

TABLE OF PROPOSED CHANGES IN PART 2 OF THE DRAFT COMPANIES (AMENDMENT) BILL

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
Delegation of power to consider and decide on appeals to the Minister of State (Finance)			
2	<p>The Companies Act (CA) gives the Minister the power to consider and decide on appeals against the Registrar’s decision under the following sections:</p> <ul style="list-style-type: none"> (a) Power to refuse registration: section 20(3) (b) Names of companies: section 27(5) and (5A) (c) Change of name: section 28(3D) and (3E) (d) Power to refuse registration of a foreign company in certain circumstances: section 369(2) (e) Cesser of business in Singapore: section 377(9). 	<p>Amend the CA to enable the Minister to delegate the power to consider and decide on appeals to the Minister of State (Finance) if he wishes to.</p> <p>(Note: The delegation power will also be applicable to the new section 29(8A) introduced in Clause 10 below.)</p>	<p>Provide flexibility for the Minister to delegate the power to decide on appeals.</p>
Interests in shares			
3 & 61	<p>Section 7(4A) provides that where a body corporate has or is deemed to have an interest in a share, a person who with his associates is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the body corporate is deemed to have an interest in that share. Section 7(5) defines a person C as an associate of B if:</p> <ul style="list-style-type: none"> (a) C is a subsidiary, holding company or 	<p>Narrow the scope of the deemed interest provision by excluding holding company and fellow subsidiaries from the definition of associates under section 7(5) i.e. amend section 7(5)(a) to refer only to subsidiary and repeal section 7(5)(b) and (e). In short, after the amendment, section 7(5) will define a person C as an associate of B if C is a</p>	<p>For consistency with the manner in which corporate control is exercised.</p>

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	fellow subsidiary of B; (b) B must act in accordance with C's direction; (c) C is obliged to act in accordance with B's direction; (d) C is a body corporate which is, or whose directors are, obliged to act in accordance with B's direction; or (e) C is a body corporate and B must act in accordance with C's or C's directors' directions.	subsidiary of B or B is able to control the decisions of C. Consequential amendments to other legislation arising from this amendment are set out in the Schedule.	
Update section 12(7) on destruction of old records			
4	Section 12(7) relates to the destruction or transfer of old documents.	Amend section 12(7) to allow the Registrar to: <ul style="list-style-type: none"> – destroy documents with the authorisation of the National Library Board; or – transfer documents to the National Archives of Singapore, if the documents have been microfilmed or converted to electronic form. 	Update the provision to reflect the applicability of the National Library Board Act on destruction or transfer of old records.
Rectification of register			
5 & 6	Section 12B(3) and (4) provide that the Registrar may rectify typographical or clerical errors contained in a document lodged with the Registrar upon notification by the company. However, the company must apply to the Court to rectify other defects or errors.	Repeal and re-enact section 12B(3) and (4) to widen the scope of errors which the Registrar may rectify upon application of the company to include errors in filing that are unintended and do not prejudice any person.	Lower costs for companies and improve the accuracy of ACRA's register.

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		<p>Introduce section 12C to allow the Registrar to rectify or update the register on his own initiative if the Registrar is satisfied that:</p> <ul style="list-style-type: none"> – there is a defect or error in the particulars arising from any grammatical, typographical or similar mistake; or – there is evidence of a conflict between the particulars of a company or person with other information on the register or information obtained from credible third-party sources. 	
Enforcement of duty to make returns			
7	Section 13(1) allows the Court to order a company to comply with the Registrar’s request to amend, complete or resubmit a document or submit a fresh document. The provision currently only applies to documents that have not yet been registered.	Amend section 13(1) to expressly allow the Registrar to apply for a Court order if a company fails to comply with a request to rectify defective registered documents.	Technical amendment to clarify the scope of section 13(1).
Names of companies			
8	<p>Section 27 provides that a company name should not:</p> <ul style="list-style-type: none"> – be identical to that of any other company, limited liability partnership, corporation or business; or – resemble that of another company, 	Amend section 27(1)(b) to include reference to “limited partnerships”, and section 27(2)(b) to include reference to “limited liability partnership” and “limited partnership”.	Technical amendment to include prohibition of the registration of a name which is identical to or resembles that of a limited partnership or a limited

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	corporation or business.		liability partnership.
	Section 27(2) allows the Registrar to direct a company to change its name. One of the grounds for such a direction is where the name is identical to another entity.	Amend section 27(2)(a) to exclude the provision relating to reserved names.	Related to the new section 27(1)(c). The power to direct a change of name will not be extended to a name identical to a reserved name.
	Section 27(2C) provides that the Registrar may require a company to pay fees if he is satisfied that the company to which a direction to change name was given had applied for the registration under that name in bad faith.	Amend section 27(2C) to replace the reference to “fees” with “penalty”.	Technical amendment for clarity.
	Section 27(4) defines the reference to a corporation as including “a reference to a corporation whether or not it is registered under Division 2 of Part XI”, for the purpose of section 27(2).	Repeal section 27(4).	Technical amendment. The definition of “corporation” under section 4(1) already includes corporation whether or not it is registered under Division 2 of Part XI.
	Section 27(10) allows a person to reserve the name of an intended company, the name to which a company proposes to change its name or the name of a foreign company.	Repeal section 27(10)(c) and re-enact as section 378(12). Consequential amendment to section 27(15). Provision relating to foreign companies is enacted as section 378(18).	Consolidate provisions relating to foreign companies. No change in substance.
	Section 20 provides the Registrar with the powers to reject the registration of a company’s memorandum. The refusal to register the	Amend section 27(12) to allow the Registrar to refuse the reservation of a proposed name on the basis that the	Address anomaly in which ACRA currently has to allow the reservation of an

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	<p>memorandum is based on the grounds that the proposed company is likely to be used for an unlawful or prejudicial purpose, or that it will be contrary to national security or interest for the proposed company to be registered.</p>	<p>intended company is likely to be used for an unlawful purpose or for purposes prejudicial to public peace, welfare or good order in Singapore, or that it would be contrary to the national security or interest for the intended company to be registered.</p> <p>Introduce section 27(12A) to provide that any person, who is aggrieved by the decision of the Registrar, may within 30 days after the decision appeal to the Minister.</p>	<p>intended company's name even though the application for company registration is likely to be rejected subsequently.</p>
	<p>Section 27(12) allows a name to be reserved for a period of two months from the date of lodgement of the application. ACRA may refer reserved names to a referral authority for checking before approving the name.</p>	<p>Introduce section 27(12B) to amend the period for protecting a reserved name which will start from the date of the lodging of the application and end 60 days after the date of the approval of the application given by the Registrar, or on the date on which the Registrar informs the applicant that the application is rejected.</p>	<p>Proposed change is to avoid a situation whereby the reservation period lapses before ACRA receives a reply from the referral authority.</p>
	<p>Section 27(14) provides that during the period for which a name is reserved, another company cannot register using a name that is reserved under the CA. Section 27(14) only protects a reserved name under the CA and does not include names reserved under other Acts administered by ACRA.</p>	<p>Repeal section 27(14) and introduce section 27(1)(c) such that a company cannot be registered using a name that is reserved by a foreign company or under the Business Registration Act, Limited Liability Partnerships Act or Limited Partnerships Act, not just the</p>	<p>Proposed change is to avoid registration of a name which is the same as a name which is reserved by another entity registered under another Act administered by ACRA and</p>

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		CA.	to align with similar provisions in the other Acts administered by ACRA.
Change of names of companies			
9	<p>Section 28 provides that the Registrar can direct a company to change its name if:</p> <ul style="list-style-type: none"> – it is a name by which the company could not be registered without contravention of section 27(1); or – its name resembles that of another company, corporation or business. 	<p>Amend section 28(3) and introduce section 28(3AA) to exclude section 27(1)(c) from the grounds for direction of a change of name.</p> <p>Amend section 28(3)(b) to include reference to “limited liability partnerships” and “limited partnerships”.</p>	<p>Related to the new section 27(1)(c). The power to direct a change of name will not be extended to a name identical to a reserved name.</p> <p>Technical amendment to include the prohibition of the change of a name to one which resembles to that of a limited partnership or a limited liability partnership.</p>
	Section 28(3C) provides that the Registrar may require a company to pay fees if he is satisfied that the company to which a direction to change name was given had applied for the registration under that name in bad faith.	Replace the reference to “fees” with “penalty” in section 28(3C).	Technical amendment for clarity.
Omission of “Limited” or “Berhad” in name of charitable and other companies			
10 & 11	Section 29(1) and 29(2) respectively provides that the Minister can approve the registration of a limited company without “limited” or “berhad” in its name, or approve the change of a limited company’s name to omit “limited” or “berhad”, if certain criteria are fulfilled.	<p>Amend section 29 and introduce section 29A:</p> <ul style="list-style-type: none"> – To allow charitable companies to change their names to omit the word “limited” or “berhad” upon applying to the Registrar; 	Simplify and streamline process for section 29(1) and (2) applications.

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		<ul style="list-style-type: none"> – For the Registrar to consider and decide on section 29(1) and (2) applications; – For the Registrar to have the power to require companies that cease to meet the criteria under section 29(1) and (2) or cease to be charitable companies to reinstate the word “limited” or “berhad” into their companies’ names. 	
Alterations of objects			
12	Section 33(5) allows holders of not less than 5% of the total “number of issued shares” of the company to apply to court to cancel an alteration of a company’s objects. Section 33(5A) provides that any of the company’s “issued share capital” held as treasury shares is disregarded for the purpose of subsection (5).	Replace “issued share capital” in section 33(5A) with “issued shares”.	Technical amendment for consistency with the wordings in section 33(5).
Shares may be issued for no consideration			
13	The CA is silent on the issuance of shares for no consideration although a company has full capacity to undertake any activity or enter into any transaction under section 23.	Introduce section 67 to clarify that a company may issue shares for no consideration, if its constitution permits.	Technical amendment for clarity.
Redeemable preference shares			
14 &18	Section 70(2) provides that the redemption of fully paid redeemable preference shares does not reduce the capital of the company.	Repeal section 70(2) and introduce section 78A(5A) to clarify that redemption of redeemable preference shares does not contravene provisions on reduction of share capital.	Technical amendment for clarity.

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14	Section 70 does not expressly provide for redemption of redeemable preference shares using proceeds from a fresh issue of shares.	Repeal and re-enact section 70(4) to provide for redemption of redeemable preference shares using proceeds from a fresh issue of shares.	Technical amendment for clarity.
Rights of holders of classes of shares			
15	Section 74(1) allows holders of not less than 5% of the “issued shares” of a class of shares to apply to court to block the variation of their rights. Section 74(1A) provides that any of the company’s “issued share capital” held as treasury shares is disregarded for the purpose of subsection (1).	Replace “issued shares” in section 74(1) with “total number of issued shares”. Replace “issued share capital” in section 74(1A) with “issued shares” as a consequential amendment.	Technical amendment for consistency with the wordings in section 33(5).
Authority for off-market acquisition on equal access scheme			
16	Section 76C allows a company to make an off-market purchase of its own shares if the purchase is made in accordance with an equal access scheme approved at a general meeting. The notice proposing the purchase must specify the maximum number of shares or the maximum percentage of “ordinary issued share capital” authorised to be purchased.	Replace “ordinary issued share capital” with “ordinary shares” in section 76C.	Technical amendment for consistency with section 76B(3) on share buyback.
Authority for market acquisition			
17	Section 76E allows a listed company to purchase its own shares on the exchange if the purchase is approved at a general meeting. The notice proposing the resolution must specify the maximum number of shares or the maximum percentage of “ordinary issued share capital” authorised to be purchased.	Replace “ordinary issued share capital” with “ordinary shares” in section 76E.	Technical amendment for consistency with section 76B(3) on share buyback.

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Update list of provisions under section 145(6) on directors			
19	<p>Section 145(5) states that a director shall not resign unless there is at least one locally resident director remaining.</p> <p>Section 145(6) states that section 145(5) does not apply if the director is required to resign by virtue of disqualification under any one of the provisions listed in section 145(6).</p>	<p>Update the list of provisions in section 145(6) by:</p> <ul style="list-style-type: none"> – adding references to the new sections 155A and 155C (redrafted from the current section 155A); – adding references to sections 62 and 63 of the Financial Holding Companies Act, section 14 of the Trust Companies Act and the Securities and Futures (Licensing and Conduct of Business) Regulations; and – deleting references to sections 66 and 67 of the Banking Act and section 49 of the Finance Companies Act. 	<p>Ensure completeness and accuracy of references in section 145(6).</p>
Disqualification of director of struck-off company			
21	<p>There is no disqualification for directors of struck-off companies.</p>	<p>Repeal section 155A and re-enact as new section 155C. Introduce section 155A, which disqualifies a person from acting as a director, if three or more companies in which he was a director of, are struck off as a result of ACRA-initiated review within a period of five years.</p> <p>The disqualification will only apply to companies struck off after the</p>	<p>Proposed change complements existing ACRA’s power to strike-off a company on its own initiative. The proposed change is intended to prompt directors of the company to take active steps to wind-up a defunct company on their own accord. This provision is</p>

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		commencement of the new provision.	consistent with section 155, which disqualifies a person from acting as a director if he has committed three or more breaches of not filing documents with ACRA within a period of five years.
New debarment regime for directors and companies secretaries			
21 & 20	There is no debarment regime for directors and company secretaries.	<p>Introduce section 155B, which allows the Registrar to debar any director/company secretary of a company which has failed to lodge any documents at least 3 months after the prescribed deadlines under the Act. A debarred person will not be allowed to take on any new appointment as director/company secretary, although they may continue with existing appointments. The Registrar will lift the debarment when the default has been rectified or the person has ceased to be a director/company secretary of the company in default.</p> <p>Consequential amendment to section 146(1A), to require a statement that a person is not debarred under the new section 155B from acting as a director.</p>	<p>To introduce debarment regime.</p> <p><u>Consultation question 1</u> <i>We would like to seek comments on whether there should be an avenue for a debarred person to apply to the Registrar for leave to act upon satisfaction of certain conditions, for example providing a security bond for a certain sum which may be forfeited upon any subsequent default.</i></p> <p><u>Consultation question 2</u> <i>We would like to seek comments on whether the</i></p>

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			<p><i>Registrar should be empowered to debar:</i></p> <ul style="list-style-type: none"> - <i>a person who has been a director or company secretary for at least 3 months, as specified under section 155B(4)(a); or</i> - <i>any director or company secretary of a company even if the person was newly appointed or in office for less than 3 months, as long as the company has been in default for at least 3 months.</i>
Disqualification under Limited Liability Partnerships Act 2005			
21	Section 155A prohibits a person who is disqualified under the Limited Liability Partnerships Act from acting as a director or taking part in the management of a corporation.	<p>Repeal and re-enact section 155A as new section 155C.</p> <p>Impose a penalty for contravention of new section 155C. The penalty is a fine not exceeding \$10,000, imprisonment for a term not exceeding 2 years or both.</p> <p>Allow a person who is disqualified under new section 155C by virtue of being automatically disqualified or</p>	<p>The penalty is the same as the existing penalty under section 154(5) on disqualification to act as directors on conviction of certain offences.</p> <p>Introduce avenues for persons to apply for leave to act as directors or take</p>

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		subject to a disqualification order under section 34 or 36 of the Limited Liability Partnerships Act to apply for leave to act as director or to be concerned in the management of a corporation.	part in the management of a corporation.
Declaration of director's interest under section 156(1)			
22	Section 156 requires a director to declare his interests in a transaction or proposed transaction with the company at a meeting of the directors.	<p>Repeal and re-enact section 156 to allow the declaration to be recorded in writing, instead of at a directors' meeting. The amendments relating to written notice are in subsections (1)(b), (2), (5), (6)(b), (8) and (9).</p> <p>(Note: The re-enacted provision also reflects other amendments proposed in the first part of the draft Bill¹, which was published for public feedback in May 2013.)</p>	Provide greater flexibility on how declarations can be recorded.
Clarify making of loans to directors under section 162			
23	Section 162 prohibits a company (other than an exempt private company) from making a loan to its directors or to directors of related corporations, or to the directors' spouse or children, or giving a guarantee or security in connection with such a loan. There are exceptions.	Repeal and re-enact section 162 by clarifying that if a loan (or other restricted transactions, i.e. quasi-loan, credit transaction and related arrangement) is made to a person at the time when he is not yet a director, it must be recalled when he becomes a	For clarity.

¹ First part of the draft Companies (Amendment) Bill 2013 is available at http://app.mof.gov.sg/pc_coact_2013.aspx.

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		<p>director later.</p> <p>(Note: The re-enacted provision also reflects other amendments proposed in the first part of the draft Bill, which was published for public feedback in May 2013.)</p>	
Update general duty to make disclosure under section 165			
24	<p>Section 165(1) read with section 164 requires directors to disclose their interests in shares, debentures, etc. in the:</p> <ul style="list-style-type: none"> • company; or • <u>related corporation</u> (i.e. parent company, subsidiaries and fellow subsidiaries). <p>The disclosure is made to the company for updating of the register of directors' shareholdings. (There are some exceptions relating to wholly-owned subsidiaries.)</p>	<p>Amend section 164 so that directors are required to disclose interests in shares, debentures, etc. in the:</p> <ul style="list-style-type: none"> – company; or – <u>parent company and subsidiaries.</u> <p>(Note: The amendments also reflect other amendments proposed in the first part of the draft Bill, which was published for public feedback in May 2013.)</p>	<p>United Kingdom (UK), Australia and Hong Kong (HK) have done away with the register of directors' shareholdings². Thus, there is no such disclosure requirement in these jurisdictions. However, we have considered and decided to retain such disclosures because the information about directors' shareholdings is useful for shareholders and minority investors in assessing whether there is a conflict of interest.</p> <p>Nevertheless we are of the</p>

² The Steering Committee for the Review of the Companies Act had recommended retaining the register of directors' shareholdings (Recommendation 5.4). MOF had accepted the recommendation.

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			view that it will not be necessary to disclose interests in shares, debentures, etc. in fellow subsidiaries as a company has no control over its fellow subsidiaries.
Company secretary			
25	Section 171(1) sets out requirements which must be satisfied by a company secretary.	Amend section 171(1) to add a requirement that the person must not be debarred under the new section 155B.	Related to the new debarment regime under section 155B.
	Section 171(1AA) prescribes the requirements of a company secretary of a public company. In particular, section 171(1AA)(c) provides that the company secretary should be “a qualified person under the Legal Profession Act (Cap. 161), a public accountant, a member of the Singapore Association of the Institute of Chartered Secretaries and Administrators, or a member of such other professional association as may be prescribed”. Section 171(1AA)(d) is a catch-all limb to allow the prescription of other academic or professional qualifications.	Delete reference to the Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA) from section 171(1AA)(c). SAICSA will be prescribed as a “professional association” under section 171(1AA)(d).	For consistency with other professional associations. No change in the substantive effect of the provision.
	Section 171(1D) provides that “In this <u>subsection</u> and section 173, ‘secretary’ includes an assistant or deputy secretary”.	Replace “subsection” with “section” in section 171(1D).	Correct typographical amendment.
Register of directors, managers, secretaries and auditors			
26	Section 173(6)(d) requires a <u>company</u> to file a prescribed form on the cessation of a manager,	Introduce section 173D(2A) to allow a <u>company secretary</u> to file a notice of	For consistency with the requirements for directors,

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	secretary or auditor.	<p>resignation, removal or retirement from office with the Registrar electronically if the said officer has reasonable cause to believe that the company will not lodge such a notice.</p> <p>(Note: The current section 173 has been repealed and substituted with new sections 173-173H in the first part of the draft Bill, which was published for public feedback in May 2013. Thus, the proposed amendments will be made to the new section 173D.)</p>	<p>who can currently inform the Registrar of their disqualification or resignation under section 173(6A) under similar conditions.</p> <p><u>Consultation Question 3</u> <i>We would like to seek comments on whether it is necessary in practice to allow a company secretary to notify the Registrar of his removal or retirement from office, other than his resignation, if he has reasonable cause to believe that the company will not do so. We propose to align the scope of self notification by directors with the proposed self notification provision for company secretaries.</i></p>
27	Section 173(6B) allows the Registrar to remove the name and particulars of a director from the register if the Registrar has reasonable cause to believe that the director is not qualified to act due to bankruptcy or persistent default.	Introduce section 173E(5) to allow the Registrar to restore the name and particulars of a director, chief executive officer, secretary or auditor if it was removed in error by the Registrar under	Ensure accuracy of the registers.

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		<p>the new section 173E(1) – (4), which replaces the current section 173(6B).</p> <p>(Note: The current section 173 has been repealed and substituted with new sections 173-173H in the first part of the draft Bill, which was published for public feedback in May 2013. Thus, the proposed amendments will be made to the new section 173E.)</p>	
Annual general meetings (AGM) and accounts, consolidated accounts and directors' report			
28 & 33	<p>The registrar may, on the application of the company, extend the period for a company to:</p> <p>(a) hold its AGM under section 175(2); or</p> <p>(b) prepare accounts under section 201(2).</p>	<p>Amend sections 175(2) and 201(2) (which is renumbered as section 201(4) in the first part of the draft Bill, which was published for public feedback in May 2013) to allow the Registrar to grant an extension of time to a class of companies in the regulations, without the need for companies' applications.</p>	<p>The class exemptions will allow certain classes of companies to be exempted without an application having to be made by the company, and will be in addition to existing provisions for extension of time granted upon application by a company.</p>
Convening of extraordinary general meeting on requisition			
29	<p>Section 176(1) requires directors to convene a general meeting if members holding not less than 10% of paid-up capital call for such a meeting. Section 176(1A) excludes treasury shares from the computation of the paid-up capital.</p>	<p>Replace “paid-up capital” with “total number of paid-up shares” in section 176(1) and with “paid-up shares” in section 176(1A).</p>	<p>Technical amendment. With the abolishment of the concept of par value, “paid-up shares” better reflect the appropriate proportion of voting rights.</p>

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Filing of section 175A resolutions under section 186(1)			
30	A private company may, by resolution, dispense with the holding of AGM under section 175A. The resolution must be approved all members and is a unanimous decision. Section 186(1) requires a company to lodge a copy of every special resolution with the Registrar within one month after the passing of the resolution.	Amend section 186(1) to expressly require section 175A resolutions be lodged with the Registrar.	For clarity.
Timeline for filing of annual return for companies which have dispensed with AGM			
31	<p>Section 197(4) requires a company to file its annual return with the Registrar within one month (or in the case of a company which keeps a branch register outside Singapore, within 2 months) of its AGM.</p> <p>For companies that have dispensed with the holding of AGM under section 175A (“S175A companies”), the deadline to lodge the annual return is determined by section 175A(10) read with section 197(4).</p>	<p>Repeal and re-enact section 197(4) to clarify that filing of the annual return under section 197 for S175A companies should be within one month (or in the case of a company having a share capital which keeps a branch register outside Singapore, within two months) after the later of the following dates:</p> <ul style="list-style-type: none"> – the date on which the accounts and documents were sent; or – the date on which all resolutions by written means (which would be have been passed at the AGM if it had been held) were formally agreed on. 	Provide a clearer position on the timing for filing the annual return for companies which have dispensed with holding an AGM under section 175A.
Delete reference to “directors and managers” under section 199(1)			
32	Section 199(1) requires every company and the <u>directors and managers</u> to maintain proper accounting records. Section 199(6) imposes	Delete reference to “directors and managers” under section 199(1).	For consistency with the wordings in section 199(2A). The penalty

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	<p>penalty on the company and every officer in default for non-compliance.</p> <p>The penalty is a fine not exceeding \$2,000 or imprisonment for a term not exceeding 3 months and a default penalty³.</p>	<p>(Note: This amendment supersedes the amendment in clause 134(a) of the first part of the draft Bill, which proposed deleting the word “managers” and substituting the words “chief executive officer in section 199(1).)</p> <p>Increase the quantum of the penalty under section 199(6) to a fine not exceeding \$5,000 or imprisonment for a term not exceeding 12 months.</p>	<p>provision under section 199(6) will adequately cover persons who should be responsible for maintaining proper accounting records.</p> <p>Align the quantum of the penalty, which was last revised in 1984, with the new penalties under section 201AA, since the nature of the offence is similar.</p>
Retention of copy of records, documents etc. laid before AGM			
34	<p>Currently, every company, its directors and managers are required to retain accounting and other records for a minimum of five years. However, there is no requirement for companies to retain financial statements or other documents laid before the company at its AGM or sent to members.</p>	<p>Introduce section 201AA to extend the record keeping requirement to financial statements and other documents laid before the company at its AGM or sent to members. Impose a penalty of a fine not exceeding \$5,000 or imprisonment for a term not exceeding 12 months for default.</p> <p>Empower the Registrar or authorised ACRA officers to inspect the financial statements kept or require the company to produce such documents, and impose a fine of not exceeding \$10,000 or</p>	<p>To facilitate ACRA’s verification, where necessary, of the accuracy of financial information that is filed with ACRA.</p> <p>To enhance ACRA’s inspection powers to facilitate regulatory enforcement. Proposed penalties are based on</p>

³ Default penalties are set out under section 408 of the CA. These are additional penalties, which are imposed for a breach that continues after conviction.

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		imprisonment for a term not exceeding 2 years or both if any person fails to comply.	existing penalties under section 31 (on powers of enforcement) of ACRA Act.
Time periods for member/ auditor to request and for directors to convene an AGM			
35	<p>Private companies that have dispensed with holding an AGM under section 175A are required under section 203(1)(b) to send its accounts and documents not less than 28 days before the period allowed for laying the documents at a general meeting.</p> <p>A member or auditor may request for a meeting to be held under section 203(4) by a notice to the company not later than 28 days from the day on which the accounts and documents were sent out. Following the notice, the director is required under section 203(6) to convene a meeting within 21 days of the notice.</p>	<p>Reduce time periods:</p> <p>(a) under section 203(4) for member/ auditor to request an AGM from 28 days to 14 days; and</p> <p>(b) under section 203(6) for directors to convene an AGM from 21 days to 14 days.</p>	<p>To ensure that a private company that has dispensed with holding an AGM under section 175A will have sufficient time to convene the meeting, if requested by a member or auditor⁴.</p>
Clarify directors' obligations under section 203A			
36	<p>Section 203A allows a listed company to send a summary of financial statement to members. Section 203A(7) imposes penalty on the company and every officer in default for non-</p>	<p>Amend section 203A to clarify that the directors' are responsible for ensuring that the summary financial statements comply with section 203A.</p>	<p>For clarity as current drafting does not clearly indicate directors' responsibility for summary</p>

⁴ Currently, a company may breach the timeframe to lay its accounts at the AGM even if it complies with the timelines in sections 203(4) and 203(6). For example, if a company sends out its notice under section 203(1)(b) to its members with 28 days' notice, a member or auditor may request for a meeting to be held under section 203(4) on the 28th day after the notice is given. The directors may then convene a meeting on the 20th day after receiving the members' request (within 21 days as required under section 203(6)). In such a case, the AGM will be held after the date on which the company is due to lay its accounts at the AGM.

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	<p>compliance. Section 204(1A) also imposes a penalty on directors for non-compliance.</p> <p>(Note: The applicability of section 203A has been extended to all companies in the first part of the draft Bill.)</p>		<p>financial statements, even though there are penalties for breach. The penalties for breach of the new directors' responsibility in relation to summary financial statements will be under section 204(1A).</p>
Power of Registrar to strike a defunct company off register			
37	<p>Section 344 empowers the Registrar to strike a defunct company off the register if the Registrar has reasonable cause to believe that the company is not carrying on business or is not in operation.</p>	<p>Introduce section 344(1A) to provide that regulations may set out the circumstances for the Registrar to determine whether a company is not carrying on business.</p> <p>The circumstances could include the following situations where:</p> <ul style="list-style-type: none"> – the company has failed to file its financial statements/annual return for a prescribed period; – the company has failed to respond to correspondence sent by the Registrar beyond a specified period; – the Registrar has received information from credible third-party sources such as government agencies that the company is not carrying on business or is not in 	<p>Prescription of the circumstances will provide greater transparency.</p>

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
		operation and these agencies have requested ACRA to initiate striking-off action; and – the company is left with no directors or locally resident directors, or the Registrar is unable to contact or locate the directors of the company.	
Applicability to all foreign companies			
38	Section 365 specifies that Part XI, Division 2 on “Foreign Companies” applies to “a foreign company which, before it establishes a place of business or commences to carry on business in Singapore, complies with section 368 and is registered under this Division”.	Repeal and re-enact section 365 to clarify that Part XI, Division 2 will apply to “all foreign companies which establish a place of business or commence to carry on business in Singapore, or intend to do so”.	Technical amendment to provide clarity. The current provision may appear circuitous since the registration requirement in section 368 is also within Part XI, Division 2. The continuing registration and other regulatory requirements will, however, only be drafted to apply to foreign companies which are registered under the CA.
Interpretation and definitions under Division 2 on foreign companies			
39	“Agents” refer to natural persons resident in Singapore authorised by the foreign company to accept on its behalf service of process and any notices required to be served on the company. Under section 370(2), agents are responsible for the doing of all such acts, matters and things	Amend section 366(1) to introduce a new term “authorised representative” to replace “agent”. Consequential amendments to change all references in the CA from “agent” to “authorised representative”.	To better reflect the accountability and responsibility expected of the person.

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	<p>required to be done by a registered foreign company under the CA and are personally liable if the foreign company breaches any provision in the Act.</p>		
	<p>A foreign company is required to register before it establishes a place of business or commences to carry on business in Singapore. Under section 366(1), “carrying on business” includes administering, managing or otherwise dealing with property situated in Singapore as an agent, legal personal representative, or trustee, whether by employees or agents or otherwise, and “to carry on business” has a corresponding meaning.</p>	<p>Amend section 366(1) to clarify that the definition of ‘carrying on business’ does not exclude activities carried on without a view to any profit (i.e. business activities for charitable purposes).</p> <p>Introduce section 366(2)(1) to give the Minister the power to exclude certain activities from the definition of “carrying on business” via subsidiary legislation.</p>	<p>Clarify and update definition due to an increasing number of non-profit making organisations using Singapore as an administrative base. ACRA will also issue non-binding guidelines to facilitate the interpretation, clarification and understanding of the definition.</p> <p>Provide flexibility to update the definition in future.</p>
	<p>Section 366(2)(k) states that “Notwithstanding subsection(1), a foreign company shall not be regarded as carrying on business in Singapore for the reason only that in Singapore it effects any transaction through its related corporation licensed or approved under any written law by the Monetary Authority of Singapore, established under the Monetary Authority of Singapore Act (Cap. 186), under an</p>	<p>Amend section 366(2)(k) to clarify that “Authority” refers to “the Monetary Authority of Singapore”.</p>	<p>Technical amendment for clarity.</p>

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	arrangement approved by the <u>Authority</u> ".		
Reduce the minimum number of authorised representatives and filing requirement for appointment of authorised representatives			
40 & 42	Section 368(1)(e) requires a foreign company to appoint at least two authorised locally-resident agents and to lodge evidence of the appointment of its agents. Section 370(4) to (6) sets out the requirements for appointment of replacement agents.	<p>Repeal and re-enact section 368.</p> <p>New section 368(1)(e) and (f) require a foreign company to:</p> <ul style="list-style-type: none"> – appoint at least one authorised representative instead of two; – lodge the particulars of the appointed authorised representative. The consent of the authorised representative must be clearly indicated and documented. <p>Introduce section 368(2) to require a foreign company to make available for inspection the evidence of appointment of the authorised representative at their registered offices in Singapore.</p> <p>Amend section 370 to require a foreign company to appoint a replacement before the existing sole authorised representative is permitted to resign and that a replacement must be appointed within 21 days of the death of the sole authorised representative.</p>	<p>Simplify compliance requirements for foreign companies to register with ACRA.</p> <p>Align the requirements with other jurisdictions:</p> <ul style="list-style-type: none"> – UK, Australia and New Zealand (NZ) require foreign companies to appoint at least one agent; – UK and HK do not require foreign companies to lodge evidence of the appointment of agents.

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
Particulars required to be lodged upon registration			
40	<p>Section 368(1) specifies that every foreign company shall, before it establishes a place of business or commences to carry on business in Singapore, lodge with the Registrar for registration:</p> <ul style="list-style-type: none"> (a) a certified copy of the certificate of its incorporation or registration in its place of incorporation or origin; (b) a certified copy of its constitutional document; (c) a list of its directors and their particulars; (d) where the list includes directors resident in Singapore who are members of the local board of directors, a memorandum duly executed by or on behalf of the foreign company stating the powers of the local directors; (e) a memorandum of appointment or power of attorney stating the names and addresses of the agents; and (f) notice of the situation of its registered office in Singapore, and information regarding the office's accessibility. 	<p>Repeal and re-enact section 368.</p> <p>The documents required to be lodged under the new section 368(1) are:</p> <ul style="list-style-type: none"> (a) the name and address of the registered office of the foreign company in its place of incorporation or origin; (b) a certified copy of the certificate of its incorporation or registration in its place of incorporation or formation; (c) a certified copy of its constitutional document only if it is required to be registered or lodged in the place of incorporation; (d) a list of its directors and their particulars; (e) the name, address, nationality and identification particulars of and indication of consent by the foreign company's authorised representative(s) (f) notice of the situation of its registered office in Singapore, and information regarding the office's accessibility; (g) additional information such as: 	<p>Update information to be lodged with the Registrar to ensure relevance to persons who transact with the company in Singapore.</p>

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
		<ul style="list-style-type: none"> – registration number indicated in the certificate of incorporation or registration, or where none is indicated, the number issued upon registration or incorporation by the authority equivalent to the Registrar in its place of registration or incorporation – its legal form – description of the business – latest copy of its head office’s financial statement if it is required by the law of the place of incorporation or origin to prepare such statements. 	
Power to refuse registration of a foreign company in certain circumstances			
41	Section 369(1) gives the Registrar the power to refuse registration of a foreign company if, among other things, the foreign company “is acting or likely to act against the national security or interest”.	Amend section 369(1) so that Registrar may refuse to register a foreign company if it would be “contrary to the national security or interest”.	For consistency with wordings used in section 20(2) of the CA, which is more broadly worded.
Changes in filed documents			
43	Section 372(1), (2) and (3) requires a registered foreign company to lodge a return where there is any change or alteration made in certain specified information or documents which have been lodged with the Registrar. Examples include: <ul style="list-style-type: none"> – changes in the directors of the foreign 	Amend section 372(1) to: <ul style="list-style-type: none"> – require a foreign company to inform the Registrar if there are any changes to the registered particulars of the directors and authorised representatives; – remove the requirement to update 	To clarify and update the list of changes or alterations to be notified.

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	company; – changes in the agents of the foreign company; – changes in the powers of any directors resident in Singapore who are members of the local board of directors of the foreign company; – increase in the authorised share capital of the company; – changes to the number of its members (for foreign company not having share capital).	changes in the powers of any directors resident in Singapore who are members of the local board; – require a foreign company to inform the Registrar if there are any changes to the description of the business or the legal form. Repeal section 372(2) and section 372(3).	Simplify filing requirements to be aligned with requirements in other jurisdictions and requirements for Singapore-incorporated companies.
Requirements to file financial statements			
44	Section 373 requires a foreign company to file: <ul style="list-style-type: none"> • a <u>balance sheet</u> that is prepared: <ul style="list-style-type: none"> – based on requirements in its place of incorporation; or – as if it is a Singapore incorporated public company (if it is not required to prepare accounts in its place of incorporation); and • an audited statement of its assets and liabilities, and profit and loss account in 	Repeal and re-enact section 373. New section 373(1) to (7) require a foreign company to lodge similar components of its financial statements with the Registrar as those expected of a Singapore-incorporated company i.e. file: <ul style="list-style-type: none"> • <u>financial statements</u> that are prepared: <ul style="list-style-type: none"> – based on requirements in its 	Increased disclosure from foreign companies ⁵ will allow persons in Singapore who deal with the companies to make better-informed business decisions. This will also align our requirements with that in the UK, Australia and NZ.

⁵ List of documents to be filed is expanded to include documents such as income statement, statement of changes in equity, statement of cash flows, notes to the accounts, directors’ report and auditors’ report (where applicable).

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	<p>relation to its operations in Singapore (“Singapore Branch Accounts”).</p> <p>The documents are to be filed within 2 months of the AGM of the foreign company.</p>	<p>place of incorporation; or</p> <ul style="list-style-type: none"> – as if it is a Singapore incorporated public company (if it is not required to prepare accounts in its place of incorporation) • audited statement of its assets and liabilities, and profit and loss account in relation to its operations in Singapore (<i>no change</i>). <p>New section 373(3) clarifies that:</p> <ul style="list-style-type: none"> – the obligation to file financial statements is dependent on whether the financial statements are required to be prepared and tabled at AGM in the place of incorporation, and not simply whether a foreign company is required to hold AGM⁶; – the timeframe for filing will be within 2 months of the holding of the AGM or <p>Introduce section 373(9) to exempt the Singapore Branch Accounts from audit if a foreign company is dormant in Singapore, as defined in the new section 373(19). The Singapore Branch</p>	<p></p> <p>Technical amendment for clarity. Similar to that for a Singapore public company (i.e. within 7 months from the end of the financial period), as the case may be.</p> <p>Reduce compliance cost for foreign companies and continue to ensure that interested persons will have access to accounts. This is</p>

⁶ In some countries, companies may need to prepare and file accounts, but do not need to hold AGMs. Such companies currently fall under section 373(4) and will be required to prepare and file accounts as if it is a public company in Singapore, unless otherwise exempted. On the other hand, there are foreign companies which may hold AGMs for other matters but are not required to prepare or file accounts.

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
		Accounts will still need to be filed with the Registrar.	consistent with the approach for a dormant Singapore-incorporated listed company ⁷ .
		Introduce section 373(10) to allow a foreign company to apply for an extension of time to prepare and file their Singapore Branch Accounts.	To ensure consistency as similar exemption powers are already given to the Registrar for Singapore-incorporated companies. A fee may be chargeable for the application of extension ⁸ .
44	There is no requirement to name the auditor of a foreign company.	Introduce new requirement in section 373(1) and (7) to require foreign company/ branch to disclose the name of its auditors and the auditor of the Singapore branch accounts when the accounts are filed.	For consistency with the position for Singapore-incorporated companies, which are required to disclose such information in their annual returns.
	Section 373(5)(b) gives the Registrar the power to waive compliance with the requirement for the Singapore Branch Accounts if: (i) it is impractical due to the nature of the operations in Singapore;	Repeal and re-enact section 373(5)(b) as section 373(12) and clarify that section 373(12) only deals with the waiver of the requirement for <u>filing of Singapore Branch Accounts</u> and not other requirements relating to the	For clarity. The new section 373(13) deals with relief from requirements to ‘form and content’ of the accounts while the new section 373(13)(a)

⁷ The Companies Act Review Steering Committee recommended maintaining the status quo where dormant listed companies will continue to prepare (and file) accounts but be exempted from statutory audit requirements (Recommendation 4.8). This is because a listed company has a greater number of stakeholders and it is prudent to retain the requirement to file accounts. MOF accepted the recommendation.

⁸ ACRA is undertaking a comprehensive review of all the fees chargeable under the CA. ACRA will decide if a fee should be charged, and if so, the quantum of the fee.

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	<p>(ii) it would be of no real value having regard to the amount involved;</p> <p>(iii) it would involve expense unduly out of proportion to its value; or</p> <p>(iv) it would be misleading or harmful to the business of the company or related company.</p> <p>Under section 373(7) and (8), the Registrar may grant relief to the foreign company from any requirement relating to the form and content of accounts.</p>	<p>Singapore Branch Accounts.</p> <p>Repeal and re-enact section 373(7) as section 373(13) and clarify that the Registrar can grant relief from any requirement relating to the <u>form and content of both Singapore Branch Accounts and head office financial statements</u>.</p> <p>Introduce section 373(17)(b) to give the Minister the power to grant an exemption from the requirement to file Singapore Branch Accounts through a class order.</p>	<p>specifically refers to ‘audit’ as well for avoidance of doubt.</p> <p>Provide flexibility for the Minister to grant exemptions.</p>
44	<p>There is no specific penalty for foreign companies that fail to file the foreign companies’ financial statements and/or the Singapore Branch Accounts, except for the general penalty provision under section 386, which sets out the penalties for default by:</p> <p>(a) any foreign company in complying with any provision relating to foreign companies;</p> <p>(b) every officer of the company who is in default; and</p> <p>(c) every agent of the company who knowingly and wilfully authorises or permits the default.</p> <p>The penalty is a fine not exceeding \$1,000 and</p>	<p>Introduce section 373(18) to have specific liability and penalty for a foreign company such that every director or person of a similar responsibility and authorised representative of the foreign company who knowingly or wilfully authorises or permits the default will be liable for failure to comply with the requirements to file its foreign company’s financial statements and the Singapore Branch Accounts. The proposed penalties are aligned with those for Singapore-incorporated companies.</p>	<p>As the directors are the persons who control or govern the affairs of the company and the authorised representatives will be responsible for compliance with the regulatory requirements in Singapore, they should be held accountable for the lodgement of financial statements. This is in line with the practices in jurisdictions like the UK, HK and Australia. This will</p>

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	a default penalty is also imposed.		better ensure that persons in Singapore dealing with foreign companies have access to relevant financial information of the foreign companies.
Requirements to state name of foreign company			
45	Section 375 requires a foreign company to exhibit its name and place of formation outside its registered office and every place of business it establishes in Singapore.	Repeal section 375(1)(a) and modify section 375(2) to remove the requirement.	Reduce compliance cost as such information is publicly available on ACRA's website.
	A Singapore-incorporated company is required to include its registration number (in addition to its registered name) on its business letters, statements of account, invoices, official notices and publications, but a foreign company is not.	Introduce section 375(3) to require a foreign company to state its Unique Entity Number (UEN) (i.e. the ACRA registration number) in its documents. Introduce section 375(4) to provide for a 12-month transition period.	For consistency with requirements imposed on Singapore-incorporated companies. UEN serves as a unique identifier for entities in Singapore. <i>Consultation question 4</i> <i>We would like to seek comments on whether the 12-month transition period provided for in section 375(4) is suitable.</i>
Shorten time frame for removing foreign company's name from register			
47	A foreign company is required to file a notice with the Registrar within 7 days of its cessation under section 377(1). However, the Registrar will only remove the name of the foreign	Amend section 377(1) to shorten the time frame from 12 months to 3 months for the Registrar to remove the name of the foreign company from the register.	There is no necessity for a 12-month timeframe since there is no value to leave the company's name on the

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	company from the register after 12 months from the lodgement of the notice.		register.
Expand the grounds for striking-off foreign companies			
47	<p>Section 377(6) provides for the situations where the Registrar may strike-off the name of a foreign company, i.e. where the Registrar has reasonable cause to believe that it has ceased to carry on business or to have a place of business in Singapore.</p> <p>Section 377(8) gives the Registrar the power to strike off a foreign company if it is being used for an unlawful purpose prejudicial to public peace, welfare, good order in Singapore, or against national security or interest.</p>	<p>Repeal section 377(6) and (8), and re-enact section 377(8), (8A)-(8D).</p> <p>Introduce section 377(8A) to empower the Registrar to strike-off a foreign company where:</p> <ul style="list-style-type: none"> – the company has ceased to carry on business or to have a business in Singapore (<i>no change</i>); or – the foreign company does not appoint a replacement for more than 6 months following the death of the sole authorised representative. <p>Introduce section 377(8B) to empower the Registrar to strike-off a foreign company <u>upon the application of the sole authorised representative of the foreign company</u> where:</p> <ul style="list-style-type: none"> – the sole authorised representative has given notice of resignation to the foreign company and lodged a notice with the Registrar but the company has failed to respond or appoint another authorised representative within a period of 12 months; or 	<p>The additional ground for striking off a foreign company under section 377(8A)(b) is to address the situation where the sole authorised representative dies and the foreign company is left without an authorised representative to ensure that the company complies with the regulatory requirements in Singapore.</p> <p>As an authorised representative is personally liable for the penalties incurred by the foreign company in Singapore, an authorised representative will be allowed to apply to strike off a foreign company on these grounds.</p>

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
		<p>– an authorised representative of a foreign company, has received no instructions from that company within 12 months of a request being made by the authorised representative regarding whether the foreign company intends to continue its registration in Singapore.</p>	
		<p>Introduce section 377(8C) to provide that regulations may set out the circumstances for the Registrar to determine whether or not a company is carrying on business.</p>	<p>Prescription of the circumstances will provide greater transparency.</p>
48	<p>Section 377(8) allows the Registrar to strike off a foreign company from the register if he is satisfied that the foreign company is being used for an unlawful purpose or for a purpose prejudicial to public peace, welfare or good order in Singapore or against national security or interest.</p>	<p>Introduce sections 377A to 377D to give the Registrar the power to restore the registration of a foreign company that is struck off except when it is struck off on the grounds that the company is being used for an unlawful purpose or for a purpose prejudicial to public peace, welfare or good order in Singapore or against national security or interest.</p>	<p>For consistency with the new powers given to the Registrar to restore Singapore-incorporated companies under the amendments proposed in the first part of the draft Bill, which was published for public feedback in May 2013.</p> <p><i>Consultation question 5</i> <i>We would like to seek comments on whether provisions for restoration of foreign companies which</i></p>

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
			<i>have been struck off should be introduced or whether it is adequate that foreign companies which have been struck off can apply to be registered again.</i>
Restriction on names of foreign companies			
49	Section 378 restricts foreign companies from registering a name, which in the opinion of the Registrar is undesirable or is one which the Minister has directed the Registrar not to accept. There is no power for the Registrar to reject identical names or direct name change for identical names, unlike in the case of Singapore-incorporated companies.	<p>Repeal and re-enact section 378 to empower the Registrar to:</p> <ul style="list-style-type: none"> – <u>reject the registration of a name</u> where the name of the foreign company is identical to the name of any other business vehicle already registered or reserved in Singapore; or – <u>to direct a change of name</u> in such a case, or where that name is identical to any other corporation or business name (but not on grounds that it is similar or on its use has been restrained by an injunction granted under the Trade Marks Act). <p>An avenue for appeal to the Minister is provided.</p>	<p>For consistency with the requirements for Singapore-incorporated companies and to avoid potential confusion by persons dealing with the foreign companies.</p> <p><u>Consultation question 6</u> <i>We would like to seek comments on whether it is appropriate that the powers of the Registrar to direct a change of name for foreign companies should apply to situations only where the name is undesirable, identical to a registered or reserved name or a name that the Minister had directed should not be used.</i></p>

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
Standardise timelines for lodgement of documents			
47 & 50	Under section 377(2)(a), the agent is permitted to file a notice of a foreign company’s liquidation and dissolution within 1 month after commencement of the liquidation and from the date of the dissolution respectively.	Amend section 377(2)(a) to shorten the timeframe for filing a notice of liquidation and dissolution to 14 days.	To better protect the interest of stakeholders. This is similar to the practices in UK and HK.
	The timeframe for foreign companies to file documents with the Registrar is 30 days, except for the following filings: (a) the situation of the branch register of members or a change thereof (14 days) under section 379(6) and (7); and (b) notice of cessation of business (7 days) under section 377(1).	Amend section 379(6) and (7) to standardise the notification timeline for filing the situation of branch register of members or a change to 30 days.	Technical amendment to standardise notification period to ease administration. To protect creditors’ interests, the 7-day timeline for filing the notice of cessation will be retained.
False and misleading statement			
52	Section 401(2) provides that every person who wilfully makes or authorises the making of a statement false or misleading in any material particular knowing it to be false or misleading or wilfully omits or authorises the <u>accession</u> of any matter or thing without which the document is misleading in a material respect shall be guilty of an offence.	Replace “accession” with “omission” in section 401(2) as the word is inconsistent in context of the provision.	Correct typographical error.
Penalty for holding out as carrying on business			
53	Section 405(1) provides that if any person uses any name or title or trades or carries on business under any name or title of which “ <u>Limited</u> ”, “ <u>Berhad</u> ”, “ <u>Company</u> ”, “ <u>Corporation</u> ” or “ <u>Incorporated</u> ” or any abbreviation, imitation or	Repeal and re-enact section 405(1). Remove references to “company”, “corporation” or “incorporated”.	Companies are unlikely to have the words “company”, “corporation” or “incorporated” at the end of their names, unless they are

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
	translation of any of those words is the final word, or in any way holds out that the business is registered or incorporated that person shall, unless at that time <u>the business was duly incorporated under this Act or registered under the Limited Liability Partnerships Act or the Business Registration Act</u> , be guilty of an offence.	<p>Remove references to Limited Liability Partnerships Act and Business Registration Act.</p> <p>Exclude application of the provision to foreign companies. Introduce a separate prohibition in relation to foreign companies under the new subsection (3).</p>	<p>exempted under section 29. As such, the blanket prohibition on the use of these words is removed.</p> <p>Clarify that provision relates to companies incorporated under the Act.</p> <p>For clarity.</p>
Composition of offences			
54, 55 & 56	Section 409(4), (5) and (6) relates to the Registrar's powers to compound offences.	<p>Repeal section 409(4), (5) and (6), and introduce section 409B to allow the Registrar to compound the offences prescribed under regulations.</p> <p>Consequential amendment to section 408(1).</p>	New provision updates the existing composition power under section 409(4)-(6).
Redraft section 12(6) relating to appeal on Registrar's decision as a standalone provision			
4 & 57	Section 12(6) allows any party, who is aggrieved by the Registrar's refusal to register any corporation or register/ receive any document or by any other act or decision of the Registrar, to appeal to the Court.	<p>Repeal section 12(6) and re-enact as a standalone provision under new section 409C.</p> <p>Introduce a provision in section 409C for an appeal to be lodged within 28</p>	<p>More appropriate for the appeal provision to be a standalone provision since its scope is wider than section 12, which relates to registers.</p> <p>The 28-day period is consistent with local laws</p>

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
		days of the Registrar’s decision or refusal.	that have equivalent appeal provisions.
Update the reference to Rules Committee under section 410			
58	Section 410 gives the Rules Committee, which is constituted under the law relating to the courts, the power to deal with matters such as proceedings, practice and procedure of the Court under the CA.	Include the reference to “section 80 of the Supreme Court of Judicature Act” in section 410.	Technical amendment to clarify that the Rules Committee is constituted under the Supreme Court of Judicature Act.
Update references to “Government”			
60	<p>The following provisions refer to the term “Government”:</p> <ul style="list-style-type: none"> • Section 12A(1) on filing service • Section 16 on instant information service – exclusion of liability for errors or omission • Section 16A on supply of magnetic tapes – exclusion of liability for errors or omission • Section 27(2C) on names of companies • Section 28(3C) on change of name 	Replace references to the “Government” in sections 12A(1), 16, 16A, 27(2C) and 28(3C) with “Authority”.	Technical amendments. More appropriate to refer to “Authority” since section 6(1) and Second Schedule to the Accounting and Corporate Authority Act provides that ACRA is responsible for administering the CA.

Clause	Current provision in Companies Act	Proposed Amendments	Reasons/ Consultation Questions
AMENDMENTS TO BE TAKEN UP IN SUBSIDIARY LEGISLATION			
Authentication of documents lodged with Registrar			
NA	Section 368(1)(a) & (b) requires a foreign company to file a certified copy of its certificate of incorporation/ registration and its constitutional documents when registering with ACRA. The documents must be certified within 3 months prior to submission to the Registrar and in accordance with the Companies (Filing of Documents) Regulations ⁹ .	Amend the Companies (Filing of Documents) Regulations to allow a prescribed person ¹⁰ to certify documents relating to the foreign company instead of relying on the procedures under Companies (Filing of Documents) Regulations, if the registration is handled by a prescribed person.	Simplify registration process.
		Amend the Companies (Filing of Documents) Regulations to extend the time frame from 3 months to 4 months to allow a longer period for the authentication process.	Proposed extension is in response to feedback received and will not compromise on the need for recency.

⁹ The certificate of incorporation must be certified to be a true copy by an official holding or purporting to hold an office corresponding to that of the Registrar in the place in which the foreign company concerned is formed or incorporated. The memorandum and articles of association or other instrument constituting or defining a foreign company's constitution need to be certified to be a true copy:

- (a) by an official holding or purporting to hold an office corresponding to that of the Registrar in the place in which the foreign company concerned is formed or incorporated;
- (b) by a notary public; or
- (c) by a director, manager or secretary of the foreign company by affidavit or, in the case of a foreign company formed or incorporated within the Commonwealth, by statutory declaration made by a director, manager or secretary of the foreign company.

¹⁰ A prescribed person is defined under the Companies (Filing of Documents) Regulations. Examples include lawyers, accountants and corporate secretarial agents.