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Notification No. B 16 — The Transport Sector (Critical Firms) Bill is published for general information. It was introduced in Parliament on 3 April 2024.

Transport Sector (Critical Firms) Bill

Bill No. 16/2024.

Read the first time on 3 April 2024.

A BILL

intituled

An Act to amend the Bus Services Industry Act 2015, the Civil Aviation Authority of Singapore Act 2009, the Maritime and Port Authority of Singapore Act 1996 and the Rapid Transit Systems Act 1995.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Transport Sector (Critical Firms) Act 2024 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

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PART 1

AMENDMENT OF BUS SERVICES INDUSTRY ACT 2015

Amendment of long title

2. In the Bus Services Industry Act 2015 (called in this Part the BSI Act), in the long title, after “in Singapore”, insert “, and to control entities providing essential transport services and their equity interest holders”.

Amendment of section 2

3. In the BSI Act, in section 2 —

(a) delete “, unless the context otherwise requires”;

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(b) after the definition of “bus stopping point”, insert —

““business trust” and “trustee-manager” have the meanings given by section 2 of the Business Trusts Act 2004;”;

(c) after the definition of “company”, insert —

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““corporation” has the meaning given by section 4(1) of the Companies Act 1967;”;

(d) after the definition of “courtesy bus service”, insert —

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““designated entity” means a designated equity interest holder or a designated operating entity;

“designated equity interest holder” means an entity that has been designated as a designated equity interest holder under section 28E;

“designated operating entity” means an entity that has been designated as a designated operating entity under section 28E;” and

(e) after the definition of “director”, insert —

““effective designation date”, in relation to a designated entity, means the date specified under section 28E(3) as the date on which the designation of that entity as a designated operating entity or designated equity interest holder (as the case may be) takes effect;”

“entity” means any sole proprietorship, partnership, corporation or other body of persons, whether corporate or unincorporate, and includes a business trust;

“essential transport service” means —

(a) the service of operating any bus depot or bus interchange;

(b) any bus service specified or described in the Schedule; or

(c) any service specified or described in the Schedule which is necessary —

(i) for the continuity of; or

(ii) for supporting,

the provision of any bus service mentioned in paragraph (b) or the operation of any bus depot or bus interchange;”.

Amendment of section 3

4. In the BSI Act, in section 3, after paragraph (a), insert —

“(aa) to control entities providing essential transport services and their equity interest holders;”.

Amendment of section 5

5. In the BSI Act, in section 5(1), after “bus interchanges,” insert “and the control of entities providing essential transport services and their equity interest holders.”.

Amendment of section 19

6. In the BSI Act, in section 19 —

(a) replace subsection (2) with —

“(1A) A person must not be appointed as a manager of, or become a partner in, a limited liability partnership that is a bus operator holding a Class 1 bus service licence, unless the licensee has obtained the prior written approval of the LTA.

(2) A person must not become a partner in a partnership that is a bus operator holding a Class 1 bus service licence unless the person has obtained the prior written approval of the LTA.”;

(b) before subsection (3), insert —

“(2A) The LTA may —

(a) grant an approval under this section subject to any conditions that the LTA considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.”;

(c) in subsection (3), replace “Where an individual” with “Where a person”;

(d) in subsection (3), replace paragraph (c) with —

“(c) is appointed a manager of or becomes a partner in a limited liability partnership in contravention of subsection (1A), or becomes a partner in a partnership in contravention of subsection (2),”;

(e) in subsection (3), replace paragraph (f) with —

“(f) to remove that manager or partner.”; and
 (f) replace subsections (4) and (5) with —

“(4) This section has effect despite the provisions of any other written law and the provisions of the memorandum or articles of association, limited liability partnership, partnership contract or other constitution, of the bus operator holding the Class 1 bus service licence.

(5) Nothing in subsection (3) is to be taken as depriving a person who is removed under that subsection of compensation or damages payable to the person in respect of the termination of the person’s appointment as a chief executive officer, director or chairperson of the board of directors or the person’s removal as a manager or partner.

(6) This section does not apply to or in relation to any bus operator holding a Class 1 bus service licence that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.”.

Replacement of section 21

7. In the BSI Act, replace section 21 with —

“Restrictions on voluntary winding up, etc., of bus operators holding Class 1 bus service licences

21.—(1) Despite any other written law —

(a) a bus operator holding a Class 1 bus service licence cannot be wound up voluntarily without the consent of the LTA;

(b) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a bus operator holding a Class 1 bus service licence, unless that person has served 14 days’ notice in writing of that

person's intention to make that application on the LTA;

5 (c) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a bus operator holding a Class 1 bus service licence without the consent of the LTA;

10 (d) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a bus operator holding a Class 1 bus service licence without the consent of the LTA;

15 (e) a person must not take any step to enforce any security over the property of a bus operator holding a Class 1 bus service licence unless that person has served 14 days' notice in writing of that person's intention to take that step on the LTA; and

20 (f) a person must not take any step to execute or enforce any judgment or order of court obtained against a bus operator holding a Class 1 bus service licence unless that person has served 14 days' notice in writing of that person's intention to take that step on the LTA.

(2) The LTA must be a party to —

25 (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a bus operator holding a Class 1 bus service licence;

30 (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a bus operator holding a Class 1 bus service licence; and

35 (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up

of the affairs of a bus operator holding a Class 1 bus service licence.

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the LTA in those proceedings. 5

(4) This section does not apply to or in relation to any bus operator holding a Class 1 bus service licence that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.”.

New Part 4A

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8. In the BSI Act, after Part 4, insert —

“PART 4A

CONTROL OF DESIGNATED ENTITIES

Division 1 — Preliminary

Extraterritorial application of this Part

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28A.—(1) Except where otherwise expressly provided, this Part applies to, and in relation to —

(a) all individuals, whether resident in Singapore or not and whether citizens of Singapore or not; and

(b) all bodies corporate or unincorporate, whether incorporated, formed, established, or carrying on business in Singapore or not. 20

(2) Every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under this Part, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly. 25

Interpretation of this Part**28B.—(1) In this Part —**

“5% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 5% or more, but less than 25%, of the total equity interests in that designated entity; or

(b) is in a position to control 5% or more, but less than 25%, of the voting power in that designated entity;

“25% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 25% or more, but less than 50%, of the total equity interests in that designated entity; or

(b) is in a position to control 25% or more, but less than 50%, of the voting power in that designated entity;

“50% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 50% or more, but less than 75%, of the total equity interests in that designated entity; or

(b) is in a position to control 50% or more, but less than 75%, of the voting power in that designated entity;

“75% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 75% or more of the total equity interests in that designated entity; or

(b) is in a position to control 75% or more of the voting power in that designated entity;

“acquisition” includes an agreement to acquire, but does not include —

- (a) an acquisition by will or by operation of law; or
- (b) an acquisition by way of enforcement of a loan security;

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“arrangement” includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;

“chief executive officer”, in relation to a designated entity or the trustee-manager of a designated entity, means an individual (by whatever name called) who —

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- (a) is in the direct employment of, or acting for or by arrangement with, the designated entity or trustee-manager, as the case may be; and
- (b) is principally responsible for the management and conduct of the designated entity or trustee-manager, as the case may be,

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and includes any individual for the time being performing all or any of the functions of a chief executive officer;

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“control” includes control as a result of, or by means of, any trust, agreement, arrangement, understanding or practice, whether or not having legal or equitable force and whether or not based on legal or equitable rights;

25

“decrease”, in relation to the holding of equity interests, includes a decrease to a point of nil;

“equity interest” —

- (a) in relation to a corporation — means a voting share in that corporation;
- (b) in relation to an entity other than a corporation — means any right or interest, whether legal or equitable, in that entity (by

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whatever name called) which gives the holder of that right or interest voting power in that entity; and

(c) in relation to a business trust — means a unit in that business trust;

“increase”, in relation to the holding of equity interests, includes an increase from a starting point of nil;

“indirect controller”, in relation to a designated entity, means any person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —

(a) whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed or under an obligation, whether formal or informal, to act in accordance with; or

(b) who is in a position to determine the policy of the designated entity,

but does not include —

(c) any person who is —

(i) a director or other officer of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust); or

(d) any person whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed to act in accordance with by reason only that the acting is on advice given by the person in that person's professional capacity;

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“liquidator” includes the Official Receiver when acting as the liquidator of a corporation;

“officer”, in relation to a corporation, includes —

(a) a director or secretary of, or a person employed in an executive capacity by, the corporation;

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(b) any receiver or manager, or any receiver and manager, of any part of the undertaking of the corporation, appointed under a power contained in any instrument or by the General Division of the High Court or by creditors;

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(c) any liquidator of the corporation appointed in a voluntary winding up or by the General Division of the High Court or by creditors; and

(d) any judicial manager of the corporation appointed under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018;

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“Official Receiver” has the meaning given by section 2(1) of the Insolvency, Restructuring and Dissolution Act 2018;

25

“related corporation”, in relation to a corporation, means another corporation that is deemed under section 28D(2) to be related to that corporation;

“share”, in relation to a corporation, means a share in the share capital of the corporation and includes stock into which all or any of the share capital of the corporation has been converted;

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“treasury share” has the meaning given by section 4(1) of the Companies Act 1967;

“trustee-manager” has the meaning given by section 2 of the Business Trusts Act 2004;

“unit” has the meaning given by section 2 of the Business Trusts Act 2004;

5 “unitholder” means a person who holds units in a business trust;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018;

10 “voting share” has the meaning given by section 4(1) of the Companies Act 1967 but does not include a treasury share.

(2) A reference in this Part to the control of a percentage of the voting power in a designated entity is to the control, whether
15 direct or indirect, of that percentage of the total number of votes that might be cast in —

(a) a general meeting of the designated entity; or

(b) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the
20 business trust.

(3) In ascertaining a person’s control of the percentage of the total number of votes that might be cast at a general meeting mentioned in subsection (2), the number of votes that the person is entitled to cast at the meeting by reason of having been
25 appointed a proxy or representative to vote at the meeting is to be disregarded.

(4) In this Part —

(a) a reference to the chairperson of a board of directors includes an individual (by whatever name called) acting in that capacity;
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(b) a reference to the business or operations of an entity that is a business trust is to the business or operations (as the case may be) carried on by the trustee-manager

of the business trust on behalf of the business trust;
and

- (c) a reference to a condition imposed by the LTA includes a condition added or varied by the LTA.

What holding an equity interest means

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28C.—(1) In this Part, a person holds an equity interest if the person —

- (a) has or is deemed to have an equity interest in accordance with subsections (2) to (8); or
- (b) otherwise has a legal or equitable interest in that equity interest,

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except for any interest prescribed under section 49 as an interest that is to be disregarded.

(2) Subject to subsection (3), a person has an equity interest if the person has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, that equity interest.

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(3) It is immaterial that the authority of a person to dispose of, or to exercise control over the disposal of, the equity interest mentioned in subsection (2) is, or is capable of being made, subject to restraint or restriction.

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(4) It is immaterial, for the purposes of determining whether a person has an equity interest, that the interest cannot be related to a particular share, an interest or a right that gives its holder voting power, or a unit of a business trust, as the case may be.

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(5) A person is deemed to have an equity interest if —

- (a) any property held in trust consists of or includes the equity interest; and
- (b) the person knows, or has reasonable grounds for believing, that the person has an interest under that trust.

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(6) A person is also deemed to have an equity interest if that person —

(a) has entered into a contract to purchase the equity interest;

5 (b) has a right, otherwise than by reason of having an interest under a trust, to have the equity interest transferred to (or to the order of) that person, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

10 (c) has the right to acquire the equity interest under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

15 (d) is entitled (otherwise than by reason of having been appointed a proxy or representative) to vote at —

(i) a general meeting of the designated entity; or

(ii) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust,

20 to exercise or control the exercise of a right attached to the equity interest, not being an equity interest in which that person has a legal or equitable interest.

25 (7) A person is not to be deemed as not having an equity interest by reason only that the person has the equity interest jointly with another person.

(8) An equity interest is not to be disregarded by reason only of —

(a) its remoteness;

(b) the manner in which it arose; or

30 (c) the fact that the exercise of a right conferred by the equity interest is, or is capable of being made, subject to restraint or restriction.

**Meanings of “associate”, “related corporation”,
“subsidiary” and “holding company”**

28D.—(1) In this Part, a person (*A*) is an associate of another person (*B*) if —

- (a) *A* is the spouse, or a parent, step-parent or remoter lineal ancestor, or a son, stepson, daughter, stepdaughter or remoter issue, or a brother or sister, of *B*; 5
- (b) *A* is a partner of *B* in a partnership or limited liability partnership; 10
- (c) *A* is a corporation of which *B* is an officer;
- (d) *B* is a corporation of which *A* is an officer;
- (e) *A* and *B* are officers of the same corporation;
- (f) *A* is an employee of *B*;
- (g) *B* is an employee of *A*; 15
- (h) *A* and *B* are employees of the same employer;
- (i) *A* is the trustee of a discretionary trust where *B* (or another person who is an associate of *B* by virtue of any paragraph, except this paragraph and paragraphs (*j*) and (*r*)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts; 20
- (j) *B* is the trustee of a discretionary trust where *A* (or another person who is an associate of *A* by virtue of any paragraph, except this paragraph and paragraphs (*i*) and (*r*)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts; 25 30
- (k) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or

wishes of *B* or, where *B* is a corporation, of the directors of *B*;

5 (l) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;

10 (m) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;

15 (n) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;

(o) *A* is a related corporation of *B*;

20 (p) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in paragraphs (b) to (o), is in a position to control at least 20% of the voting power in *A*;

(q) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in paragraphs (b) to (o), is in a position to control at least 20% of the voting power in *B*;

25 (r) *A* is a person with whom *B* enters, or proposes to enter, into an agreement or arrangement (whether oral or in writing and whether express or implied) that relates to any of the following matters:

30 (i) *A* and *B* being in a position, by acting together, to control any of the voting power in a designated entity;

(ii) *A* and *B* acting together with respect to the acquisition, holding or disposal of equity interests or other interests in a designated entity;

(iii) the power of *A* and *B*, by acting together, to appoint or remove —

(A) a director of a designated entity; or

(B) in the case of a designated entity that is a business trust — a director of the trustee-manager of the business trust;

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(iv) the situation where one or more of the directors of —

(A) a designated entity; or

(B) in the case of a designated entity that is a business trust — the trustee-manager of the business trust,

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are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of *A* and *B* acting together;

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(*s*) *A* controls more than half of the voting power of a holding company of *B*;

(*t*) *B* controls more than half of the voting power of a holding company of *A*; or

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(*u*) *A* is related to *B* in such other manner as may be prescribed by regulations made under section 49.

(2) A corporation (*A*) and another corporation (*B*) are deemed to be related to each other for the purposes of this section where *A* is —

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(*a*) the holding company of *B*;

(*b*) a subsidiary of *B*; or

(*c*) a subsidiary of the holding company of *B*.

(3) For the purposes of subsection (2), a corporation (*A*) is, subject to subsection (5), deemed to be a subsidiary of another corporation (*B*) if —

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- (a) *B* controls the composition of the board of directors of *A*;
- (b) *B* controls more than half of the voting power of *A*; or
- (c) *A* is a subsidiary of any corporation which is *B*'s subsidiary.

(4) For the purposes of subsection (3), the composition of *A*'s board of directors is deemed to be controlled by *B* if *B*, by the exercise of a power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors, and for the purposes of this provision, *B* is deemed to have power to make such an appointment if —

- (a) a person cannot be appointed as a director without the exercise in the person's favour by *B* of such a power; or
- (b) a person's appointment as a director follows necessarily from that person being a director or other officer of *B*.

(5) In determining whether one corporation (*A*) is the subsidiary of another corporation (*B*) —

- (a) any shares held or power exercisable by *B* in a fiduciary capacity is treated as not held or exercisable by *B*;
- (b) subject to paragraphs (c) and (d), any shares held or power exercisable —

- (i) by any person as a nominee for *B* (except if *B* is concerned only in a fiduciary capacity); or
- (ii) by, or by a nominee for, a subsidiary of *B*, not being a subsidiary which is concerned only in a fiduciary capacity,

is to be treated as being held or exercisable by *B*;

- (c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of *A*, or of a

trust deed for securing any issue of such debentures, is to be disregarded; and

- (d) any shares held or power exercisable by, or by a nominee for, *B* or its subsidiary (not being held or exercisable as mentioned in paragraph (c)) is to be treated as not held or exercisable by *B* if the ordinary business of *B* or its subsidiary (as the case may be) includes the lending of money and the shares are so held or power is so exercisable by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

(6) A reference in this section to the holding company of a corporation is to a corporation of which the last mentioned corporation is a subsidiary.

(7) For the purposes of this section, the Depository is not to be regarded as a holding company of a corporation by reason only of the shares it holds in that corporation as a bare trustee.

(8) Regulations made under section 49 may provide that any person or class of persons are not associates of another person for the purposes of any provision of this Part.

(9) In this section —

“Depository” has the meaning given by section 81SF of the Securities and Futures Act 2001;

“officer”, in relation to a corporation, means a director or secretary of, or any person employed in an executive capacity by, the corporation.

Designation of designated operating entities and designated equity interest holders

28E.—(1) The LTA may by notification in the *Gazette* —

- (a) designate an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is provided in Singapore, as a designated operating entity; or

- (b) designate an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

if the LTA considers that the designation is necessary in the public interest.

(2) The LTA must inform the Minister of the LTA's decision to designate an entity before publishing the notification under subsection (1) but the failure to do so does not invalidate the designation.

(3) The notification under subsection (1) —

- (a) must specify the date on which the designation takes effect; and
- (b) must be published in the *Gazette* at least 14 days before the date that the designation takes effect.

(4) The LTA may by notification in the *Gazette* cancel a designation at any time.

Division 2 — Control of designated entities

Notice to LTA by 5% controller of designated entity

28F.—(1) If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the LTA of that fact.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.

(3) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that the accused —

- (a) was not aware of the contravention when it occurred; and
- (b) notified the LTA of the contravention within a period of 14 days after becoming aware of the contravention.

(4) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that, though the accused was aware of the contravention —

- (a) the contravention occurred as a result of an increase in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity; 5
- (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity; and 10
- (c) the accused notified the LTA of the contravention within a period of 7 days after the contravention. 15

(5) Except as provided in subsections (3) and (4), it is not a defence in any proceedings for a contravention of subsection (1) to prove that the accused did not intend to or did not knowingly contravene subsection (1). 20

Approvals of LTA in relation to equity interests and control of voting power in designated entities in certain cases

28G.—(1) Except with the prior written approval of the LTA, a person must not — 25

- (a) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date; or 30
- (b) as a result of a decrease in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, cease to be a

25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date.

5 (2) Subsection (1) does not apply if the transaction through which a person becomes a 25% controller, 50% controller or 75% controller, or ceases to be a 25% controller, 50% controller or 75% controller, is entered into before the effective designation date.

10 (3) A person must not become an indirect controller of a designated entity on or after the effective designation date unless the person has obtained the prior written approval of the LTA.

(4) The LTA may approve an application under subsection (1)(a) or (3) if the LTA is satisfied that —

15 (a) the person who is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person known to the LTA, are fit and proper persons;

20 (b) the essential transport services provided by the following (whichever is applicable) will continue to be safe, reliable and efficient:

(i) the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;

25 (ii) the trustee-manager of the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;

30 (iii) in the case where the person is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;

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(c) having regard to the influence of the person mentioned in paragraph (a) and every associate of that person known to the LTA, the following requirements are met:

(i) if the designated entity is a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; 5 10

(ii) if the designated entity is a designated equity interest holder —

(A) the designated operating entity in respect of which the designated equity interest holder is so designated or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and 15 20

(B) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and 25

(d) it is in the public interest to do so.

(5) The LTA may approve an application under subsection (1)(b) if the LTA is satisfied that —

(a) the essential transport services provided by the following (whichever is applicable) will continue to be safe, reliable and efficient: 30

(i) the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller; 35

- (ii) the trustee-manager of the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;
- 5 (iii) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;
- 10
- (b) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;
- 15
- (c) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder —
- 20
- (i) the designated operating entity in respect of which the designated equity interest holder is so designated or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and
- 25
- (ii) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and
- 30
- (d) it is in the public interest to do so.

(6) The LTA may —

- (a) grant an approval under this section subject to any conditions that the LTA considers appropriate to impose; and
- (b) at any time add to, vary or revoke any condition so imposed. 5

(7) Any condition imposed by the LTA under subsection (6) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in relation to which the application for approval under subsection (1) or (3) is made. 10

(8) Any person who contravenes subsection (1) or (3), or who fails to comply with any condition imposed under subsection (6), shall be guilty of an offence. 15

(9) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that —

- (a) the accused was not aware of the contravention when it occurred; 20
- (b) the accused notified the LTA of the contravention within a period of 14 days after becoming aware of the contravention; and
- (c) if the LTA issued any direction under section 28M relating to the contravention — 25
 - (i) the accused complied with the direction within the period determined by the LTA under that section; or
 - (ii) the period determined by the LTA under that section for compliance with the direction has not expired. 30

(10) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that even though the accused was aware of the contravention —

(a) the contravention occurred as a result of an increase or a decrease in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;

5 (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity;

10 (c) the accused notified the LTA of the contravention within a period of 7 days after the contravention or breach; and

15 (d) if the LTA issued any direction under section 28M relating to the contravention —

(i) the accused complied with the direction within the period determined by the LTA under that section; or

20 (ii) the period determined by the LTA under that section for compliance with the direction has not expired.

(11) In any proceedings for a contravention of subsection (3), it is a defence for the accused to prove that —

25 (a) the accused was not aware of the contravention when it occurred;

(b) the accused notified the LTA of the contravention within a period of 14 days after the contravention; and

30 (c) if the LTA issued any direction under section 28M relating to the contravention —

(i) the accused complied with the direction within the period determined by the LTA under that section; or

- (ii) the period determined by the LTA under that section for compliance with the direction has not expired.

(12) Except as provided in subsections (9), (10) and (11), it is not a defence in any proceedings for a contravention of subsection (1) or (3) to prove that the accused did not intend to or did not knowingly contravene subsection (1) or (3).

Appointment and removal of chief executive officer, chairperson, director, etc., of designated entity

28H.—(1) A licensee-designated operating entity must not, on or after the effective designation date, appoint or remove an individual as its chief executive officer, the chairperson of its board of directors or any of its directors, unless the licensee-designated operating entity has obtained the prior written approval of the LTA.

(2) Each of the following persons must not, on or after the effective designation date, appoint or remove an individual as its chief executive officer or the chairperson of its board of directors unless the person has obtained the prior written approval of the LTA:

- (a) a non-licensee-designated operating entity or, in the case of a non-licensee-designated operating entity that is a business trust, its trustee-manager;
- (b) a designated equity interest holder or, in the case of a designated equity interest holder that is a business trust, its trustee-manager.

(3) A person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity unless the designated entity has obtained the prior written approval of the LTA.

(4) A person must not, on or after the effective designation date, become a partner in a partnership that is a designated entity

unless the person has obtained the prior written approval of the LTA.

(5) The LTA may —

(a) grant an approval under this section subject to any conditions that the LTA considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(6) Any person who contravenes subsection (1), (2), (3) or (4), or who fails to comply with any condition imposed under subsection (5), shall be guilty of an offence.

(7) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or the trustee-manager of the designated entity in relation to which the application for approval under subsection (1), (2), (3) or (4) is made.

(8) In this section —

(a) a reference to a “licensee-designated operating entity” is to a designated operating entity that is also —

(i) a bus operator holding a Class 1 bus service licence; or

(ii) a licensee holding a bus depot licence or bus interchange licence; and

(b) a reference to a “non-licensee-designated operating entity” is to a designated operating entity that is not a licensee-designated operating entity.

Acquisition of business of designated operating entity as going concern

28I.—(1) A person must not, on or after the effective designation date, acquire as a going concern, a designated

operating entity's business of providing any essential transport service (or any part of such business) unless —

(a) the person; and

(b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager,

5

have obtained the prior written approval of the LTA.

(2) An application for the LTA's approval under subsection (1) must be —

(a) made jointly by the persons mentioned in subsection (1)(a) and (b); and

10

(b) made in such form and manner as the LTA may specify.

(3) The LTA may approve an application under subsection (1) if the LTA is satisfied that —

15

(a) the person acquiring the business or part is a fit and proper person;

(b) after the acquisition, the essential transport service mentioned in subsection (1) will continue to be safe, reliable and efficient;

20

(c) in the case where after the acquisition, the designated operating entity continues to carry out part of the business mentioned in subsection (1) — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

25

(d) it is in the public interest to do so.

30

(4) The LTA may —

(a) grant an approval under this section subject to any conditions that the LTA considers appropriate to impose; and

5 (b) at any time add to, vary or revoke any condition so imposed.

(5) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the
10 designated operating entity.

(6) Any person who contravenes subsection (1), or who fails to comply with any condition imposed under subsection (4), shall be guilty of an offence.

15 **Occurrence of certain events**

28J.—(1) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the LTA of any of the following agreements at least 14 days before entering into the agreement:

20 (a) in the case of a designated entity that is a designated operating entity — an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service;

25 (b) any agreement prescribed under section 49.

(2) Subsection (1) does not apply in relation to any agreement entered into before the expiry of 14 days after the effective designation date.

30 (3) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the LTA of the occurrence of any of the following events within 7 days after becoming aware of the occurrence:

- (a) in the case of a designated entity that is a designated operating entity —
- (i) any civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity or, if the designated entity is a business trust, its trustee-manager, that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; or
 - (ii) any other event or any irregularity that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service;
- (b) the designated entity or, if the designated entity is a business trust, its trustee-manager, being or becoming, or being likely to become, insolvent;
- (c) the designated entity or, if the designated entity is a business trust, its trustee-manager —
- (i) being wound up or subject to any receivership or judicial management order; or
 - (ii) entering into a compromise or scheme of arrangement;
- (d) in the case of a designated entity that is a business trust — the business trust being wound up or deregistered or the making of an application for the deregistration of the business trust;
- (e) any other event prescribed under section 49.

(4) Subsection (3) does not apply where the designated entity or trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.

(5) The LTA may, upon receiving a notification under subsection (1) or (3) in relation to an agreement or the occurrence of an event, direct the designated entity or trustee-manager in question to submit to the LTA any

information or document relating to the agreement or event within the period specified by the LTA.

(6) A person who —

(a) contravenes subsection (1) or (3);

5 (b) fails to comply with a direction of the LTA under subsection (5); or

(c) submits any false or misleading information or document in compliance or purported compliance with a direction of the LTA under subsection (5),

10 shall be guilty of an offence.

Duty of designated entity or trustee-manager to report changes of equity and control of certain persons

15 **28K.**—(1) If a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, becomes aware that —

(a) a person has, on or after the effective designation date, become a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity;

20 (b) a 25% controller, 50% controller or 75% controller of the designated entity has, on or after the effective designation date, ceased to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;

25 (c) a person has, on or after the effective designation date, become an indirect controller of the designated entity; or

- (d) in a case where the designated entity is a designated operating entity — a person has, on or after the effective designation date, acquired as a going concern, the designated operating entity’s business of providing any essential transport service (or any part of such business), 5

the designated entity or trustee-manager (as the case may be) must inform the LTA in writing within 7 days after becoming aware of that fact.

- (2) Any person who contravenes subsection (1) shall be guilty of an offence. 10

Restrictions on voluntary winding up, etc., of designated operating entities

28L.—(1) Despite any other written law —

- (a) a designated operating entity that is a corporation or limited liability partnership cannot be wound up voluntarily without the consent of the LTA; 15

- (b) a designated operating entity that is a partnership cannot be dissolved —

- (i) by a partner giving notice to the other partner or partners (as the case may be) of the partner’s intention to dissolve the partnership; or 20

- (ii) by the partners agreeing to dissolve the partnership,

without the consent of the LTA; 25

- (c) a designated operating entity that is a business trust cannot be wound up voluntarily without the consent of the LTA;

- (d) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation, unless that 30

person has served 14 days' notice in writing of that person's intention to make that application on the LTA;

5 (e) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a designated operating entity that is a corporation without the consent of the LTA;

10 (f) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a designated operating entity that is a corporation without the consent of the LTA;

15 (g) a person must not take any step to enforce any security over —

(i) the property of a designated operating entity; or

(ii) in the case of a designated operating entity that is a business trust — the trust property of the trust,

20 unless that person has served 14 days' notice in writing of that person's intention to take that step on the LTA; and

25 (h) a person must not take any step to execute or enforce any judgment or order of court obtained against a designated operating entity unless that person has served 14 days' notice in writing of that person's intention to take that step on the LTA.

(2) The LTA must be a party to —

30 (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;

- (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;
- (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a designated operating entity that is a company or an unregistered company; 5
- (d) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of a designated operating entity that is a limited liability partnership; and 10
- (e) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of any designated operating entity that is an entity not mentioned in paragraph (c) or (d). 15

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the LTA in those proceedings.

Division 3 — Remedial directions 20

Remedial directions relating to section 28G

28M.—(1) Subsection (2), (3) or (4) applies if —

- (a) the LTA is satisfied that a person (called in this section a defaulter) —
 - (i) has contravened section 28G(1) or (3) or failed to comply with a condition imposed on that person under section 28G(6); or 25
 - (ii) has provided false or misleading information or documents in connection with an application for approval under section 28G(1) or (3); or 30
- (b) the LTA would not have granted its approval under section 28G(1) or (3) had it been aware, at the time of

approval, of circumstances relevant to a defaulter's application for such approval.

5 (2) Where the defaulter is a 25% controller, 50% controller or 75% controller of the designated entity, the LTA may do any one or more of the following:

(a) direct the defaulter to take such steps as are necessary, within the period specified by the LTA, to cease to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;

10 (b) direct the transfer or disposal of all or any of the equity interests in the designated entity held by the defaulter or any of the defaulter's associates (called in this section and section 28N the section 28M(2) equity interests), within such time and subject to such conditions as the LTA considers appropriate;

15 (c) restrict or prohibit the transfer or disposal of all or any of the section 28M(2) equity interests, subject to any conditions that the LTA considers appropriate;

20 (d) make any other direction that the LTA considers appropriate.

(3) Where, as a result of a person (called in this subsection the transferee) acquiring any equity interests from the defaulter who is a 25% controller, 50% controller or 75% controller of the designated entity (called in this section and section 28N the section 28M(3) equity interests), the defaulter ceases to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity, the LTA may do one or more of the following:

30 (a) direct the transferee to take such steps as are necessary, within the period specified by the LTA, to cease to hold all or any of the section 28M(3) equity interests;

35 (b) direct the defaulter to take such steps as are necessary within the period specified by the LTA, to resume being a 25% controller, 50% controller or 75%

controller (as the case may be) of the designated entity;

- (c) direct the acquisition, transfer or disposal of all or any of the section 28M(3) equity interests within such time and subject to such conditions as the LTA considers appropriate; 5
- (d) restrict or prohibit the transfer or disposal of all or any of the section 28M(3) equity interests, subject to any conditions that the LTA considers appropriate;
- (e) make any other direction that the LTA considers appropriate. 10

(4) Where the defaulter is an indirect controller of the designated entity, the LTA may do one or both of the following:

- (a) direct the defaulter, or direct the designated entity or, if the designated entity is a business trust, its trustee-manager, to take such steps as are necessary, within the period specified by the LTA, to cease to be such an indirect controller or to cause the defaulter to cease to be such an indirect controller; 15
- (b) make any other direction that the LTA considers appropriate. 20

Effect of remedial directions issued under section 28M, etc.

28N.—(1) Any direction issued to a person, and any condition imposed, under section 28M(2) or (3) take effect despite — 25

- (a) any other written law;
- (b) anything in any listing rules as defined in section 2(1) of the Securities and Futures Act 2001; and
- (c) the provisions of the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in question. 30

(2) Without affecting subsection (1), where any direction is issued under section 28M(2) or (3), then, until the direction is carried out or is suspended or revoked —

5 (a) the voting rights in respect of the section 28M(2) equity interests or section 28M(3) equity interests that are subject to the direction are not exercisable, unless the LTA expressly permits those rights to be exercised;

10 (b) the voting power that the person to whom the direction is issued controls, whether alone or together with that person's associates, in the designated entity is not exercisable, unless the LTA expressly permits that power to be exercised;

15 (c) no equity interest in the designated entity is to be issued or offered (whether by way of dividends or otherwise) in respect of the section 28M(2) equity interests or section 28M(3) equity interests that are subject to the direction, unless the LTA expressly permits that issue or offer; and

20 (d) no amount may be paid (whether by way of profits, income or otherwise) in respect of the section 28M(2) equity interests or section 28M(3) equity interests that are subject to the direction, unless the LTA expressly authorises such payment.

25 (3) Subsection (2)(d) does not apply in the event of the winding up, dissolution, termination or deregistration of the designated entity.

Remedial directions relating to section 28H

28O.—(1) Subsection (2) applies where —

30 (a) an individual has been appointed or removed in contravention of section 28H(1) or (2), or a person has been appointed a manager of or becomes a partner in a designated entity in contravention of section 28H(3) or (4);

- (b) any condition of approval imposed under section 28H(5) has not been complied with;
- (c) any of the following persons has provided false or misleading information or documents to the LTA in connection with an application for approval under section 28H(1), (2), (3) or (4):
 - (i) a designated entity;
 - (ii) the trustee-manager of a designated entity;
 - (iii) the person mentioned in section 28H(4); or
- (d) the LTA would not have granted its approval under section 28H(1), (2), (3) or (4) had it been aware, at the time of approval, of circumstances relevant to a person's application for such approval.

(2) The LTA may issue a direction to the designated entity or trustee-manager in question (as the case may be) to do as follows (whichever is applicable):

- (a) remove the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
- (b) reinstate the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
- (c) remove the person as a manager of or partner in the designated entity.

(3) A direction issued under this section (including a direction varied under section 28Q(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or trustee-manager in question.

(4) Nothing in subsection (2) is to be taken as depriving a person who is removed under that subsection of compensation

or damages payable to the person in respect of the termination of his or her appointment as the chief executive officer, the chairperson of the board of directors, a director, or the person's removal as a manager or partner.

5 **Remedial directions relating to section 28I**

28P.—(1) Subsection (2) applies where —

- (a) a person has contravened section 28I(1); or
- (b) where the LTA has granted its approval under section 28I(1) —
 - 10 (i) any condition of approval imposed under section 28I(4) has not been complied with;
 - (ii) either of the joint applicants mentioned in section 28I(1)(a) or (b) has provided false or misleading information or documents to the LTA in connection with the application for the approval; or
 - 15 (iii) the LTA would not have granted its approval under section 28I(1) had it been aware, at the time of approval, of circumstances relevant to the application for such approval.

(2) The LTA may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 28I(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the LTA considers appropriate;
- 25 (b) prohibit or restrict the transfer or disposal of all or any part of the business; or
- (c) issue any other direction that the LTA considers appropriate.

30 (3) A direction issued under this section (including a direction varied under section 28Q(2)) has effect despite the provisions of any other written law or anything contained in the memorandum

or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity in question.

Other provisions relating to remedial directions

28Q.—(1) Before issuing any direction to a person under section 28M, 28O or 28P, the LTA must — 5

- (a) unless the LTA decides that it is not practicable or desirable to do so, give the person written notice of the LTA’s intention to issue the direction and specify a date by which the person may make written representations with regard to the direction; and 10
- (b) consider every written representation from the person received on or before the specified date mentioned in paragraph (a).

(2) The LTA may, at any time, revoke, vary or discharge, or suspend the operation of, any direction given by it under section 28M, 28O or 28P. 15

(3) A person who fails to comply with a direction issued by the LTA under section 28M, 28O or 28P (including a direction that is varied under subsection (2)) within the period specified by the LTA shall be guilty of an offence. 20

Division 4 — Penalties

Penalties under this Part

28R. A person guilty of an offence under this Part shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction.”. 25

New Part 5A

9. In the BSI Act, after Part 5, insert — 30

“PART 5A
SPECIAL ADMINISTRATION ORDERS
AND OTHER ORDERS FOR
DESIGNATED OPERATING ENTITIES

5 **Interpretation of this Part**

33A.—(1) In this Part —

“unit” has the meaning given by section 2 of the Business Trusts Act 2004;

10 “unitholder” means a person who holds units in a business trust;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018.

(2) In this Part —

15 (a) a reference to the affairs, business, undertaking, operations or activities of a designated operating entity that is a business trust is to the affairs, business, undertaking, operations or activities (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

20 (b) a reference to the obligations of a designated operating entity that is a business trust is to the obligations undertaken by the trustee-manager of the business trust on behalf of the business trust.

25 **Non-application of this Part to designated operating entities that are licensees**

33B. This Part does not apply to or in relation to any designated operating entity that is also —

30 (a) a bus operator holding a Class 1 bus service licence; or

(b) a licensee holding a bus depot licence or bus interchange licence.

Meaning and purposes of special administration order

33C.—(1) A special administration order is an order of the Minister made in relation to a designated operating entity on or after the effective designation date and in accordance with section 33D, directing that during the period the order is in force, the affairs, business and property of that entity are to be managed by a person appointed by the Minister which may be the LTA (called in this Part an appointed person) —

- (a) for securing one or more of the purposes specified in subsection (2); and
 - (b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the entity.
- (2) For the purposes of subsection (1)(a), the purposes are —
- (a) the security and reliability of the business, undertaking or activities of the designated operating entity in Singapore relating to the entity’s provision of any essential transport service;
 - (b) the survival of the designated operating entity or the whole or any part of the business or undertaking of the entity, as a going concern;
 - (c) the transfer to another person, or (as respects different parts of its business or undertaking) to 2 or more different persons, as a going concern, of so much of the business or undertaking of the designated operating entity as is necessary to ensure that the obligations of the entity in relation to its business, undertaking or activities of providing any essential transport service may be properly carried out; and
 - (d) the carrying out of the obligations of the designated operating entity mentioned in paragraph (c) pending the transfer, as a going concern, of the entity’s business or undertaking mentioned in that paragraph to any other person or persons.

Power to make special administration order and other orders

5 **33D.**—(1) If, on an application made to the Minister by the LTA, the Minister is satisfied that any one or more of the grounds specified in subsection (2) are satisfied in relation to a designated operating entity, the Minister may make any one or more of the following orders:

(a) a special administration order in relation to the designated operating entity;

10 (b) an order requiring —

(i) the designated operating entity; or

(ii) in the case of a designated operating entity that is a business trust — the trustee-manager of the business trust,

15 to immediately take any action or to do or not do any act or thing where the Minister considers that the action or the doing or not doing of the act or thing is necessary for the business, undertaking or activities of the designated operating entity of providing any essential transport service;

20 (c) an order appointing a person (called in this Part an advisor) to advise —

(i) the designated operating entity; or

25 (ii) in the case of a designated operating entity that is a business trust — the trustee-manager of the business trust,

in the proper conduct of the business, undertaking or activities of the designated operating entity mentioned in paragraph (b).

30 (2) For the purposes of subsection (1), the grounds are the following:

(a) the designated operating entity is or is likely to be unable to pay its debts;

(b) the Minister considers it to be in the interest of the security and reliability of the provision of any essential transport service by the designated operating entity;

(c) the Minister considers it to be in the public interest. 5

(3) Notice of any order under subsection (1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.

(4) The Minister may make a special administration order in relation to a designated operating entity despite the commencement of (as applicable) — 10

(a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the designated operating entity, being a corporation; 15

(b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the designated operating entity, being a corporation; 20

(c) any meeting convened under section 94(7) of the Insolvency, Restructuring and Dissolution Act 2018 in respect of the designated operating entity, being a corporation;

(d) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of the designated operating entity, being a company or an unregistered company; 25

(e) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of the designated operating entity, being a limited liability partnership; or 30

(f) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of the

designated operating entity, being an entity not mentioned in paragraph (d) or (e).

(5) For the purposes of this section, a designated operating entity is unable to pay its debts if —

- 5 (a) a creditor (by assignment or otherwise) to whom the entity is indebted in a sum exceeding the sum mentioned in section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 then due has served on the entity, by leaving at the registered office of the entity, a written demand by the creditor or the creditor's lawfully authorised agent requiring the entity to pay the sum so due, and the entity has for 3 weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;
- 10
- (b) an enforcement order or other process issued to enforce a judgment, decree or order of any court in favour of a creditor of the entity is returned unsatisfied in whole or in part; or
- 15
- (c) it is proved to the satisfaction of the General Division of the High Court that the entity is unable to pay its debts.
- 20

Ancillary directions, etc., when special administration order, etc., is made

25 **33E.**—(1) A special administration order under this Part may specify that —

- (a) the appointed person has such functions and powers in relation to the operations of the designated operating entity as are specified in the order;
- 30 (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, is to stop providing a specified service or facility from a specified date; and

(c) the appointed person must have access to, and take control of, the property (including intellectual property), licences and employees used or required by the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, for the purposes of carrying on the operations of the designated operating entity as are specified in the order. 5

(2) A special administration order under this Part may also contain ancillary directions that may — 10

(a) direct how the costs of the operations specified in the order and revenue generated from those operations, are to be dealt with;

(b) fix the remuneration and expenses to be paid by the designated operating entity or trustee-manager to the appointed person; 15

(c) specify the period for which the order under this section applies; and

(d) specify any other conditions that may apply.

(3) An order under section 33D(1)(c) may also contain an ancillary direction that fixes the remuneration and expenses to be paid by the designated operating entity or trustee-manager to the advisor. 20

Effect of special administration order and other orders

33F.—(1) Any decision of the Minister under section 33D(1) is final. 25

(2) A special administration order operates to the exclusion of rights that are inconsistent with the order.

(3) Nothing in Part 4 or 4A applies to prohibit or invalidate any special administration order or other order made under this Part or any transaction entered into to give effect to such an order. 30

Duties of designated operating entity or trustee-manager, etc.

5 **33G.**—(1) The designated operating entity that is the subject of a special administration order under this Part or, in the case of such a designated operating entity that is a business trust, its trustee-manager —

- (a) must facilitate the handover of the operations to the appointed person as specified in the order;
- 10 (b) must not obstruct the appointed person’s access to property or the exercise by the appointed person of the appointed person’s responsibilities under or pursuant to the special administration order; and
- (c) must comply with reasonable directions given by the appointed person in the exercise of the appointed person’s responsibilities under or pursuant to the special administration order.

15 (2) The designated operating entity or trustee-manager which fails to comply with subsection (1) or an order under section 33D(1)(b) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both.

Transfer of property, etc., under special administration order

25 **33H.**—(1) Without limiting sections 33C, 33D and 33E, a special administration order may provide for the following matters:

- (a) the transfer to one or more prescribed transferees (which may or may not be the appointed person) of the following (whichever is applicable):
 - 30 (i) the property, rights and liabilities of a designated operating entity;
 - (ii) in the case of a designated operating entity that is a business trust — the property of the business trust, and the rights held and the

liabilities incurred by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust;

- (b) matters that are consequential or related to any such transfer. 5

(2) If the Minister makes a special administration order providing for any matter mentioned in subsection (1), the Minister must, by notification in the *Gazette*, establish a scheme within the following period for determining the amount of any compensation payable by the prescribed transferee to the designated operating entity or the trustee-manager or unitholders of the business trust (as the case may be) for the transfer of the property, rights and liabilities: 10

- (a) 6 months after the date of the making of the special administration order; 15

- (b) any longer period after the date of the making of the special administration order, as agreed between the prescribed transferee and the designated operating entity or trustee-manager.

(3) A scheme established under subsection (2) may provide for — 20

- (a) the manner in which any compensation or consideration is to be assessed, including methods of calculation, valuation dates and matters to be taken into account or disregarded when making valuations; 25

- (b) the assessment to be made by an independent valuer appointed by the Minister; and

- (c) the remuneration and expenses of the independent valuer.

(4) In this section, “prescribed transferee” means the LTA or a person nominated by the Minister. 30

Regulations for this Part

33I. The Minister may make regulations under section 49 for giving effect to this Part, including —

- (a) regulations governing the transfer of property, rights and liabilities of or in relation to a designated operating entity mentioned in section 33H(1)(a) and matters consequential or related to such transfer; and
- (b) if a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018.”.

Amendment of section 39

10. In the BSI Act, in section 39(1) —

(a) in paragraph (a), after sub-paragraph (i), insert —

“(ia) any condition of approval under section 19;”;

(b) in paragraph (f)(i), replace “chief executive” with “chief executive officer”.

Amendment of section 41

11. In the BSI Act, in section 41, after subsection (3), insert —

“(3A) Any person who is aggrieved by any of the following decisions of the LTA may appeal to the Minister against the decision:

- (a) any decision to designate an entity under section 28E;
- (b) any refusal to grant an approval required under section 28G, 28H or 28I;
- (c) any decision to impose, add to or vary any condition under section 28G, 28H or 28I;
- (d) any decision to issue a direction under section 28M, 28O or 28P or to vary a direction under section 28Q(2).”.

Amendment of section 42

12. In the BSI Act, in section 42, replace “Minister of State or Parliamentary Secretary” wherever it appears with “Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary”.

5

New section 42A

13. In the BSI Act, in Part 8, before section 43, insert —

“Advisory guidelines

42A.—(1) The LTA may make advisory guidelines with a view to providing guidance or certainty in respect of any one or more of the provisions in this Act.

10

(2) Advisory guidelines, for example, may be made about —

(a) what amounts to a material function of a designated operating entity for the purposes of section 28J(1)(a);
or

15

(b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 28J(3)(a).

(3) The LTA may make different advisory guidelines under subsection (1) in respect of different persons or entities or different classes of persons or entities.

20

(4) The Authority must —

(a) give a copy of each advisory guideline it makes to the Minister; and

25

(b) publish each advisory guideline (in any way that the Authority thinks fit), send each advisory guideline to each person or entity to whom the guideline applies (by any mode the Authority thinks fit), or both.

(5) Despite subsection (4)(b), the Authority must publish each advisory guideline (in any way that the Authority thinks fit) if the advisory guideline has any effect on the rights of any person

30

or entity other than the person or entity to which the advisory guideline applies.

(6) The failure to comply with subsection (4) or (5) in respect of any advisory guideline does not invalidate the advisory guideline.”.

Amendment of section 46

14. In the BSI Act, in section 46, after “all or any provisions”, insert “(or any part of any provision)”.

New section 48A

15. In the BSI Act, after section 48, insert —

“Power to amend Schedule

48A. The Minister may, by order in the *Gazette*, amend the Schedule.”.

New Schedule

16. In the BSI Act, after section 49, insert —

“THE SCHEDULE

Sections 2 and 48A

BUS SERVICES AND OTHER SERVICES FOR
PURPOSES OF PARAGRAPHS (b) AND (c) OF
DEFINITION OF “ESSENTIAL TRANSPORT
SERVICE”

PART 1

BUS SERVICES

1. Any regular route service provided pursuant to a public bus services contract entered into under section 6(2).

PART 2

OTHER SERVICES

1. Monitoring and management of any regular route service provided pursuant to a public bus services contract entered into under section 6(2).”.

PART 2

AMENDMENT OF CIVIL AVIATION
AUTHORITY OF SINGAPORE ACT 2009**Deletion of section 46**

17. In the Civil Aviation Authority of Singapore Act 2009 (called in this Part the CAAS Act), delete section 46. 5

Replacement of Part heading of Part 5

18. In the CAAS Act, in Part 5, replace the Part heading with —

“PART 5

CONTROL OF OWNERSHIP AND 10
MANAGEMENT, ETC., OF AIRPORT LICENSEES
AND DESIGNATED ENTITIES”.

New Division 1 of Part 5

19. In the CAAS Act, in Part 5, before Division 1, insert —

“*Division 1 — Interpretation* 15

Interpretation of this Part

56A.—(1) In this Part —

“5% controller” has the meaning given by section 56B;

“25% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates — 20

(a) holds 25% or more, but less than 50%, of the total equity interests in that designated entity; or

(b) is in a position to control 25% or more, but less than 50%, of the voting power in that designated entity; 25

“50% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 50% or more, but less than 75%, of the total equity interests in that designated entity; or

(b) is in a position to control 50% or more, but less than 75%, of the voting power in that designated entity;

“75% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 75% or more of the total equity interests in that designated entity; or

(b) is in a position to control 75% or more of the voting power in that designated entity;

“acquisition” includes an agreement to acquire, but does not include —

(a) an acquisition by will or by operation of law; or

(b) an acquisition by way of enforcement of a loan security;

“arrangement” includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;

“business trust” has the meaning given by section 2 of the Business Trusts Act 2004;

“chief executive officer”, in relation to a designated entity or the trustee-manager of a designated entity, means an individual (by whatever name called) who —

(a) is in the direct employment of, or acting for or by arrangement with, the designated entity or trustee-manager, as the case may be; and

(b) is principally responsible for the management and conduct of the designated entity or trustee-manager, as the case may be,

and includes any individual for the time being performing all or any of the functions of a chief executive officer;

5

“Class 1 designated operating entity” means a designated operating entity that is also an airport licensee or a designated business trust;

“Class 2 designated operating entity” means a designated operating entity that is neither an airport licensee nor a designated business trust;

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“control” includes control as a result of, or by means of, any trust, agreement, arrangement, understanding or practice, whether or not having legal or equitable force and whether or not based on legal or equitable rights;

15

“decrease”, in relation to the holding of equity interests, includes a decrease to a point of nil;

“designated business trust” means a business trust that is established wholly or partly in respect of an airport (or any part of an airport) and which has been declared by the Authority, by notification in the *Gazette*, to be a designated business trust for the purposes of this Part;

20

“designated entity” means a designated equity interest holder or a designated operating entity;

25

“designated equity interest holder” means an entity that has been designated as a designated equity interest holder under section 64;

“designated operating entity” means an entity that has been designated as a designated operating entity under section 64;

30

“director” has the meaning given by section 4(1) of the Companies Act 1967;

“effective designation date”, in relation to a designated entity, means the date specified under section 64(3) as the date on which the designation of that entity as a designated operating entity or designated equity interest holder (as the case may be) takes effect;

“entity” means any sole proprietorship, partnership, corporation or other body of persons, whether corporate or unincorporate, and includes a business trust;

“equity interest” —

(a) in relation to a corporation — means a voting share in that corporation;

(b) in relation to an entity other than a corporation — means any right or interest, whether legal or equitable, in that entity (by whatever name called) which gives the holder of that right or interest voting power in that entity; and

(c) in relation to a business trust — means a unit in that business trust;

“essential transport service” means any service or facility specified or described in the Third Schedule which is necessary for the continuity of, or to support, the provision of air transport;

“increase”, in relation to the holding of equity interests, includes an increase from a starting point of nil;

“indirect controller”, in relation to a designated entity, means any person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —

(a) whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed or under an obligation, whether formal or informal, to act in accordance with; or

(b) who is in a position to determine the policy of the designated entity, 5

but does not include —

(c) any person who is —

(i) a director or other officer of the designated entity; or 10

(ii) the trustee-manager (in the case of a designated entity that is a business trust); or

(d) any person whose directions, instructions or wishes — 15

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed to act in accordance with by reason only that the acting is on advice given by the person in that person's professional capacity; 20

“liquidator” includes the Official Receiver when acting as the liquidator of a corporation; 25

“officer”, in relation to a corporation, includes —

(a) a director or secretary of, or a person employed in an executive capacity by, the corporation;

(b) any receiver or manager, or any receiver and manager, of any part of the undertaking of the corporation, appointed under a power contained 30

in any instrument or by the General Division of the High Court or by creditors;

(c) any liquidator of the corporation appointed in a voluntary winding up or by the General Division of the High Court or by creditors; and

(d) any judicial manager of the corporation appointed under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018;

“Official Receiver” has the meaning given by section 2(1) of the Insolvency, Restructuring and Dissolution Act 2018;

“related corporation”, in relation to a corporation, means another corporation that is deemed under section 56D(2) to be related to that corporation;

“share”, in relation to a corporation, means a share in the share capital of the corporation and includes stock into which all or any of the share capital of the corporation has been converted;

“treasury share” has the meaning given by section 4(1) of the Companies Act 1967;

“trustee-manager” has the meaning given by section 2 of the Business Trusts Act 2004;

“unit” has the meaning given by section 2 of the Business Trusts Act 2004;

“unitholder” means a person who holds units in a business trust;

“voting share” has the meaning given by section 4(1) of the Companies Act 1967 but does not include a treasury share.

(2) A reference in this Part to the control of a percentage of the voting power in a designated entity is to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in —

- (a) a general meeting of the designated entity; or
- (b) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust.

(3) In ascertaining a person’s control of the percentage of the total number of votes that might be cast at a general meeting mentioned in subsection (2), the number of votes that the person is entitled to cast at the meeting by reason of having been appointed a proxy or representative to vote at the meeting is to be disregarded. 5
10

(4) In this Part —

- (a) a reference to a chairperson of a board of directors includes an individual (by whatever name called) acting in that capacity;
- (b) a reference to the business or operations of an entity that is a business trust is to the business or operations (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and 15
- (c) a reference to a condition imposed by the Authority includes a condition added or varied by the Authority. 20

Meaning of “5% controller”

56B.—(1) Subject to subsection (2), in this Part, a reference to a “5% controller” of an entity is to a person who, alone or together with that person’s associates — 25

- (a) holds 5% or more, but less than 25%, of the total equity interests in that designated entity; or
- (b) is in a position to control 5% or more, but less than 25%, of the voting power in that designated entity.

(2) Where an entity is an airport licensee or a designated business trust (and not also a designated entity), a reference to a “5% controller” of that entity is to a person who, alone or together with that person’s associates — 30

- (a) holds 5% or more of the total equity interests in that entity; or
- (b) is in a position to control 5% or more of the voting power in that entity.

5 (3) Despite subsection (2) —

(a) the Minister may, by order in the *Gazette*, vary the definition of “5% controller” under subsection (2) by specifying a higher percentage of the total equity interests in or of the voting power in an airport licensee or a designated business trust; and

10

(b) any reference in this Part to a “5% controller” in relation to an entity that is an airport licensee or a designated business trust (and not also a designated entity) is to a person who, alone or together with the person’s associates —

15

(i) holds that specified higher percentage or more of the total equity interests in; or

(ii) is in a position to control that specified higher percentage or more of the voting power in,

20

the airport licensee or designated business trust.

(4) In making any order under subsection (3), the Minister may provide for such saving and transitional provisions as he or she thinks fit.

25

(5) Every order made under subsection (3) must be presented to Parliament as soon as possible after publication in the *Gazette*.

What holding an equity interest means

56C.—(1) In this Part, a person holds an equity interest if the person —

30

(a) has or is deemed to have an equity interest in accordance with subsections (2) to (8); or

(b) otherwise has a legal or equitable interest in that equity interest,

except for —

(c) any interest to be disregarded under section 7(9) of the Companies Act 1967; 5

(d) any interest in a share held by a person whose ordinary business includes the lending of money if the person holds the interest as a loan security;

(e) any interest in a share held by a person, being an interest held by the person because the person holds a prescribed office; 10

(f) any interest of a prescribed kind in a share, being an interest held by such persons as are prescribed;

(g) any interest in a share held by the Government or the Minister for Finance in his or her corporate capacity; 15

(h) any equity interest of a prescribed kind in a company, being an equity interest held by a prescribed person; or

(i) any interest prescribed under section 102 as an interest that is to be disregarded. 20

(2) For the purposes of this Part, if —

(a) a person holds an interest in a share as a loan security;

(b) the ordinary business of the person includes the lending of money;

(c) the loan security is enforced; 25

(d) as a result of the enforcement of the loan security, the person becomes the holder of the share; and

- (e) the person holds the share for a continuous period (called the holding period) beginning at the time when the security was enforced,

the person's interest in the share is to be disregarded at all times during so much of the holding period as occurs during whichever of the following periods is applicable:

- (f) the period of 90 days beginning when the security was enforced;
- (g) if the Authority, by written notice given to the person, allows a longer period, the end of that longer period.

(3) Subject to subsection (4), a person has an equity interest if the person has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, that equity interest.

(4) It is immaterial that the authority of a person to dispose of, or to exercise control over the disposal of, the equity interest mentioned in subsection (3) is, or is capable of being made, subject to restraint or restriction.

(5) It is immaterial, for the purposes of determining whether a person has an equity interest, that the interest cannot be related to a particular share, an interest or a right that gives its holder voting power, or a unit of a business trust, as the case may be.

(6) A person is deemed to have an equity interest if —

- (a) any property held in trust consists of or includes the equity interest; and
- (b) the person knows, or has reasonable grounds for believing, that the person has an interest under that trust.

(7) A person is also deemed to have an equity interest if that person —

- (a) has entered into a contract to purchase the equity interest;

(b) has a right, otherwise than by reason of having an interest under a trust, to have the equity interest transferred to (or to the order of) that person, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; 5

(c) has the right to acquire the equity interest under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

(d) is entitled (otherwise than by reason of having been appointed a proxy or representative) to vote at — 10

(i) a general meeting of the designated entity; or

(ii) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust, 15

to exercise or control the exercise of a right attached to the equity interest, not being an equity interest in which that person has a legal or equitable interest.

(8) For the purposes of subsection (7)(c), a person is entitled to acquire anything if the person is absolutely or contingently entitled to acquire it, whether because of any constituent document of an entity, the exercise of any right or option or for any other reason. 20

(9) A person is not to be deemed as not having an equity interest by reason only that the person has the equity interest jointly with another person. 25

(10) An equity interest is not to be disregarded by reason only of —

(a) its remoteness;

(b) the manner in which it arose; or 30

(c) the fact that the exercise of a right conferred by the equity interest is, or is capable of being made, subject to restraint or restriction.

**Meanings of “associate”, “related corporation”,
“subsidiary” and “holding company”**

56D.—(1) In this Part, a person (*A*) is an associate of another person (*B*) if —

- 5 (a) *A* is the spouse, or a parent, step-parent or remoter
 lineal ancestor, or a son, stepson, daughter,
 stepdaughter or remoter issue, or a brother or sister,
 of *B*;
- 10 (b) *A* is a partner of *B* in a partnership or limited liability
 partnership;
- (c) *A* is a corporation of which *B* is an officer;
- (d) *B* is a corporation of which *A* is an officer;
- (e) *A* and *B* are officers of the same corporation;
- (f) *A* is an employee of *B*;
- 15 (g) *B* is an employee of *A*;
- (h) *A* and *B* are employees of the same employer;
- (i) *A* is the trustee of a discretionary trust where *B*
 (or another person who is an associate of *B* by virtue
 of any paragraph, except this paragraph and
20 paragraphs (*j*) and (*r*)) benefits, or is capable
 (whether by exercise of a power of appointment or
 otherwise) of benefitting, under the trust, either
 directly or through interposed entities or trusts;
- 25 (j) *B* is the trustee of a discretionary trust where *A*
 (or another person who is an associate of *A* by virtue
 of any paragraph, except this paragraph and
 paragraphs (i) and (*r*)) benefits, or is capable
 (whether by exercise of a power of appointment or
30 otherwise) of benefitting, under the trust, either
 directly or through interposed entities or trusts;
- (k) *A* is a corporation whose directors are accustomed or
 under an obligation, whether formal or informal, to
 act in accordance with the directions, instructions or

wishes of *B* or, where *B* is a corporation, of the directors of *B*;

- (*l*) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*; 5
- (*m*) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*; 10
- (*n*) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*; 15
- (*o*) *A* is a related corporation of *B*;
- (*p*) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in paragraphs (*b*) to (*o*), is in a position to control at least 20% of the voting power in *A*; 20
- (*q*) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in paragraphs (*b*) to (*o*), is in a position to control at least 20% of the voting power in *B*;
- (*r*) *A* is a person with whom *B* enters, or proposes to enter, into an agreement or arrangement (whether oral or in writing and whether express or implied) that relates to any of the following matters: 25
 - (i) *A* and *B* being in a position, by acting together, to control any of the voting power in a designated entity; 30
 - (ii) *A* and *B* acting together with respect to the acquisition, holding or disposal of equity interests or other interests in a designated entity;

(iii) the power of *A* and *B*, by acting together, to appoint or remove —

(A) a director of a designated entity; or

(B) in the case of a designated entity that is a business trust — a director of the trustee-manager of the business trust;

(iv) the situation where one or more of the directors of —

(A) a designated entity; or

(B) in the case of a designated entity that is a business trust — the trustee-manager of the business trust,

are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of *A* and *B* acting together;

(*s*) *A* controls more than half of the voting power of a holding company of *B*;

(*t*) *B* controls more than half of the voting power of a holding company of *A*; or

(*u*) *A* is related to *B* in such other manner as may be prescribed by regulations made under section 102.

(2) A corporation (*A*) and another corporation (*B*) are deemed to be related to each other for the purposes of this section where *A* is —

(*a*) the holding company of *B*;

(*b*) a subsidiary of *B*; or

(*c*) a subsidiary of the holding company of *B*.

(3) For the purposes of subsection (2), a corporation (*A*) is, subject to subsection (5), deemed to be a subsidiary of another corporation (*B*) if —

- (a) *B* controls the composition of the board of directors of *A*;
- (b) *B* controls more than half of the voting power of *A*; or
- (c) *A* is a subsidiary of any corporation which is *B*'s subsidiary.

5

(4) For the purposes of subsection (3), the composition of *A*'s board of directors is deemed to be controlled by *B* if *B*, by the exercise of a power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors, and for the purposes of this provision, *B* is deemed to have power to make such an appointment if —

10

(a) a person cannot be appointed as a director without the exercise in the person's favour by *B* of such a power; or

(b) a person's appointment as a director follows necessarily from that person being a director or other officer of *B*.

15

(5) In determining whether one corporation (*A*) is the subsidiary of another corporation (*B*) —

(a) any shares held or power exercisable by *B* in a fiduciary capacity is treated as not held or exercisable by *B*;

20

(b) subject to paragraphs (c) and (d), any shares held or power exercisable —

(i) by any person as a nominee for *B* (except if *B* is concerned only in a fiduciary capacity); or

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(ii) by, or by a nominee for, a subsidiary of *B*, not being a subsidiary which is concerned only in a fiduciary capacity,

is to be treated as being held or exercisable by *B*;

30

(c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of *A*, or of a trust deed for securing any issue of such debentures, is to be disregarded; and

5 (d) any shares held or power exercisable by, or by a nominee for, *B* or its subsidiary (not being held or exercisable as mentioned in paragraph (c)) is to be treated as not held or exercisable by *B* if the ordinary
10 business of *B* or its subsidiary (as the case may be) includes the lending of money and the shares are so held or power is so exercisable by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

15 (6) A reference in this section to the holding company of a corporation is to a corporation of which the last mentioned corporation is a subsidiary.

(7) For the purposes of this section, the Depository is not to be regarded as a holding company of a corporation by reason only of the shares it holds in that corporation as a bare trustee.

20 (8) Regulations made under section 102 may provide that any person or class of persons are not associates of another person for the purposes of any provision of this Part.

(9) In this section —

25 “Depository” has the meaning given by section 81SF of the Securities and Futures Act 2001;

“officer”, in relation to a corporation, means a director or secretary of, or any person employed in an executive capacity by, the corporation.”.

Replacement of Division 1 heading of Part 5

20. In the CAAS Act, in Part 5, in the existing Division 1, replace the Division heading with —

“Division 2 — Control of ownership and management, etc., of airport licensees and designated business trusts”.

5

New sections 62A and 62B

21. In the CAAS Act, in Part 5, in Division 2 (as renumbered by section 20), after section 62, insert —

“Restrictions on voluntary winding up, etc., of airport licensees and designated business trusts

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62A.—(1) Despite any other written law —

(a) an airport licensee cannot be wound up voluntarily without the consent of the Authority;

(b) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to an airport licensee, unless that person has served 14 days’ notice in writing of that person’s intention to make that application on the Authority;

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(c) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to an airport licensee without the consent of the Authority;

(d) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of an airport licensee without the consent of the Authority;

25

(e) a designated business trust cannot be wound up voluntarily without the consent of the Authority;

30

(f) a person must not take any step to enforce any security over —

(i) the property of an airport licensee; or

(ii) the trust property of a designated business trust,

unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority; and

(g) a person must not take any step to execute or enforce any judgment or order of court obtained against an airport licensee or a designated business trust unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority.

(2) The Authority must be a party to —

(a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to an airport licensee;

(b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to an airport licensee;

(c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of an airport licensee; and

(d) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of a designated business trust.

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Authority in those proceedings.

Non-application and modification of Division 2 provisions in relation to Class 1 designated operating entities

62B.—(1) Sections 57, 59, 60(1)(b) and (2), 61(2) and 62A do not apply to or in relation to any airport licensee or designated

business trust that is also a Class 1 designated operating entity, starting on its effective designation date and while it remains so designated.

(2) Section 58 applies to or in relation to an airport licensee or a designated business trust that is also a Class 1 designated operating entity with the following modifications, starting on its effective designation date and while it remains so designated:

(a) the reference in section 58(1)(a) to the business of an airport licensee (or any part thereof) conducted pursuant to its licence for an airport is to such business (or any part thereof) of the airport licensee where the operation of the airport is not an essential transport service;

(b) the reference in section 58(1)(b) to the business (or any part thereof) of a designated business trust relating to an airport or any part thereof in respect of which, wholly or in part, the business trust is established is to such business (or any part thereof) where the operation of the airport is not an essential transport service.

(3) Section 60 applies to or in relation to an airport licensee or a designated business trust that is also a Class 1 designated operating entity with the following modifications, starting on its effective designation date and while it remains so designated:

(a) the reference in section 60(1)(a) to section 57(1) or 58(1) is to section 58(1) as modified by subsection (2);

(b) the reference in section 60(1)(c) and (3) to a business mentioned in section 58(1) is to a business mentioned in section 58(1) as modified by subsection (2).”.

Deletion of Division 2 of Part 5

22. In the CAAS Act, in Part 5, delete the existing Division 2.

New Division 3 of Part 5

23. In the CAAS Act, in Part 5, after Division 2 (as renumbered by section 20), insert —

“*Division 3 — Control of ownership and management, etc., of designated entities*

Subdivision (1) — Preliminary

Extraterritorial application of this Division

63.—(1) Except where otherwise expressly provided, this Part applies to, and in relation to —

(a) all individuals, whether resident in Singapore or not and whether citizens of Singapore or not; and

(b) all bodies corporate or unincorporate, whether incorporated, formed, established, or carrying on business in Singapore or not.

(2) Every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under this Part, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly.

Subdivision (2) — Designation of entities

Designation of designated operating entities and designated equity interest holders

64.—(1) The Authority may by notification in the *Gazette* —

(a) designate an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is provided in Singapore, as a designated operating entity; or

- (b) designate an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

if the Authority considers that the designation is necessary in the public interest. 5

(2) The Authority must inform the Minister of the Authority's decision to designate an entity before publishing the notification under subsection (1) but the failure to do so does not invalidate the designation.

(3) The notification under subsection (1) — 10

(a) must specify the date on which the designation takes effect; and

(b) must be published in the *Gazette* at least 14 days before the date that the designation takes effect.

(4) The Authority may by notification in the *Gazette* cancel a designation at any time. 15

Subdivision (3) — Control of designated entities

Notice to Authority by 5% controller of Class 2 designated operating entity or designated equity interest holder

65.—(1) This section applies only in relation to a designated entity that is a Class 2 designated operating entity or a designated equity interest holder. 20

(2) If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the Authority of that fact. 25

(3) Any person who contravenes subsection (2) shall be guilty of an offence. 30

(4) In any proceedings for a contravention of subsection (2), it is a defence for the accused to prove that the accused —

(a) was not aware of the contravention when it occurred;
and

(b) notified the Authority of the contravention within a
period of 14 days after becoming aware of the
contravention.

(5) In any proceedings for a contravention of subsection (2), it
is also a defence for the accused to prove that, though the
accused was aware of the contravention —

(a) the contravention occurred as a result of an increase in
the holding of equity interest, or in the voting power
controlled, by any of the associates of the accused, in
the designated entity;

(b) the accused has no agreement or arrangement
(whether oral or in writing and whether express or
implied) with that associate with respect to the
acquisition, holding or disposal of equity interests
or other interests, or under which they act together in
exercising their voting power, in relation to the
designated entity; and

(c) the accused notified the Authority of the
contravention within a period of 7 days after the
contravention.

(6) Except as provided in subsections (4) and (5), it is not a
defence in any proceedings for a contravention of subsection (2)
to prove that the accused did not intend to or did not knowingly
contravene subsection (2).

**Approvals of Authority in relation to equity interests and
control of voting power in designated entities in certain
cases**

66.—(1) Except with the prior written approval of the
Authority, a person must not —

(a) as a result of an increase in the holding of equity
interest, or in the voting power controlled, by that
person or any associate of that person, become a 5%

controller, 25% controller, 50% controller or 75% controller of a Class 1 designated operating entity on or after the effective designation date;

- (b) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a Class 2 designated operating entity or designated equity interest holder on or after the effective designation date; or 5
- (c) as a result of a decrease in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, cease to be a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date. 10

(2) Subsection (1) does not apply if the transaction through which a person becomes a 5% controller, 25% controller, 50% controller or 75% controller, or ceases to be a 25% controller, 50% controller or 75% controller, is entered into before the effective designation date. 15

(3) A person must not become an indirect controller of a designated entity on or after the effective designation date unless the person has obtained the prior written approval of the Authority. 20

(4) The Authority may approve an application under subsection (1)(a) or (b) or (3) if the Authority is satisfied that —

- (a) the person who is to become a 5% controller, 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person known to the Authority, are fit and proper persons; 25
- (b) the provision of any essential transport service by the following (whichever is applicable) will continue to be secure and reliable: 30

- 5
- (i) the designated operating entity of which the person is to become a 5% controller, 25% controller, 50% controller, 75% controller or indirect controller;
- (ii) the trustee-manager of the designated operating entity of which the person is to become a 5% controller, 25% controller, 50% controller, 75% controller or indirect controller;
- 10
- (iii) in the case where the person is to become a 5% controller, 25% controller, 50% controller, 75% controller or indirect controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;
- 15
- (c) having regard to the influence of the person mentioned in paragraph (a) and every associate of that person known to the Authority, the following requirements are met:
- 20
- (i) if the designated entity is a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;
- 25
- (ii) if the designated entity is a designated equity interest holder —
- 30
- (A) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated
- 35

operating entity prudently and comply with the provisions of this Act; and

- (B) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

5

(d) it is in the public interest to do so.

(5) The Authority may approve an application under subsection (1)(c) if the Authority is satisfied that —

10

(a) the provision of any essential transport service by the following (whichever is applicable) will continue to be safe, reliable and efficient:

(i) the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

15

(ii) the trustee-manager of the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

(iii) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;

20

25

(b) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;

30

(c) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder —

5 (i) the designated operating entity in respect of which the designated equity interest holder is so designated or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and
10 comply with the provisions of this Act; and

(ii) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

15 (d) it is in the public interest to do so.

(6) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

20 (b) at any time add to, vary or revoke any condition so imposed.

(7) Any condition imposed by the Authority under subsection (6) has effect despite the provisions of any other written law or anything contained in the memorandum or
25 articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in relation to which the application for approval under subsection (1) or (3) is made.

30 (8) Any person who contravenes subsection (1) or (3), or who fails to comply with any condition imposed under subsection (6), shall be guilty of an offence.

(9) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that —

- (a) the accused was not aware of the contravention when it occurred;
- (b) the accused notified the Authority of the contravention within a period of 14 days after becoming aware of the contravention; and 5
- (c) if the Authority issued any direction under section 67E relating to the contravention —
 - (i) the accused complied with the direction within the period determined by the Authority under that section; or 10
 - (ii) the period determined by the Authority under that section for compliance with the direction has not expired.

(10) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that even though the accused was aware of the contravention — 15

- (a) the contravention occurred as a result of an increase or a decrease in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity; 20
- (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity; 25
- (c) the accused notified the Authority of the contravention within a period of 7 days after the contravention or breach; and 30
- (d) if the Authority issued any direction under section 67E relating to the contravention —

(i) the accused complied with the direction within the period determined by the Authority under that section; or

(ii) the period determined by the Authority under that section for compliance with the direction has not expired.

(11) In any proceedings for a contravention of subsection (3), it is a defence for the accused to prove that —

(a) the accused was not aware of the contravention when it occurred;

(b) the accused notified the Authority of the contravention within a period of 14 days after the contravention; and

(c) if the Authority issued any direction under section 67E relating to the contravention —

(i) the accused complied with the direction within the period determined by the Authority under that section; or

(ii) the period determined by the Authority under that section for compliance with the direction has not expired.

(12) Except as provided in subsections (9), (10) and (11), it is not a defence in any proceedings for a contravention of subsection (1) or (3) to prove that the accused did not intend to or did not knowingly contravene subsection (1) or (3).

Appointment of chief executive officer, chairperson, director, etc., of designated entity

67.—(1) A Class 1 designated operating entity or, in the case of a Class 1 designated operating entity that is a business trust, its trustee-manager, must not, on or after the effective designation date, appoint an individual as its chief executive officer, the chairperson of its board of directors or any of its directors, unless the Class 1 designated operating entity or the

trustee-manager (as the case may be) has obtained the prior written approval of the Authority.

(2) A Class 2 designated operating entity or designated equity interest holder or, in the case of a Class 2 designated operating entity or designated equity interest holder that is a business trust, its trustee-manager, must not, on or after the effective designation date, appoint an individual as its chief executive officer or the chairperson of its board of directors unless the Class 2 designated operating entity, designated equity interest holder or trustee-manager (as the case may be) has obtained the prior written approval of the Authority.

(3) A person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity unless the designated entity has obtained the prior written approval of the Authority.

(4) A person must not, on or after the effective designation date, become a partner in a partnership that is a designated entity unless the person has obtained the prior written approval of the Authority.

(5) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(6) Any person who contravenes subsection (1), (2), (3) or (4), or who fails to comply with any condition imposed under subsection (5), shall be guilty of an offence.

(7) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or the trustee-manager of the designated entity

in relation to which the application for approval under subsection (1), (2), (3) or (4) is made.

Acquisition of business of designated operating entity as going concern

5 **67A.**—(1) A person must not, on or after the effective designation date, acquire as a going concern, a designated operating entity’s business of providing any essential transport service (or any part of such business) unless —

(a) the person; and

10 (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager,

have obtained the prior written approval of the Authority.

15 (2) An application for the Authority’s approval under subsection (1) must be —

(a) made jointly by the persons mentioned in subsection (1)(a) and (b); and

(b) made in such form and manner as the Authority may specify.

20 (3) The Authority may approve an application under subsection (1) if the Authority is satisfied that —

(a) the person acquiring the business or part is a fit and proper person;

25 (b) after the acquisition, the provision of the essential transport service mentioned in subsection (1) will continue to be secure and reliable;

30 (c) in the case where after the acquisition, the designated operating entity continues to carry on part of the business mentioned in subsection (1) — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity

prudently and comply with the provisions of this Act;
and

(d) it is in the public interest to do so.

(4) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and 5

(b) at any time add to, vary or revoke any condition so imposed.

(5) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity. 10

(6) Any person who contravenes subsection (1), or who fails to comply with any condition imposed under subsection (4), shall be guilty of an offence. 15

Occurrence of certain events

67B.—(1) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of any of the following agreements at least 14 days before entering into the agreement: 20

(a) in the case of a designated entity that is a designated operating entity — an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service; 25

(b) any agreement prescribed under section 102.

(2) Subsection (1) does not apply in relation to any agreement entered into before the expiry of 14 days after the effective designation date. 30

(3) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the

Authority of the occurrence of any of the following events within 7 days after becoming aware of the occurrence:

(a) in the case of a designated entity that is a designated operating entity —

5 (i) any civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity or, if the designated entity is a business trust, its trustee-manager, that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; or

10 (ii) any other event or irregularity that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service;

15 (b) the designated entity or, if the designated entity is a business trust, its trustee-manager, being or becoming, or being likely to become, insolvent;

20 (c) the designated entity or, if the designated entity is a business trust, its trustee-manager —

(i) being wound up or subject to any receivership or judicial management order; or

(ii) entering into a compromise or scheme of arrangement;

25 (d) in the case of a designated entity that is a business trust — the business trust being wound up or deregistered or the making of an application for the deregistration of the business trust;

(e) any other event prescribed under section 102.

30 (4) Subsection (3) does not apply where the designated entity or trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.

(5) The Authority may, upon receiving a notification under subsection (1) or (3) in relation to an agreement or the

occurrence of an event, direct the designated entity or trustee-manager in question to submit to the Authority any information or document relating to the agreement or event within the period specified by the Authority.

(6) Any person who —

(a) contravenes subsection (1) or (3);

(b) fails to comply with a direction of the Authority under subsection (5); or

(c) submits any false or misleading information or document in compliance or purported compliance with a direction of the Authority under subsection (5),

shall be guilty of an offence.

Duty of designated entity or trustee-manager to report changes of equity and control of certain persons

67C.—(1) If a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, becomes aware that —

(a) a person has, on or after the effective designation date, become a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity;

(b) a 25% controller, 50% controller or 75% controller of the designated entity has, on or after the effective designation date, ceased to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;

(c) a person has, on or after the effective designation date, become an indirect controller of the designated entity; or

(d) in a case where the designated entity is a designated operating entity — a person has, on or after the effective designation date, acquired as a going concern, the designated operating entity’s business of providing any essential transport service (or any part of such business),

the designated entity or trustee-manager (as the case may be) must inform the Authority in writing within 7 days after becoming aware of that fact.

(2) A person who contravenes subsection (1) shall be guilty of an offence.

Restrictions on voluntary winding up, etc., of designated operating entities

67D.—(1) Despite any other written law —

(a) a designated operating entity that is a corporation or limited liability partnership cannot be wound up voluntarily without the consent of the Authority;

(b) a designated operating entity that is a partnership cannot be dissolved —

(i) by a partner giving notice to the other partner or partners (as the case may be) of the partner’s intention to dissolve the partnership; or

(ii) by the partners agreeing to dissolve the partnership,

without the consent of the Authority;

(c) a designated operating entity that is a business trust cannot be wound up voluntarily without the consent of the Authority;

(d) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation, unless that

person has served 14 days' notice in writing of that person's intention to make that application on the Authority;

(e) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a designated operating entity that is a corporation without the consent of the Authority; 5

(f) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a designated operating entity that is a corporation without the consent of the Authority; 10

(g) a person must not take any step to enforce any security over — 15

(i) the property of a designated operating entity; or

(ii) in the case of a designated operating entity that is a business trust — the trust property of the trust,

unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority; and 20

(h) a person must not take any step to execute or enforce any judgment or order of court obtained against a designated operating entity unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority. 25

(2) The Authority must be a party to —

(a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation; 30

- (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;
- 5 (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a designated operating entity that is a company or an unregistered company;
- 10 (d) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of a designated operating entity that is a limited liability partnership; and
- 15 (e) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of any designated operating entity that is an entity not mentioned in paragraph (c) or (d).

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Authority in those proceedings.

20 *Subdivision (4) — Remedial directions*

Remedial directions relating to section 66

67E.—(1) Subsection (2), (3) or (4) applies if —

- (a) the Authority is satisfied that a person (called in this section a defaulter) —
- 25 (i) has contravened section 66(1) or (3) or failed to comply with a condition imposed on that person under section 66(6); or
- (ii) has provided false or misleading information or documents in connection with an application for approval under section 66(1) or (3); or
- 30 (b) the Authority would not have granted its approval under section 66(1) or (3) had it been aware, at the

time of approval, of circumstances relevant to a defaulter's application for such approval.

(2) Where the defaulter is a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity, the Authority may do any one or more of the following: 5

(a) direct the defaulter to take such steps as are necessary, within the period specified by the Authority, to cease to be a 5% controller, 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity; 10

(b) direct the transfer or disposal of all or any of the equity interests in the designated entity held by the defaulter or any of the defaulter's associates (called in this section and section 67F the section 67E(2) equity interests), within such time and subject to such conditions as the Authority considers appropriate; 15

(c) restrict or prohibit the transfer or disposal of all or any of the section 67E(2) equity interests, subject to any conditions that the Authority considers appropriate;

(d) make any other direction that the Authority considers appropriate. 20

(3) Where, as a result of a person (called in this subsection the transferee) acquiring any equity interests from the defaulter who is a 25% controller, 50% controller or 75% controller of the designated entity (called in this section and section 67F the section 67E(3) equity interests), the defaulter ceases to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity, the Authority may do one or more of the following: 25

(a) direct the transferee to take such steps as are necessary, within the period specified by the Authority, to cease to hold all or any of the section 67E(3) equity interests; 30

(b) direct the defaulter to take such steps as are necessary within the period specified by the Authority, to 35

resume being a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;

- (c) direct the acquisition, transfer or disposal of all or any of the section 67E(3) equity interests within such time and subject to such conditions as the Authority considers appropriate;
- (d) restrict or prohibit the transfer or disposal of all or any of the section 67E(3) equity interests, subject to any conditions that the Authority considers appropriate;
- (e) make any other direction that the Authority considers appropriate.

(4) Where the defaulter is an indirect controller of the designated entity, the Authority may do one or both of the following:

- (a) direct the defaulter, or direct the designated entity or, if the designated entity is a business trust, its trustee-manager, to take such steps as are necessary, within the period specified by the Authority, to cease to be such an indirect controller or to cause the defaulter to cease to be such an indirect controller;
- (b) make any other direction that the Authority considers appropriate.

Effect of remedial directions issued under section 67E, etc.

67F.—(1) Any direction issued to a person, and any condition imposed, under section 67E(2) or (3) take effect, despite —

- (a) any other written law;
- (b) anything in any listing rules as defined in section 2(1) of the Securities and Futures Act 2001; and
- (c) the provisions of the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in question.

(2) Without affecting subsection (1), where any direction is issued under section 67E(2) or (3), then, until the direction is carried out or is suspended or revoked —

- (a) the voting rights in respect of the section 67E(2) equity interests or section 67E(3) equity interests that are subject to the direction are not exercisable, unless the Authority expressly permits those rights to be exercised; 5
- (b) the voting power that the person to whom the direction is issued controls, whether alone or together with that person's associates, in the designated entity is not exercisable, unless the Authority expressly permits that power to be exercised; 10
- (c) no equity interest in the designated entity is to be issued or offered (whether by way of dividends or otherwise) in respect of the section 67E(2) equity interests or section 67E(3) equity interests that are subject to the direction, unless the Authority expressly permits that issue or offer; and 15
- (d) no amount may be paid (whether by way of profits, income or otherwise) in respect of the section 67E(2) equity interests or section 67E(3) equity interests that are subject to the direction, unless the Authority expressly authorises such payment. 20

(3) Subsection (2)(d) does not apply in the event of the winding up, dissolution, termination or deregistration of the designated entity. 25

Remedial directions relating to section 67

67G.—(1) Subsection (2) applies where — 30

- (a) an individual has been appointed in contravention of section 67(1) or (2), or a person has been appointed as a manager of or becomes a partner in a designated entity in contravention of section 67(3) or (4);

(b) any condition of approval imposed under section 67(5) has not been complied with;

(c) any of the following persons has provided false or misleading information or documents to the Authority in connection with an application for approval under section 67(1), (2), (3) or (4):

(i) a designated entity;

(ii) the trustee-manager of a designated entity;

(iii) the person mentioned in section 67(4); or

(d) the Authority would not have granted its approval under section 67(1), (2), (3) or (4) had it been aware, at the time of approval, of circumstances relevant to a person's application for such approval.

(2) The Authority may issue a direction to the designated entity or trustee-manager in question (as the case may be) to do as follows (whichever is applicable):

(a) remove the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;

(b) remove the person as a manager of or partner in the designated entity.

(3) A direction issued under this section (including a direction varied under section 67I(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership, partnership contract, trust deed or other constitution, of the designated entity or trustee-manager in question.

(4) Nothing in subsection (2) is to be taken as depriving a person who is removed under that subsection of compensation or damages payable to the person in respect of the termination of his or her appointment as the chief executive officer, the chairperson of the board of directors, a director, or the person's removal as a manager or partner.

Remedial directions relating to section 67A

67H.—(1) Subsection (2) applies where —

- (a) a person has contravened section 67A(1); or
- (b) where the Authority has granted its approval under section 67A(1) —
 - (i) any condition of approval imposed under section 67A(4) has not been complied with;
 - (ii) either of the joint applicants mentioned in section 67A(1)(a) or (b) has provided false or misleading information or documents to the Authority in connection with the application for the approval;
 - (iii) the Authority would not have granted its approval under section 67A(1) had it been aware, at the time of approval, of circumstances relevant to the application for such approval.

(2) The Authority may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 67A(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the Authority considers appropriate;
- (b) prohibit or restrict the transfer or disposal of all or any part of the business; or
- (c) issue any other direction that the Authority considers appropriate.

(3) A direction issued under this section (including a direction varied under section 67I(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership, partnership contract, trust deed or other constitution, of the designated operating entity in question.

Other provisions relating to remedial directions

67I.—(1) Before issuing any direction to a person under section 67E, 67G or 67H, the Authority must —

5 (a) unless the Authority decides that it is not practicable or desirable to do so, give the person written notice of the Authority’s intention to issue the direction and specify a date by which the person may make written representations with regard to the direction; and

10 (b) consider every written representation from the person received on or before the specified date mentioned in paragraph (a).

(2) The Authority may, at any time, revoke, vary or discharge, or suspend the operation of, any direction given by it under section 67E, 67G or 67H.

15 (3) Any person who fails to comply with a direction issued by the Authority under section 67E, 67G or 67H (including a direction that is varied under subsection (2)) within the period specified by the Authority shall be guilty of an offence.

Subdivision (5) — Business continuity

Business continuity of designated operating entities

20 **67J.**—(1) A designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, must —

25 (a) maintain at all times a plan of action (called in this section a business continuity plan) that sets out —

30 (i) the procedures and establishes the systems necessary to restore the reliable and secure provision of any essential transport service provided by or through the entity in the event of any disruption to the operations of the designated operating entity carried out in the course of providing the essential transport service; and

(ii) such other matters as the Authority may specify; and

(b) submit a copy of the business continuity plan to the Authority for the Authority's approval within such time specified by the Authority. 5

(2) A designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, must review the business continuity plan —

(a) at such frequency as the Authority may specify; or

(b) in the absence of any specification by the Authority under paragraph (a) — once every 5 years. 10

(3) A designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, must as soon as practicable notify the Authority of any activation of its business continuity plan and of any action taken or intended to be taken to restore the reliable and secure provision of any essential transport service provided by or through the entity. 15

(4) A designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, must within 14 days or any longer period that may be permitted by the Authority, inform the Authority of any material change to the business continuity plan and must submit a copy of the new or amended business continuity plan for the Authority's approval. 20

(5) Any person who contravenes subsection (1), (2), (3) or (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 12 months or to both. 25

Subdivision (6) — Appeals under this Division

Appeal to Minister

67K.—(1) Any person who is aggrieved by a decision of the Authority — 30

(a) to designate an entity under section 64;

(b) to refuse to grant an approval required under section 66, 67 or 67A;

(c) to impose, add to or vary any condition under section 66, 67 or 67A; or

5 (d) to issue a direction under section 67E, 67G or 67H or to vary a direction under section 67I(2),

may, within 14 days after being informed of the decision, appeal to the Minister whose decision is final.

10 (2) Despite the fact that any appeal under subsection (1)(c) is pending in relation to any direction under section 67E, 67G or 67H or any variation of a direction under section 67I(2), that direction or that direction as varied takes effect from the date specified by the Authority, unless the Minister otherwise directs.

Designation of others to hear appeals under this Division

15 **67L.** The Minister may designate any Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary for his or her Ministry, to hear and determine, in the Minister's place, any appeals or a specific appeal under section 67K; and any reference in that section to
20 the Minister includes a reference to the Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary so designated for that appeal.

Subdivision (7) — Penalties

Penalties under this Division

25 **67M.** A person guilty of an offence under this Division (except the offence under section 67J(5)) shall be liable on conviction —

30 (a) in the case of an individual — to a fine not exceeding \$500,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$50,000 for every day or part of a day during which the offence continues after conviction; or

(b) in any other case — to a fine not exceeding \$1 million and, in the case of a continuing offence, to a further fine not exceeding \$100,000 for every day or part of a day during which the offence continues after conviction.”.

5

Replacement of Part 7

24. In the CAAS Act, replace Part 7 with —

“PART 7

SPECIAL ADMINISTRATION ORDERS AND
SCHEMES OF TRANSFERS, ETC., FOR
AIRPORT LICENSEES, DESIGNATED
BUSINESS TRUSTS AND DESIGNATED
OPERATING ENTITIES

10

Interpretation of this Part

72.—(1) In this Part —

15

“business trust”, “trustee-manager”, “unit” and “unitholder” have the meanings given by section 2 of the Business Trusts Act 2004;

“Class 1 designated operating entity” and “Class 2 designated operating entity” have the meanings given by section 56A(1);

20

“corporation” has the meaning given by section 4(1) of the Companies Act 1967;

“designated business trust” has the meaning given by section 56A(1);

25

“effective designation date”, in relation to a Class 2 designated operating entity, means the date specified under section 64(3) as the date on which the designation of that entity as a designated operating entity takes effect;

30

“limited liability partnership” has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005;

“relevant entity” means —

(a) an airport licensee or a designated business trust; or

(b) a Class 2 designated operating entity;

5 “unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018.

(2) In this Part —

10 (a) to avoid doubt, a reference to an airport licensee or a designated business trust includes one that is also a Class 1 designated operating entity;

15 (b) a reference to the affairs, business, undertaking, operations or activities of a designated business trust or a Class 2 designated operating entity that is a business trust is to the affairs, business, undertaking, operations or activities (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

20 (c) a reference to the obligations of a designated business trust or a Class 2 designated operating entity that is a business trust is to the obligations undertaken by the trustee-manager of the business trust on behalf of the business trust.

Meaning and purposes of special administration order

25 **73.**—(1) A special administration order is an order of the Minister made in relation to a relevant entity in accordance with section 74, directing that during the period the order is in force, the affairs, business and property of that entity are to be managed by a person appointed by the Minister which may be
30 the Authority (called in this Part an appointed person) —

(a) for securing one or more of the purposes specified in subsection (2); and

- (b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the entity.
- (2) For the purposes of subsection (1)(a), the purposes are — 5
- (a) in the case of a relevant entity that is an airport licensee — the security and reliability of the provision of airport services and facilities relating to any airport for which it is licensed;
- (b) in the case of a relevant entity that is a designated business trust — the security and reliability of the business, undertaking or activities of the designated business trust in relation to any airport (or part thereof) for which the business trust is established; 10
- (c) in the case of a relevant entity that is a Class 2 designated operating entity — the security and reliability of the business, undertaking or activities of the relevant entity in Singapore relating to the provision of any essential transport service; 15
- (d) the survival of the relevant entity or the whole or any part of the business or undertaking of the relevant entity, as a going concern; 20
- (e) the transfer to another person, or (as respects different parts of its business or undertaking) to 2 or more different persons, as a going concern, of so much of the business or undertaking of the relevant entity as is necessary to ensure that the following may be properly carried out: 25
- (i) in the case of a relevant entity that is an airport licensee — the obligations of the entity in relation to its business, undertaking or activities providing airport services and facilities relating to any airport for which it is licensed; 30
- (ii) in the case of a relevant entity that is a designated business trust — the obligations of 35

the entity relating to any airport (or part thereof) for which the business trust is established;

(iii) in the case of a relevant entity that is a Class 2 designated operating entity — the obligations of the entity in relation to its business, undertaking or activities of providing any essential transport service; and

(f) the carrying out of the obligations of the relevant entity mentioned in paragraph (e)(i), (ii) or (iii) (whichever is applicable) pending the transfer, as a going concern, of the entity's business, undertaking or activities mentioned in paragraph (e)(i), (ii) or (iii) (as the case may be) to any other person or persons.

Power to make special administration order and other orders

74.—(1) If, on an application made to the Minister by the Authority, the Minister is satisfied that any one or more of the grounds specified in subsection (2) are satisfied in relation to a relevant entity, the Minister may make any one or more of the following orders:

(a) a special administration order in relation to the relevant entity;

(b) an order requiring —

(i) the relevant entity; or

(ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

to immediately take any action or to do or not do any act or thing that the Minister considers necessary in relation to —

(iii) in the case of a relevant entity that is an airport licensee — the business, undertaking or activities of the entity of providing airport

services and facilities relating to any airport for which it is licensed;

(iv) in the case of a relevant entity that is a designated business trust — the business, undertaking or activities of the entity relating to any airport (or part thereof) for which the business trust is established; or 5

(v) in the case of a relevant entity that is a Class 2 designated operating entity — the business, undertaking or activities of the entity of providing any essential transport service; 10

(c) an order appointing a person (called in this Part an advisor) to advise —

(i) the relevant entity; or

(ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust, 15

in the proper conduct of the business, undertaking or activities of the relevant entity mentioned in paragraph (b)(iii), (iv) or (v), whichever is applicable. 20

(2) For the purposes of subsection (1), the grounds specified are the following:

(a) in the case of a relevant entity that is an airport licensee — there has been, is or is likely to be a contravention by the airport licensee of the conditions of its airport licence or this Act that is serious enough to make it inappropriate for the airport licensee to continue to hold the airport licence for that airport; 25

(b) the Minister considers it to be in the interest of the security and reliability of the carrying on of the business, undertaking or activities of the relevant entity relating to — 30

(i) in the case of a relevant entity that is an airport licensee — the provision of airport services and

facilities relating to any airport for which it is licensed;

5 (ii) in the case of a relevant entity that is a designated business trust — any airport (or part thereof) for which the business trust is established; or

(iii) in the case of a relevant entity that is a Class 2 designated operating entity — the provision of any essential transport service by the entity;

10 (c) the relevant entity is or is likely to be unable to pay its debts;

(d) the Minister considers it to be in the public interest.

15 (3) No special administration order may be made under this Part in relation to a relevant entity that is a Class 2 designated operating entity before its effective designation date.

(4) Notice of any order under subsection (1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.

20 (5) The Minister may make a special administration order in relation to a relevant entity despite the commencement of (as applicable) —

25 (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;

30 (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;

(c) any meeting convened under section 94(7) of the Insolvency, Restructuring and Dissolution Act 2018 in respect of the relevant entity, being a corporation;

- (d) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of the relevant entity, being a company or an unregistered company;
- (e) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of the relevant entity, being a limited liability partnership; or 5
- (f) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of the relevant entity, being an entity not mentioned in paragraph (d) or (e). 10

(6) For the purposes of this section, a relevant entity is unable to pay its debts if —

- (a) a creditor (by assignment or otherwise) to whom the entity is indebted in a sum exceeding the sum mentioned in section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 then due has served on the entity, by leaving at the registered office of the entity, a written demand by the creditor or the creditor's lawfully authorised agent requiring the entity to pay the sum so due, and the entity has for 3 weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor; 15 20 25
- (b) an enforcement order or other process issued to enforce a judgment, decree or order of any court in favour of a creditor of the entity is returned unsatisfied in whole or in part; or
- (c) it is proved to the satisfaction of the General Division of the High Court that the entity is unable to pay its debts. 30

Ancillary directions, etc., when special administration order, etc., is made

75.—(1) A special administration order under this Part may specify that —

- 5 (a) the appointed person has such functions and powers in relation to the operations of the relevant entity as are specified in the order;
- (b) the relevant entity or, if the relevant entity is a business trust, its trustee-manager, is to stop providing a specified service or facility from a specified date; and
- 10 (c) the appointed person must have access to, and take control of, the property (including intellectual property), licences and employees used or required by the relevant entity or, if the relevant entity is a business trust, its trustee-manager, for the purposes of carrying on the operations of the relevant entity as are specified in the order.
- 15

(2) A special administration order under this Part may also contain ancillary directions that may —

- 20 (a) direct how the costs of the operations specified in the order and revenue generated from those operations, are to be dealt with;
- (b) fix the remuneration and expenses to be paid by the relevant entity or trustee-manager to the appointed person;
- 25 (c) specify the period for which the order under this section applies; and
- (d) specify any other conditions that may apply.

30 (3) An order under section 74(1)(c) may also contain an ancillary direction that fixes the remuneration and expenses to be paid by the relevant entity or trustee-manager to the advisor.

Effect of special administration order and other orders

75A.—(1) Any decision of the Minister under section 74(1) is final.

(2) A special administration order operates to the exclusion of rights that are inconsistent with the order. 5

(3) Nothing in Part 5 applies to prohibit or invalidate any special administration order or other order made under this Part or any transaction entered into to give effect to such an order.

Duties of relevant entity or trustee-manager, etc.

75B.—(1) The relevant entity that is the subject of a special administration order under this Part or, in the case of such a relevant entity that is a business trust, its trustee-manager — 10

(a) must facilitate the handover of the operations to the appointed person as specified in the order;

(b) must not obstruct the appointed person's access to property or the exercise by the appointed person of the appointed person's responsibilities under or pursuant to the special administration order; and 15

(c) must comply with reasonable directions given by the appointed person in the exercise of the appointed person's responsibilities under or pursuant to the special administration order. 20

(2) The relevant entity or trustee-manager which fails to comply with subsection (1) or an order under section 74(1)(b) shall be guilty of an offence. 25

Transfer of property, etc., of relevant entity under special administration order

75C.—(1) Without limiting sections 73, 74 and 75, a special administration order in relation to a relevant entity may provide for the following matters: 30

(a) the transfer to one or more prescribed transferees (which may or may not be the appointed person) of the following (whichever is applicable):

(i) the property, rights and liabilities of the relevant entity; or

(ii) in the case of a relevant entity that is a business trust — the property of the business trust, and the rights held and the liabilities incurred by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust;

(b) matters that are consequential or related to any such transfer.

(2) Without limiting subsection (1) and sections 73, 74 and 75, where financial assistance has been provided by the Government to an airport licensee or a designated business trust for the purpose of —

(a) in the case of an airport licensee — maintaining the security and reliability of the provision of airport services and facilities relating to any airport for which it is licensed; or

(b) in the case of a designated business trust — maintaining the security and reliability of the business, undertaking or activities of the designated business trust relating to any airport (or part thereof) for which the business trust is established,

a special administration order may provide for the following matters:

(c) the transfer of shares, securities or units in the airport licensee or designated business trust to any of the prescribed transferees (which may or may not be the appointed person);

(d) matters that are consequential or related to any such transfer, including the extinguishment of rights of any

specified description to subscribe for, or otherwise acquire, securities of the airport licensee or any of its subsidiaries.

(3) An order providing for any matter mentioned in subsection (1) or (2) may contain any of the prescribed kinds of provisions. 5

(4) If the Minister makes a special administration order providing for any transfer mentioned in subsection (1) or (2), the Minister must, by notification in the *Gazette*, establish a scheme within the period specified in subsection (5) for determining the amount of any compensation payable by the prescribed transferee to any of the following (whichever is applicable): 10

(a) persons who held shares, securities or units immediately before they were transferred; 15

(b) persons whose rights of any specified description to subscribe for, or otherwise acquire, shares, securities or units were extinguished;

(c) the airport licensee, the trustee-manager or unitholders of the designated business trust, or the Class 2 designated operating entity. 20

(5) For the purposes of subsection (4), the period within which the Minister must establish the scheme mentioned in that subsection is —

(a) 6 months after the date of the making of the special administration order; or 25

(b) any longer period after the date of the making of the special administration order, as agreed between the prescribed transferee and the relevant entity or trustee-manager. 30

(6) A scheme established under subsection (4) may provide for —

(a) the manner in which any compensation or consideration is to be assessed, including methods

of calculation, valuation dates and matters to be taken into account or disregarded when making valuations;

(b) the assessment to be made by an independent valuer appointed by the Minister; and

5 (c) the remuneration and expenses of the independent valuer.

(7) In this section, “prescribed transferee” means the Authority or a person nominated by the Minister.

Regulations for this Part

10 **75D.** The Minister may make regulations under section 102 for giving effect to this Part, including —

(a) regulations governing the transfer of property, rights and liabilities of or in relation to a relevant entity mentioned in section 75C(1)(a) and matters consequential or related to such transfer;

15

(b) regulations governing the transfer of shares, securities or units in an airport licensee or a designated business trust mentioned in section 75C(2)(c) and matters consequential or related to such transfer;

20 (c) regulations for prescribing any kinds of provisions for the purposes of section 75C(3); and

(d) if a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018.”.

25

New section 97A

25. In the CAAS Act, after section 97, insert —

“Advisory guidelines

30 **97A.**—(1) The Authority may make advisory guidelines about any aspect of airport services and facilities or essential transport services.

(2) The Authority may also make advisory guidelines with a view to providing guidance or certainty in respect of any one or more of the provisions in this Act.

(3) Advisory guidelines under subsection (1), for example, may be made about —

5

(a) any matter in respect of which codes of practice and standards of performance may be made under section 44; or

(b) the use, construction, design or performance of anything relating to airport services and facilities or essential transport services.

10

(4) Advisory guidelines under subsection (2), for example, may be made about —

(a) what amounts to a material function of a designated operating entity for the purposes of section 67B(1)(a); or

15

(b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 67B(3)(a).

20

(5) The Authority may make different advisory guidelines under subsection (2) in respect of different persons or entities or different classes of persons or entities.

(6) The Authority must —

(a) give a copy of each advisory guideline it makes to the Minister; and

25

(b) publish each advisory guideline (in any way that the Authority thinks fit), send each advisory guideline to each person or entity to whom the guideline applies (by any mode the Authority thinks fit), or both.

30

(7) Despite subsection (6)(b), the Authority must publish each advisory guideline (in any way that the Authority thinks fit) if the advisory guideline has any effect on the rights of any person

or entity other than the person or entity to which the advisory guideline applies.

(8) The failure to comply with subsection (6) or (7) in respect of any advisory guideline does not invalidate the advisory guideline.”.

Amendment of section 98

26. In the CAAS Act, in section 98, after “any of the provisions”, insert “(or any part of any provision)”.

New section 101A

27. In the CAAS Act, after section 101, insert —

“Power to amend Third Schedule

101A. The Minister may, by order in the *Gazette*, amend the Third Schedule.”.

New Third Schedule

28. In the CAAS Act, after the Second Schedule, insert —

“THIRD SCHEDULE

Sections 56A and 101A

ESSENTIAL TRANSPORT SERVICES

The following services and facilities provided to support the operations at Changi Airport:

- (a) airport passenger and cargo operations;
- (b) ground handling operations;
- (c) aerodrome operations;
- (d) passenger and cargo air services;
- (e) aircraft maintenance and maintenance, repair and overhaul (MRO) activities;
- (f) airport fuel storage and hydrant system operations.”.

PART 3

AMENDMENT OF MARITIME AND PORT
AUTHORITY OF SINGAPORE ACT 1996**New section 86AA**

29. In the Maritime and Port Authority of Singapore Act 1996 (called in this Part the MPA Act), in Part 12A, before section 86A, insert — 5

“Extraterritorial application of this Part

86AA.—(1) Except where otherwise expressly provided, this Part applies to, and in relation to — 10

(a) all individuals, whether resident in Singapore or not and whether citizens of Singapore or not; and

(b) all bodies corporate or unincorporate, whether incorporated, formed, established, or carrying on business in Singapore or not. 15

(2) Every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under this Part, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly.”. 20

Amendment of section 86A

30. In the MPA Act, in section 86A —

(a) in subsection (1), delete “, unless the context otherwise requires”;

(b) in subsection (1), after the definition of “business trust”, insert — 25

““chief executive officer”, in relation to a designated entity or the trustee-manager of a designated entity, means an individual (by whatever name called) who — 30

(a) is in the direct employment of, or acting for or by arrangement with, the

designated entity or trustee-manager,
as the case may be; and

(b) is principally responsible for the
management and conduct of the
business of the designated entity or
trustee-manager, as the case may be,

and includes any individual for the time being
performing all or any of the functions of a
chief executive officer;

“commencement date” means the date of
commencement of section 33 of the
Transport Sector (Critical Firms) Act 2024;”;

(c) in subsection (1), replace the definitions of “designated
business trust” and “designated equity interest holder”
with —

““designated entity” means a designated equity
interest holder or a designated operating
entity;

“designated equity interest holder” means an
entity that has been designated as a designated
equity interest holder under section 86D, and
includes an entity that was designated as such
under that section as in force immediately
before the commencement date and which
designation as such had not been revoked
before that date;”;

(d) in subsection (1), replace the definition of “designated
public licensee” with —

““designated operating entity” means —

(a) an entity that has been designated as a
designated operating entity under
section 86D on or after the
commencement date; or

- (b) an entity that was designated as a designated public licensee or designated business trust under section 86D as in force immediately before the commencement date, and which designation as such had not been revoked before that date;”;
- (e) in subsection (1), replace the definition of “entity” with —
- ““effective designation date”, in relation to a designated entity, means —
- (a) in the case of an entity that has been designated as a designated operating entity or designated equity interest holder under section 86D on or after the commencement date — the date specified under section 86D(3) on which the designation takes effect; or
- (b) in the case of a designated entity that was designated as a designated public licensee, designated business trust or designated equity interest holder under section 86D as in force immediately before the commencement date, and which designation as such had not been revoked before that date — the last day of the period of 14 days after that date;
- “entity” means any sole proprietorship, partnership, corporation or other body of persons, whether corporate or unincorporate, and includes a business trust;”;
- (f) in subsection (1), in the definition of “equity interest”, in paragraphs (a) and (b), replace “body corporate” wherever it appears with “corporation”;

(g) in subsection (1), after the definition of “equity interest”, insert —

““essential transport service” means —

(a) any marine services and facilities;

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(b) any port services and facilities; or

(c) any service specified or described in the Third Schedule —

(i) for, or to support, the provision of sea transport; or

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(ii) the provision of which by any person is prohibited under any written law unless the person is —

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(A) licensed, approved, authorised, permitted, recognised, registered or otherwise allowed by the Authority to provide the service; or

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(B) exempted for the purposes of the service;”;

(h) in subsection (1), replace the definition of “indirect controller” with —

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““indirect controller”, in relation to a designated entity, means any person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —

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(a) whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

- (ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed or under an obligation, whether formal or informal, to act in accordance with; or

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- (b) who is in a position to determine the policy of the designated entity,

but does not include —

- (c) any person who is —

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- (i) a director or other officer of the designated entity; or

- (ii) the trustee-manager (in the case of a designated entity that is a business trust); or

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- (d) any person whose directions, instructions or wishes —

- (i) the directors or other officers of the designated entity; or

- (ii) the trustee-manager (in the case of a designated entity that is a business trust),

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is accustomed to act in accordance with by reason only that the acting is on advice given by the person in that person's professional capacity;

25

“licensed service” means a service or facility provided under a licence issued by the Authority under any written law;”;

- (i) in subsection (1), after the definition of “unit”, insert —

30

““unitholder” means a person who holds units in a business trust;”;

(j) replace subsection (2) with —

“*(2)* A reference in this Part to the control of a percentage of the voting power in a designated entity is a reference to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in —

(a) a general meeting of the designated entity;
or

(b) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust.”; and

(k) after subsection (3), insert —

“*(4)* In this Part —

(a) a reference to a chairperson of a board of directors includes an individual (by whatever name called) acting in that capacity;

(b) a reference to the business or operations of an entity that is a business trust is to the business or operations (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

(c) a reference to a condition imposed by the Authority includes a condition added or varied by the Authority.”.

Amendment of section 86B

31. In the MPA Act, in section 86B —

(a) in subsection (1)(a), replace “subsections (2) to (7)” with “subsections (2) to (8)”;

(b) in subsection (6), replace paragraph (d) with —

“(d) is entitled (otherwise than by reason of having been appointed a proxy or representative) to vote at —

(i) a general meeting of the designated entity; or 5

(ii) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust,

to exercise or control the exercise of a right attached to the equity interest, not being an equity interest in which that person has a legal or equitable interest.”; and 10

(c) after subsection (7), insert —

“(8) An equity interest is not to be disregarded by reason only of — 15

(a) its remoteness;

(b) the manner in which it arose; or

(c) the fact that the exercise of a right conferred by the equity interest is, or is capable of being made, subject to restraint or restriction.”. 20

Amendment of section 86C

32. In the MPA Act, in section 86C(1) —

(a) in paragraph (q), delete “or” at the end; and 25

(b) replace paragraph (r) with —

“(r) *A* is a person with whom *B* enters, or proposes to enter, into an agreement or arrangement (whether oral or in writing and whether express or implied) that relates to any of the following matters: 30

- (i) *A* and *B* being in a position, by acting together, to control any of the voting power in a designated entity;
- 5 (ii) *A* and *B* acting together with respect to the acquisition, holding or disposal of equity interests or other interests in a designated entity;
- (iii) the power of *A* and *B*, by acting together, to appoint or remove —
- 10 (A) a director of a designated entity; or
- (B) in the case of a designated entity that is a business trust — a director of the
- 15 trustee-manager of the designated entity;
- (iv) the situation where one or more of the directors of —
- (A) a designated entity; or
- 20 (B) in the case of an entity that is a business trust — the trustee-manager of the business trust,
- 25 are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of *A* and *B* acting together;
- (s) *A* controls more than half of the voting power of a holding company of *B*;
- 30 (t) *B* controls more than half of the voting power of a holding company of *A*; or

- (u) *A* is related to *B* in such other manner as may be prescribed by regulations made under section 119.”.

Replacement of section 86D

33. In the MPA Act, replace section 86D with —

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“Designation of designated operating entities and designated equity interest holders

86D.—(1) The Authority may by notification in the *Gazette* —

(a) designate an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is provided in Singapore, as a designated operating entity; or

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(b) designate an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

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if the Authority considers that the designation is necessary in the public interest.

(2) The Authority must inform the Minister of the Authority’s decision to designate an entity before publishing the notification under subsection (1) but the failure to do so does not invalidate the designation.

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(3) The notification under subsection (1) —

(a) must specify the date on which the designation as a designated operating entity or designated equity interest holder (as the case may be) takes effect; and

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(b) must be published in the *Gazette* at least 14 days before the date that the designation takes effect.

(4) The Authority may by notification in the *Gazette* cancel a designation at any time.”.

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Amendment of section 86E

34. In the MPA Act, in section 86E, replace subsection (1) with —

“(1) If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the Authority of that fact.”.

Amendment of section 86F

35. In the MPA Act, in section 86F —

(a) replace subsections (1) to (6) with —

“(1) Except with the prior written approval of the Authority, a person must not —

(a) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date; or

(b) as a result of a decrease in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, cease to be a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date.

(2) Subsection (1) does not apply if the transaction through which a person becomes a 25% controller, 50% controller or 75% controller, or ceases to be a 25% controller, 50% controller or 75% controller, is entered into before the effective designation date.

(3) A person must not become an indirect controller of a designated entity on or after the effective

designation date unless the person has obtained the prior written approval of the Authority.

(4) The Authority may approve an application under subsection (1)(a) or (3) if the Authority is satisfied that —

(a) the person who is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person known to the Authority, are fit and proper persons;

(b) in the case where any of the essential transport services provided by the following (whichever is applicable) is a licensed service — the provision of the service by the same will continue to be reliable, efficient, economical and safe (with reference to recognised international standards and any applicable conditions of licence, directions, codes or standards issued or set by the Authority):

(i) the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;

(ii) the trustee-manager of the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;

(iii) in the case where the person is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated

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operating entity, in relation to which the designated equity interest holder is so designated;

5 (c) having regard to the influence of the person mentioned in paragraph (a) and every associate of that person known to the Authority, the following requirements are met:

10 (i) if the designated entity is a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the
15 business of the designated operating entity prudently and comply with the provisions of this Act;

(ii) if the designated entity is a designated equity interest holder —

20 (A) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the
25 designated operating entity prudently and comply with the provisions of this Act; and

30 (B) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue
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to comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(5) The Authority may approve an application under subsection (1)(b) if the Authority is satisfied that — 5

(a) in the case where any of the essential transport services provided by the following (whichever is applicable) is a licensed service — the provision of the service by the same will continue to be reliable, efficient, economical and safe (with reference to recognised international standards and any applicable conditions of licence, directions, codes or standards issued or set by the Authority): 10 15

(i) the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller; 20

(ii) the trustee-manager of the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

(iii) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated; 25 30

(b) in the case where the person is a 25% controller, 50% controller or 75% 35

controller of a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;

(c) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder —

(i) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(ii) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(6) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.”;

- (b) in subsection (7), after “memorandum or articles of association”, insert “, limited liability partnership agreement, partnership contract”;
- (c) delete subsection (8); and
- (d) in subsection (9), after “subsection (1) or (3)”, insert “, or who fails to comply with any condition imposed under subsection (6),”.

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New sections 86FA to 86FD

36. In the MPA Act, after section 86F, insert —

“Appointment of chief executive officer, chairperson, director, etc., of designated entity

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86FA.—(1) A licensee-designated operating entity or, in the case of a licensee-designated operating entity that is a business trust, its trustee-manager, must not, on or after the effective designation date, appoint an individual as its chief executive officer, the chairperson of its board of directors or any of its directors, unless the licensee-designated operating entity or its trustee-manager (as the case may be) has obtained the prior written approval of the Authority.

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(2) Each of the following persons must not, on or after the effective designation date, appoint an individual as its chief executive officer or the chairperson of its board of directors unless the person has obtained the prior written permission of the Authority:

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(a) a non-licensee-designated operating entity or, in the case of a non-licensee-designated operating entity that is a business trust, its trustee-manager;

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(b) a designated equity interest holder or, in the case of a designated equity interest holder that is a business trust, its trustee-manager.

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(3) A person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity unless the

designated entity has obtained the prior written approval of the Authority.

5 (4) A person must not, on or after the effective designation date, become a partner in a partnership that is a designated entity unless the person has obtained the prior written approval of the Authority.

(5) The Authority may —

10 (a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

15 (6) Any person who contravenes subsection (1), (2), (3) or (4), or who fails to comply with any condition imposed under subsection (5), shall be guilty of an offence.

20 (7) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or the trustee-manager of the designated entity in relation to which the application for approval under subsection (1), (2), (3) or (4) is made.

(8) In this section —

25 (a) a reference to a “licensee-designated operating entity” is to a designated operating entity that is also —

(i) the holder of a licence to provide any licensed service that is an essential transport service; or

30 (ii) a business trust through which a trustee-manager provides any licensed service that is an essential transport service; and

(b) a reference to a “non-licensee-designated operating entity” is to a designated operating entity that is not a licensee-designated operating entity.

Acquisition of business of designated operating entity as going concern

86FB.—(1) A person must not, on or after the effective designation date, acquire as a going concern, a designated operating entity’s business of providing any essential transport service (or any part of such business) unless —

- (a) the person; and
- (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager,

have obtained the prior written approval of the Authority.

(2) An application for the Authority’s approval under subsection (1) must be —

- (a) made jointly by the persons mentioned in subsection (1)(a) and (b); and
- (b) made in such form and manner as the Authority may specify.

(3) The Authority may approve an application under subsection (1) if the Authority is satisfied that —

- (a) the person acquiring the business or part is a fit and proper person;
- (b) where any of the essential transport service mentioned in subsection (1) is a licensed service — after the acquisition, the provision of the essential transport service will continue to be reliable, efficient, economical and safe (with reference to recognised international standards and any applicable conditions of licence, directions, codes or standards issued or set by the Authority);
- (c) in the case where after the acquisition, the designated operating entity continues to carry out part of the business mentioned in subsection (1) — the designated operating entity or, if the designated operating entity is a business trust, its

trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

5 (d) it is in the public interest to do so.

(4) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

10 (b) at any time add to, vary or revoke any condition so imposed.

(5) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity.

(6) Any person who contravenes subsection (1), or who fails to comply with any condition imposed under subsection (4), shall be guilty of an offence.

20 **Occurrence of certain events**

86FC.—(1) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of any of the following agreements at least 14 days before entering into the agreement:

25 (a) in the case of a designated entity that is a designated operating entity — an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service;

30 (b) any agreement prescribed under section 119.

(2) Subsection (1) does not apply in relation to any agreement entered into by a designated entity before the expiry of 14 days after the effective designation date.

(3) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of the occurrence of any of the following events within 7 days after becoming aware of the occurrence:

- (a) in the case of a designated entity that is a designated operating entity — 5
 - (i) any civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity or, if the designated entity is a business trust, its trustee-manager, that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; or 10
 - (ii) any other event or any irregularity that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; 15
- (b) the designated entity or, if the designated entity is a business trust, its trustee-manager, being or becoming, or being likely to become, insolvent; 20
- (c) the designated entity or, if the designated entity is a business trust, its trustee-manager —
 - (i) being wound up or subject to any receivership or judicial management order; or
 - (ii) entering into a compromise or scheme of arrangement; 25
- (d) in the case of a designated entity that is a business trust — the business trust being wound up or deregistered or the making of an application for the deregistration of the business trust; 30
- (e) any other event prescribed under section 119.

(4) Subsection (3) does not apply where the designated entity or trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.

(5) The Authority may, upon receiving a notification under subsection (1) or (3) in relation to an agreement or the occurrence of an event, direct the designated entity or trustee-manager in question to submit to the Authority any information or document relating to the agreement or event within the period specified by the Authority.

(6) Any person who —

(a) contravenes subsection (1) or (3);

(b) fails to comply with a direction of the Authority under subsection (5); or

(c) submits any false or misleading information or document in compliance or purported compliance with a direction of the Authority under subsection (5),

shall be guilty of an offence.

Duty of designated entity or trustee-manager to report changes of equity and control of certain persons

86FD.—(1) If a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, becomes aware that —

(a) a person has, on or after the effective designation date, become a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity;

(b) a 25% controller, 50% controller or 75% controller of the designated entity has, on or after the effective designation date, ceased to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;

(c) a person has, on or after the effective designation date, become an indirect controller of the designated entity; or

(d) in a case where the designated entity is a designated operating entity — a person has, on or after the effective designation date, acquired as a going concern, the designated operating entity’s business of providing any essential transport service (or any part of such business),

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the designated entity or trustee-manager (as the case may be) must inform the Authority in writing within 7 days after becoming aware of that fact.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.”

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Amendment of section 86G

37. In the MPA Act, in section 86G —

(a) replace the section heading with “**Remedial directions relating to section 86F**”;

15

(b) replace subsection (1) with —

“(1) Subsection (2), (3) or (4) applies if —

(a) the Authority is satisfied that a person (called in this section a defaulter) —

(i) has contravened section 86F(1) or (3) or failed to comply with a condition imposed on that person under section 86F(6); or

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(ii) has provided false or misleading information or documents in connection with an application for approval under section 86F(1) or (3); or

25

(b) the Authority would not have granted its approval under section 86F(1) or (3) had it been aware, at the time of approval, of circumstances relevant to a defaulter’s application for such approval.”;

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- (c) in subsection (2), replace “Where a defaulter is a 25% controller or 50% controller” with “Where a defaulter is a 25% controller, 50% controller or 75% controller”;
- 5 (d) in subsection (2)(a), replace “a 25% controller or 50% controller” with “a 25% controller, 50% controller or 75% controller”;
- (e) in subsections (2)(c) and (3)(d), after “restrict”, insert “or prohibit”;
- 10 (f) in subsection (3), replace “who is a 50% controller or 75% controller” with “who is a 25% controller, 50% controller or 75% controller”;
- (g) in subsection (3), replace “ceases to be a 50% controller or 75% controller” with “ceases to be a 25% controller, 50% controller or 75% controller”;
- 15 (h) in subsection (3)(b), replace “a 50% controller or 75% controller” with “a 25% controller, 50% controller or 75% controller”; and
- (i) delete subsections (5) to (9).

Amendment of section 86H

20 **38.** In the MPA Act, in section 86H —

- (a) in the section heading, after “**remedial directions**”, insert “**issued under section 86G**”;
- (b) in subsection (1), replace paragraph (a) with —
 “(a) any other written law;”;
- 25 (c) in subsection (1)(c), after “memorandum or articles of association”, insert “, limited liability partnership agreement, partnership contract”; and
- (d) in subsection (3), replace “a winding up” with “the winding up, dissolution, termination or deregistration”.

New sections 86HA to 86HE

30 **39.** In the MPA Act, after section 86H, insert —

“Remedial directions relating to section 86FA

86HA.—(1) Subsection (2) applies where —

- (a) an individual has been appointed in contravention of section 86FA(1) or (2), or a person has been appointed as a manager of or becomes a partner in a designated entity in contravention of section 86FA(3) or (4); 5
- (b) any condition of approval imposed under section 86FA(5) has not been complied with;
- (c) any of the following persons has provided false or misleading information or documents to the Authority in connection with an application for approval under section 86FA(1), (2), (3) or (4): 10
 - (i) a designated entity;
 - (ii) the trustee-manager of a designated entity;
 - (iii) the person mentioned in section 86FA(4); or 15
- (d) the Authority would not have granted its approval under section 86FA(1), (2), (3) or (4) had it been aware, at the time of approval, of circumstances relevant to a person’s application for such approval.

(2) The Authority may issue a direction to the designated entity or trustee-manager (as the case may be) to do as follows (whichever is applicable): 20

- (a) remove the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be; 25
- (b) remove the person as a manager of or partner in the designated entity.

(3) A direction issued under this section (including a direction varied under section 86HC(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or 30

other constitution, of the designated entity or trustee-manager in question.

(4) Nothing in subsection (2) is to be taken as depriving a person who is removed under that subsection of compensation or damages payable to the person in respect of the termination of his or her appointment as the chief executive officer, the chairperson of the board of directors, a director, or the person's removal as a manager or partner.

Remedial directions relating to section 86FB

86HB.—(1) Subsection (2) applies where —

- (a) a person has contravened section 86FB(1); or
- (b) where the Authority has granted its approval under section 86FB(1) —
 - (i) any condition of approval imposed under section 86FB(4) has not been complied with;
 - (ii) either of the joint applicants mentioned in section 86FB(1)(a) or (b) has provided false or misleading information or documents to the Authority in connection with the application for the approval; or
 - (iii) the Authority would not have granted its approval under section 86FB(1) had it been aware, at the time of approval, of circumstances relevant to the application for such approval.

(2) The Authority may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 86FB(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the Authority considers appropriate;
- (b) prohibit or restrict the transfer or disposal of all or any part of the business; or

(c) issue any other direction that the Authority considers appropriate.

(3) The Authority may —

(a) direct the person who has acquired as a going concern a business or part of a business mentioned in section 86FB(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the Authority considers appropriate;

(b) prohibit or restrict the transfer or disposal of all or any part of the business; or

(c) issue any other direction that the Authority considers appropriate.

(4) A direction issued under this section (including a direction varied under section 86HC(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity in question.

Other provisions relating to remedial directions

86HC.—(1) Before issuing any direction to a person under section 86G, 86HA or 86HB, the Authority must —

(a) unless the Authority decides that it is not practicable or desirable to do so, give the person written notice of the Authority's intention to issue the direction and specify a date by which the person may make written representations with regard to the direction; and

(b) consider every written representation from the person received on or before the specified date mentioned in paragraph (a).

(2) The Authority may, at any time, revoke, vary or discharge, or suspend the operation of, any direction given by it under section 86G, 86HA or 86HB.

(3) Any person who fails to comply with a direction issued by the Authority under section 86G, 86HA or 86HB (including a direction that is varied under subsection (2)) within the period specified by the Authority shall be guilty of an offence.

5 **Appeals to Minister under this Part**

86HD.—(1) Any person who is aggrieved by a decision of the Authority —

- (a) to designate an entity under section 86D;
- 10 (b) to refuse to grant an approval required under section 86F, 86FA or 86FB;
- (c) to impose, add to or vary any condition under section 86F, 86FA or 86FB; or
- (d) to issue a direction under section 86G, 86HA or 86HB or to vary a direction under section 86HC,

15 may, within 14 days after being informed of the decision, appeal to the Minister whose decision is final.

(2) An appeal against the Authority’s decision does not affect the operation of the decision appealed against or prevent the taking of action to implement the decision, and unless otherwise directed by the Minister, the decision appealed against must be
20 complied with until the determination of the appeal.

Designation of others to hear appeals under this Part

86HE. The Minister may designate any Minister of State, Senior Minister of State, Parliamentary Secretary or Senior
25 Parliamentary Secretary for his or her Ministry, to hear and determine, in the Minister’s place, any appeals or a specific appeal under section 86HD; and any reference in that section to the Minister includes a reference to the Minister of State, Senior Minister of State, Parliamentary Secretary or Senior
30 Parliamentary Secretary so designated for that appeal.”.

Replacement of Part 13

40. In the MPA Act, replace Part 13 with —

“PART 13

**CONTROL OF DESIGNATED LICENSEES
AND DESIGNATED OPERATING ENTITIES**

Interpretation of this Part

- 87.—(1)** In this Part — 5
- “business trust”, “trustee-manager” and “unitholder” have the meanings given by section 2 of the Business Trusts Act 2004;
- “corporation” has the meaning given by section 4(1) of the Companies Act 1967; 10
- “designated operating entity”, “entity” and “licensed service” have the meanings given by section 86A(1);
- “designated licensee” means a licensee that has been designated under section 88 as a designated licensee;
- “effective designation date”, in relation to a designated operating entity, means the date specified under section 86D(3) as the date on which the designation of that entity as a designated operating entity takes effect; 15
- “licensee” means the holder of any licence issued by the Authority under any written law; 20
- “limited liability partnership” has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005;
- “relevant entity” means a designated licensee or a designated operating entity; 25
- “unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018.
- (2)** In this Part —
- (a) a reference to the affairs, business, undertaking, operations or activities of a relevant entity that is a business trust is to the affairs, business, undertaking, 30

operations or activities carried on by the trustee-manager of the business trust on behalf of the business trust; and

- 5 (b) a reference to the obligations of a relevant entity that is a business trust is to the obligations undertaken by the trustee-manager of the business trust on behalf of the business trust.

Designation of designated licensees for this Part

10 **88.** The Authority may, after consultation with the Minister, by notification in the *Gazette*, designate a licensee that is not a designated operating entity as a designated licensee for the purposes of this Part if the Authority considers that the designation is necessary in the public interest.

Meaning and purposes of special administration order

15 **89.—(1)** A special administration order is an order of the Minister made in relation to a relevant entity in accordance with section 89A, directing that during the period the order is in force, the affairs, business and property of that entity are to be managed by a person appointed by the Minister which may be the Authority (called in this Part an appointed person) —

- 20 (a) for securing one or more of the purposes specified in subsection (2); and
- 25 (b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the relevant entity.

(2) For the purposes of subsection (1)(a), the purposes are —

- 30 (a) in the case of a relevant entity that is a designated licensee — the security and reliability of the business, undertaking or activities of the relevant entity in Singapore of providing any licensed service;
- (b) in the case of a relevant entity that is a designated operating entity — the security and reliability of the

- business, undertaking or activities of the relevant entity in Singapore of providing any essential transport service;
- (c) the survival of the relevant entity or the whole or any part of the business or undertaking of the relevant entity, as a going concern; 5
- (d) the transfer to another person, or (as respects different parts of its business or undertaking) to 2 or more different persons, as a going concern, of so much of the business or undertaking of the relevant entity as is necessary to ensure that the following may be properly carried out: 10
- (i) in the case of a relevant entity that is a designated licensee — the obligations of the entity in carrying out its business, undertaking or activities of providing any licensed service; 15
- (ii) in the case of a relevant entity that is a designated operating entity — the obligations of the entity in carrying out its business, undertaking or activities of providing any essential transport service; and 20
- (e) the carrying out of the obligations of the relevant entity mentioned in paragraph (d)(i) or (ii) (whichever is applicable) pending the transfer, as a going concern, of the entity's business, undertaking or activities mentioned in paragraph (d)(i) or (ii) (as the case may be) to any other person or persons. 25

Power to make special administration order and other orders

89A.—(1) If, on an application made to the Minister by the Authority, the Minister is satisfied that any one or more of the grounds specified in subsection (2) are satisfied in relation to that relevant entity, the Minister may make any one or more of the following orders: 30

(a) a special administration order in relation to the relevant entity;

(b) an order requiring —

(i) the relevant entity; or

(ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

to immediately take any action or to do or not do any act or thing where the Minister considers that the action or the doing or not doing of that act or thing is necessary for —

(iii) in the case of a relevant entity that is a designated licensee — the business, undertaking or activities of the entity of providing any licensed service; or

(iv) in the case of a relevant entity that is a designated operating entity — the business, undertaking or activities of the entity of providing any essential transport service;

(c) an order appointing a person (called in this Part an advisor) to advise —

(i) the relevant entity; or

(ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

in the proper conduct of the business, undertaking or activities of the relevant entity mentioned in paragraph (b)(iii) or (iv), whichever is applicable.

(2) For the purposes of subsection (1), the grounds specified are the following:

(a) in the case of a relevant entity that is a designated licensee — there has been, is or is likely to be a contravention by the relevant entity of the conditions

of its licence or this Act that is serious enough to make it inappropriate for the entity to continue to provide the service or facility under the licence;

- (b) the Minister considers it to be in the interest of the security and reliability of the carrying on of the business, undertaking or activities of the relevant entity relating to —
 - (i) in the case of a relevant entity that is a designated licensee — the provision of any licensed service by the entity; or
 - (ii) in the case of a relevant entity that is a designated operating entity — the provision of any essential transport service by the entity;
- (c) the relevant entity is or is likely to be unable to pay its debts;
- (d) the Minister considers it in the public interest.

(3) No special administration order may be made under this Part in relation to a relevant entity that is a designated operating entity before its effective designation date.

(4) Subsection (3) does not apply in relation to a relevant entity which, immediately before its designation as a designated operating entity under section 86D, is a designated licensee.

(5) Notice of any order under subsection (1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.

(6) The Minister may make a special administration order in relation to a relevant entity despite the commencement of (as applicable) —

- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;

- (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;
- 5 (c) any meeting convened under section 94(7) of the Insolvency, Restructuring and Dissolution Act 2018 in respect of the relevant entity, being a corporation;
- 10 (d) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of the relevant entity, being a company or an unregistered company;
- 15 (e) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of the relevant entity, being a limited liability partnership; or
- (f) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of the relevant entity, being an entity not mentioned in paragraph (d) or (e).

20 (7) For the purposes of this section, a relevant entity is unable to pay its debts if —

- 25 (a) a creditor (by assignment or otherwise) to whom the entity is indebted in a sum exceeding the sum mentioned in section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 then due has served on the entity, by leaving at the registered office of the entity, a written demand by the creditor or the creditor's lawfully authorised agent requiring the entity to pay the sum so due, and the entity has for 30 3 weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;
- (b) an enforcement order or other process issued to enforce a judgment, decree or order of any court in

favour of a creditor of the entity is returned unsatisfied in whole or in part; or

- (c) it is proved to the satisfaction of the General Division of the High Court that the entity is unable to pay its debts.

5

Ancillary directions, etc., when special administration order, etc., is made

89B.—(1) A special administration order under this Part may specify that —

- (a) the appointed person has such functions and powers in relation to the operations of the relevant entity as are specified in the order;

10

- (b) the relevant entity or, in the case of a relevant entity that is a business trust, its trustee-manager, is to stop providing a specified service or facility from a specified date; and

15

- (c) the appointed person must have access to, and take control of, the property (including intellectual property), licences and employees used or required by the relevant entity or, if the relevant entity is a business trust, its trustee-manager, for the purposes of carrying on the operations of the relevant entity as are specified in the order.

20

(2) A special administration order under this Part may also contain ancillary directions that may —

25

- (a) direct how the costs of the operations specified in the order and revenue generated from those operations, are to be dealt with;

- (b) fix the remuneration and expenses to be paid by the relevant entity or trustee-manager to the appointed person;

30

- (c) specify the period for which the order under this section applies; and

(d) specify any other conditions that may apply.

(3) An order under section 89A(1)(c) may also contain an ancillary direction that fixes the remuneration and expenses to be paid by the relevant entity or trustee-manager to the advisor.

5 **Effect of special administration order and other orders**

89C.—(1) Any decision of the Minister under section 89A(1) is final.

(2) A special administration order operates to the exclusion of rights that are inconsistent with the order.

10 (3) Nothing in Part 12 or 12A applies to prohibit or invalidate any special administration order or other order made under this Part or any transaction entered into to give effect to such an order.

Duties of relevant entity or trustee-manager, etc.

15 **89D.**—(1) The relevant entity that is the subject of a special administration order under this Part or, in the case of such a relevant entity that is a business trust, its trustee-manager —

(a) must facilitate the handover of the operations to the appointed person as specified in the order;

20 (b) must not obstruct the appointed person's access to property or the exercise by the appointed person of the appointed person's responsibilities under or pursuant to the special administration order; and

25 (c) must comply with reasonable directions given by the appointed person in the exercise of the appointed person's responsibilities under or pursuant to the special administration order.

30 (2) The relevant entity or trustee-manager which fails to comply with subsection (1) or an order under section 89A(1)(b) shall be guilty of an offence.

Transfer of property, etc., under special administration order made under this Part

89E.—(1) Without limiting sections 89, 89A and 89B, a special administration order under this Part may provide for the following matters: 5

(a) the transfer to one or more prescribed transferees (which may or may not be the appointed person) of the following (whichever is applicable):

(i) the property, rights and liabilities of a relevant entity; 10

(ii) in the case of a relevant entity that is a business trust — the property of the business trust, and the rights held and the liabilities incurred by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust; 15

(b) matters that are consequential or related to any such transfer.

(2) If the Minister makes a special administration order providing for any matter mentioned in subsection (1), the Minister must, by notification in the *Gazette*, establish a scheme within the following period for determining the amount of any compensation payable by the prescribed transferee to the relevant entity or the trustee-manager or unitholders of the business trust (as the case may be) for the transfer of the property, rights and liabilities: 20

(a) 6 months after the date of the making of the special administration order; 25

(b) any longer period after the date of the making of the special administration order, as agreed between the prescribed transferee and the relevant entity or trustee-manager. 30

(3) A scheme established under subsection (2) may provide for —

- (a) the manner in which any compensation or consideration is to be assessed, including methods of calculation, valuation dates and matters to be taken into account or disregarded when making valuations;
- 5 (b) the assessment to be made by an independent valuer appointed by the Minister; and
- (c) the remuneration and expenses of the independent valuer.

10 (4) In this section, “prescribed transferee” means the Authority or a person nominated by the Minister.

Restrictions on voluntary winding up, etc., of relevant entities

89F.—(1) Despite any other written law —

- 15 (a) a relevant entity that is a corporation or limited liability partnership cannot be wound up voluntarily without the consent of the Authority;
- (b) a relevant entity that is a partnership cannot be dissolved —
 - 20 (i) by a partner giving notice to the other partner or partners (as the case may be) of the partner’s intention to dissolve the partnership; or
 - (ii) by the partners agreeing to dissolve the partnership,
 without the consent of the Authority;
- 25 (c) a relevant entity that is a business trust cannot be wound up voluntarily without the consent of the Authority;
- 30 (d) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a relevant entity that is a corporation, unless that person has served

- 14 days' notice in writing of that person's intention to make that application on the Authority;
- (e) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a relevant entity that is a corporation without the consent of the Authority; 5
 - (f) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a relevant entity that is a corporation without the consent of the Authority; 10
 - (g) a person must not take any step to enforce any security over —
 - (i) the property of a relevant entity; or
 - (ii) in the case of a relevant entity that is a business trust — the trust property of the trust, 15
 unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority; and
 - (h) a person must not take any step to execute or enforce any judgment or order of court obtained against a relevant entity unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority. 20
- (2) The Authority must be a party to — 25
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a relevant entity that is a corporation; 30
 - (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a relevant entity that is a corporation;

(c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a relevant entity that is a company or an unregistered company;

5 (d) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of a relevant entity that is a limited liability partnership; and

10 (e) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of any relevant entity that is an entity not mentioned in paragraph (c) or (d).

15 (3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Authority in those proceedings.

Regulations for this Part

89G. The Minister may make regulations for giving effect to this Part, including —

20 (a) regulations governing the transfer of property, rights and liabilities of or in relation to a relevant entity mentioned in section 89E(1)(a) and matters consequential or related to such transfer; and

25 (b) if a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018.”.

New section 117A

41. In the MPA Act, after section 117, insert —

“Advisory guidelines

30 **117A.**—(1) The Authority may make guidelines with a view to providing guidance or certainty in respect of any one or more of the provisions in this Act.

- (2) Advisory guidelines, for example, may be made about —
- (a) what amounts to a material function of a designated operating entity for the purposes of section 86FC(1)(a); or
 - (b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 86FC(3)(a). 5
- (3) The Authority may make different advisory guidelines under subsection (1) in respect of different persons or entities or different classes of persons or entities. 10
- (4) The Authority must —
- (a) give a copy of each advisory guideline it makes to the Minister; and 15
 - (b) publish each advisory guideline (in any way that the Authority thinks fit), send each advisory guideline to each person or entity to whom the guideline applies (by any mode the Authority thinks fit), or both.
- (5) Despite subsection (4)(b), the Authority must publish each advisory guideline (in any way that the Authority thinks fit) if the advisory guideline has any effect on the rights of any person or entity other than the person or entity to which the advisory guideline applies. 20
- (6) The failure to comply with subsection (4) or (5) in respect of any advisory guideline does not invalidate the advisory guideline.”. 25

Amendment of section 118

42. In the MPA Act, in section 118(1), after “any of the provisions”, insert “(or any part of any provision)”. 30

New section 118A

43. In the MPA Act, after section 118, insert —

“Power to amend Third Schedule

118A. The Minister may, by order in the *Gazette*, amend the Third Schedule.”.

New Third Schedule

5 **44.** In the MPA Act, after the Second Schedule, insert —

“THIRD SCHEDULE

Sections 86A and 118A

SERVICES FOR PURPOSES OF PARAGRAPH (c) OF DEFINITION OF “ESSENTIAL TRANSPORT SERVICE”

10

1. Monitoring and management of shipping traffic.
2. Bunker supply and delivery.
3. Salvage operations.
4. Passenger ferry operations.”.

15 **Miscellaneous amendments**

45. In the MPA Act —

20

(a) in Part 12A, in the Part heading, replace “DESIGNATED PUBLIC LICENSEES, DESIGNATED BUSINESS TRUSTS” with “DESIGNATED OPERATING ENTITIES”;

(b) in the following provisions, replace “designated public licensee, designated business trust” wherever it appears with “designated operating entity”:

25

Section 86A(1) (definitions of “5% controller”, “25% controller”, “50% controller” and “75% controller”)

Section 86E(4)(a) and (b)

Section 86F(7) and (11)(a) and (b)

Section 86G(2), (3) and (4)

Section 86H(1)(c), (2)(b) and (c) and (3);

30

(c) in section 86C, replace the section heading with —

“Meanings of “associate”, “related corporation”, “subsidiary” and “holding company””;

- (d) in the following provisions, delete “and the holding of equity interests or the control of voting power by the accused in the designated public licensee, designated business trust or designated equity interest holder, as the case may be”:

Section 86F(10)(c) and (11)(d);

- (e) in the following provisions, replace “for the compliance of” with “for compliance with”:

Section 86F(10)(c)(ii), (11)(d)(ii) and (12)(c)(ii); and

- (f) in section 86F(12)(c), delete “and the accused becoming an indirect controller of the designated public licensee, designated business trust or designated equity interest holder, as the case may be”.

PART 4

**AMENDMENT OF RAPID TRANSIT
SYSTEMS ACT 1995**

Amendment of long title 20

46. In the Rapid Transit Systems Act 1995 (called in this Part the RTS Act), in the long title, replace “, to transfer the functions, assets and liabilities of the Mass Rapid Transit Corporation to the Land Transport Authority of Singapore” with “and the control of entities providing essential transport services and their equity interest holders”.

Amendment of section 2

47. In the RTS Act, in section 2 —

(a) delete “, unless the context otherwise requires”;

(b) after the definition of “Authority”, insert —

““business trust” and “trustee-manager” have the meanings given by section 2 of the Business Trusts Act 2004;” and

(c) replace the definition of “Corporation” with —

5 ““corporation” has the meaning given by section 4(1) of the Companies Act 1967;

“designated entity” means a designated equity interest holder or a designated operating entity;

10 “designated equity interest holder” means an entity that has been designated as a designated equity interest holder under section 21E;

15 “designated operating entity” means an entity that has been designated as a designated operating entity under section 21E;

20 “effective designation date”, in relation to a designated entity, means the date specified under section 21E(3) as the date on which the designation of that entity as a designated operating entity or designated equity interest holder (as the case may be) takes effect;

25 “entity” means any sole proprietorship, partnership, corporation or other body of persons, whether corporate or unincorporate, and includes a business trust;

“essential transport service” means —

(a) the service of operating or maintaining any rapid transit system; or

30 (b) any service specified or described in the Schedule which is necessary —

(i) for the continuity of; or

(ii) for supporting,
the operation of any rapid transit
system;”.

Amendment of section 16

48. In the RTS Act, in section 16(5)(a), replace “period mentioned in section 20(1)” with “period prescribed for the purposes of section 28(3)”. 5

Amendment of section 18A

49. In the RTS Act, in section 18A —

(a) after subsection (1), insert — 10

“(1A) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.”; and 15

(b) after subsection (7), insert —

“(7A) This section does not apply to or in relation to any licensee that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.”. 20

Amendment of section 19

50. In the RTS Act, in section 19(1), after paragraph (e), insert —

“(ea) fails to comply with any condition of approval under section 18A;”. 25

Replacement of section 20

51. In the RTS Act, replace section 20 with —

“Restrictions on voluntary winding up, etc., of licensees

20.—(1) Despite any other written law —

(a) a licensee cannot be wound up without the consent of the Authority;

5 (b) a person must not make an application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a licensee without the consent of the Authority;

10 (c) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a licensee without the consent of the Authority;

15 (d) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a licensee without the consent of the Authority;

20 (e) a person must not take any step to enforce any security over the property of a licensee unless that person has served 14 days’ notice in writing of that person’s intention to take that step on the Authority; and

25 (f) a person must not take any step to execute or enforce any judgment or order of court against a licensee unless that person has served 14 days’ notice in writing of that person’s intention to take that step on the Authority.

(2) The Authority must be a party to —

30 (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a licensee;

(b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency,

Restructuring and Dissolution Act 2018 in relation to a licensee; and

- (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 for the winding up of the affairs of a licensee. 5

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Authority in those proceedings.

(4) This section does not apply to or in relation to any licensee that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.”. 10

New Part 3A

52. In the RTS Act, after Part 3, insert —

“PART 3A 15

CONTROL OF DESIGNATED ENTITIES

Division 1 — Preliminary

Extraterritorial application of this Part

21A.—(1) Except where otherwise expressly provided, this Part applies to, and in relation to — 20

- (a) all individuals, whether resident in Singapore or not and whether citizens of Singapore or not; and
- (b) all bodies corporate or unincorporate, whether incorporated, formed, established, or carrying on business in Singapore or not. 25

(2) Every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under this Part, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly. 30

Interpretation of this Part

21B.—(1) In this Part —

“5% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 5% or more, but less than 25%, of the total equity interests in that designated entity; or

(b) is in a position to control 5% or more, but less than 25%, of the voting power in that designated entity;

“25% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 25% or more, but less than 50%, of the total equity interests in that designated entity; or

(b) is in a position to control 25% or more, but less than 50%, of the voting power in that designated entity;

“50% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 50% or more, but less than 75%, of the total equity interests in that designated entity; or

(b) is in a position to control 50% or more, but less than 75%, of the voting power in that designated entity;

“75% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 75% or more of the total equity interests in that designated entity; or

(b) is in a position to control 75% or more of the voting power in that designated entity;

“acquisition” includes an agreement to acquire, but does not include —

- (a) an acquisition by will or by operation of law; or
- (b) an acquisition by way of enforcement of a loan security;

5

“arrangement” includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;

“chief executive officer”, in relation to a designated entity or the trustee-manager of a designated entity, means an individual (by whatever name called) who —

10

- (a) is in the direct employment of, or acting for or by arrangement with, the designated entity or trustee-manager, as the case may be; and
- (b) is principally responsible for the management and conduct of the business of the designated entity or trustee-manager, as the case may be,

15

and includes any individual for the time being performing all or any of the functions of a chief executive officer;

20

“control” includes control as a result of, or by means of, any trust, agreement, arrangement, understanding or practice, whether or not having legal or equitable force and whether or not based on legal or equitable rights;

25

“decrease”, in relation to the holding of equity interests, includes a decrease to a point of nil;

“director” has the meaning given by section 4(1) of the Companies Act 1967;

“equity interest” —

30

- (a) in relation to a corporation — means a voting share in that corporation;

(b) in relation to an entity other than a corporation — means any right or interest, whether legal or equitable, in that entity (by whatever name called) which gives the holder of that right or interest voting power in that entity; and

(c) in relation to a business trust — means a unit in that business trust;

“increase”, in relation to the holding of equity interests, includes an increase from a starting point of nil;

“indirect controller”, in relation to a designated entity, means any person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —

(a) whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed or under an obligation, whether formal or informal, to act in accordance with; or

(b) who is in a position to determine the policy of the designated entity,

but does not include —

(c) any person who is —

(i) a director or other officer of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust);
or

(d) any person whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed to act in accordance with by 5
reason only that the acting is on advice given by
the person in that person’s professional
capacity;

“limited liability partnership” has the meaning given by
section 2(1) of the Limited Liability Partnerships 10
Act 2005;

“liquidator” includes the Official Receiver when acting as
the liquidator of a corporation;

“officer”, in relation to a corporation, includes —

(a) a director or secretary of, or a person employed 15
in an executive capacity by, the corporation;

(b) any receiver or manager, or any receiver and
manager, of any part of the undertaking of the
corporation, appointed under a power contained
in any instrument or by the General Division of 20
the High Court or by creditors;

(c) any liquidator of the corporation appointed in a
voluntary winding up or by the General Division
of the High Court or by creditors; and

(d) any judicial manager of the corporation 25
appointed under Part 7 of the Insolvency,
Restructuring and Dissolution Act 2018;

“Official Receiver” has the meaning given by section 2(1)
of the Insolvency, Restructuring and Dissolution
Act 2018; 30

“related corporation”, in relation to a corporation, means
another corporation that is deemed under section 21D(2)
to be related to that corporation;

“share”, in relation to a corporation, means a share in the share capital of the corporation and includes stock into which all or any of the share capital of the corporation has been converted;

5 “treasury share” has the meaning given by section 4(1) of the Companies Act 1967;

“unit” has the meaning given by section 2 of the Business Trusts Act 2004;

10 “unitholder” means a person who holds units in a business trust;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018;

15 “voting share” has the meaning given by section 4(1) of the Companies Act 1967 but does not include a treasury share.

(2) A reference in this Part to the control of a percentage of the voting power in a designated entity is to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in —

(a) a general meeting of the designated entity; or

(b) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust.

25 (3) In ascertaining a person’s control of the percentage of the total number of votes that might be cast at a general meeting mentioned in subsection (2), the number of votes that the person is entitled to cast at the meeting by reason of having been appointed a proxy or representative to vote at the meeting is to be disregarded.

30

(4) In this Part —

(a) a reference to the chairperson of a board of directors includes an individual (by whatever name called) acting in that capacity;

- (b) a reference to the business or operations of an entity that is a business trust is to the business or operations (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and
- (c) a reference to a condition imposed by the Authority includes a condition added or varied by the Authority.

5

What holding an equity interest means

21C.—(1) In this Part, a person holds an equity interest if the person —

10

- (a) has or is deemed to have an equity interest in accordance with subsections (2) to (8); or
- (b) otherwise has a legal or equitable interest in that equity interest,

except for any interest prescribed under section 45 as an interest that is to be disregarded.

15

(2) Subject to subsection (3), a person has an equity interest if the person has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, that equity interest.

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(3) It is immaterial that the authority of a person to dispose of, or to exercise control over the disposal of, the equity interest mentioned in subsection (2) is, or is capable of being made, subject to restraint or restriction.

(4) It is immaterial, for the purposes of determining whether a person has an equity interest, that the interest cannot be related to a particular share, an interest or a right that gives its holder voting power, or a unit of a business trust, as the case may be.

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(5) A person is deemed to have an equity interest if —

- (a) any property held in trust consists of or includes the equity interest; and

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(b) the person knows, or has reasonable grounds for believing, that the person has an interest under that trust.

(6) A person is also deemed to have an equity interest if that person —

(a) has entered into a contract to purchase the equity interest;

(b) has a right, otherwise than by reason of having an interest under a trust, to have the equity interest transferred to (or to the order of) that person, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

(c) has the right to acquire the equity interest under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

(d) is entitled (otherwise than by reason of having been appointed a proxy or representative) to vote at —

(i) a general meeting of the designated entity; or

(ii) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust,

to exercise or control the exercise of a right attached to the equity interest, not being an equity interest in which that person has a legal or equitable interest.

(7) A person is not to be deemed as not having an equity interest by reason only that the person has the equity interest jointly with another person.

(8) An equity interest is not to be disregarded by reason only of —

(a) its remoteness;

(b) the manner in which it arose; or

- (c) the fact that the exercise of a right conferred by the equity interest is, or is capable of being made, subject to restraint or restriction.

Meanings of “associate”, “related corporation”, “subsidiary” and “holding company”

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21D.—(1) In this Part, a person (*A*) is an associate of another person (*B*) if —

- (a) *A* is the spouse, or a parent, step-parent or remoter lineal ancestor, or a son, stepson, daughter, stepdaughter or remoter issue, or a brother or sister, of *B*; 10
- (b) *A* is a partner of *B* in a partnership or limited liability partnership;
- (c) *A* is a corporation of which *B* is an officer;
- (d) *B* is a corporation of which *A* is an officer; 15
- (e) *A* and *B* are officers of the same corporation;
- (f) *A* is an employee of *B*;
- (g) *B* is an employee of *A*;
- (h) *A* and *B* are employees of the same employer;
- (i) *A* is the trustee of a discretionary trust where *B* (or another person who is an associate of *B* by virtue of any paragraph, except this paragraph and paragraphs (*j*) and (*r*)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts; 25
- (j) *B* is the trustee of a discretionary trust where *A* (or another person who is an associate of *A* by virtue of any paragraph, except this paragraph and paragraphs (*i*) and (*r*)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts; 30

- 5 (k) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;
- 10 (l) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- 15 (m) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;
- (n) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- (o) *A* is a related corporation of *B*;
- 20 (p) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in paragraphs (b) to (o), is in a position to control at least 20% of the voting power in *A*;
- 25 (q) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in paragraphs (b) to (o), is in a position to control at least 20% of the voting power in *B*;
- 30 (r) *A* is a person with whom *B* enters, or proposes to enter, into an agreement or arrangement (whether oral or in writing and whether express or implied) that relates to any of the following matters:
- (i) *A* and *B* being in a position, by acting together, to control any of the voting power in a designated entity;

- (ii) *A* and *B* acting together with respect to the acquisition, holding or disposal of equity interests or other interests in a designated entity;
 - (iii) the power of *A* and *B*, by acting together, to appoint or remove — 5
 - (A) a director of a designated entity; or
 - (B) in the case of a designated entity that is a business trust — a director of the trustee-manager of the designated entity;
 - (iv) the situation where one or more of the directors of — 10
 - (A) a designated entity; or
 - (B) in the case of a designated entity that is a business trust — the trustee-manager of the business trust, 15
 - are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of *A* and *B* acting together;
 - (s) *A* controls more than half of the voting power of a holding company of *B*; 20
 - (t) *B* controls more than half of the voting power of a holding company of *A*; or
 - (u) *A* is related to *B* in such other manner as may be prescribed by regulations made under section 45. 25
- (2) A corporation (*A*) and another corporation (*B*) are deemed to be related to each other for the purposes of this section where *A* is —
- (a) the holding company of *B*;
 - (b) a subsidiary of *B*; or 30
 - (c) a subsidiary of the holding company of *B*.

(3) For the purposes of subsection (2), a corporation (*A*) is, subject to subsection (5), deemed to be a subsidiary of another corporation (*B*) if —

- (a) *B* controls the composition of the board of directors of *A*;
- (b) *B* controls more than half of the voting power of *A*; or
- (c) *A* is a subsidiary of any corporation which is *B*'s subsidiary.

(4) For the purposes of subsection (3), the composition of *A*'s board of directors is deemed to be controlled by *B* if *B*, by the exercise of a power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors, and for the purposes of this provision, *B* is deemed to have power to make such an appointment if —

- (a) a person cannot be appointed as a director without the exercise in the person's favour by *B* of such a power; or
- (b) a person's appointment as a director follows necessarily from that person being a director or other officer of *B*.

(5) In determining whether one corporation (*A*) is the subsidiary of another corporation (*B*) —

- (a) any shares held or power exercisable by *B* in a fiduciary capacity is treated as not held or exercisable by *B*;
- (b) subject to paragraphs (c) and (d), any shares held or power exercisable —
 - (i) by any person as a nominee for *B* (except where *B* is concerned only in a fiduciary capacity); or
 - (ii) by, or by a nominee for, a subsidiary of *B*, not being a subsidiary which is concerned only in a fiduciary capacity,

is to be treated as being held or exercisable by *B*;

(c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of *A*, or of a trust deed for securing any issue of such debentures, is to be disregarded; and

(d) any shares held or power exercisable by, or by a nominee for, *B* or its subsidiary (not being held or exercisable as mentioned in paragraph (c)) is to be treated as not held or exercisable by *B* if the ordinary business of *B* or its subsidiary (as the case may be) includes the lending of money and the shares are so held or power is so exercisable by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

(6) A reference in this section to the holding company of a corporation is to a corporation of which the last mentioned corporation is a subsidiary.

(7) For the purposes of this section, the Depository is not to be regarded as a holding company of a corporation by reason only of the shares it holds in that corporation as a bare trustee.

(8) Regulations made under section 45 may provide that any person or class of persons are not associates of another person for the purposes of any provision of this Part.

(9) In this section —

“Depository” has the meaning given by section 81SF of the Securities and Futures Act 2001;

“officer”, in relation to a corporation, means a director or secretary of, or any person employed in an executive capacity by, the corporation.

Designation of designated operating entities and designated equity interest holders

21E.—(1) The Authority may by notification in the *Gazette* —

(a) designate an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is

provided in Singapore, as a designated operating entity; or

- (b) designate an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

if the Authority considers that the designation is necessary in the public interest.

(2) The Authority must inform the Minister of the Authority's decision to designate an entity before publishing the notification under subsection (1) but the failure to do so does not invalidate the designation.

(3) The notification under subsection (1) —

- (a) must specify the date on which the designation takes effect; and

- (b) must be published in the *Gazette* at least 14 days before the date that the designation takes effect.

(4) The Authority may by notification in the *Gazette* cancel a designation at any time.

Division 2 — Control of designated entities

Notice to Authority by 5% controller of designated entity

21F.—(1) If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the Authority of that fact.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.

(3) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that the accused —

- (a) was not aware of the contravention when it occurred; and

(b) notified the Authority of the contravention within a period of 14 days after becoming aware of the contravention.

(4) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that, though the accused was aware of the contravention —

(a) the contravention occurred as a result of an increase in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;

(b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity; and

(c) the accused notified the Authority of the contravention within a period of 7 days after the contravention.

(5) Except as provided in subsections (3) and (4), it is not a defence in any proceedings for a contravention of subsection (1) to prove that the accused did not intend to or did not knowingly contravene subsection (1).

Approvals of Authority in relation to equity interests and control of voting power in designated entities in certain cases

21G.—(1) Except with the prior written approval of the Authority, a person must not —

(a) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a

designated entity on or after the effective designation date; or

- 5 (b) as a result of a decrease in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, cease to be a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date.

10 (2) Subsection (1) does not apply if the transaction through which a person becomes a 25% controller, 50% controller or 75% controller, or ceases to be a 25% controller, 50% controller or 75% controller, is entered into before the effective designation date.

15 (3) A person must not become an indirect controller of a designated entity on or after the effective designation date unless the person has obtained the prior written approval of the Authority.

(4) The Authority may approve an application under subsection (1)(a) or (3) if the Authority is satisfied that —

- 20 (a) the person who is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person known to the Authority, are fit and proper persons;
- 25 (b) the essential transport services provided by the following (whichever is applicable) will continue to be safe, reliable and efficient:
- (i) the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;
 - 30 (ii) the trustee-manager of the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;

- (iii) in the case where the person is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated; 5
- (c) having regard to the influence of the person mentioned in paragraph (a) and every associate of that person known to the Authority, the following requirements are met: 10

 - (i) if the designated entity is a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; 15
 - (ii) if the designated entity is a designated equity interest holder — 20

 - (A) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and 25
 - (B) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and 30
- (d) it is in the public interest to do so. 35

(5) The Authority may approve an application under subsection (1)(b) if the Authority is satisfied that —

5 (a) the essential transport services provided by the following (whichever is applicable) will continue to be safe, reliable and efficient:

(i) the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

10 (ii) the trustee-manager of the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

15 (iii) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;

20 (b) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;

25 (c) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder —

30 (i) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and
35 comply with the provisions of this Act; and

(ii) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

(d) it is in the public interest to do so. 5

(6) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed. 10

(7) Any condition imposed by the Authority under subsection (6) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in relation to which the application for approval under subsection (1) or (3) is made. 15

(8) Any person who contravenes subsection (1) or (3), or who fails to comply with any condition imposed under subsection (6), shall be guilty of an offence. 20

(9) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that —

(a) the accused was not aware of the contravention when it occurred; 25

(b) the accused notified the Authority of the contravention within a period of 14 days after becoming aware of the contravention; and

(c) if the Authority issued any direction under section 21M relating to the contravention — 30

(i) the accused complied with the direction within the period determined by the Authority under that section; or

- (ii) the period determined by the Authority under that section for compliance with the direction has not expired.

5 (10) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that even though the accused was aware of the contravention —

10 (a) the contravention occurred as a result of an increase or a decrease in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;

15 (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity;

20 (c) the accused notified the Authority of the contravention within a period of 7 days after the contravention; and

(d) if the Authority issued any direction under section 21M relating to the contravention —

25 (i) the accused complied with the direction within the period determined by the Authority under that section; or

(ii) the period determined by the Authority under that section for compliance with the direction has not expired.

30 (11) In any proceedings for a contravention of subsection (3), it is a defence for the accused to prove that —

(a) the accused was not aware of the contravention when it occurred;

- (b) the accused notified the Authority of the contravention within a period of 14 days after the contravention; and
- (c) if the Authority issued any direction under section 21M relating to the contravention —
 - (i) the accused complied with the direction within the period determined by the Authority under that section; or
 - (ii) the period determined by the Authority under that section for compliance with the direction has not expired.

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(12) Except as provided in subsections (9), (10) and (11), it is not a defence in any proceedings for a contravention of subsection (1) or (3) to prove that the accused did not intend to or did not knowingly contravene subsection (1) or (3).

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Appointment and removal of chief executive officer, chairperson, director, etc., of designated entity

21H.—(1) A licensee-designated operating entity must not, on or after the effective designation date, appoint or remove an individual as its chief executive officer, the chairperson of its board of directors or any of its directors, unless the licensee-designated operating entity has obtained the prior written approval of the Authority.

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(2) Each of following persons must not, on or after the effective designation date, appoint or remove an individual as its chief executive officer, or the chairperson of its board of directors unless the person has obtained the prior written approval of the Authority:

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- (a) a non-licensure-designated operating entity or, in the case of a non-licensure-designated operating entity that is a business trust, its trustee-manager;
- (b) a designated equity interest holder or, in the case of a designated equity interest holder that is a business trust, its trustee-manager.

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5 (3) A person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity unless the designated entity has obtained the prior written approval of the Authority.

(4) A person must not, or after the effective designation date, become a partner in a partnership that is a designated entity unless the person has obtained the prior written approval of the Authority.

10 (5) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

15 (b) at any time add to, vary or revoke any condition so imposed.

(6) Any person who contravenes subsection (1), (2), (3) or (4), or who fails to comply with any condition imposed under subsection (5), shall be guilty of an offence.

20 (7) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or the trustee-manager of the designated entity in relation to which the application for approval under
25 subsection (1), (2), (3) or (4) is made.

(8) In this section —

(a) a reference to a “licensee-designated operating entity” is to a designated operating entity that is also a licensee; and

30 (b) a reference to a “non-licensee-designated operating entity” is to a designated operating entity that is not a licensee-designated operating entity.

Acquisition of business of designated operating entity as going concern

211.—(1) A person must not, on or after the effective designation date, acquire as a going concern, the designated operating entity’s business of providing any essential transport service (or any part of such business) unless —

- (a) the person; and
- (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager,

have obtained the prior written approval of the Authority.

(2) An application for the Authority’s approval under subsection (1) must be —

- (a) made jointly by the persons mentioned in subsection (1)(a) and (b); and
- (b) made in such form and manner as the Authority may specify.

(3) The Authority may approve an application under subsection (1) if the Authority is satisfied that —

- (a) the person acquiring the business or part is a fit and proper person;
- (b) after the acquisition, the essential transport service mentioned in subsection (1) will continue to be safe, reliable and efficient;
- (c) in the case where after the acquisition, the designated operating entity continues to carry on part of the business mentioned in subsection (1) — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(4) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(5) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, deed or other constitution, of the designated operating entity.

(6) Any person who contravenes subsection (1), or who fails to comply with any condition imposed under subsection (4), shall be guilty of an offence.

Occurrence of certain events

21J.—(1) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of any of the following agreements at least 14 days before entering into the agreement:

(a) in the case of a designated entity that is a designated operating entity — an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service;

(b) any agreement prescribed under section 45.

(2) Subsection (1) does not apply in relation to any agreement entered into by a designated entity before the expiry of 14 days after the effective designation date.

(3) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of the occurrence of any of the following events within 7 days after becoming aware of the occurrence:

- (a) in the case of a designated entity that is a designated operating entity —
- (i) any civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity or, if the designated entity is a business trust, its trustee-manager, that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; or
 - (ii) any other event or any irregularity that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service;
- (b) the designated entity or, if the designated entity is a business trust, its trustee-manager, being or becoming, or being likely to become, insolvent;
- (c) the designated entity or, if the designated entity is a business trust, its trustee-manager —
- (i) being wound up or subject to any receivership or judicial management order; or
 - (ii) entering into a compromise or scheme of arrangement;
- (d) in the case of a designated entity that is a business trust — the business trust being wound up or deregistered or the making of an application for the deregistration of the business trust;
- (e) any other event prescribed under section 45.

(4) Subsection (3) does not apply where the designated entity or trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.

(5) The Authority may, upon receiving a notification under subsection (1) or (3) in relation to an agreement or the occurrence of an event, direct the designated entity or trustee-manager in question to submit to the Authority any

information or document relating to the agreement or event within the period specified by the Authority.

(6) Any person who —

(a) contravenes subsection (1) or (3);

5 (b) fails to comply with a direction of the Authority under subsection (5); or

(c) submits any false or misleading information or document in compliance or purported compliance with a direction of the Authority under subsection (5),

10 shall be guilty of an offence.

Duty of designated entity or trustee-manager to report changes of equity and control of certain persons

15 **21K.**—(1) If a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, becomes aware that —

(a) a person has, on or after the effective designation date, become a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity;

20 (b) a 25% controller, 50% controller or 75% controller of the designated entity has, on or after the effective designation date, ceased to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;

25 (c) a person has, on or after the effective designation date, become an indirect controller of the designated entity; or

- (d) in a case where the designated entity is a designated operating entity — a person has, on or after the effective designation date, acquired, as a going concern, the designated operating entity’s business of providing any essential transport service (or any part of such business), 5

the designated entity or trustee-manager (as the case may be) must inform the Authority in writing within 7 days after becoming aware of that fact.

- (2) Any person who contravenes subsection (1) shall be guilty of an offence. 10

Restrictions on voluntary winding up, etc., of designated operating entities

21L.—(1) Despite any other written law —

- (a) a designated operating entity that is a corporation or limited liability partnership cannot be wound up voluntarily without the consent of the Authority; 15

- (b) a designated operating entity that is a partnership cannot be dissolved —

- (i) by a partner giving notice to the other partner or partners (as the case may be) of the partner’s intention to dissolve the partnership; or 20

- (ii) by the partners agreeing to dissolve the partnership,

without the consent of the Authority; 25

- (c) a designated operating entity that is a business trust cannot be wound up voluntarily without the consent of the Authority;

- (d) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation, unless that 30

person has served 14 days' notice in writing of that person's intention to make that application on the Authority;

5 (e) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a designated operating entity that is a corporation without the consent of the Authority;

10 (f) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a designated operating entity that is a corporation without the consent of the Authority;

15 (g) a person must not take any step to enforce any security over —

(i) the property of a designated operating entity; or

(ii) in the case of a designated operating entity that is a business trust — the trust property of the trust,

20 unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority; and

25 (h) a person must not take any step to execute or enforce any judgment or order of court obtained against a designated operating entity unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority.

(2) The Authority must be a party to —

30 (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;

- (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;
- (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a designated operating entity that is a company or an unregistered company; 5
- (d) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of a designated operating entity that is a limited liability partnership; and 10
- (e) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of any designated operating entity that is an entity not mentioned in paragraph (c) or (d). 15

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Minister in those proceedings.

Division 3 — Remedial directions 20

Remedial directions relating to section 21G

21M.—(1) Subsection (2), (3) or (4) applies if —

- (a) the Authority is satisfied that a person (called in this section a defaulter) —
 - (i) has contravened section 21G(1) or (3) or failed to comply with a condition imposed on that person under section 21G(7); or 25
 - (ii) has provided false or misleading information or documents in connection with an application for approval under section 21G(1) or (3); or 30
- (b) the Authority would not have granted its approval under section 21G(1) or (3) had it been aware, at the

time of approval, of circumstances relevant to a defaulter's application for such approval.

(2) Where the defaulter is a 25% controller, 50% controller or 75% controller of the designated entity, the Authority may do any one or more of the following:

- (a) direct the defaulter to take such steps as are necessary, within the period specified by the Authority, to cease to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
- (b) direct the transfer or disposal of all or any of the equity interests in the designated entity held by the defaulter or any of the defaulter's associates (called in this section and section 21N the section 21M(2) equity interests), within such time and subject to such conditions as the Authority considers appropriate;
- (c) restrict or prohibit the transfer or disposal of all or any of the section 21M(2) equity interests, subject to any conditions that the Authority considers appropriate;
- (d) make any other direction that the Authority considers appropriate.

(3) Where, as a result of a person (called in this subsection the transferee) acquiring any equity interests from the defaulter who is a 25% controller, 50% controller or 75% controller of the designated entity (called in this section and section 21N the section 21M(3) equity interests), the defaulter ceases to be a 25% controller, 50% controller or 75% controller (as the case may be), the Authority may do one or more of the following:

- (a) direct the transferee to take such steps as are necessary, within the period specified by the Authority, to cease to hold all or any of the section 21M(3) equity interests;
- (b) direct the defaulter to take such steps as are necessary within the period specified by the Authority, to resume being a 25% controller, 50% controller or

75% controller (as the case may be) of the designated entity, as the case may be;

- (c) direct the acquisition, transfer or disposal of all or any of the section 21M(3) equity interests within such time and subject to such conditions as the Authority considers appropriate; 5
- (d) restrict or prohibit the transfer or disposal of all or any of the section 21M(3) equity interests, subject to any conditions that the Authority considers appropriate;
- (e) make any other direction that the Authority considers appropriate. 10

(4) Where the defaulter is an indirect controller of the designated entity, the Authority may do one or both of the following:

- (a) direct the defaulter, or direct the designated entity or, if the designated entity is a business trust, its trustee-manager, to take such steps as are necessary, within the period specified by the Authority, to cease to be such an indirect controller or to cause the defaulter to cease to be such an indirect controller; 15
20
- (b) make any other direction that the Authority considers appropriate.

Effect of remedial directions issued under section 21M, etc.

21N.—(1) Any direction issued to a person, and any condition imposed, under section 21M(2) or (3) take effect, despite — 25

- (a) any other written law;
- (b) anything in any listing rules as defined in section 2(1) of the Securities and Futures Act 2001; and
- (c) the provisions of the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in question. 30

(2) Without affecting subsection (1), where any direction is issued under section 21M(2) or (3), then, until the direction is carried out or is suspended or revoked —

5 (a) the voting rights in respect of the section 21M(2) equity interests or section 21M(3) equity interests that are subject to the direction are not exercisable, unless the Authority expressly permits those rights to be exercised;

10 (b) the voting power that the person to whom the direction is issued controls, whether alone or together with that person's associates, in the designated entity is not exercisable, unless the Authority expressly permits that power to be exercised;

15 (c) no equity interest in the designated entity is to be issued or offered (whether by way of dividends or otherwise) in respect of the section 21M(2) equity interests or section 21M(3) equity interests that are subject to the direction, unless the Authority expressly permits that issue or offer; and

20 (d) no amount may be paid (whether by way of profits, income or otherwise) in respect of the section 21M(2) equity interests or section 21M(3) equity interests that are subject to the direction, unless the Authority expressly authorises such payment.

(3) Subsection (2)(d) does not apply in the event of the winding up, dissolution, termination or deregistration of the designated entity.

Remedial directions relating to section 21H

30 **21O.**—(1) Subsection (2) applies where —

(a) an individual has been appointed or removed in contravention of section 21H(1) or (2), or a person has been appointed a manager of or becomes a partner in a

designated entity in contravention of section 21H(3) or (4);

- (b) any condition of approval imposed under section 21H(5) has not been complied with;
- (c) any of the following persons has provided false or misleading information or documents to the Authority in connection with an application for approval under section 21H(1), (2), (3) or (4):
 - (i) a designated entity;
 - (ii) the trustee-manager of a designated entity;
 - (iii) the person mentioned in section 21H(4); or
- (d) the Authority would not have granted its approval under section 21H(1), (2), (3) or (4) had it been aware, at the time of approval, of circumstances relevant to a person's application for such approval.

(2) The Authority may issue a direction to the designated entity or trustee-manager in question (as the case may be) to do as follows (whichever is applicable):

- (a) remove the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
- (b) reinstate the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
- (c) remove the person as a manager of or partner in the designated entity.

(3) A direction issued under this section (including a direction varied under section 21Q(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or trustee-manager in question.

(4) Nothing in subsection (2) is to be taken as depriving a person who is removed under that subsection of compensation or damages payable to that person in respect of the termination of his or her appointment as the chief executive officer, the chairperson of the board of directors or a director, or the person's removal as a manager or partner.

Remedial directions relating to section 21I

21P.—(1) Subsection (2) applies where —

- (a) a person has contravened section 21I(1); or
- (b) where the Authority has granted its approval under section 21I(1) —
 - (i) any condition of approval imposed under section 21I(4) has not been complied with;
 - (ii) either of the joint applicants mentioned in section 21I(1)(a) or (b) has provided false or misleading information or documents to the Authority in connection with the person's application for approval under section 21I(1); or
 - (iii) the Authority would not have granted its approval under section 21I(1) had it been aware, at the time of approval, of circumstances relevant to the application for such approval.

(2) The Authority may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 21I(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the Authority considers appropriate;
- (b) prohibit or restrict the transfer or disposal of all or any part of the business; or
- (c) issue any other direction that the Authority considers appropriate.

(3) A direction issued under this section (including a direction varied under section 21Q(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity in question.

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Other provisions relating to remedial directions

21Q.—(1) Before issuing any direction to a person under section 21M, 21O or 21P, the Authority must —

(a) unless the Authority decides that it is not practicable or desirable to do so, give the person written notice of the Authority’s intention to issue the direction and specify a date by which the person may make written representations with regard to the direction; and

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(b) consider every written representation from the person received on or before the specified date mentioned in paragraph (a).

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(2) The Authority may, at any time, revoke, vary or discharge, or suspend the operation of, any direction given by it under section 21M, 21O or 21P.

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(3) Any person who fails to comply with a direction issued by the Authority under section 21M, 21O or 21P (including a direction that is varied under subsection (2)) within the period specified by the Authority shall be guilty of an offence.

Division 4 — Penalties

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Penalties under this Part

21R. A person guilty of an offence under this Part shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction.”.

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Replacement of Part 4A

53. In the RTS Act, replace Part 4A with —

“PART 4A

SPECIAL ADMINISTRATION ORDERS AND
 SCHEMES OF TRANSFERS, ETC., FOR
 LICENSEES AND DESIGNATED
 OPERATING ENTITIES

Interpretation of this Part

27A.—(1) In this Part —

“designated operating entity” excludes an entity that is also a licensee;

“limited liability partnership” has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005;

“relevant entity” means a licensee or a designated operating entity;

“unitholder” has the meaning given by section 2 of the Business Trusts Act 2004;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018.

(2) In this Part —

(a) a reference to the affairs, business, undertaking, operations or activities of a relevant entity that is a business trust is to the affairs, business, undertaking, operations or activities (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

(b) a reference to the obligations of a relevant entity that is a business trust is to the obligations undertaken by the trustee-manager of the business trust on behalf of the business trust.

Meaning and purposes of special administration order

27B.—(1) A special administration order is an order of the Minister made in relation to a relevant entity in accordance with section 27C, directing that during the period the order is in force, the affairs, business and property of that entity are to be managed by a person appointed by the Minister which may be the Authority (called in this Part an appointed person) —

(a) for securing one or more of the purposes specified in subsection (2); and

(b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the entity.

(2) For the purposes of subsection (1)(a), the purposes are as follows:

(a) in the case of a relevant entity that is a licensee — the safety, security and continuity of the provision of railway passenger services and facilities relating to the rapid transit system specified in its licence;

(b) in the case of a relevant entity that is a designated operating entity — the security and reliability of the business, undertaking or activities of the relevant entity in Singapore relating to the provision of any essential transport service;

(c) the survival of the relevant entity or the whole or any part of the business or undertaking of the relevant entity, as a going concern;

(d) the transfer to another person, or (as respects different parts of its business or undertaking) to 2 or more different persons, as a going concern, of so much of the business or undertaking of the relevant entity as is necessary to ensure that the following may be properly carried out:

- 5 (i) in the case of a relevant entity that is a licensee — the obligations of the entity in relation to its business, undertaking or activities of providing railway passenger services and facilities relating to the rapid transit system specified in its licence;
- 10 (ii) in the case of a relevant entity that is a designated operating entity — the obligations of the entity in relation to its business, undertaking or activities of providing any essential transport service; and
- 15 (e) the carrying out of the obligations of the relevant entity mentioned in paragraph (d)(i) or (ii) (whichever is applicable) pending the transfer, as a going concern, of the entity's business or undertaking mentioned in paragraph (d)(i) or (ii) (as the case may be) to any other person or persons.

Power to make special administration order and other orders

20 **27C.**—(1) If, on an application made to the Minister by the Authority, the Minister is satisfied that any one or more of the grounds specified in subsection (2) are satisfied in relation to a relevant entity, the Minister may make any one or more of the following orders:

- 25 (a) a special administration order in relation to the relevant entity;
- (b) an order requiring —
- (i) the relevant entity; or
- 30 (ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

to immediately take any action or to do or not do any act or thing where the Minister considers that the

action or the doing or not doing of the act or thing is necessary for —

(iii) in the case of a relevant entity that is a licensee — the business, undertaking or activities of the entity of providing railway passenger services and facilities relating to the rapid transit system specified in its licence; or 5

(iv) in the case of a relevant entity that is a designated operating entity — the business, undertaking or activities of the entity of providing any essential transport service by the entity; 10

(c) an order appointing a person (called in this Part an advisor) to advise —

(i) the relevant entity; or 15

(ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

in the proper conduct of the business, undertaking or activities of the relevant entity mentioned in paragraph (b)(iii) or (iv), whichever is applicable. 20

(2) For the purposes of subsection (1), the grounds are the following:

(a) in the case of a relevant entity that is a licensee —

(i) there has been, is or is likely to be a contravention by the licensee of the conditions of its licence or this Act that is serious enough to make it inappropriate for the licensee to continue to hold its licence to operate the rapid transit system specified in its licence; or 25 30

(ii) the Minister considers it to be in the interest of the safety, security and continuity of the provision of railway passenger services

relating to the rapid transit system that the entity is licensed to operate;

(b) the relevant entity is or is likely to be unable to pay its debts;

5 (c) the Minister considers it to be in the interest of the security and reliability of the carrying on of the business, undertaking or activities of the relevant entity;

(d) the Minister considers it to be in the public interest.

10 (3) No special administration order may be made under this Part in relation to a relevant entity that is a designated operating entity before its effective designation date.

(4) Notice of any order under subsection (1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.

15 (5) The Minister may make a special administration order in relation to a relevant entity despite the commencement of (as applicable) —

20 (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;

25 (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;

30 (c) any meeting convened under section 94(7) of the Insolvency, Restructuring and Dissolution Act 2018 in respect of the relevant entity, being a corporation;

(d) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of the relevant entity, being a company or an unregistered company;

(e) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of the relevant entity, being a limited liability partnership; or

(f) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of the relevant entity, being an entity not mentioned in paragraph (d) or (e).

(6) For the purposes of this section, a relevant entity is unable to pay its debts if —

(a) a creditor (by assignment or otherwise) to whom the entity is indebted in a sum exceeding the sum mentioned in section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 then due has served on the entity, by leaving at the registered office of the entity, a written demand by the creditor or the creditor's lawfully authorised agent requiring the entity to pay the sum so due, and the entity has for 3 weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;

(b) an enforcement order or other process issued to enforce a judgment, decree or order of any court in favour of a creditor of the entity is returned unsatisfied in whole or in part; or

(c) it is proved to the satisfaction of the General Division of the High Court that the entity is unable to pay its debts.

Ancillary directions, etc., when special administration order, etc., is made

27D.—(1) A special administration order under this Part may specify that —

- (a) the appointed person has such functions and powers in relation to the operations of the relevant entity as are specified in the order;
- 5 (b) the relevant entity or, if the relevant entity is a business trust, its trustee-manager, is to stop providing a specified service or facility from a specified date; and
- 10 (c) the appointed person must have access to, and take control of, the property (including intellectual property), licences and employees used or required by the relevant entity or, if the relevant entity is a business trust, its trustee-manager, for the purposes of carrying on the operations of the relevant entity as are specified in the order.

15 (2) A special administration order under this Part may also contain ancillary directions that may —

- (a) direct how the costs of the operations specified in the order and revenue generated from those operations, are to be dealt with;
- 20 (b) fix the remuneration and expenses to be paid by the relevant entity or trustee-manager to the appointed person;
- (c) specify the period for which the order under this section applies; and
- 25 (d) specify any other conditions that may apply.

(3) An order under section 27C(1)(c) may also contain an ancillary direction that fixes the remuneration and expenses to be paid by the designated operating entity or trustee-manager to the advisor.

30 **Effect of special administration order and other orders**

27E.—(1) Any decision of the Minister under section 27C(1) is final.

(2) A special administration order operates to the exclusion of rights that are inconsistent with the order.

(3) Nothing in Part 3 or 3A applies to prohibit or invalidate any special administration order or other order made under this Part or any transaction entered into to give effect to such an order.

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Duties of relevant entity or trustee-manager, etc.

27F.—(1) The relevant entity that is the subject of a special administration order under this Part or, in the case of such a relevant entity that is a business trust, its trustee-manager —

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(a) must facilitate the handover of the operations to the appointed person as specified in the order;

(b) must not obstruct the appointed person’s access to property or the exercise by the appointed person of the appointed person’s responsibilities under or pursuant to the special administration order; and

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(c) must comply with reasonable directions given by the appointed person in the exercise of the appointed person’s responsibilities under or pursuant to the special administration order.

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(2) The relevant entity or trustee-manager which fails to comply with subsection (1) or an order under section 27C(1)(b) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both.

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Scheme for transfer of property, rights and liabilities from existing licensee to new licensee

27G. Without limiting sections 27B, 27C and 27D, where a special administration order is made in relation to a relevant entity that is a licensee (called the existing licensee) and it is proposed that, on or after a date appointed in the order, another entity (which may or may not be the appointed person) that is a company (called the new licensee) should operate the rapid

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transit system that the existing licensee is authorised to operate, in place of the existing licensee —

- 5
- (a) the existing licensee, acting with the consent of the new licensee and of any other licensees (in respect of matters affecting them), may make a scheme, in accordance with any prescribed requirements, for the transfer of property, rights and liabilities from the existing licensee to the new licensee;
- 10
- (b) any such scheme does not take effect unless it is approved by the Authority;
- (c) the Authority may, with the consent of the new licensee, of the existing licensee and, in respect of matters affecting them, of any other licensees, modify any such scheme before approving it;
- 15
- (d) it is the duty of the new licensee, the existing licensee and any other licensees to provide the Authority with all such information and other assistance as the Authority may reasonably require for the purposes of, or in connection with, the exercise of any power conferred under this section;
- 20
- (e) the property, rights and liabilities of the existing licensee that are capable of being transferred in accordance with any such scheme include —
- 25
- (i) property, rights and liabilities that would not otherwise be capable of being transferred or assigned by the existing licensee;
- (ii) such property, rights and liabilities to which the existing licensee may become entitled or subject after the making of the scheme and before the day the special administration order is discharged;
- 30
- (iii) property situated anywhere in Singapore or elsewhere; and

- (iv) rights and liabilities under the law of Singapore or of any country or territory outside Singapore;
- (f) any such scheme for the transfer of the existing licensee’s property, rights and liabilities may, where appropriate — 5
 - (i) create for the existing licensee, the new licensee or any other licensees an interest in or right over any property to which the scheme relates;
 - (ii) create new rights and liabilities as between any 2 or more of those licensees; and 10
 - (iii) provide for a licence held by an existing licensee to have effect as if it had been granted to the new licensee; and
- (g) any such scheme for the transfer of the existing licensee’s property, rights and liabilities has, upon its coming into force, effect in accordance with its provisions and without further assurance, so as to transfer the property, rights and liabilities to which the scheme relates to the new licensee. 15

Transfer of property, etc., under special administration order 20

27H.—(1) Without limiting sections 27B, 27C and 27D, a special administration order in relation to a relevant entity that is not a licensee may provide for the following matters:

- (a) the transfer to one or more prescribed transferees (which may or may not be the appointed person) of the following (whichever is applicable): 25
 - (i) the property, rights and liabilities of the relevant entity; or
 - (ii) in the case of a relevant entity that is a business trust — the property of the business trust, and the rights held and the liabilities incurred by the trustee-manager of the business trust in its 30

capacity as trustee-manager of the business trust;

(b) matters that are consequential or related to any such transfer.

5 (2) If the Minister makes a special administration order providing for any matter mentioned in subsection (1), the Minister must, by notification in the *Gazette*, establish a scheme within the following period for determining the amount of any compensation payable by the prescribed transferee to the
10 relevant entity or the trustee-manager or unitholders of the business trust (as the case may be) for the transfer of the property, rights and liabilities:

(a) 6 months after the date of the making of the special administration order;

15 (b) any longer period after the date of the making of the special administration order, as agreed between the prescribed transferee and the relevant entity or trustee-manager.

20 (3) A scheme established under subsection (2) may provide for —

(a) the manner in which any compensation or consideration is to be assessed, including methods of calculation, valuation dates and matters to be taken into account or disregarded when making valuations;

25 (b) the assessment to be made by an independent valuer appointed by the Minister; and

(c) the remuneration and expenses of the independent valuer.

30 (4) In this section, “prescribed transferee” means the Authority or a person nominated by the Minister.

Regulations for this Part

271. The Minister may make regulations under section 45 for giving effect to this Part, including —

- (a) regulations for prescribing any requirements of any scheme for a transfer for the purposes of section 27G;
- (b) regulations providing any supplemental, consequential and transitional provisions for the purposes of, or in connection with, a scheme for a transfer mentioned in section 27G; 5
- (c) regulations governing the transfer of property, rights and liabilities of or in relation to a relevant entity mentioned in section 27H(1)(a) and matters consequential or related to such transfer; and 10
- (d) if a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018.”.

New Part 5

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54. In the RTS Act, before Part 6, insert —

“PART 5
APPEALS

Appeal to Minister

28.—(1) Any licensee aggrieved by any of the following matters may appeal to the Minister: 20

- (a) any condition imposed by the Authority under section 15(1)(f) or (g) or (2);
- (b) any addition, deletion or modification of the terms or conditions of its licence under section 16; 25
- (c) any code of practice as issued, approved or modified by the Authority under section 17;
- (d) any direction given by the Authority under section 18 or 18A;
- (e) any decision made by the Authority under section 19(1)(i), (j) or (k); 30
- (f) any confirmed provisional order under section 19A;

(g) the refusal of the Authority to renew its licence.

(2) Any person who is aggrieved by any of the following decisions of the Authority may appeal to the Minister against the decision:

- 5 (a) any decision to designate an entity under section 21E;
- (b) any refusal to grant an approval required under section 21G, 21H or 21I;
- (c) any decision to impose, add to or vary any condition under section 21G, 21H or 21I;
- 10 (d) any decision to issue a direction under section 21M, 21O or 21P or to vary a direction under section 21Q(2).

(3) An appeal under this section must be in writing and specify the grounds on which it is made, and be made within the prescribed period after the date of receipt of the notice relating to the matter or decision to which the appeal relates.

(4) The Minister may reject an appeal of an appellant who fails to comply with subsection (3).

(5) After consideration of an appeal, the Minister may —

- 20 (a) reject the appeal and confirm the Authority's decision; or
- (b) allow the appeal and substitute or vary the Authority's decision including, in the case of an appeal by a licensee under subsection (1), by amending any licence condition, code of practice or direction affecting the licensee.

(6) The Minister's decision on an appeal is final.

(7) Every appellant must be notified of the Minister's decision under subsection (5).

30 **Effect of pending appeal to Minister**

29.—(1) Except as provided in subsection (2) or section 16(5) or unless the Minister otherwise directs —

- (a) an appeal under section 28 against the Authority’s decision does not affect the operation of any licence term or condition, code of practice, direction, decision or confirmed provisional order being appealed against or prevent the taking of action to implement the licence term or condition, code of practice, direction, decision or confirmed provisional order; and 5
- (b) the licence term or condition, code of practice, direction, decision or confirmed provisional order appealed against must be complied with by the appellant until the determination of the appeal. 10

(2) If any appeal under section 28(1) is made in relation to a notice under section 19(1)(k) requiring the payment of a financial penalty and the financial penalty would have been payable before the time when the appeal is determined, it need not be paid until that time. 15

Designation of others to hear appeals

30. The Minister may designate any Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary for his or her Ministry, to hear and determine, in the Minister’s place, any appeals or a specific appeal under section 28; and any reference in that section to the Minister includes a reference to the Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary so designated for that appeal.”. 20 25

New section 36A

55. In the RTS Act, after section 36, insert —

“Advisory guidelines

36A.—(1) The Authority may make guidelines with a view to providing guidance or certainty in respect of any one or more of the provisions in this Act. 30

(2) Advisory guidelines, for example, may be made about —

(a) what amounts to a material function of a designated operating entity for the purposes of section 21J(1)(a);
or

5 (b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 21J(3)(a).

10 (3) The Authority may make different advisory guidelines under subsection (1) in respect of different persons or entities or different classes of persons or entities.

(4) The Authority must —

(a) give a copy of each advisory guideline it makes to the Minister; and

15 (b) publish each advisory guideline (in any way that the Authority thinks fit), send each advisory guideline to each person or entity to whom the guideline applies (by any mode the Authority thinks fit), or both.

20 (5) Despite subsection (4)(b), the Authority must publish each advisory guideline (in any way that the Authority thinks fit) if the advisory guideline has any effect on the rights of any person or entity other than the person or entity to which the advisory guideline applies.

25 (6) The failure to comply with subsection (4) or (5) in respect of any advisory guidelines does not invalidate the advisory guidelines.”.

Replacement of section 43

56. In the RTS Act, replace section 43 with —

“Offences by bodies corporate, etc.

30 43.—(1) Where an offence under this Act committed by a body corporate is proved —

(a) to have been committed with the consent or connivance of an officer of the body corporate; or

(b) to be attributable to any neglect on the officer's part, the officer as well as the body corporate shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

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(2) Where the affairs of a body corporate are managed by its members, subsection (1) applies in relation to the acts and defaults of a member in connection with the member's functions of management as if the member were a director of the body corporate.

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(3) Where an offence under this Act committed by a partnership is proved —

(a) to have been committed with the consent or connivance of a partner; or

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(b) to be attributable to any neglect on the partner's part, the partner as well as the partnership shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(4) Where an offence under this Act committed by an unincorporated association (other than a partnership) is proved —

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(a) to have been committed with the consent or connivance of an officer of the unincorporated association or a member of its governing body; or

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(b) to be attributable to any neglect on the part of such an officer or a member,

the officer or member as well as the unincorporated association shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

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(5) In this section —

“body corporate” includes a limited liability partnership;

“officer” —

(a) in relation to a body corporate — means any director, partner, member of the committee of management, chief executive, manager, secretary or other similar officer of the body corporate and includes any person purporting to act in any such capacity; or

(b) in relation to an unincorporated association (other than a partnership) — means the president, the secretary, or any member of the committee of the unincorporated association, or any person holding a position analogous to that of president, secretary or member of such a committee and includes any person purporting to act in any such capacity;

“partner” includes a person purporting to act as a partner.

(6) The Minister may make regulations to provide for the application of any provision of this section, with any modifications that the Minister considers appropriate, to any body corporate or unincorporated association formed or recognised under the law of a territory outside Singapore.”.

New section 44A

57. In the RTS Act, after section 44, insert —

“Power to amend Schedule

44A. The Minister may, by order in the *Gazette*, amend the Schedule.”.

Amendment of section 45

58. In the RTS Act, in section 45(2), delete paragraph (*da*).

Amendment of section 45A

59. In the RTS Act, in section 45A, after “all or any of the provisions”, insert “(or any part of any provision)”.

New Schedule

60. In the RTS Act, after section 46, insert —

“THE SCHEDULE

Sections 2 and 44A

SERVICES FOR PURPOSES OF PARAGRAPH (b) OF DEFINITION OF “ESSENTIAL TRANSPORT SERVICE”

5

1. Monitoring and management of any rapid transit system.”.

PART 5

SAVING AND TRANSITIONAL PROVISION

10

Saving and transitional provision

61. For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such additional provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.

15

EXPLANATORY STATEMENT

This Bill seeks to enhance the resilience of Singapore’s key firms in the air, land and sea transport sectors and safeguard their provision of essential transport services in Singapore. The Bill does so by amending the Bus Services Industry Act 2015, the Civil Aviation Authority of Singapore Act 2009, the Maritime and Port Authority of Singapore Act 1996 and the Rapid Transit Systems Act 1995 to —

- (a) introduce controls, or augment or extend existing controls, in respect of the holding of equity interests in, the indirect control of, the voting power in, the appointment or removal of key officeholders in, and the acquisition of businesses and undertakings of, designated providers of essential transport services and their equity interest holders who are designated; and
- (b) extend the existing power of the Minister to make special administration orders in relation to licensees, to designated providers of essential transport services.

Clause 1 relates to the short title and commencement.

PART 1

AMENDMENT OF BUS SERVICES INDUSTRY ACT 2015

Part 1 (clauses 2 to 16) amends the Bus Services Industry Act 2015 (BSI Act).

Clause 2 amends the long title to expand the scope of the BSI Act to include the control of entities providing essential transport services and their equity interest holders.

Clause 3 amends section 2 to, among other things —

- (a) delete the words “, unless the context otherwise requires” which are redundant by virtue of section 2(2A) of the Interpretation Act 1965; and
- (b) introduce new definitions, including —
 - (i) “designated operating entity” and “designated equity interest holder”;
 - (ii) “designated entity” which means either a designated operating entity or designated equity interest holder; and
 - (iii) “essential transport service” which, for the BSI Act, is a specified bus service, the operation of any bus depot or bus interchange, or a specified service relating to a specified bus service or the operation of a bus depot or bus interchange.

Clause 4 amends section 3 to introduce a new purpose of the BSI Act, which is to control entities providing essential transport services and their equity interest holders.

Clause 5 amends section 5 to introduce a new function of the Land Transport Authority of Singapore (LTA) under the BSI Act, which is to exercise control of entities providing essential transport services and their equity interest holders.

Clause 6 amends section 19 —

- (a) to require a limited liability partnership that is a bus operator holding a Class 1 bus service licence to seek the prior written approval of the LTA before a person is appointed or becomes a manager of or partner in the limited liability partnership;
- (b) to clarify that any legal person (not limited to an individual) must seek the prior written approval of the LTA before becoming a partner in a partnership that is a bus operator holding a Class 1 bus service licence;

- (c) to expressly empower the LTA to impose conditions on any approval that it grants under subsection (1), (1A) or (2) and to add to, vary or revoke any condition so imposed;
- (d) to clarify that the power of the LTA to issue remedial directions under subsection (3) also applies where a legal person (not limited to an individual) contravenes subsection (1) or (2);
- (e) to add a reference to any limited liability partnership agreement and any partnership contract to the list of documents in subsection (4) that the LTA's powers under section 19 will override; and
- (f) to de-conflict between section 19 and the new section 28H (inserted by clause 8), by providing that section 19 does not apply to or in relation to any bus operator holding a Class 1 bus service licence that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.

Clause 7 replaces section 21 with a new section 21 on restrictions on the voluntary winding up of any bus operator holding a Class 1 bus service licence and other processes. Compared to the existing section 21, the new section 21 —

- (a) extends to, among other things, the making of a judicial management order, and the taking of any step by any person to execute or enforce any judgment or order of court obtained, against any bus operator holding a Class 1 bus service licence; and
- (b) obliges a court deciding any proceedings mentioned in subsection (2) to consider any representations made by the LTA in those proceedings.

The new section 21 also de-conflicts the operation of its provisions from the new section 28L (inserted by clause 8), by providing that the new section 21 does not apply to or in relation to any bus operator holding a Class 1 bus service licence that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.

Clause 8 inserts a new Part 4A which relates to controls applicable to designated entities.

Division 1 (comprising new sections 28A to 28E) relates to preliminary matters.

Section 28A sets out the extraterritorial application of Part 4A, specifically, that —

- (a) Part 4A applies to, and in relation to, all individuals, whether resident in Singapore or not and whether citizens of Singapore or not, and all bodies corporate or unincorporate, whether incorporated, formed or established, or carrying on business in Singapore or elsewhere; and

- (b) every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under Part 4A, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly.

Section 28B defines the key words, expressions and concepts that are used across Part 4A, including —

- (a) the terms “5% controller”, “25% controller”, “50% controller” and “75% controller”. Where persons reach thresholds of control in a designated entity set out in those definitions, the new sections 28F and 28G would be engaged; and
- (b) the term “indirect controller”, which (with certain express exceptions) means a person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —
 - (i) whose directions, instructions or wishes the directors or other officers of the designated entity or the trustee-manager of the designated entity (if the designated entity is a business trust) is accustomed or under an obligation, whether formal or informal, to act in accordance with; or
 - (ii) who is in a position to determine the policy of the designated entity.

Section 28B also defines “control” to include control as a result of, or by means of, any trust, agreement, arrangement, understanding or practice, whether or not having legal or equitable force and whether or not based on legal or equitable rights. Under section 28B(2), a reference to the control of a percentage of the voting power in an entity is to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in a general meeting. Under section 28B(3), a person is not regarded as having control of a vote that the person casts by reason of having been appointed as a proxy or representative.

Section 28C explains what holding an equity interest means for the purposes of Part 4A.

Section 28D provides for the meanings of “associate”, “related company”, “subsidiary” and “holding company”.

Section 28E relates to the power of the LTA to designate entities as designated operating entities or designated equity interest holders.

Section 28E(1) empowers the LTA to designate, by notification in the *Gazette* —

- (a) an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is provided in Singapore, as a designated operating entity; or
- (b) an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

if the LTA considers that the designation is necessary in the public interest. An entity designated under section 28E will not be concurrently designated as a designated entity under the Significant Investments Review Act 2024.

The LTA must inform the Minister of its decision to designate an entity before publishing the notification under section 28E(1) but the failure to do so does not invalidate the designation. The notification must specify the effective designation date of the entity in question and must be published in the *Gazette* at least 14 days before the effective designation date.

Division 2 (comprising new sections 28F to 28L) imposes controls on and in relation to designated entities.

Section 28F(1) imposes an obligation on any person who becomes a 5% controller of any designated entity to give written notice of that fact to the LTA within 7 days after becoming a 5% controller. A “5% controller” of a designated entity is defined in section 28B(1) as a person who, alone or together with the person’s associates —

- (a) holds 5% or more, but less than 25%, of the total equity interests in the designated entity; or
- (b) is in a position to control 5% or more, but less than 25%, of the voting power in, the designated entity.

Under section 28F(2), a contravention of section 28F(1) is an offence. Section 28F(3) and (4) provides the defences against a charge of contravening section 28F(1).

Section 28G(1)(a) provides that a person must not, on or after the effective designation date, without the prior written approval of the LTA, become a 25% controller, 50% controller or 75% controller of a designated entity. Section 28G(1)(b) provides that a person must not, on or after the effective designation date, without the prior written approval of the LTA, cease to be a 25% controller, 50% controller or 75% controller of a designated entity.

A “25% controller” is defined in section 28B(1) as a person who, alone or together with the person’s associates —

- (a) holds 25% or more, but less than 50%, of the total equity interests in the designated entity; or

(b) is in a position to control 25% or more, but less than 50%, of the voting power in, the designated entity.

A “50% controller” is defined in section 28B(1) as a person who, alone or together with the person’s associates —

(a) holds 50% or more, but less than 75%, of the total equity interests in the designated entity; or

(b) is in a position to control 50% or more, but less than 75%, of the voting power in, the designated entity.

A “75% controller” is defined in section 28B(1) as a person who, alone or together with the person’s associates —

(a) holds 75% or more of the total equity interests in the designated entity; or

(b) is in a position to control 75% or more of the voting power in, the designated entity.

Section 28G(2) provides that section 28G(1) does not apply to transactions entered into before the effective designation date.

Section 28G(3) provides that a person must not, on or after the effective designation date, without the prior written approval of the LTA, become an indirect controller of a designated entity.

Section 28G(4) provides for the criteria that must be met for the grant of an approval under section 28G(1)(a) or (3). Section 28G(5) provides for the criteria that must be met for the grant of an approval under section 28G(1)(b).

Under section 28G(8), a contravention of section 28G(1) or (3) or a failure to comply with any condition of approval imposed under section 28G(6), is an offence.

Section 28G(9) and (10) provides for the defences against a charge of contravening section 28G(1). Section 28G(11) provides for a defence against a charge of contravening section 28G(3).

Section 28H imposes restrictions on the appointment and removal of key officeholders in a designated entity or its trustee-manager. By virtue of the definition of “appoint” in section 2(1) of the Interpretation Act 1965, any reference to the appointment of an officeholder includes the re-appointment of the same.

Under section 28H(1), where a designated entity is a designated operating entity that is also a bus operator holding a Class 1 bus service licence or a licensee holding a bus depot licence or bus interchange licence (licensee-designated operating entity), the entity or, if it is a business trust, its trustee-manager, must obtain the prior written approval of the LTA before appointing or removing its

chief executive officer, the chairperson of its board of directors or any of its directors on or after the effective designation date.

Under section 28H(2), where a designated entity is a designated operating entity but not a licensee-designated operating entity, or a designated equity interest holder, the entity or, if it is a business trust, its trustee-manager, must obtain the prior written approval of the LTA before appointing or removing its chief executive officer or the chairperson of its board of directors on or after the effective designation date.

Under section 28H(3), a person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity, unless the designated entity has obtained the prior written approval of the LTA.

Under section 28H(4), a person must not, on or after the effective designation date, become a partner in a partnership that is a designated entity, unless the person has obtained the prior written approval of the LTA.

Under section 28H(6), a contravention of section 28H(1), (2), (3) or (4) or a failure to comply with any condition of approval imposed under section 28H(5), is an offence.

Under section 28I(1), a person must not acquire as a going concern, a designated operating entity's business (or any part of the business) of providing any essential transport service, unless the person and the designated operating entity or, if it is a business trust, its trustee-manager, have obtained the prior written approval of the LTA.

Section 28I(3) provides for the criteria that must be met for the grant of an approval under section 28I(1).

Under section 28I(6), a contravention of section 28I(1) or a failure to comply with any condition of approval imposed under section 28I(4), is an offence.

Section 28J(1) imposes obligations on a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, to notify the LTA of certain agreements, including any agreement that the Minister may prescribe under section 49, at least 14 days before entering into any such agreement. Section 28J(1) does not apply in relation to any agreement entered into before the expiry of 14 days after the effective designation date.

Section 28J(3) imposes obligations on a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, to notify the LTA of the occurrence of certain events, within 7 days after becoming aware of the occurrence. These events include —

- (a) in the case of a designated operating entity — the institution of any civil or criminal proceedings, or any other event or irregularity, that

materially impedes or impairs the operations of the designated operating entity carried out in the course of providing any essential transport service; and

(b) any other event that the Minister may prescribe under section 49.

Section 28J(3) does not apply where the designated entity or its trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.

Under section 28J(5), upon receiving a notification under section 28J(1) or (3), the LTA may direct the designated entity or trustee-manager in question to submit to the LTA any relevant information or document within the period specified.

Under section 28J(6), it is an offence for any person to contravene section 28J(1) or (3), fail to comply with a direction of the LTA under section 28J(5) or submit any false or misleading information or document in compliance or purported compliance with section 28J(5).

Section 28K imposes an obligation on a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, to inform the LTA in writing within 7 days after becoming aware of certain facts. These facts are those that would engage or have engaged section 28F, 28G or 28I.

Section 28L(1) imposes restrictions on the voluntary winding up of designated operating entities and other processes. Section 28L(2) provides that the LTA must be a party to certain proceedings in relation to designated operating entities involving certain compromises or arrangements, judicial management orders, winding up or dissolution. Section 28L(3) obliges a court deciding any such proceedings to consider any representations made by the LTA in those proceedings.

Division 3 (comprising new sections 28M to 28Q) contains provisions relating to remedial directions that may be issued by the LTA.

Section 28M empowers the LTA to issue remedial directions if, among other things, a person (defaulter) has contravened section 28G(1) or (3), failed to comply with any condition of approval imposed under section 28G(6) or has provided false or misleading information in relation to an application for approval under section 28G(1) or (3).

Under section 28M(2), where the defaulter is a 25% controller, 50% controller or 75% controller of a designated entity, the LTA may do all or any of the following:

(a) direct the defaulter to take such steps as are necessary to cease to be such a controller of the designated entity;

- (b) direct the transfer or disposal of all or any of the equity interests in the designated entity held by the defaulter or any of the defaulter's associates (section 28M(2) equity interests);
- (c) restrict or prohibit the transfer or disposal of all or any of the section 28M(2) equity interests;
- (d) make any other direction that the LTA considers appropriate.

Under section 28M(3), where, as a result of a person (transferee) acquiring any equity interests (section 28M(3) equity interests), from a defaulter, the defaulter ceases to be a 25% controller, 50% controller or 75% controller, the LTA may do one or more of the following:

- (a) direct the transferee to take such steps as are necessary to cease to hold all or any of the section 28M(3) equity interests;
- (b) direct the defaulter to take such steps as are necessary to resume being a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
- (c) direct the acquisition, transfer or disposal of all or any of the section 28M(3) equity interests;
- (d) restrict or prohibit the transfer or disposal of all or any of the section 28M(3) equity interests;
- (e) make any other direction that the LTA considers appropriate.

Under section 28M(4), where the defaulter is an indirect controller of a designated entity, the LTA may do one or both of the following:

- (a) direct the defaulter, or direct the designated entity or, if the designated entity is a business trust, its trustee-manager, to take such steps as are necessary to cease to be such an indirect controller;
- (b) make any other direction that the LTA considers appropriate.

Section 28N provides for the effect of any remedial direction issued under section 28M(2) or (3). In particular, until such a remedial direction is carried out, suspended or revoked, the voting rights in respect of the section 28M(2) equity interests or section 28M(3) equity interests (as the case may be) are not exercisable unless permitted by the LTA, and the voting power that a person to whom the remedial direction is issued controls (alone or together with the person's associates) in the designated entity is not exercisable, unless permitted by the LTA.

Under section 28O, where, among other things, an individual has been appointed or removed as a chief executive officer, the chairperson of a board of directors or a director in contravention of section 28H(1) or (2), a person has been appointed as a manager of or becomes a partner in a designated entity in contravention of section 28H(3) or (4), or a condition of approval imposed under

section 28H(5) has not been complied with, the LTA may direct the designated entity or trustee-manager in question (as the case may be) to remove or reinstate the chief executive officer, the chairperson of the board of directors or the director, or to remove the manager or partner, of the designated entity.

Section 28P empowers the LTA to issue remedial directions if, among other things, a person has contravened section 28I(1), failed to comply with any condition of approval imposed under section 28I(4) in relation to an approval granted under section 28I(1), or provided false or misleading information or documents to the LTA in connection with the application for such approval. The LTA may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 28I(1) to transfer or dispose of all or any part of the business acquired by the person;
- (b) prohibit or restrict the transfer or dispose of all or any part of the business acquired by the person; or
- (c) make any other direction that the LTA considers appropriate.

Section 28Q contains additional provisions relating to remedial directions issued under Division 3. In particular, the LTA must (unless it decides it is not practicable or desirable to do so) give a person to whom it intends to issue a remedial direction written notice of such intention and consider every written representation from the person received on or before the date specified by the LTA in its written notice. The LTA has the power to revoke, vary or discharge, or suspend the operation of, any remedial direction. It is an offence for any person to fail to comply with a remedial direction within the period specified by the LTA.

Division 4 (comprising new section 28R) relates to penalties under Part 4A.

Section 28R provides for the penalties that a person convicted of an offence under Part 4A is liable to.

Clause 9 inserts a new Part 5A (comprising new sections 33A to 33I) which relates, among other things, to special administration orders for designated operating entities.

Section 33A provides for the definitions for the purposes of Part 5A.

Section 33B disapplies Part 5A to any designated operating entity that is also a bus operator holding a Class 1 bus service licence or a licensee holding a bus depot licence or bus interchange licence. This is because a bus operator or licensee may be subject to a step-in order (the equivalent of a special administration order) under Part 5.

Section 33C sets out the meaning and purposes of a special administration order. In particular, a special administration order is an order by the Minister directing that during the period the order is in force, the affairs, business and

property of a designated operating entity are to be managed by a person appointed by the Minister which may be the LTA (appointed person) —

- (a) for securing certain purposes specified in subsection (2); and
- (b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the designated operating entity.

Section 33D provides that if, on an application by the LTA, the Minister is satisfied of certain grounds specified in subsection (2) in relation to a designated operating entity, the Minister may make one or more of the following orders:

- (a) a special administration order in relation to the designated operating entity;
- (b) an order (section 33D(1)(b) order) requiring the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, to immediately take any action or to do or not do any act or thing where this is necessary for the business, undertaking or activities of the designated operating entity or providing any essential transport service by the entity;
- (c) an order (section 33D(1)(c) order) appointing a person (advisor) to advise the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, in the proper conduct of the business, undertaking or activities of the designated operating entity mentioned in section 33D(1)(b).

Under section 33D(3), notice of any order under section 33D(1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.

The Minister may make a special administration order in relation to a designated operating entity regardless of any proceedings specified in section 33D(4) in relation to the entity.

Section 33E provides for the ancillary directions that the Minister may make when he or she makes a special administration order or a section 33D(1)(c) order. In particular, a special administration order may fix the remuneration and expenses to be paid to the appointed person, and a section 33D(1)(c) order may also contain an ancillary direction which fixes the remuneration and expenses to be paid to the advisor.

Section 33F provides for the effect of a special administration order and other orders made under Part 5A. Under section 33F(1), a decision of the Minister under section 33D(1) (including the decision to make a special administration order) is final. Under section 33F(2), a special administration order operates to the exclusion of rights that are inconsistent with the order. Section 33F(3) clarifies

that nothing in Part 4 or 4A applies to prohibit or invalidate any special administration order or other order made under Part 5A or any transaction entered into to give effect to such an order.

Section 33G(1) provides for the duties of a designated operating entity that is the subject of a special administration order or, in the case of such an entity that is a business trust, its trustee-manager. Under section 33G(2), the failure to comply with any of those duties, or a failure to comply with a section 33D(1)(b) order, is an offence.

Section 33H(1) permits a special administration order to provide for —

- (a) the transfer, to one or more prescribed transferees, of the property, rights and liabilities of —
 - (i) a designated operating entity; or
 - (ii) if the designated operating entity is a business trust, the property of the business trust, and the rights held and liabilities incurred by the trustee-manager of the business trust in its capacity as such; and
- (b) matters that are consequential or related to the transfer.

Section 33H(2) provides that if the special administration order provides for the transfer of property, rights and liabilities to a prescribed transferee, the Minister must, by notification in the *Gazette*, establish a scheme for determining the amount of any compensation payable by the prescribed transferee to the designated operating entity or the trustee-manager or unitholders of the business trust (as the case may be) for the transfer of the property, rights and liabilities.

Section 33I empowers the Minister to make regulations under section 49 for giving effect to Part 5A, including, where a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018 (Judicial Management and Provisions Applicable in Judicial Management and Winding Up).

Clause 10 amends section 39(1) —

- (a) to include, in paragraph (a), a contravention of, or non-compliance with, a condition of approval under section 19 by a licensee as a ground for the revocation of the licensee’s licence; and
- (b) to replace the reference to “chief executive” in paragraph (f)(i) with “chief executive officer”.

Clause 11 amends section 41 by inserting a new subsection (3A) which sets out the decisions of the LTA in the new Part 4A against which an aggrieved person may appeal to the Minister, including a decision to designate an entity under the new section 28E.

Clause 12 amends section 42 to add the Senior Minister of State and Senior Parliamentary Secretary to the list of officeholders who the Minister can designate to hear appeals under section 41.

Clause 13 inserts a new section 42A which empowers the LTA to make advisory guidelines with a view to providing guidance and certainty in respect of any one or more provisions of the BSI Act. For example, advisory guidelines may be about —

- (a) what amounts to a material function of a designated operating entity for the purposes of section 28J(1)(a); or
- (b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 28J(3)(a).

Clause 14 amends section 46 to clarify that the power of the Minister to exempt any person or class of persons from all or any provisions of the BSI Act may also be exercised in respect of any part of a provision.

Clause 15 inserts a new section 48A to empower the Minister to amend the new Schedule (inserted by clause 16) by order in the *Gazette*.

Clause 16 inserts a new Schedule setting out the bus services and other services for the purposes of the new definition of “essential transport service” (inserted by clause 3) in section 2.

PART 2

AMENDMENT OF CIVIL AVIATION AUTHORITY OF SINGAPORE ACT 2009

Part 2 (clauses 17 to 28) amends the Civil Aviation Authority of Singapore Act 2009 (CAAS Act).

Clause 17 deletes section 46 which is to be subsumed in the new section 97A (inserted by clause 25).

Clause 18 replaces the Part heading of Part 5 to encompass the expanded scope of Part 5 under the Bill.

Clause 19 inserts a new Division 1 of Part 5 (comprising new sections 56A to 56D) which contains provisions for the interpretation of Part 5.

Section 56A defines the key words, expressions and concepts that are used across Part 5. Section 56A is similar to the new section 28B of the BSI Act (inserted by clause 8) and deals with similar matters. Section 56A also introduces definitions such as —

- (a) “designated operating entity” which can be either a “Class 1 designated operating entity” or a “Class 2 designated operating entity”;

- (b) “designated equity interest holder”;
- (c) “designated entity” which means either a designated operating entity or designated equity interest holder; and
- (d) “essential transport service” which, for Part 5, is related to the provision of air transport.

Section 56B defines “5% controller” for the purposes of Part 5. The meaning of “5% controller” of an entity depends on whether the entity is a designated entity or is an airport licensee or designated business trust that is not also a designated entity. In the case of an airport licensee or designated business trust that is not also a designated entity, the definition of “5% controller” in the current section 63(1) continues to apply.

Section 56C explains what holding an equity interest means for the purposes of Part 5. Section 56C is similar to the new section 28C of the BSI Act (inserted by clause 8) and deals with similar matters.

Section 56D provides for the meanings of “associate”, “related corporation”, “subsidiary” and “holding company”. Section 56D is similar to the new section 28D of the BSI Act (inserted by clause 8) and deals with similar matters.

Clause 20 replaces the Division heading of the existing Division 1 of Part 5 to describe the enlarged scope of the Division with the inclusion of the new sections 62A and 62B.

Clause 21 inserts new sections 62A and 62B into the renumbered Division 2 of Part 5.

Section 62A replaces the current section 75 on restrictions on the voluntary winding up of airport licensees and other processes. Compared to the current section 75, the new section 62A —

- (a) applies not only to airport licensees but also to designated business trusts;
- (b) extends to, among other things, the making of a judicial management order, and the taking of any step by any person to execute or enforce any judgment or order of court obtained, against any airport licensee or designated business trust; and
- (c) obliges a court deciding any proceedings mentioned in subsection (2) to consider any representations made by the Civil Aviation Authority of Singapore (CAAS) in those proceedings.

Section 62A does not apply to or in relation to any airport licensee or designated business trust that is also a Class 1 designated operating entity. This is by virtue of the new section 62B (also inserted by clause 21).

Section 62B —

- (a) provides that certain provisions in Division 1 of Part 5 do not apply to or in relation to any airport licensee or designated business trust that is also a Class 1 designated operating entity; and
- (b) provides for modifications to certain other provisions of Division 1 of Part 5 in their application to any airport licensee or designated business trust that is also a Class 1 designated operating entity.

The reason for the disapplication and modification of the provisions in Division 2 of Part 5 to a Class 1 designated operating entity is because of the application of the provisions in the new Division 3 of Part 5 to such entity.

Clause 22 deletes the existing Division 2 of Part 5, the provisions of which are now set out with modifications in the new Division 1 of Part 5.

Clause 23 inserts a new Division 3 of Part 5 (comprising new sections 63 to 67M) which contains provisions relating to control of ownership and management of designated entities and other matters.

Subdivision (1) (comprising new section 63) relates to preliminary matters.

Section 63 sets out the extraterritorial application of Division 3 of Part 5. Section 63 is similar to the new section 28A of the BSI Act (inserted by clause 8) and deals with similar matters.

Subdivision (2) (comprising new section 64) relates to the designation of entities.

Section 64 relates to the power of the CAAS to designate entities as designated operating entities or designated equity interest holders. Section 64 is similar to the new section 28E of the BSI Act (inserted by clause 8) and deals with similar matters.

Subdivision (3) (comprising new sections 65 to 67D) imposes controls on and in relation to designated entities.

Section 65 imposes an obligation on any person who becomes a 5% controller of a Class 2 designated operating entity or a designated equity interest holder to give written notice of the fact to the CAAS within 7 days after becoming a 5% controller. Section 65(3) to (6) is similar to the new section 28F(2) to (5) of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 66(1)(a) provides that a person must not, on or after the effective designation date, without the prior written approval of the CAAS, become a 5% controller, 25% controller, 50% controller or 75% controller of a Class 1 designated operating entity. Section 66(1)(b) provides that a person must not, on or after the effective designation date, without the prior written approval of the CAAS, become a 25% controller, 50% controller or 75% controller of a Class 2

designated operating entity or a designated equity interest holder. Section 66(1)(c) provides that a person must not, on or after the effective designation date, without the prior written approval of the CAAS, cease to be a 25% controller, 50% controller or 75% controller of a designated entity.

The terms “25% controller”, “50% controller” and “75% controller” are defined in the new section 56A (inserted by clause 19) and have the same meanings as in the new section 28B of the BSI Act (inserted by clause 8).

Section 66(3) provides that a person must not, on or after the effective designation date, without the prior written approval of the CAAS, become an indirect controller of a designated entity.

The term “indirect controller” is defined in the new section 56A (inserted by clause 19) and has the same meaning as in the new section 28B of the BSI Act (inserted by clause 8).

Section 66(2) to (12) is similar to the new section 28G(2) to (12) of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 67 imposes restrictions on the appointment of key officeholders in a designated entity or its trustee-manager. As explained earlier, any reference to the appointment of an officeholder includes the re-appointment of the same.

Under section 67(1), where a designated entity is a Class 1 designated operating entity, the entity or, if it is a business trust, its trustee-manager, must obtain the prior written approval of the CAAS before appointing its chief executive officer, the chairperson of its board of directors or any of its directors on or after the effective designation date.

Under section 67(2), where a designated entity is a Class 2 designated operating entity or a designated equity interest holder, the entity or, if it is a business trust, its trustee-manager, must obtain the prior written approval of the CAAS before appointing its chief executive officer or the chairperson of its board of directors on or after the effective designation date.

Under section 67(3), a person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity, unless the designated entity has obtained the prior written approval of the CAAS.

Under section 67(4), a person must not, on or after the effective designation date, become a partner in a partnership that is a designated entity, unless the person has obtained the prior written approval of the CAAS.

Under section 67(6), a contravention of section 67(1), (2), (3) or (4) or a failure to comply with any condition of approval imposed under section 67(5), is an offence.

Section 67A imposes restrictions on the acquisition, as a going concern, of a designated operating entity's business or (or any part of the business) of providing any essential transport service. Section 67A is similar to the new section 28I of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 67B relates to the obligation of a designated entity, and a trustee-manager of a business trust that is a designated entity, to inform the CAAS of certain contracts and events, and is similar to the new section 28J of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 67C imposes an obligation on a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, to inform the CAAS in writing within 7 days after becoming aware of certain facts. These facts are those that would engage or have engaged section 65, 66 or 67A.

Section 67D imposes restrictions on the voluntary winding up of designated operating entities and other processes. Section 67D is similar to the new section 28L of the BSI Act (inserted by clause 8) and provides for similar matters.

Subdivision (4) (comprising new sections 67E to 67I) contains provisions relating to remedial directions that may be issued by the CAAS.

Section 67E empowers the CAAS to issue remedial directions if, among other things, a person has contravened section 66(1) or (3), failed to comply with any condition of approval imposed under section 66(6) or has provided false or misleading information in relation to an application for approval under section 66(1) or (3). Section 67E is similar to the new section 28M of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 67F provides for the effect of any remedial direction issued under section 67E(2) or (3). Section 67F is similar to the new section 28N of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 67G provides for the remedial directions that the CAAS may issue, where, among other things, an individual has been appointed or removed as a chief executive officer, the chairperson of a board of directors or a director in contravention of section 67(1) or (2), a person has been appointed as a manager of or becomes a partner in a designated entity in contravention of section 67(3) or (4), or a condition of approval imposed under section 67(5) has not been complied with.

Section 67H empowers the CAAS to issue remedial directions if, among other things, a person has contravened section 67A(1), failed to comply with any condition of approval imposed under section 67A(4) in relation to an approval granted under section 67A(1), or provided false or misleading information or documents to the CAAS in connection with the application for such approval. Section 67H is similar to the new section 28P of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 67I contains additional provisions relating to remedial directions issued under Subdivision (4). Section 67I is similar to the new section 28Q of the BSI Act (inserted by clause 8) and provides for similar matters.

Subdivision (5) (comprising new section 67J) relates to the business continuity of designated operating entities.

Section 67J imposes an obligation on any designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, to maintain a business continuity plan and to submit a copy of the plan to the CAAS for approval. Under subsections (3) and (4), the designated operating entity or trustee-manager must notify the CAAS of any activation of the business continuity plan and of any material change to the plan and submit the new or amended plan to the CAAS for approval. A failure to comply with the obligations under section 67J is an offence under subsection (5).

Subdivision (6) (comprising new sections 67K and 67L) relates to appeals under Division 3.

Section 67K sets out the decisions of the CAAS in Division 3 of Part 5 against which an aggrieved person may appeal to the Minister, including a decision to designate an entity under the new section 64.

Section 67L empowers the Minister to designate other officeholders of his or her Ministry to hear any appeal under section 67K.

Subdivision (7) (comprising new section 67M) relates to penalties under Division 3.

Section 67M provides for the penalties that a person convicted of an offence under Division 3 is liable to.

Clause 24 replaces the current Part 7 with a new Part 7 (comprising new sections 72 to 75D) which relates, among other things, to special administration orders for airport licensees, designated business trusts and designated operating entities (each a relevant entity).

Section 72 provides for the definitions for the purposes of Part 7.

Section 73 sets out the meaning and purposes of a special administration order. Section 73 is similar to the new section 33C of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 74 empowers the Minister to make a special administration order and other orders in respect of a relevant entity on the satisfaction of specified grounds. Section 74 is similar to the new section 33D of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 75 provides for the ancillary directions that the Minister may make when he or she makes a special administration order or an order under

section 74(1)(c). Section 75 is similar to the new section 33E of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 75A provides for the effect of a special administration order and other orders made under Part 7. Under section 75A(1), a decision of the Minister under section 74(1) (including the decision to make a special administration order) is final. Under section 75A(2), a special administration order operates to the exclusion of rights that are inconsistent with the order. Section 75A(3) clarifies that nothing in Part 5 applies to prohibit or invalidate any special administration order or other order made under Part 7 or any transaction entered into to give effect to such an order.

Section 75B provides for the duties of a relevant entity that is the subject of a special administration order or, in the case of such an entity that is a business trust, its trustee-manager, and an offence for a failure to comply with an order under section 74(1)(b). Section 75B is similar to the new section 33G of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 75C(1) permits a special administration order to provide for —

- (a) the transfer, to one or more prescribed transferees, of the property, rights and liabilities of —
 - (i) a relevant entity; or
 - (ii) if the relevant entity is a business trust, the trust property of the relevant entity, and the rights held and liabilities incurred by the trustee-manager of the relevant entity in its capacity as such; and
- (b) matters that are consequential or related to the transfer.

Where financial assistance has been provided by the Government to an airport licensee or a designated business trust for certain specified purposes, section 75C(2) permits a special administration order to provide for —

- (a) the transfer of shares, securities or units in the airport licensee or designated business trust to any of the prescribed transferees (which may or may not be the appointed person); and
- (b) matters that are consequential or related to the transfer.

Section 75C(4) provides that if the special administration order provides for any transfer mentioned in section 75C(1) or (2), the Minister must, by notification in the *Gazette*, establish a scheme for determining the amount of any compensation payable by the prescribed transferee.

Section 75D empowers the Minister to make regulations under section 102 for giving effect to Part 7, including, where a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of

the Insolvency, Restructuring and Dissolution Act 2018 (Judicial Management and Provisions Applicable in Judicial Management and Winding Up).

Clause 25 inserts a new section 97A which empowers the CAAS to make advisory guidelines with a view to providing guidance and certainty in respect of any one or more provisions of the CAAS Act. Section 97A is similar to the new section 42A of the BSI Act (inserted by clause 13) and provides for similar matters.

Clause 26 amends section 98 to clarify that the power in that provision to exempt any person or development from all or any provisions of the CAAS Act may also be exercised in respect of any part of a provision.

Clause 27 inserts a new section 101A to empower the Minister to amend the new Third Schedule (inserted by clause 28) by order in the *Gazette*.

Clause 28 inserts a new Third Schedule setting out the services and facilities for the purposes of the new definition of “essential transport service” in the new section 56A (inserted by clause 19).

PART 3

AMENDMENT OF MARITIME AND PORT AUTHORITY OF SINGAPORE ACT 1996

Part 3 (clauses 29 to 45) amends the Maritime and Port Authority of Singapore Act 1996 (MPA Act).

Clause 29 inserts a new section 86AA in Part 12A to provide for the extraterritorial application of Part 12A. Section 86AA is similar to section 28A of the BSI Act (inserted by clause 8) and provides for similar matters.

Clause 30 amends section 86A to, among other things —

- (a) delete the words “, unless the context otherwise requires” which are redundant by virtue of section 2(2A) of the Interpretation Act 1965;
- (b) replace the definitions of “designated public licensee” and “designated business trust” with the definition of “designated operating entity”;
- (c) amend the definitions and expressions of certain terms and concepts for consistency with how those terms and concepts are to be defined or expressed for the BSI Act, CAAS Act and RTS Act (as they are proposed to be amended under the Bill); and
- (d) introduce new definitions, including —
 - (i) “designated entity”, which means either a designated operating entity or a designated equity interest holder; and

- (ii) “essential transport service” which, for Part 12A of the MPA Act, means port and marine services and facilities, services regulated by the Maritime and Port Authority of Singapore (MPA), and services for or to support the provision of sea transport.

Clause 31 amends section 86B to (among other things) —

- (a) replace paragraph (d) of subsection (6) with a new paragraph, for consistency with its equivalent provision in the BSI Act, CAAS Act and RTS Act (as they are proposed to be amended under the Bill); and
- (b) insert a new subsection (8) which clarifies that an equity interest is not to be disregarded for the purposes of Part 12A only by reason of the specified matters.

Clause 32 amends section 86C to —

- (a) replace paragraph (r) of subsection (1) with a new paragraph, for consistency with its equivalent provision in the BSI Act, CAAS Act and RTS Act (as they are to be proposed to be amended under the Bill); and
- (b) insert new paragraphs (s), (t) and (u), for consistency with the definition of “associate” in the BSI Act, CAAS Act and RTS Act (as they are proposed to be amended under the Bill).

Clause 33 replaces section 86D with a new section 86D. The new section 86D is similar to the new section 28E of the BSI Act (inserted by clause 8) and provides for similar matters. The new section 86D differs from the current section 86D in that, under the new section 86D —

- (a) an entity is designated as either a designated operating entity or a designated equity interest holder, instead of as a designated public licensee, designated business trust or designated equity interest holder;
- (b) an entity that may be designated as a designated operating entity is a provider of any essential transport service and may be (but is not necessarily) a public licensee; and
- (c) the MPA is required to notify the Minister of its decision to designate any entity before publishing the notification of designation in the *Gazette*.

Clause 34 replaces subsection (1) of section 86E with a new subsection (1), for consistency with its equivalent provisions in the BSI Act and RTS Act (as they are proposed to be amended under the Bill).

Clause 35 amends section 86F to (among other things) —

- (a) extend the current restriction in subsection (1)(a) to a person becoming a 75% controller of a designated entity;
- (b) extend the current restriction in subsection (1)(b) to a person ceasing to be a 25% controller of a designated entity;
- (c) change the criteria for approving an application under subsection (1)(a) or (b) or (3); and
- (d) generally achieve consistency with its equivalent provisions in the BSI Act, CAAS Act and RTS Act (as they are to be proposed to be amended under the Bill).

Clause 36 inserts new sections 86FA to 86FD.

Section 86FA imposes restrictions on the appointment of key officeholders in a designated entity or its trustee-manager. Section 86FA is similar to the new section 67 of the CAAS Act (inserted by clause 23) and provides for similar matters. As explained earlier, any reference to the appointment of an officeholder includes the re-appointment of the same.

Section 86FB imposes restrictions on the acquisition, as a going concern, of a designated operating entity's business (or any part of the business) of providing any essential transport service. Section 86FB is similar to the new section 28I of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 86FC imposes obligations on a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, to notify the MPA of —

- (a) certain agreements at least 14 days before entering into any such agreement; and
- (b) the occurrence of certain events, within 7 days after becoming aware of the occurrence.

Section 86FC is similar to the new section 28J of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 86FD imposes an obligation on a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, to inform the MPA in writing within 7 days after becoming aware of certain facts. These facts are those that would engage or have engaged section 86E, 86F or 86FB.

Clause 37 amends section 86G to (among other things) —

- (a) make consequential amendments to subsections (2) and (3) arising from the extension of the restrictions in section 86F(1) by clause 35;

(b) delete subsections (5) to (9) which are to be re-enacted (with modifications) in the new sections 86HC and 86HD (inserted by clause 39); and

(c) reflect in the section heading, the more limited scope of section 86F.

Clause 38 amends section 86H to (among other things) limit its scope to remedial directions issued under section 86G.

Clause 39 inserts new sections 86HA to 86HE.

Section 86HA provides for remedial directions that the MPA may issue, where, among other things, an individual has been appointed as a chief executive officer, the chairperson of a board of directors or a director in contravention of section 86FA(1) or (2), a person has been appointed as a manager of or becomes a partner in a designated entity in contravention of section 86FA(3) or (4), or a condition of approval imposed under section 86FA(5) has not been complied with. Section 86HA is similar to the new section 67G of the CAAS Act (inserted by clause 23) and provides for similar matters.

Section 86HB empowers the MPA to issue remedial directions where, among other things, a person has contravened section 86FB(1), failed to comply with any condition of approval imposed under section 86FB(4) in relation to an approval granted under section 86FB(1), or provided false or misleading information or documents to the MPA in connection with the application for such approval. Section 86HB is similar to the new section 28P of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 86HC contains additional provisions relating to remedial directions issued under sections 86G, 86HA and 86HB. Section 86HC is similar to the new section 28Q of the BSI Act (inserted by clause 8) and provides for similar matters.

Section 86HD sets out the decisions of the MPA in Part 12A against which an aggrieved person may appeal to the Minister, including a decision to designate an entity under the new section 86D.

Section 86HE empowers the Minister to designate other officeholders of his or her Ministry to hear any appeal under section 86HD.

Clause 40 replaces Part 13 with a new Part 13 (comprising new sections 87 to 89G) which relates, among other things, to special administration orders for designated licensees and designated operating entities (each a relevant entity).

Section 87 provides for definitions of terms for the purposes of Part 13.

Section 88 provides for the power of the MPA, after consultation with the Minister, to designate a licensee (that is not also a designated operating entity) as a designated licensee for the purposes of Part 13 if the MPA considers that such designation is necessary in the public interest.

Section 89 sets out the meaning and purposes of a special administration order. Section 89 is similar to the new section 33C of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 89A empowers the Minister to make a special administration order and other orders in respect of a relevant entity on the satisfaction of specified grounds. Section 89A is similar to the new section 33D of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 89B provides for the ancillary directions that the Minister may make when he or she makes a special administration order or an order under section 89A(1)(c). Section 89B is similar to the new section 33E of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 89C provides for the effect of a special administration order and other orders made under Part 13. Section 89C is similar to the new section 75A of the CAAS Act (inserted by clause 24) and provides for similar matters.

Section 89D provides for the duties of a relevant entity that is the subject of a special administration order or, in the case of such an entity that is a business trust, its trustee-manager, and an offence for a failure to comply with an order under section 89A(1)(b). Section 89D is similar to the new section 33G of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 89E (which is similar to the new section 33H of the BSI Act (inserted by clause 9) and provides for similar matters) permits a special administration order to provide for —

- (a) the transfer, to one or more prescribed transferees, of the property, rights and liabilities of —
 - (i) a relevant entity; or
 - (ii) if the relevant entity is a business trust, the trust property of the relevant entity, and the rights held and liabilities incurred by the trustee-manager of the relevant entity in its capacity as such; and
- (b) matters that are consequential or related to the transfer.

Section 89F re-enacts the current section 88(4) and (5) (with changes) and provides for restrictions on the voluntary winding up of relevant entities and other processes. Compared to the current section 88(4) and (5), the new section 89F —

- (a) extends to, among other things, the making of a judicial management order, and the taking of any step by any person to execute or enforce any judgment or order of court obtained, against any relevant entity; and

- (b) obliges a court deciding any proceedings mentioned in subsection (2) to consider any representations made by the MPA in those proceedings.

Section 89G empowers the Minister to make regulations for giving effect to Part 13, including, where a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018 (Judicial Management and Provisions Applicable in Judicial Management and Winding Up).

Clause 41 inserts a new section 117A which empowers the MPA to make advisory guidelines with a view to providing guidance and certainty in respect of any one or more provisions of the MPA Act. Section 117A is similar to the new section 42A of the BSI Act (inserted by clause 13) and provides for similar matters.

Clause 42 amends section 118 to clarify that the power in that provision to exempt any person or class of persons from all or any provisions of the MPA Act may also be exercised in respect of any part of a provision.

Clause 43 inserts a new section 118A to empower the Minister to amend the new Third Schedule (inserted by clause 44) by order in the *Gazette*.

Clause 44 inserts a new Third Schedule setting out the services for the purposes of paragraph (c)(i) and (ii) of the new definition of “essential transport service” (inserted by clause 30(g)) in section 86A.

Cause 45 makes miscellaneous amendments in Part 12A (including the Part heading) —

- (a) that are consequential upon —
- (i) the extension of the controls in section 86F in respect of a person becoming a 75% controller of a designated entity or ceasing to be a 25% controller; and
 - (ii) the replacement of the terms “designated public licensee” and “designated business trust” with the term “designated operating entity”; and
- (b) that are for consistency with expressions in the BSI Act, CAAS Act and RTS Act (as they are proposed to be amended in the Bill).

PART 4

AMENDMENT OF RAPID TRANSIT SYSTEMS ACT 1995

Part 4 (clauses 46 to 60) amends the Rapid Transit Systems Act 1995 (RTS Act).

Clause 46 amends the long title to —

- (a) expand the scope of the RTS Act to include the control of entities providing essential transport services and their equity interest holders; and
- (b) remove the reference to the transfer of functions, assets and liabilities of the Mass Rapid Transit Corporation to the LTA, given that the provisions in the RTS Act relating to the transfer have already operated and are omitted from the 2020 Revised Edition of the RTS Act.

Clause 47 amends section 2 to, among other things —

- (a) delete the words “, unless the context otherwise requires” which are redundant by virtue of section 2(2A) of the Interpretation Act 1965; and
- (b) introduce new definitions, including —
 - (i) “designated operating entity” and “designated equity interest holder”;
 - (ii) “designated entity” which means either a designated operating entity or designated equity interest holder; and
 - (iii) “essential transport service” which, for the RTS Act, is related to the service of operating or maintaining any rapid transit system.

Clause 48 amends section 16 as a consequence of the current section 20 being subsumed in the new section 28 (inserted by clause 54).

Clause 49 amends section 18A —

- (a) to expressly empower the LTA to impose conditions on any approval that it grants under section 18A and to add to, vary or revoke any condition so imposed; and
- (b) to de-conflict between section 18A and the new section 21H (inserted by clause 52), by providing that section 18A does not apply to or in relation to any licensee that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.

Clause 50 amends section 19 by adding the failure to comply with any condition of approval imposed under section 18A (as it is to be amended by clause 49) as a ground for the LTA to take regulatory action against a licensee.

Clause 51 replaces section 20 with a new section 20 on restrictions on the voluntary winding up of any licensee and other processes. Compared to the existing section 20, the new section 20 —

- (a) extends to, among other things, the making of a judicial management order, and the taking of any step by any person to execute or enforce any judgment or order of court obtained, against any licensee; and
- (b) obliges a court deciding any proceedings mentioned in subsection (2) to consider any representations made by the LTA in those proceedings.

The new section 20 also de-conflicts the operation of its provisions from the new section 21L (inserted by clause 52), by providing that the new section 20 does not apply to or in relation to any licensee that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.

Clause 52 inserts a new Part 3A (comprising new sections 21A to 21R) which relates to controls applicable to designated entities.

Division 1 relates to preliminary matters and comprises new sections 21A to 21E which are similar to new sections 28A to 28E of the BSI Act (inserted by clause 8) and provide for similar matters.

Division 2 imposes controls on and in relation to designated entities and comprises new sections 21F to 21L which are similar to new sections 28F to 28L of the BSI Act (inserted by clause 8) and provide for similar matters.

Division 3 contains provisions relating to remedial directions that may be issued by the LTA and comprises new sections 21M to 21Q which are similar to new sections 28M to 28Q of the BSI Act (inserted by clause 8) and provide for similar matters.

Division 4 relates to penalties under Part 3A and comprises section 21R which is similar to section 28R of the BSI Act (inserted by clause 8).

Clause 53 replaces the current Part 4A with a new Part 4A (comprising new sections 27A to 27I) which relates, among other things, to special administration orders for licensees and designated operating entities (each a relevant entity).

Section 27A provides for the definitions for the purposes of Part 4A.

Section 27B sets out the meaning and purposes of a special administration order. Section 27B is similar to the new section 33C of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 27C empowers the Minister to make a special administration order and other orders in respect of a relevant entity on the satisfaction of specified grounds. Section 27C is similar to the new section 33D of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 27D provides for the ancillary directions that the Minister may make when he or she makes a special administration order or an order under

section 27C(1)(c). Section 27D is similar to the new section 33E of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 27E provides for the effect of a special administration order and other orders made under Part 4A. Under section 27E(1), a decision of the Minister under section 27C(1) (including the decision to make a special administration order) is final. Under section 27E(2), a special administration order operates to the exclusion of rights that are inconsistent with the order. Section 27E(3) clarifies that nothing in Part 3 or 3A applies to prohibit or invalidate any special administration order or other order made under Part 4A or any transaction entered into to give effect to such an order.

Section 27F provides for the duties of a relevant entity that is the subject of a special administration order or, in the case of such an entity that is a business trust, its trustee-manager, and an offence for a failure to comply with an order under section 27C(1)(b). Section 27F is similar to the new section 33G of the BSI Act (inserted by clause 9) and provides for similar matters.

Section 27G (which applies to a relevant entity that is a licensee) re-enacts the current section 27C (with changes) and sets out the provisions governing a scheme for the transfer of property, rights and liabilities from an existing licensee to a new licensee.

Section 27H (which is similar to the new section 33H of the BSI Act (inserted by clause 9) and provides for similar matters) applies to a relevant entity that is not a licensee and permits a special administration order to provide for —

- (a) the transfer, to one or more prescribed transferees, of the property, rights and liabilities of —
 - (i) a relevant entity; or
 - (ii) if the relevant entity is a business trust, the trust property of the relevant entity, and the rights held and liabilities incurred by the trustee-manager of the relevant entity in its capacity as such; and
- (b) matters that are consequential or related to the transfer.

Section 27I (which is similar to the new section 33I of the BSI Act (inserted by clause 9) and provides for similar matters) empowers the Minister to make regulations under section 45 for giving effect to Part 4A, including, where a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018 (Judicial Management and Provisions Applicable in Judicial Management and Winding Up).

Clause 54 inserts a new Part 5 (comprising new sections 28, 29 and 30) relating to appeals under the RTS Act.

Section 28 re-enacts the current section 20(1) (with changes) relating to grounds of appeal to the Minister. Subsections (1) and (2) set out the decisions of the LTA against which a person may appeal to the Minister, including a decision to designate any entity under the new section 21E.

Section 29 provides for the effect of a pending appeal to the Minister.

Section 30 empowers the Minister to designate other officeholders of his or her Ministry to hear any appeal under section 28.

Clause 55 inserts a new section 36A which empowers the LTA to make advisory guidelines with a view to providing guidance and certainty in respect of any one or more provisions of the RTS Act. Section 36A is similar to the new section 42A of the BSI Act (inserted by clause 13) and provides for similar matters.

Clause 56 replaces the current section 43 with a new section 43 to include provisions applicable where an offence under the RTS Act is committed by a partnership or other unincorporated association.

Clause 57 inserts a new section 44A to empower the Minister to amend the new Schedule (inserted by clause 60) by order in the *Gazette*.

Clause 58 amends section 45 by deleting paragraph (*da*) of subsection (2) as that paragraph has been subsumed in the new section 27I (inserted by clause 53).

Clause 59 amends section 45A to clarify that the power in that provision to exempt any person or class of persons from all or any provisions of the RTS Act may also be exercised in respect of any part of a provision.

Clause 60 inserts a new Schedule setting out the services for the purposes of paragraph (*b*) of the new definition of “essential transport service” (inserted by clause 47) in section 2.

PART 5

SAVING AND TRANSITIONAL PROVISION

Part 5 comprises clause 61 which empowers the Minister to prescribe provisions of a saving or transitional nature for the amendments proposed by the Bill.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
