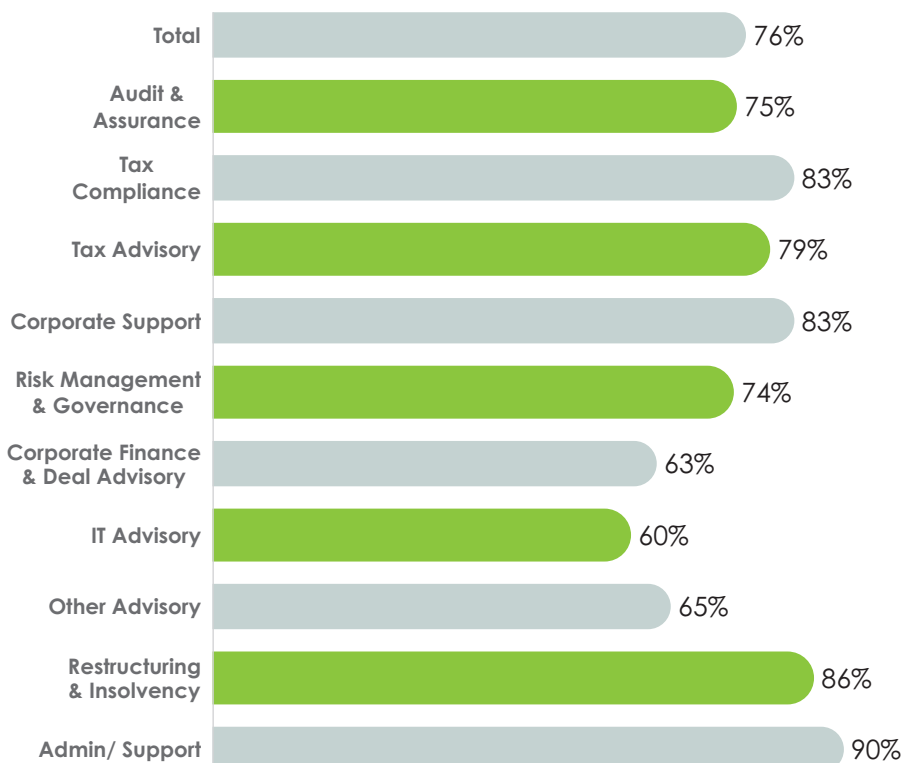
FIG 25 Estimated Number of Singaporeans and Permanent Residents in Accountancy Workforce



76%
Percentage of Singaporeans and Permanent Residents in Accountancy Workforce

Of note, the census indicated lower percentages of locals in advisory roles such as corporate finance and deal advisory, IT advisory and other advisory. The lower percentage of local IT advisory professionals is in line with observations that Singapore faced a shortage of ICT talent and the need to have a diverse workforce to support Singapore's position as a global and regional hub for finance and professional services.

FIG 26 Percentage of Locals in AEs, By Service Line

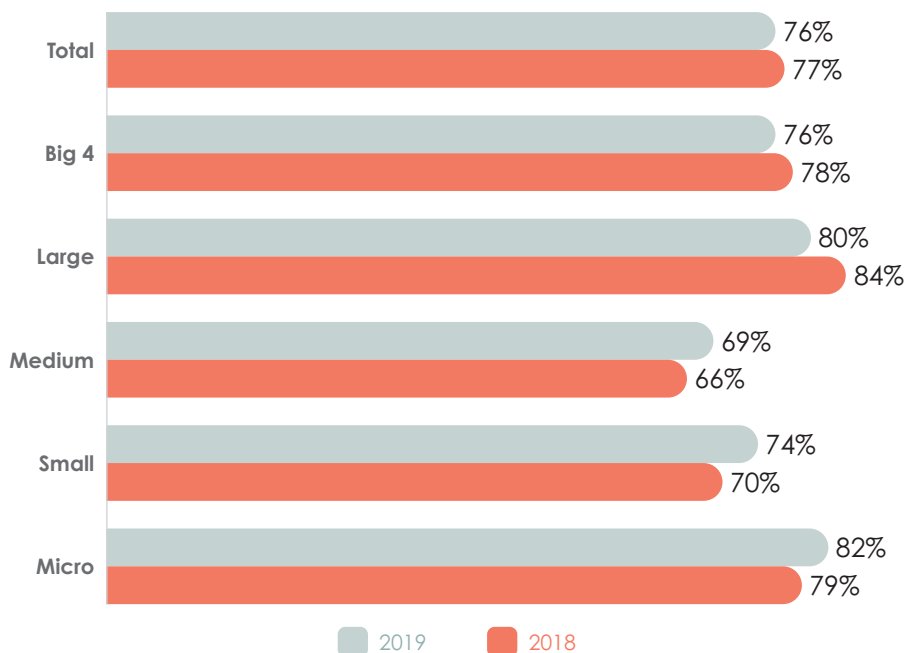


⁷ Singaporeans and Permanent Residents

The percentage of locals employed in the respective AEs declined slightly to 76% in 2019. However, across the last 5 years, the census showed that the percentage of locals had improved from 71% in 2014⁸ to 76% in 2019, particularly among Medium and Small AEs. This may indicate some success in addressing the challenge of attracting locals to join them.

9 in 10
Senior management
roles were filled by
locals

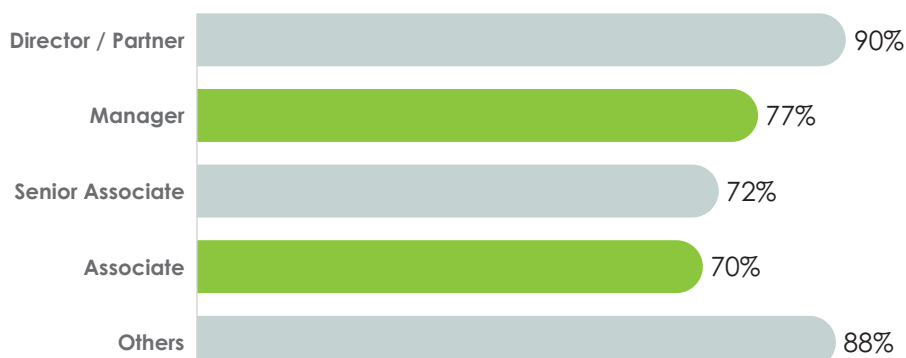
FIG 27 Percentage of Locals in AEs, By AE Size



9 IN 10 SENIOR MANAGEMENT ROLES FILLED BY LOCALS

Locals are well-represented in management positions with 9 in 10 senior management roles and almost 8 in 10 managerial positions filled by locals. However, there are lower proportions of locals in entry roles, particularly among the smaller AEs as they face challenges in attracting local talent in an increasing tight labour market within Singapore.

FIG 28 Percentage of Locals in AEs, By Seniority



⁸ Source: AE Census 2015

EDUCATION AND QUALIFICATIONS

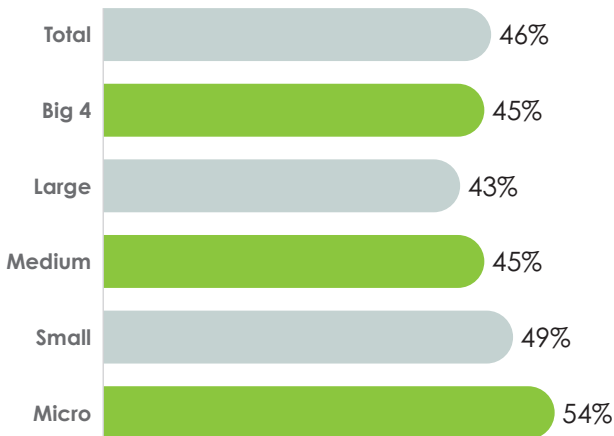
86% of the total accountancy workforce⁹ are graduates, with the Big 4 AEs having the highest proportion of graduates in their workforce (89%).

Almost half (46%) of the workforce has at least one professional qualification.

FIG 29 Percentage of Graduates, By AE Size



FIG 30 Percentage of Workforce (exclude admin/support staff) with Professional Qualifications



86%

Of the accountancy workforce were graduates

46%

Of the accountancy workforce (excluding administrative / support staff) hold at least 1 professional qualification

⁹ This includes administrative / support staff for Census 2020. In previous years' census, AEs were asked about the percentage of employees (excluding administrative / support staff).

WAGES

FIRST YEAR ASSOCIATE

According to the Ministry of Manpower, the median gross monthly salary of accountancy graduates ranges from \$3,000 to \$3,600 across the local universities¹⁰. SAC estimates that the median gross starting salary of accountancy graduates would be \$3,304¹¹.

The median gross monthly salary for first year associates in AEs was \$3,000, similar to 2018. This was lower compared to the median gross monthly salary of graduates from the Institutes of Higher Learning (IHL) across all disciplines which was estimated to be \$3,900¹².

The Big 4 AEs paid first year associates the highest median gross monthly salary of \$3,400, higher than the \$3,000 in 2018. In comparison, the median gross monthly salary paid by other AEs to first year associates was \$2,600¹³.

Wages at managerial level outperform national level by **>15%**

FIG 31 Estimated Median Gross Monthly Salary for First Year Associate, By AE Size



¹⁰ The median gross monthly starting salary of accountancy graduates from NTU (3 years programme), NUS, SMU, SIT and SMU is \$3,000, \$3,600, \$3,050, \$3,075 and \$3,000 respectively. Source: Ministry of Manpower, Manpower Research and Statistics Department, Singapore Yearbook of Manpower Statistics 2020.

¹¹ The median gross starting salary of accountancy graduates is \$3,050. Assuming a 1-month annual wage supplement, SAC estimates that the median gross monthly starting salary would be \$3,304. Source: Ministry of Manpower, Manpower Research and Statistics Department, Singapore Yearbook of Manpower Statistics 2020.

¹² The median gross starting salary of graduates in full-time employment from the Institutes of Higher Learning is \$3,600, excluding bonuses. Assuming a 1-month annual wage supplement, SAC estimates that the median gross monthly starting salary would be \$3,900. Source: Ministry of Manpower, Manpower Research and Statistics Department, Singapore Yearbook of Manpower Statistics 2020.

¹³ It was noted that the Big 4 AEs tend to hire from the local IHLs while the Large, Medium, Small and Micro AEs tend to hire from other sources.

FIRST YEAR SENIOR ASSOCIATE

The medium gross monthly salary for first year senior associates was \$4,600. Of note, the medium gross monthly salary for those with Chartered Accountant (Singapore) qualifications was higher than those without in Large, Medium and Micro AEs. There were no significant differences for the Big 4 and Small AEs.

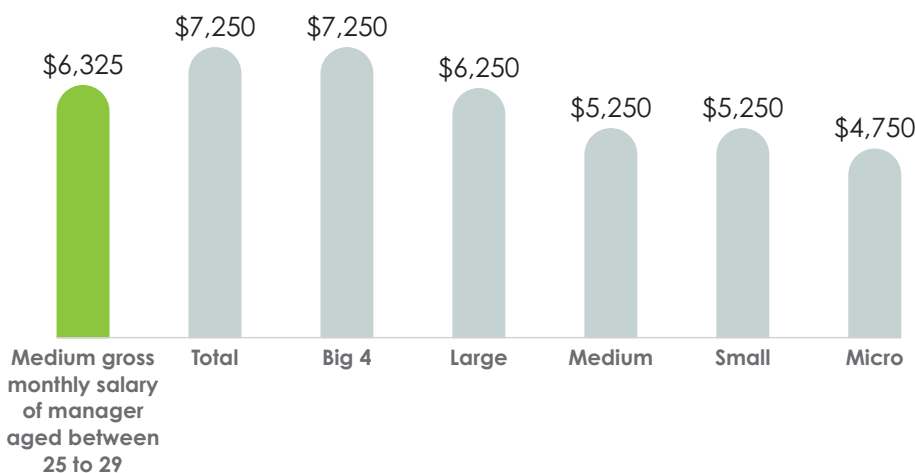
FIG 32 Estimated Median Gross Monthly Salary for First Year Senior Associate, By AE Size



FIRST YEAR SENIOR MANAGER

The median gross monthly salary for a first year manager was about \$7,250, higher than the median gross monthly salary reported in 2018 of \$6,250. This was also 15% higher than the median gross salary earned by a typical manager aged between 25 to 29 years¹⁴. This showed that although the starting pay for first year associates may be lower, salary progression in the sector was comparatively better as they advance in their careers.

FIG 33 Estimated Median Gross Monthly Salary for First Year Manager, By AE Size



¹⁴ The median gross monthly income from work of full-time employed resident managers and administrators aged 25 to 29 is \$6,325 in June 2019. (Source: Ministry of Manpower, Research & Statistics Department, Comprehensive Labour Force Survey)

PRODUCTIVITY

AVERAGE REVENUE PER EMPLOYEE

At the sectoral level, the average revenue per employee decreased 0.6% to \$124,087 in 2019. This fall was mainly due to the decrease in average revenue per employee generated by business advisory and tax advisory and compliance services which fell 5.1% and 5.3% respectively in 2019.

\$124,087
Average revenue
per employee

FIG 34 Average Revenue Per Employee

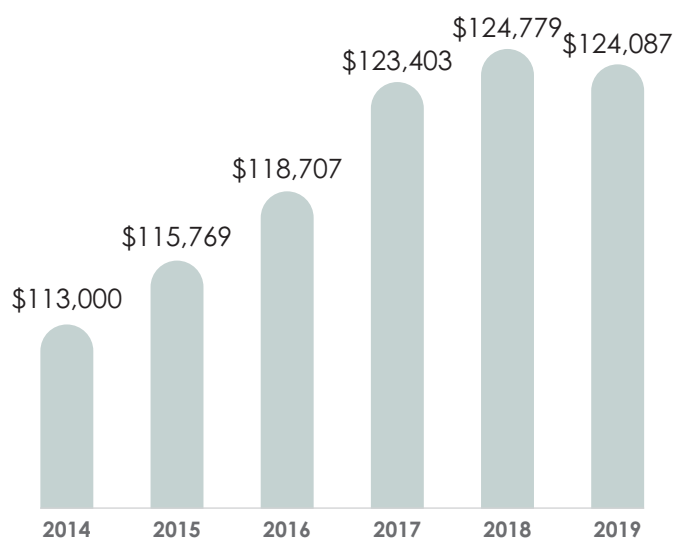


FIG 35 Average Revenue Per Employee, By Service Category

Service	2019	2018	Year-on-Year Change
TOTAL	\$124,087	\$124,779	▼ 0.6%
Audit & Assurance	\$123,912	\$123,433	▲ 0.4%
Business Advisory	\$141,725	\$149,271	▼ 5.1%
Tax Advisory & Compliance	\$181,794	\$191,869	▼ 5.3%
Corporate Support	\$122,030	\$118,419	▲ 3.0%

Besides the Small AEs, the rest of the sector all saw their average revenue per employee decrease in 2019, particularly among Medium and Micro AEs which erased most of their gains in 2018.

FIG 36 Average Revenue Per Employee, By AE Size

AE Size	2019	2018	Year-on-year Change
TOTAL	124,087	124,779	▼ 0.6%
Big 4	153,667	156,528	▼ 1.8%
Large	99,670	102,199	▼ 2.5%
Medium	84,978	87,629	▼ 3.0%
Small	84,808	82,472	▲ 2.8%
Micro	66,673	69,431	▼ 4.0%

AVERAGE REVENUE PER EMPLOYEE, BY SERVICE LINE

Tax advisory services generated the highest average revenue per employee of \$242,472. In comparison, tax compliance services saw its average revenue per employee fall by 17.5% to \$154,808.

Audit and assurance services, which made up nearly half of the total revenues generated by the sector, improved its average revenue per employee by 0.4% to \$123,912 in 2019. However, only the Big 4 AEs saw an improvement of 2.1% while Large, Medium, Small and Micro AEs all experienced a decrease. This could be due to increasing pressures on audit fees and the additional resources required for AEs to raise audit quality to meet regulatory standards.

Corporate support services improved its average revenue per employee by 3.0% to \$122,030 in 2019. Such services are perceived to be highly automated, and the increased productivity suggests that AEs benefited from adopting more technologies for such services.

FIG 37 Average Revenue Per Employee, By Service Line

Type of Services	% of Total Revenue	Ranking Based on Productivity	2019	Year-on-year Change
Tax Advisory	8%	1	\$242,472	▲ 21.0%
Corporate Finance & Deal Advisory	7%	2	\$224,743	▼ 12.2%
Restructuring & Insolvency	2%	3	\$172,216	▼ 33.4%
Risk Management & Governance	8%	4	\$167,053	▼ 0.6%
Tax Compliance	11%	5	\$154,808	▼ 17.5%
Audit & Assurance	49%	6	\$123,912	▲ 0.4%
Corporate Support	7%	7	\$122,030	▲ 3.0%
IT Advisory	4%	8	\$97,866	▼ 31.8%
Other Advisory	4%	9	\$94,572	▲ 40.0%

BIG 4 AES

Tax advisory and compliance services continued to generate the highest average revenue per employee (\$215,874). The Big 4 AEs was the only group that reported improvements to the average revenue per employee for audit and assurance services (2.1%).

FIG 38 Average Revenue Per Employee of Big 4 AEs (n=4)

Service Category	Revenue per Employee	Year-on-year Change
Audit & Assurance	\$170,949	▲ 2.1%
Tax Advisory & Compliance	\$215,874	▼ 12.8%
Corporate Support	\$141,791	▲ 33.9%
Business Advisory	\$146,795	▼ 5.3%

FIG 38.1 Average Revenue Per Employee For Business Advisory Services

Business Advisory Services	Revenue per Employee	Year-on-year Change
Risk Management and Governance Services	\$175,360	▼ 1.7%
Corporate Finance and Deal Advisory Services	\$240,731	▼ 11.7%
IT Advisory Services	\$98,664	▼ 33.5%
Restructuring and Insolvency	\$231,930	▼ 46.0%
Other Advisory Services	\$95,090	▲ 42.3%
TOTAL	\$146,795	▼ 5.3%

LARGE AES

Large AEs reported slight improvements in average revenue per employee for all service categories, except for audit and assurance services which declined 6.8% in 2019. The highest average revenue per employee generated was business advisory services (\$136,718).

The marginal improvement in average revenue per employee for business advisory services was mainly due to improvements in average revenue per employee for risk management and governance (12.1%), restructuring and insolvency (1.4%) and other advisory services (7.5%).

FIG 39 Average Revenue Per Employee of Large AEs (n=9)

Service Category	Revenue per Employee	Year-on-year Change
Audit & Assurance	\$97,225	▼ 6.8%
Tax Advisory & Compliance	\$131,835	▲ 1.4%
Corporate Support	\$113,660	▲ 0.4%
Business Advisory	\$136,718	▲ 0.7%

FIG 39.1 Average Revenue Per Employee For Business Advisory Services

Business Advisory Services	Revenue per Employee	Year-on-year Change
Risk Management and Governance Services	\$155,427	▲ 12.1%
Corporate Finance and Deal Advisory Services	\$171,436	▼ 8.7%
IT Advisory Services	\$100,235	▼ 12.7%
Restructuring and Insolvency	\$132,090	▲ 1.4%
Other Advisory Services	\$101,499	▲ 7.5%
TOTAL	\$136,718	▲ 0.7%

MEDIUM AES

Corporate support services, which made up 20% of the Medium AEs' revenues, was the service category with the highest average revenue per employee (\$132,149).

Business advisory was the only service category that saw its revenue per employee improve (25.1%). The improvement was led by risk management and governance services (29.5%), restructuring and insolvency (4.4%), and other advisory services (>100%).

FIG 40 Average Revenue Per Employee of Medium AEs (n=34)

Service Category	Revenue per Employee	Year-on-year Change
Audit & Assurance	\$81,622	▼ 4.8%
Tax Advisory & Compliance	\$114,123	▼ 9.8%
Corporate Support	\$132,149	▼ 4.5%
Business Advisory	\$92,869	▲ 25.1%

FIG 40.1 Average Revenue Per Employee For Business Advisory Services

Business Advisory Services	Revenue per Employee	Year-on-year Change
Risk Management and Governance Services	\$74,105	▲ 29.5%
Corporate Finance and Deal Advisory Services	\$107,697	▼ 0.7%
IT Advisory Services	\$74,134	▼ 5.9%
Restructuring and Insolvency	\$119,304	▲ 4.4%
Other Advisory Services	\$168,256	▲ 271.6%
TOTAL	\$92,869	▲ 25.1%

SMALL AES

Corporate support services generated the highest average revenue per employee (\$141,698) for Small AEs.

While business advisory services only constitute 3% of their overall revenues, its average revenue per employee increased 28.5%, led mainly by productivity improvements for risk management and governance (91.5%), corporate finance and deal advisory (53.6%), and restructuring and insolvency services (58.2%).

FIG 41 Average Revenue Per Employee of Small AEs (n=188)

Service Category	Revenue per Employee	Year-on-year Change
Audit & Assurance	\$80,054	▼ 1.2%
Tax Advisory & Compliance	\$127,169	▲ 31.6%
Corporate Support	\$141,698	▲ 0.6%
Business Advisory	\$72,476	▲ 28.5%

FIG 41.1 Average Revenue Per Employee For Business Advisory Services

Business Advisory Services	Revenue per Employee	Year-on-year Change
Risk Management and Governance Services	\$103,574	▲ 91.5%
Corporate Finance and Deal Advisory Services	\$40,492	▲ 53.6%
IT Advisory Services	\$42,275	▼ 22.5%
Restructuring and Insolvency	\$88,717	▲ 58.2%
Other Advisory Services	\$58,997	▼ 15.5%
TOTAL	\$72,476	▲ 28.5%

MICRO AES

Similar to Medium and Small AEs, corporate support services generated the highest revenue per employee for Micro AEs in 2019 (\$97,706).

The average revenue per employee for business advisory services dropped significantly by 72.7% due to a sharp decline in restructuring and insolvency revenues¹⁵.

FIG 42 Average Revenue Per Employee of Micro AEs (n=466)

Service Category	Revenue per Employee	Year-on-year Change
Audit & Assurance	\$67,784	▼ 4.6%
Tax Advisory & Compliance	\$66,165	▲ 0.2%
Corporate Support	\$97,706	▲ 1.9%
Business Advisory	\$40,292	▼ 72.7%

FIG 42.1 Average Revenue Per Employee For Business Advisory Services

Business Advisory Services	Revenue per Employee	Year-on-year Change
Risk Management and Governance Services	\$48,220	▲ 21.9%
Corporate Finance and Deal Advisory Services	\$27,357	▼ 61.6%
IT Advisory Services	-	-
Restructuring and Insolvency	\$50,836	▼ 73.6%
Other Advisory Services	\$26,492	▼ 52.1%
TOTAL	\$40,292	▼ 72.7%

¹⁵ Consolidation within the sector saw restructuring and insolvency practices joining bigger AEs in 2019.

TOTAL WAGE EXPENSE AS A PERCENTAGE OF TOTAL OPERATING REVENUE

Total wage expense as a percentage of total operating revenue increased to 59% in 2019 from 55% in 2018. This is consistent with the 2.1% growth in total operating receipts and the 2.7% increase in total workforce and indicates a higher percentage of their operating revenue was focused on human resources. The Big 4, Medium, Small, and Micro AEs all had higher wage expense as a percentage of their total operating revenues. This is in line with the higher median gross monthly salaries paid to first year associates by the Big 4s and Small AEs (see Figure 31), and higher median gross monthly salaries paid to first year senior associates by Small and Micro AEs (see Figure 32).

Similar to 2018, Large AEs had the highest wage expense as a percentage of their total operating revenue (63%), while the Big 4 AEs had the lowest percentage (58%).



TOTAL WAGE EXPENSE AS A PERCENTAGE OF TOTAL OPERATING EXPENSE

AEs spent 73% of their total operating expenses on wage expenses in 2019, similar to 2018. The Big 4 AEs spent three-quarters of their operating expenses on wages, the highest compared to other AEs. Medium and Micro AEs spent the lowest, in line with observations that their workforce shrank during 2019.

The most notable jump was for Small AEs with the percentage increasing from 68% in 2018 to 72% in 2019. This is in line with the higher median gross monthly salaries that they paid to first year associates (see Figure 31) and first year senior associates (see Figure 32).

FIG 43 Total Wage Expense as a Percentage of Total Operating Revenue and Expense, By AE Size

AE Size	Total Wage Expense as a Percentage of Total Operating Revenue		Total Wage Expense as a Percentage of Total Operating Expense	
	2019	2018 [#]	2019	2018 [#]
TOTAL	59%	55%	73%	73%
Big 4	58%	54%	75%	74%
Large	63%	63%	71%	72%
Medium	60%	59%	70%	71%
Small	61%	55%	72%	68%
Micro	61%	55%	70%	69%

[#] Total wage expense as a percentage of total operating revenue for 2018 revised to use similar methodology for 2019

TECHNOLOGY ADOPTION

TECHNOLOGY ADOPTION ACROSS THE SECTOR

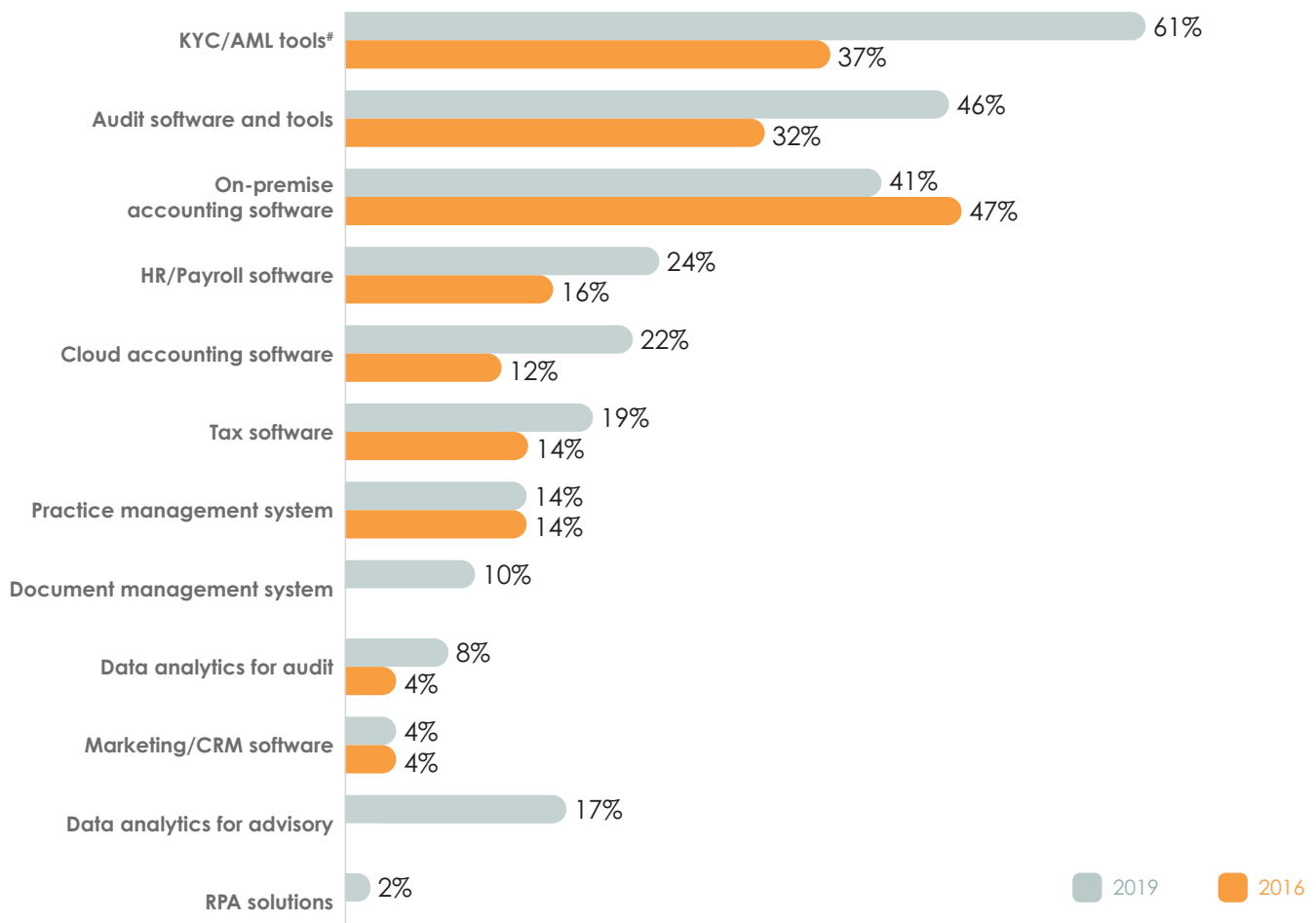
Technology adoption saw general improvement across the sector with KYC/AML* tools being most widely adopted, which saw usage increasing from 37% in 2016 to 61% in 2019.

Adoption rates for audit software and tools, HR/ payroll software, cloud accounting software, and tax software also improved in 2019 as compared to 2016. This may be due to the various programmes by the Singapore Accountancy Commission, Enterprise Singapore and the Institute of Singapore Chartered Accountants which increased awareness and supported AEs with funding to adopt such solutions.

46%
of AEs used audit software and tools

In 2016, only 12% of AEs adopted cloud accounting software with a higher percentage preferring to use on-premise accounting software (47%). Interestingly, the 2019 census showed a different picture. Adoption of cloud accounting software almost doubled to 22% while preference for on-premise accounting software is now at 41%.

FIG 44 Technology Adoption Level, By Type of Technology



* Note: KYC / AML tools refer to Know your customers / Anti-money laundering screening tools; RPA solutions refer to robotic process automation. Data for the adoption of document management system, data analytics for advisory and RPA solutions were not available for 2016.

FIG 45 Technology Adoption Level, By AE Size

Technology	Year	Big 4	Large	Medium	Small	Micro
Audit software and tools	2019	100%	100%	79%	65%	33%
	2016	100%	100%	50%	46%	22%
Cloud accounting software	2019	100%	56%	62%	35%	13%
	2016	25%	63%	31%	19%	7%
Data analytics for advisory	2019	100%	33%	9%	9%	18%
	2016	(n.a.)	(n.a.)	(n.a.)	(n.a.)	(n.a.)
Data analytics for audit	2019	100%	67%	21%	5%	5%
	2016	100%	63%	4%	4%	2%
Document management system	2019	100%	44%	24%	20%	3%
	2016	(n.a.)	(n.a.)	(n.a.)	(n.a.)	(n.a.)
HR/Payroll software	2019	100%	100%	93%	43%	10%
	2016	100%	100%	77%	30%	5%
KYC/AML tools	2019	75%	100%	93%	80%	49%
	2016	75%	100%	58%	51%	30%
Marketing/CRM software	2019	100%	56%	21%	5%	1%
	2016	100%	38%	15%	6%	1%
On-premise accounting software	2019	50%	78%	66%	33%	42%
	2016	100%	100%	62%	49%	44%
Practice management system	2019	100%	89%	48%	28%	4%
	2016	100%	100%	58%	23%	6%
RPA solutions	2019	75%	11%	14%	0%	1%
	2016	(n.a.)	(n.a.)	(n.a.)	(n.a.)	(n.a.)
Tax software	2019	100%	88%	36%	27%	11%
	2016	100%	75%	38%	21%	8%

BIG 4 AES

The Big 4 AEs had the highest adoption rates of technology compared to other AE groups.

Interestingly, all of them had adopted cloud accounting software in 2019 compared to only 25% in 2016. In contrast, while all of them had on-premise accounting software in 2016, only 50% continued to use them in 2019.

LARGE AES

There were 100% adoption in 3 areas which comprised audit software and tools, HR/payroll software, and KYC/AML tools. 89% of the Large AEs adopted practice management systems while 88% used tax software.

MEDIUM AES

Technology adoption was strong in areas such as HR/payroll (93%) and KYC/AML tools (93%). Both areas saw improvements in adoption compared to 2016 (77% and 58% respectively). More Medium AEs also used audit software and tools in 2019 (79%), compared to 50% in 2016. The use of cloud accounting software also doubled in 2019 (62%).

SMALL AES

About two-thirds of Small AEs used audit software and tools (65%), higher than the 46% in 2016. 80% of them also used KYC/AML tools as compared to 51% in 2016. The use of cloud accounting software and HR/payroll solutions improved to 35% and 43% respectively in 2019 (2016: 19% and 30% respectively).

Adoption of tax software also increased to 27% in 2019, in line with observations that Small AEs increased its average revenue per employee for tax related services by 31.6%.

MICRO AES

Adoption of technology was relatively low. KYC/AML tools and on-premise accounting software showed the highest adoption rates (49% and 42% respectively). While there was an increase in the adoption rates for audit software and tools, only one-third of the firms used such software (33%).

EXPECTED GROWTH FOR 2021

EXPECTED REVENUE GROWTH FOR 2021

According to the Ministry of Trade and Industry (MTI), Singapore's economy contracted by 5.4% in 2020¹⁶. The impact of the COVID-19 pandemic has caused severe disruptions to global economic activity. It was reported that the accountancy subsector has been less affected compared to other professional services¹⁷.

The census revealed uneven revenue growth expectations for 2021. Based on the respondents' expectations, the sector is projected to grow 0.7% in 2021. The modest growth expectation was largely due to negative growth expectations for audit and assurance services which accounted for nearly half of the sector's revenue. On the other hand, tax advisory and compliance services are projected to grow 3.3% in 2021, followed by corporate support services (1.9%) and business advisory services (1.8%).



AUDIT AND ASSURANCE – PROJECT TO SHRINK 1.0%

Only 27% of the respondents providing such services are positive about its growth prospects in 2021. Over half of the respondents indicated that revenues are expected to decline in 2021 (51%) with another 22% expecting these revenues to remain the same. The Big 4 AEs are the most pessimistic, with none of them projecting positive growth for such services in 2021.

BUSINESS ADVISORY – PROJECT TO GROW 1.8%

Business advisory saw a 3.5% decline in revenues in 2019. Anecdotal feedback suggests that advisory services, which are considered highly exportable, were the most affected during the pandemic due to travel restrictions. AEs project such services to recover in 2021. Almost half of the AEs providing such services expect positive growth for business advisory services in 2021 (46%) with only 13% projecting negative growth.

¹⁶ Ministry of Trade and Industry. MTI Maintains 2021 GDP Growth Forecast at "4.0 to 6.0 Per Cent", 15 February 2021

¹⁷ Ministry of Manpower. Jobs Situation Report 7th Edition. 1 October 2020.

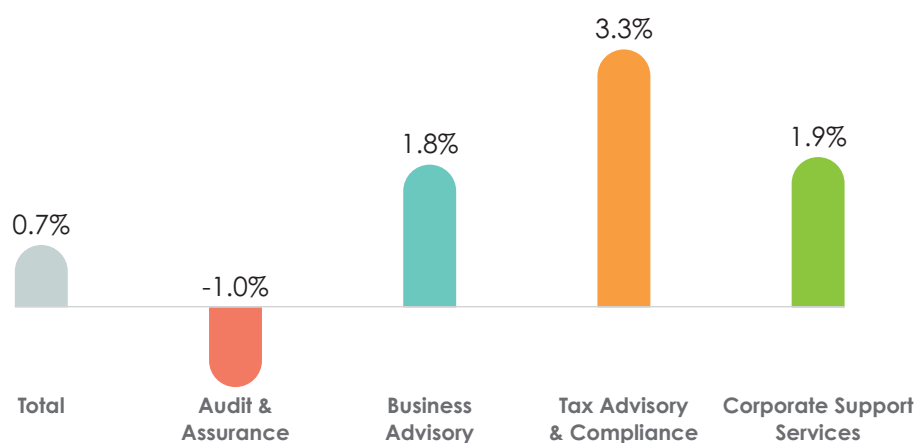
TAX ADVISORY AND COMPLIANCE – PROJECT TO GROW 3.3%

29% of the AEs providing such services project the services to grow in 2021. 39% expect such revenues to remain the same with about one-third (32%) expecting negative growth. Compared to other services, some of the Big 4 AEs appear to be more bullish about the growth of tax advisory and compliance services.

CORPORATE SUPPORT – PROJECT TO GROW 1.9%

Nearly one-third of the AEs providing such services project positive growth in 2021 (31%). The Big 4 AEs expect growth in 2021 even though these services made up only 1% of their revenues. On the other hand, Micro AEs were less optimistic about the growth of such services which made up 23% of their total revenues in 2019. Only 13% of them project positive growth of such services while 35% of them expect such revenues to decline.

FIG 46 Estimated Expected Revenue Growth in 2021, By Service Category



AE Size	Audit & Assurance	Business Advisory	Tax Advisory & Compliance	Corporate Support Services	Total
TOTAL	▼ 1.0%	▲ 1.8%	▲ 3.3%	▲ 1.9%	▲ 0.7%
Big 4	▼ 1.2%	▲ 1.8%	▲ 4.1%	▲ 5.8%	▲ 1.0%
Large	▲ 1.9%	▲ 2.2%	▼ 1.7%	▲ 2.1%	▲ 1.8%
Medium	▲ 1.8%	▲ 0.9%	▲ 2.2%	▲ 0.5%	▲ 1.8%
Small	▼ 2.0%	▲ 1.5%	▲ 0.9%	▲ 2.8%	▼ 0.6%
Micro	▼ 4.9%	▲ 0.4%	▼ 2.4%	▼ 1.4%	▼ 3.8%

EXPECTED HEADCOUNT GROWTH FOR 2021

Majority of the respondents do not expect to increase their headcounts in 2021. The workforce for both audit and assurance and business advisory services are projected to decline by 2.3% and 4.7% respectively. On the other hand, the workforce for tax advisory and compliance, and corporate support services will increase by 6.2% and 1.0% respectively. Overall, the workforce is projected to shrink 1.4% in 2021.

AUDIT AND ASSURANCE – PROJECT TO SHRINK 2.3%

Revenues are projected to shrink by 1.0% in 2021. As a result, headcounts are expected to decline. The census showed that the Big 4 AEs indicated that they may reduce the total headcounts for this service line. However, 75% of the Large AEs indicated that they expect to increase their workforce for such services in 2021.

BUSINESS ADVISORY – PROJECT TO SHRINK 4.7%

Although the AEs project such revenue to grow 1.8% in 2021, the total business advisory workforce is expected to decline 4.7%. This is mainly due to the expected reduction of advisory staff working in the Big 4 AEs as 67% of them expect to reduce headcounts. On the other hand, the other AEs have indicated that they will hire more advisory professionals. For example, 50% of Large AEs indicated that they will expand such advisory teams.

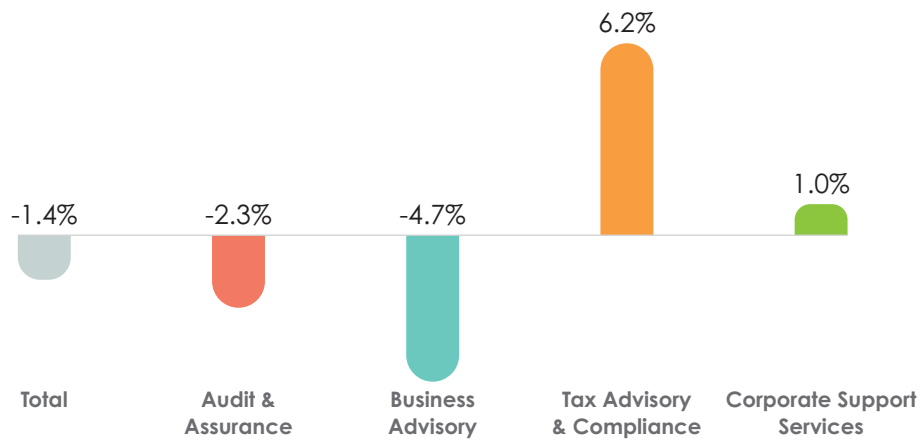
TAX ADVISORY AND COMPLIANCE – PROJECT TO GROW 6.2%

The workforce for such services is expected to add 166 jobs in 2021, mainly led by the Big 4 AEs. 67% of the Big 4 AEs expect to grow their tax teams and 57% of the Large AEs also expect to do the same.

CORPORATE SUPPORT SERVICES – PROJECT TO GROW 1.0%

The workforce for corporate support services has shrunk over the last few years. Surprisingly, majority of the AEs do not expect to continue shrinking their corporate support teams. 12% of AEs providing such services expect to grow their headcounts while only 10% expect to reduce such teams.

FIG 47 Estimated Expected Headcount Growth in 2021, By Service Category



AE Size	Audit & Assurance	Business Advisory	Tax Advisory & Compliance	Corporate Support Services	Total
TOTAL	▼ 2.3%	▼ 4.7%	▲ 6.2%	▲ 1.0%	▼ 1.4%
Big 4	▼ 5.0%	▼ 6.0%	▲ 8.7%	▲ 6.5%	▼ 2.8%
Large	▲ 2.8%	▲ 2.7%	▲ 3.1%	▲ 0.3%	▲ 2.4%
Medium	▲ 0.8%	▲ 1.2%	▲ 0.5%	▼ 0.2%	▲ 0.6%
Small	▼ 1.1%	▲ 4.4%	▲ 0.5%	▲ 1.2%	▼ 0.5%
Micro	▼ 1.2%	▲ 0.9%	▼ 1.0%	▼ 0.3%	▼ 1.0%

TOP 50 ACCOUNTING ENTITIES¹⁸

TOP 50



BIG 4

(≥ 1,000 staff)

Deloitte & Touche LLP
Ernst & Young LLP
KPMG LLP
PricewaterhouseCoopers LLP

LARGE

(101-999 staff)

Baker Tilly TFW LLP
BDO LLP
Crowe Horwath First Trust LLP
Foo Kon Tan LLP
Mazars LLP
Moore Stephens LLP
Nexia TS Public Accounting Corporation
RSM Chio Lim LLP
UHY Lee Seng Chan & Co



MEDIUM

(31 - 100 staff)

A Garanzia LLP	Lo Hock Ling & Co
Ardent Associates LLP*	Natarajan & Swaminathan
Assurance Partners LLP	P G Wee Partnership LLP
Audit Alliance LLP	Pinebridge LLP
CA Trust PAC*	PKF-CAP LLP
Cypress Singapore PAC	Precursor Assurance PAC
Ecovis Assurance LLP	R Chan & Associates PAC
EisnerAmper PAC	Robert Tan Partners PAC
Fiducia LLP	Robert Yam & Co
Grant Thornton Audit LLP	Rohan.Mah & Partners LLP
Helmi Talib & Co	RT LLP
Heng Lee Seng LLP	Steven Tan Russell Bedford PAC
HLB Atrede LLP	Tan, Chan & Partners
Infinity Assurance LLP	
Kong, Lim & Partners LLP	
Kreston David Yeung PAC	



SMALL

(10 - 30 staff)

Acutus LLP
BSL Public Accounting Corporation
CSI & Co PAC
MGI Alliance Singapore PAC
MGI N Rajan Associates
Philip Liew & Co
Reanda Adept PAC
Thong & Lim

* As of 1 January 2020, Ardent Associates LLP and CA Trust have merged under a new legal entity, Kreston Ardent CAtrust PAC

GLOSSARY OF TERMS

Accounting Entity (AE)	<p>An Accounting Corporation, Accounting Firm, or Accounting Limited Liability Partnership, approved under the Accountants Act (Chapter 2). An accounting entity provides audit and assurance services – regulated by ACRA – as well as other non-audit related services such as basic accounting services, tax preparations, corporate advisory services and consultancy services.</p>
Accounting Services Entity (ASE)	<p>An entity that does not provide audit and assurance services that are regulated by ACRA, but provide non-audit related accounting services such as basic accounting services, tax preparations and corporate advisory services.</p>
Audit and Assurance	<p>Comprises:</p> <ul style="list-style-type: none"> • Statutory audit; • Accounting advisory; and • Other assurance services.
Corporate Support Services	<p>Comprises:</p> <ul style="list-style-type: none"> • Bookkeeping; • Corporate secretarial and legal services; • Outsourcing of accounting/finance personnel; • Payroll; • Statutory financial reporting/compilation services; and • Fund administration services.
Corporate Finance and Deal Advisory	<p>Comprises:</p> <ul style="list-style-type: none"> • Business valuation; • Financial modelling; • Debt and capital advisory; • IPOs and capital markets activity; • M&A and due diligence; and • Project and infrastructure.
IT Advisory	<p>Comprises:</p> <ul style="list-style-type: none"> • IT solution business; • Technology risk advisory; • Technology consulting; and • IT forensic services.
Restructuring and Insolvency Advisory	<p>Comprises:</p> <ul style="list-style-type: none"> • Corporate restructuring (operational restructuring) • Debt restructuring (capital advisory, judicial management, scheme of arrangement) • Insolvency services (liquidation, receiverships); and • Litigation support and expert witness services.

Risk Management and Governance	<p>Comprises:</p> <ul style="list-style-type: none"> • Risk advisory; • Corporate governance advisory; • Fraud and forensic services; and • Internal audit services.
Tax Compliance	<p>Comprises:</p> <ul style="list-style-type: none"> • Compliance in corporate tax; • Compliance in personal income tax; and • Compliance in GST services.
Tax Advisory	<p>Comprises:</p> <ul style="list-style-type: none"> • Transfer pricing advisory; • International tax advisory; and • Tax advisory – other services.
Other Advisory Services	<p>Comprises:</p> <ul style="list-style-type: none"> • Process improvement; • Sustainability and CSR reporting; • HR compliance; • Succession planning/business transfer; and • Other services.
Work Performed in Singapore	<p>Income received by all entities based in Singapore which is sourced locally. This excludes non-operating income, such as sale/disposal of fixed assets, grants and from revenues collected on behalf of others.</p> <p>For example:</p> <ul style="list-style-type: none"> • Income received from the provision of accounting services in Singapore
Work Performed outside Singapore	<p>Income received by all entities based in Singapore which is sourced overseas. This excludes non-operating income, such as sale/disposal of fixed assets, grants and gross revenues collected on behalf of others.</p> <p>For example:</p> <ul style="list-style-type: none"> • Revenue from work performed by Singapore staff outside Singapore • Revenue from the provision of cloud-based services to clients based outside Singapore
Business Unit	<p>A segment of the entity that represents a specific business function or an entity comprising a business function.</p>

ANNEX: DATA TABLES

Figures may not sum up to 100% due to rounding.

TABLE 1

Annual Revenue Derived From Work Performed in Singapore (n=179)

AE Size	Less than S\$0.5 mil	S\$0.5 mil to < S\$1 mil	S\$1 mil to < S\$5 mil	S\$5mil to < S\$10 mil	S\$10mil to < S\$25 mil	S\$25 mil to < S\$50 mil	S\$50 mil or more
TOTAL	47%	16%	27%	3%	4%	1%	2%
Big 4	0%	0%	0%	0%	0%	0%	100%
Large	0%	0%	0%	13%	75%	13%	0%
Medium	0%	0%	79%	17%	3%	0%	0%
Small	8%	30%	63%	0%	0%	0%	0%
Micro	83%	16%	1%	0%	0%	0%	0%

TABLE 2

Annual Revenue Derived From Work Performed Outside Singapore (n=181)

AE Size	N.A.	Less than S\$0.25 mil	S\$0.25 mil to < \$0.5 mil	S\$0.5 mil to < S\$1 mil	S\$1 mil to < S\$2 mil	S\$2 mil to < S\$5 mil	S\$5mil or more
TOTAL	82%	10%	2%	1%	2%	1%	2%
Big 4	0%	0%	0%	0%	0%	0%	100%
Large	11%	11%	22%	11%	22%	22%	0%
Medium	62%	34%	0%	0%	3%	0%	0%
Small	88%	10%	3%	0%	0%	0%	0%
Micro	96%	4%	0%	0%	0%	0%	0%

TABLE 3

Annual Revenue Per Employee (n=179)

AE Size	Less than S\$60,000	S\$60,000 to < S\$80,000	S\$80,000 to < S\$100,000	S\$100,000 to < S\$125,000	S\$125,000 to < S\$150,000	S\$150,000 or more
TOTAL	36%	21%	23%	13%	5%	3%
Big 4	0%	0%	0%	0%	67%	33%
Large	0%	13%	63%	25%	0%	0%
Medium	17%	28%	28%	24%	3%	0%
Small	18%	28%	33%	13%	8%	3%
Micro	53%	17%	15%	9%	3%	3%

TABLE 4

Percentage of Employees Holding Degrees (n=180)

AE Size	Less than 20%	20% to < 40%	40% to < 60%	60% to < 80%	80% or more
TOTAL	2%	2%	8%	19%	68%
Big 4	0%	0%	0%	0%	100%
Large	0%	0%	0%	22%	78%
Medium	0%	0%	3%	21%	76%
Small	0%	5%	8%	25%	63%
Micro	4%	2%	11%	17%	65%

TABLE 5

Percentage of Employees with Professional Qualifications (n=179)

AE Size	Less than 20%	20% to < 40%	40% to < 60%	60% to < 80%	80% or more
TOTAL	6%	27%	28%	16%	23%
Big 4	0%	50%	25%	25%	0%
Large	0%	33%	44%	11%	11%
Medium	10%	41%	17%	24%	7%
Small	13%	30%	23%	20%	15%
Micro	3%	20%	32%	11%	34%

TABLE 6

Gross Monthly Salary Range – First Year Associate (n=181)

AE Size	N.A.	≤\$2,000 or less	\$2,001 - \$2,400	\$2,401 - \$2,800	\$2,801 - \$3,200	\$3,201 - \$3,600	More than \$3,600
TOTAL	22%	13%	29%	28%	4%	2%	1%
Big 4	0%	0%	0%	0%	25%	50%	25%
Large	0%	11%	11%	56%	22%	0%	0%
Medium	0%	0%	31%	59%	10%	0%	0%
Small	3%	8%	43%	43%	3%	3%	0%
Micro	39%	20%	26%	11%	1%	1%	1%

TABLE 7

Gross Monthly Salary Range – First Year Senior Associate with CA Singapore (n=181)

AE Size	N.A.	S\$2,800 or less	S\$2,801 - S\$3,200	S\$3,201 - S\$3,600	S\$3,601 - S\$4,000	S\$4,001 - S\$4,400	More than S\$4,400
TOTAL	40%	9%	13%	23%	7%	4%	3%
Big 4	0%	0%	0%	0%	0%	25%	75%
Large	0%	0%	0%	56%	11%	33%	0%
Medium	10%	3%	21%	52%	10%	3%	0%
Small	35%	5%	20%	20%	13%	5%	3%
Micro	56%	13%	10%	14%	4%	1%	2%

TABLE 8

Gross Monthly Salary Range – First Year Senior Associate without CA Singapore (n=181)

AE Size	N.A.	S\$2,800 or less	S\$2,801 - S\$3,200	S\$3,201 - S\$3,600	S\$3,601 - S\$4,000	S\$4,001 - S\$4,400	More than S\$4,400
TOTAL	26%	19%	22%	19%	6%	4%	3%
Big 4	0%	0%	0%	0%	0%	25%	75%
Large	0%	0%	22%	33%	22%	22%	0%
Medium	3%	10%	41%	31%	10%	3%	0%
Small	8%	18%	28%	38%	8%	0%	3%
Micro	43%	25%	15%	7%	3%	4%	2%

TABLE 9

Gross Monthly Salary Range – First Year Manager (n=181)

AE Size	N.A.	S\$5,000 or less	S\$5,001 - S\$5,500	S\$5,501 - S\$6,000	S\$6,001 - S\$6,500	S\$6,501 - S\$7,000	More than S\$7,000
TOTAL	30%	36%	13%	7%	8%	2%	3%
Big 4	0%	0%	0%	0%	0%	25%	75%
Large	0%	0%	22%	11%	67%	0%	0%
Medium	7%	34%	31%	7%	17%	3%	0%
Small	5%	48%	15%	15%	8%	5%	5%
Micro	52%	37%	7%	3%	1%	0%	0%

TABLE 10

Percentage of Revenue From Audit and Assurance Services (n=181)

AE Size	N.A.	30% or less	31% to 40%	41% to 50%	51% to 60%	61% to 70%	More than 70%
TOTAL	4%	8%	10%	14%	11%	10%	42%
Big 4	0%	0%	0%	100%	0%	0%	0%
Large	0%	0%	11%	33%	44%	0%	11%
Medium	0%	3%	14%	21%	21%	10%	31%
Small	0%	8%	10%	10%	5%	15%	53%
Micro	8%	11%	10%	8%	8%	9%	45%

TABLE 11

Percentage of Revenue From Corporate Support Services (n=181)

AE Size	N.A.	10% or less	11% to 20%	21% to 30%	31% to 40%	41% to 50%	More than 50%
TOTAL	37%	11%	12%	13%	10%	7%	10%
Big 4	0%	100%	0%	0%	0%	0%	0%
Large	11%	11%	33%	33%	11%	0%	0%
Medium	24%	14%	17%	14%	21%	7%	3%
Small	43%	5%	13%	13%	13%	13%	3%
Micro	42%	9%	8%	11%	7%	5%	17%

TABLE 12

Percentage of Revenue From Tax Advisory and Compliance Services (n=181)

AE Size	N.A.	10% or less	11% to 20%	21% to 30%	31% to 40%	41% to 50%	More than 50%
TOTAL	29%	22%	35%	11%	2%	1%	1%
Big 4	0%	0%	50%	50%	0%	0%	0%
Large	11%	11%	78%	0%	0%	0%	0%
Medium	14%	24%	52%	10%	0%	0%	0%
Small	35%	25%	30%	8%	3%	0%	0%
Micro	34%	22%	27%	12%	2%	1%	1%

TABLE 13

Percentage of Revenue From Business Advisory Services (n=181)

AE Size	N.A.	10% or less	11% to 20%	21% to 30%	31% to 40%	41% to 50%	More than 50%
TOTAL	69%	18%	6%	6%	2%	0%	1%
Big 4	0%	0%	0%	50%	50%	0%	0%
Large	0%	22%	44%	33%	0%	0%	0%
Medium	24%	55%	3%	14%	3%	0%	0%
Small	73%	20%	8%	0%	0%	0%	0%
Micro	89%	6%	2%	1%	0%	0%	2%

TABLE 14

Total Wage Expense As A Percentage of Total Operating Revenue (n=173)

AE Size	40% or less	41 - 50%	51 - 60%	61 - 70%	71 - 80%	81 - 90%	More than 90%
TOTAL	18%	19%	23%	19%	13%	6%	2%
Big 4	0%	25%	50%	25%	0%	0%	0%
Large	0%	11%	22%	33%	33%	0%	0%
Medium	11%	18%	29%	29%	7%	7%	0%
Small	8%	20%	25%	18%	18%	5%	8%
Micro	28%	20%	18%	15%	11%	8%	0%

TABLE 15

Total Wage Expense As A Percentage of Total Operating Expense (n=173)

AE Size	40% or less	41 - 50%	51 - 60%	61 - 70%	71 - 80%	81 - 90%	More than 90%
TOTAL	11%	2%	14%	20%	38%	14%	2%
Big 4	0%	0%	0%	25%	50%	25%	0%
Large	0%	0%	22%	11%	67%	0%	0%
Medium	7%	0%	21%	21%	39%	11%	0%
Small	3%	0%	18%	25%	35%	15%	5%
Micro	17%	3%	10%	18%	35%	15%	1%

TABLE 16

Expected Annual Revenue Growth of Audit and Assurance Services in 2021 (n=172)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	27%	9%	15%	22%	15%	7%	6%
Big 4	0%	0%	33%	67%	0%	0%	0%
Large	0%	0%	25%	13%	38%	25%	0%
Medium	10%	10%	17%	21%	21%	10%	10%
Small	25%	10%	20%	5%	30%	0%	10%
Micro	37%	9%	10%	29%	4%	8%	3%

TABLE 17

Expected Annual Revenue Growth of Corporate Support Services in 2021 (n=108)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	7%	6%	15%	40%	19%	6%	6%
Big 4	0%	0%	0%	0%	67%	33%	0%
Large	0%	0%	14%	43%	29%	0%	14%
Medium	5%	10%	10%	25%	35%	10%	5%
Small	4%	8%	13%	29%	29%	4%	13%
Micro	11%	6%	19%	52%	6%	4%	4%

TABLE 18

Expected Annual Revenue Growth of Tax Advisory and Compliance Services in 2021 (n=125)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	11%	7%	14%	39%	20%	3%	6%
Big 4	0%	0%	33%	0%	33%	0%	33%
Large	0%	14%	0%	29%	43%	14%	0%
Medium	4%	8%	16%	24%	32%	8%	8%
Small	8%	4%	12%	36%	28%	0%	12%
Micro	17%	8%	14%	49%	9%	2%	2%

TABLE 19

Expected Annual Revenue Growth of Business Advisory Services in 2021 (n=56)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	5%	4%	4%	41%	39%	4%	4%
Big 4	0%	0%	0%	33%	67%	0%	0%
Large	0%	0%	0%	25%	63%	13%	0%
Medium	18%	6%	6%	18%	41%	6%	6%
Small	0%	0%	0%	45%	45%	0%	9%
Micro	0%	6%	6%	71%	18%	0%	0%

TABLE 20

Expected Headcount Growth of Audit and Assurance Services in 2021 (n=168)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	8%	9%	7%	54%	16%	4%	4%
Big 4	0%	33%	67%	0%	0%	0%	0%
Large	0%	0%	0%	25%	63%	13%	0%
Medium	10%	7%	10%	34%	21%	10%	7%
Small	8%	20%	5%	40%	23%	0%	5%
Micro	8%	5%	5%	70%	8%	2%	2%

TABLE 21

Expected Headcount Growth of Corporate Support Services in 2021 (n=105)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	2%	4%	4%	78%	9%	2%	2%
Big 4	0%	0%	0%	67%	0%	0%	33%
Large	0%	0%	0%	86%	14%	0%	0%
Medium	5%	10%	5%	57%	19%	5%	0%
Small	0%	4%	8%	67%	13%	4%	4%
Micro	2%	2%	2%	92%	2%	0%	0%

TABLE 22

Expected Headcount Growth of Tax Advisory and Compliance Services in 2021 (n=118)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	3%	5%	3%	73%	11%	2%	3%
Big 4	0%	0%	0%	33%	0%	0%	67%
Large	0%	0%	0%	43%	43%	0%	14%
Medium	4%	8%	4%	63%	13%	8%	0%
Small	0%	9%	0%	61%	26%	0%	4%
Micro	3%	3%	5%	87%	2%	0%	0%

TABLE 23

Expected Headcount Growth of Business Advisory Services in 2021 (n=57)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	4%	2%	2%	61%	25%	4%	4%
Big 4	33%	0%	33%	33%	0%	0%	0%
Large	0%	0%	0%	50%	25%	13%	13%
Medium	6%	6%	0%	50%	33%	6%	0%
Small	0%	0%	0%	55%	36%	0%	9%
Micro	0%	0%	0%	88%	12%	0%	0%



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