

KEY CLAUSES IN THE DRAFT COMPANIES AND LIMITED LIABILITY PARTNERSHIPS (MISCELLANEOUS AMENDMENTS) BILL

S/N	Clause	Current requirement	Proposed amendment	Reason for amendment
1.	Clause 12	<p>Nominee directors and shareholders are only required to disclose their particulars to their companies, and such information has to be maintained in the companies' register of nominee directors and register of nominee shareholders.</p> <p>This information is neither made publicly available nor submitted to ACRA.</p>	<p>To (a) require companies and foreign companies to file all information kept in their registers of nominee directors and nominee shareholders with ACRA; and (b) for ACRA to maintain such information.</p> <p>Upon disclosure to ACRA, the nominee status of the director/shareholder will be made publicly available, including adding the nominee status to business profile extractions.</p> <p>Only public agencies may access the full information maintained by ACRA for the administration or enforcement of any written law.</p>	<p>The proposed amendment will further mitigate money-laundering risks by enhancing the transparency of nominee arrangements, as it can trigger additional scrutiny and customer due diligence by AML-obligated entities if a company or foreign company has nominee directors or shareholders.</p> <p>It will also ensure Singapore's continued compliance with the Financial Action Task Force's (FATF) update of its standards on beneficial ownership in March 2022, in which nominee directors and nominee shareholders are required to disclose the identity of their nominators to the Registrar, and to publicly disclose their nominee status.</p>
2.	Clauses 5 and 16	<p>Companies and limited liability partnerships ("LLPs") are required to give notice to a registrable controller if the entity knows or has reasonable grounds to believe that (i) a</p>	<p>To additionally require companies and LLPs to check annually with every registrable controller whose particulars are stated in their register of controllers if there has been a change in their particulars or if their particulars is correct, by giving notice</p>	<p>The proposed amendment will ensure the accuracy of information maintained in entities' register of registrable controllers, and that the accompanying fines are dissuasive and in line with the FATF's standards.</p>

S/N	Clause	Current requirement	Proposed amendment	Reason for amendment
		change has occurred in the particulars of the controller that are stated in the entity's register of controllers ¹ ; or (ii) any of the particulars is incorrect.	to every such controller. Entities that fail to do so will be liable to a maximum fine of \$25,000.	
3.	Clauses 10 and 17	The Registrar and officers of ACRA may exercise powers of enforcement in respect of the register of controllers, the register of nominee directors and the register of nominee shareholders (section 386AM(1)-(2) of the Companies Act (CA) and section 53(1)-(2) of the LLP Act). Amongst other things, the Registrar or an officer of ACRA may require a company/LLP to produce its register, and/or make such inquiry as may be necessary to ascertain whether the provisions of Part 11A of the CA/Part 6A of the LLP Act are complied with.	To introduce an offence applicable to a person who, in complying with a requirement imposed, or in answering an inquiry made, under 386AM(1)-(2) of the CA and section 53(1)-(2) of the LLP Act ² , without exercising due diligence, provides any information that is false or misleading in a material particular to the Registrar or officers of ACRA. The maximum fine for the offence is \$25,000.	The proposed amendment provides consistency with the existing penalties that apply to persons who are non-compliant with the Registrar and ACRA officers' registers-related enforcement powers ³ , by ensuring that persons who comply with the Registrar's powers (but provide inaccurate information to the Registrar due to their lack of reasonable due diligence), will also be subject to a fine.

¹ Including where a person ceases to be a controller of the company.

² Persons who file false or misleading information to the Registrar would already be liable under Section 401 of the Companies Act, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

³ Such persons are currently subject to a fine of \$5,000, but this will be increased to \$25,000 (see S/N 4).

S/N	Clause	Current requirement	Proposed amendment	Reason for amendment
		<p>Any person who fails to comply with any requirement imposed under section 386AM(1)-(2) of the CA or section 53(1)-(2) of the LLP Act shall be guilty of an offence.</p> <p>However, there is no sanction for a person who provides incorrect particulars in the register to the Registrar or an officer of ACRA in order to comply with any requirement imposed under section 386AM(1)-(2) of the CA and section 53(1)-(2) of the LLP Act.</p>		
4.	Clauses 13 and 18	For companies and foreign companies, the offences pertaining to the register of controllers, the register of nominee directors ⁴ and the register of nominee shareholders are punishable with a maximum fine of \$5,000.	To increase the maximum fine to \$25,000, for offences pertaining to: (a) The register of controllers, the register of nominee directors and the register of nominee shareholders for companies; and (b) The register of controllers for LLPs ⁵ .	The proposed amendment will ensure the accuracy of information maintained in entities' register of registrable controllers, register of nominee directors and register of nominee shareholders and that the accompanying fines are dissuasive and in line with the FATF's standards.

⁴ Foreign companies are currently not required to keep a register of nominee directors.

⁵ Due to structure of LLPs, the concepts of nominee directors and nominee shareholders do not apply to LLPs.

S/N	Clause	Current requirement	Proposed amendment	Reason for amendment
		For LLPs, the offences pertaining to the register of controllers is also punishable with a maximum fine of \$5,000.		
5.	Clause 2	Local companies must declare the following to the Registrar as part of their annual return filing ⁶ : (a) whether they are exempted from maintaining registers of controllers; and (b) if they are not exempted, the location where their registers are maintained. There are no equivalent requirements for foreign companies.	To require foreign companies who are exempt from maintaining a register of controllers, register of nominee directors and register of nominee shareholders to declare the following to the Registrar as part of their annual filing ⁷ : (a) whether they are exempted from maintaining the registers; (b) if they are exempted, the category of exemption they fall under; and (c) if they are not exempted, the location where their registers are maintained.	This will align the treatment between local and foreign companies and facilitate ACRA's monitoring of local and foreign companies' compliance with requirements pertaining to the register of registrable controllers.
6.	Clause 6	Unlike a local company, a foreign company is not required to maintain a register of nominee directors.	To require foreign companies to maintain registers of nominee directors.	The proposed amendment will ensure that Singapore's BO regime is aligned with the FATF standards, which do not distinguish between local and foreign companies in the requirement to maintain registers of nominee directors.

⁶ Please refer to ACRA's e-Guide for "Annual Return by Local Company (For FYE from 31 August 2018)", available at <https://www.bizfile.gov.sg>.

⁷ For local companies, amendments will be made to the Companies (Filing of Documents) Regulations to require similar declarations as part of local companies' annual return filing.

S/N	Clause	Current requirement	Proposed amendment	Reason for amendment
7.	Clause 9(h)	Section 386ALB(7) of the Companies Act contains the definition of a nominee shareholder for the purposes of the register of nominee shareholders.	To amend the definition of nominee shareholders as follows (amendments are in red font): “In this section and section 386ALA, a shareholder of a company or foreign company is a nominee if the shareholder satisfies either or both of the following: (a) the shareholder is accustomed or under an obligation whether formal or informal to vote, in respect of shares in the company or foreign company of which the shareholder is the registered holder, in accordance with the directions, instructions or wishes of any other person; and (b) the shareholder receives dividends, in respect of shares in the company or foreign company of which the shareholder is the registered holder, on behalf of any other person.”	The FATF’s definition of nominee shareholders was recently updated in March 2022. The proposed amendment will ensure that Singapore’s BO regime is aligned with the FATF standards, and prevent the relevant individuals from being inadvertently excluded from the register of nominee shareholders requirements.
8.	Clauses 3 and 14	Companies and LLPs must keep a register of registrable controllers within 30 days of being incorporated or registered.	To require companies and LLPs to keep a register of registrable controllers starting on the date of incorporation or registration.	The proposed amendment aims to enhance corporate transparency by requiring companies and LLPs to maintain information regarding their beneficial owners from the day of their incorporation/ registration. This measure will enable competent authorities to promptly access

S/N	Clause	Current requirement	Proposed amendment	Reason for amendment
				BO information of all companies and LLPs (unless exempted) upon their incorporation/ registration.