

**PROPOSED AMENDMENTS ON ANNUAL GENERAL MEETINGS AND ANNUAL RETURNS**

Current provision	Proposed amendments	Sections amended	Reasons/ questions	Consultation
<p>Directors of every locally-incorporated company must hold annual general meetings (AGMs) based on the combination of two timelines, as follows:</p> <p>a) <u>Timeline 1</u>: Section 175 of the Companies Act requires every locally-incorporated company to hold its first AGM within 18 months of incorporation, and subsequent AGMs yearly at intervals of not more than 15 months</p> <p>b) <u>Timeline 2</u>: Section 201 of the Companies Act requires financial statements tabled at AGMs to be made up to a date within 4 months for listed companies or 6 months for any other company before the date of AGM</p> <p>There are separate provisions on application for extension of time for holding of AGMs under section</p>	<p>Align the timeline for holding AGMs under sections 175 and 201 of the Companies Act only to financial year end (FYE) by applying Timeline 2 but removing Timeline 1:</p> <ul style="list-style-type: none"> <li>• <u>For listed company</u>: Hold AGM no later than the last day of the 4<sup>th</sup> month after FYE</li> <li>• <u>For any other company</u>: Hold AGM no later than the last day of the 6<sup>th</sup> month after FYE</li> </ul> <p>The new timelines will be stated in section 175, with the current timelines stated in section 201 removed. Accordingly, the separate provision in section 201 for extension of time for laying of financial statements will also be removed.</p> <p>The following safeguards will be put in place:</p> <p>a) Companies must notify the Registrar of their FYE upon incorporation and of any subsequent change;</p> <p>b) Companies will require the approval of the Registrar if they wish to change their FYE after having previously changed the FYE within the last 5 years; and</p>	<p>s175(1)(a), new provision s175(1A), s175(2), s201(1), (3), (4), (5), (6)</p> <p>s201(4), s201(6)</p> <p>New provision s198A</p>	<p>To simplify the deadline for holding AGMs</p> <p>To prevent companies from manipulating their FYE and circumventing the requirements</p> <p><b><u>Consultation question 1</u></b>  <b>We would like to seek comments on whether the proposed safeguards are appropriate and sufficient.</b></p>	

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<p>175 and for laying of financial statements under section 201.</p>	<p>c) Unless otherwise allowed by the Registrar, the duration of the financial year must not be longer than 18 months in the year of incorporation or any year in which there is a change in FYE.</p> <p>Companies may only change FYE for the current FY. For previous FYs, the period for holding AGM and filing AR may have expired so it would be inappropriate to retrospectively change those periods by allowing a change in previous FYEs.</p> <p>While newly incorporated companies will be required to notify the Registrar of their FYE upon incorporation, existing companies which were incorporated before the proposed amendments will</p>		<p><b><u>Consultation question 2</u></b> In the United Kingdom, a change of FYE that will result in a longer financial year is not allowed if the company's financial year had been lengthened through a change of its FYE in the last 5 years. However, there is no similar regulation of changes in FYE which result in shortening of a financial year.</p> <p>For transparency and to prevent abuse, our proposed position is to require the Registrar's approval where there is a change in FYE within the last 5 years. <b>Do you agree that regulation of changes in FYE should apply equally whether the financial year is thereby lengthened or shortened?</b></p> <p><b><u>Consultation question 3</u></b> <b>Do you agree that a change in FYE should only be allowed for the current FY and not any previous FY?</b></p> <p><b><u>Consultation question 4</u></b> <b>We would like to seek comments on whether the proposed deeming of</b></p>

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	<p>have an FYE deemed by law. Existing companies which had previously notified ACRA of their FYE date will have that date deemed by law to be the statutory FYE. Existing companies which had not previously notified ACRA of their FYE will have their date of incorporation deemed by law to be their statutory FYE.</p> <p>For companies with an unusual financial year period (e.g. 52 or 53 weeks rather than 1 year), the FYE will change every year. The Registrar will approve such changes in FYE without any application being submitted by the company.</p>		<p><b>statutory FYE for existing companies is appropriate.</b></p> <p><b><u>Consultation question 5</u></b>  <b>We would like to seek comments on whether there are other unusual financial year periods (apart from 52 or 53 weeks) that companies may adopt.</b></p>
<p>Section 197 of the Companies Act requires every locally-incorporated company to file an annual return (AR) within 30 days after its AGM and companies having a share capital and keeping a branch register outside Singapore to file an AR within 60 days after its AGM.</p>	<p>For locally-incorporated companies, align the timeline for filing ARs under section 197 of the Companies Act to FYE:</p> <ul style="list-style-type: none"> <li>• <u>For listed company</u>: File AR no later than the last day of the 5<sup>th</sup> month after FYE</li> <li>• <u>For any other company</u>: File AR no later than the last day of the 7<sup>th</sup> month after FYE</li> </ul> <p>For companies having a share capital and keeping a branch register outside Singapore, align the timeline for filing ARs under section 197 of the Companies Act to no later than the 6<sup>th</sup> or 8<sup>th</sup> month after FYE, depending on whether they are listed.</p>	<p>s197(1)(a)</p> <p>s197(1)(b)</p> <p>s197(1)</p>	<p>For consistency with the proposal to align the timeline for holding AGMs to FYE</p> <p><b><u>Consultation question 6</u></b>  <b>We would like to seek comments on whether the proposed amendments to align the timeline for filing ARs to FYE are appropriate, and whether any transitional provisions are required to the proposed amendments to the AGM and AR timelines.</b></p>

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	<p>Private companies which send their financial statements by the last day of the 5<sup>th</sup> month after FYE may file AR only after sending the financial statements. Other companies required to hold AGM may only file AR after the AGM date.</p> <p>Companies will be able to apply for an extension of time to file AR if required.</p>	<p>s175A(10)</p> <p>s197(1A)</p>	<p><b><u>Consultation question 7</u></b>  <b>We would like to seek comments on whether the proposed amendments allowing AR to be filed only after the occurrence of certain events are appropriate.</b></p>
<p>Section 175A of the Companies Act allows private companies to dispense with holding AGMs if all members approve to do so.</p>	<p>Broaden the situations where private companies need not hold AGMs by exempting any private company from holding AGMs if the following safeguards are satisfied:</p> <p>(a) it sends financial statements to its members within 5 months after FYE; and</p> <p>(b) no member requests for an AGM to be held at least 14 calendar days before the last day of the 6<sup>th</sup> month after FYE.</p> <p>Requirement (a) above will not apply to private companies which are dormant relevant companies and exempt from laying financial statements under section 201 for a financial year pursuant to section 201A.</p> <p>Directors must hold an AGM within 6 months after FYE on the request of any member made by the specified deadline. The company may seek the Registrar's approval for an extension of time to hold AGM.</p>	<p>s175A(1)(b), s203(1)(b)</p> <p>s175A(4)(b)</p> <p>s175A(10)</p> <p>s175(2)</p>	<p>To reduce regulatory burden for private companies</p> <p><b><u>Consultation question 8</u></b>  <b>We would like to seek comments on whether it is appropriate to exempt private companies from holding AGMs if the safeguards are met.</b></p> <p><b><u>Consultation question 9</u></b>  <b>We would like to seek comments on whether the proposed safeguards appropriate and sufficient or whether there are any other prerequisites which should apply before AGM exemption applies.</b></p> <p><b><u>Consultation question 10</u></b>  Section 203(4) of the Companies Act states that any member or</p>

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	<p>The existing option for private companies to dispense with holding AGMs will be retained. However, some provisions such as the timeframe of filing annual returns for companies that dispensed with the holding of AGMs will be amended to achieve consistency with the new AGM exemption.</p> <p>Due to the new AGM exemption, there are also consequential amendments to the other provisions of the Companies Act.</p>	<p>s175A(4), s175A(8), s175A(10), s197(4), s197(5)</p> <p>s175A(1)(a), s175A(2), s175A(3), s175A(4)(a), s184A(2), s186(1)(b), s201AA(1)(b), s201C, s203(1)(b), s205(12A)</p>	<p>auditor of the company may, by notice to the company not later than 14 days after the financial statements were sent out, require that a general meeting be held for laying those documents before the company.</p> <p><b>Do you agree that section 203(4) should apply to companies exempted from holding AGMs?</b></p>	