

KEY CLAUSES IN THE DRAFT COMPANIES (AMENDMENT) BILL AND CONSULTATION QUESTIONS

Proposed sections	Description	Reasons/ Consultation questions
41A – Contract by company	Section 41A(1) deals with how a contract may be made by a company.	Section 41A(1) replaces the current section 41(3) of the Companies Act by adopting section 43 of the UK Companies Act 2006 with modifications. A company can make a contract under its common seal or through an authorised person.
	Section 41A(2) deals with how a contract may be made by a corporation incorporated outside Singapore.	Section 41A(2) adopts the modifications applied to section 43 of the UK Companies Act 2006 by the UK Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009 to contracts made by a corporation incorporated outside Singapore. In addition to the common seal, corporations incorporated outside Singapore may make contracts in any manner or through an authorised person, in accordance with the laws of its territory of incorporation.
41B(1) – Execution of document by a company	Section 41B(1) deals with how a document may be executed by a company.	Section 41B(1) is based on section 44(1), (2) and (3) of the UK Companies Act 2006. The provision allows for signing on behalf of the company by a director and a secretary of the company, or by 2 directors of the company, as an alternative to affixing of its common seal. In Singapore, it is mandatory for every company to have a company secretary whereas in UK, it is optional for private companies. As such, the alternative provided for in UK section 44(2)(b) of signature by a director of the company in the presence of a witness who attests the signature is not necessary in the Singapore context given that every company will, at minimum, have a director and a secretary.

Proposed sections	Description	Reasons/ Consultation questions
		<p><u>Consultation question 1</u> We would like to seek comments on whether the proposed persons who may sign on behalf of a company are appropriate.</p>
	Section 41B(3) deals with how a document may be executed by a corporation incorporated outside Singapore.	Section 41B(3) adopts the modifications applied to section 44 of the UK Companies Act 2006 by the UK Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009 to contracts made by a corporation incorporated outside Singapore. The laws of the territory in which the corporation is incorporated will apply.
41C – Execution of document as a deed by company	Deals with the execution of deeds by companies	To allow companies to execute deeds without using a common seal
41D – Execution of document as a deed on behalf of a company	Deals with the execution of deeds on behalf of companies	Re-enacts the current sections 41(5) and (6) with modifications
41E – Official seals for use abroad	Deals with the use of official seals abroad by a company	Re-enacts the current section 41(7) with modifications
41F – Authority of agent of corporation incorporated outside Singapore need to be by deed, unless deed is required by law of foreign territory	Provides for appointment of an attorney or agent of a foreign corporation	Re-enacts the current sections 41(8) and 41(9) with modifications
41G – Authentication of document	Provides for the authentication of documents by a corporation	Re-enacts the current section 41(4) with modifications
Consequential amendments to sections 123, 144, 179, 215, 272 and 385 and Eleventh Schedule of the Companies Act		The consequential amendments are required arising from the removal of the mandatory requirement of the common seal.

KEY CLAUSES IN THE DRAFT LIMITED LIABILITY PARTNERSHIPS (AMENDMENT) BILL AND CONSULTATION QUESTIONS

Proposed sections	Description	Reasons/ Consultation questions
5 – Capacity	Delete section 5 of the LLP Act. The proposed new section 5 reproduces the existing section 5(1)(a), (b) and (d) and removes section 5(1)(c) and section 5(2).	Section 5(2), which applies certain provisions of the Companies Act to LLPs, is unnecessary since the proposed new Second Schedule to the LLP Act reproduces the relevant provisions. Section 5(1)(c), referring to the common seal of an LLP, is now dealt with in paragraph 4 of that Schedule.
13A – Formalities New Second Schedule – Formalities relating to contracts and the execution of documents	The proposed new Second Schedule reproduces, with appropriate modifications, provisions from the attached Companies Act (Amendment) Bill which are proposed to replace the current section 41 of the Companies Act.	With the removal of the current section 5(2), the relevant provisions have to be reproduced in the LLP Act. <u>Consultation question 2</u> We would like to seek comments on whether signature by two partners or a partner in the presence of a witness who attests the signature, as specified at paragraph 3(1)(b) of the proposed new Second Schedule, is appropriate as an alternative to affixing the common seal.