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Notification No. B 25 — The Companies (Amendment) Bill is hereby published for general information. It was introduced in Parliament on the 8th day of September 2014.

Companies (Amendment) Bill

Bill No. 25/2014.

Read the first time on 8 September 2014.

A BILL

i n t i t u l e d

An Act to amend the Companies Act (Chapter 50 of the 2006 Revised Edition), and to make consequential and related amendments to certain other written laws.

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 may be cited as the Companies (Amendment) Act 2014 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 3

2. Section 3(3) of the Companies Act is amended by inserting, immediately after the words "Table A in the Fourth Schedule", the words "in force immediately before the date of commencement of section 181 of the Companies (Amendment) Act 2014".

Amendment of section 4

3. Section 4 of the Companies Act is amended —

(*a*) by inserting, immediately before the definition of "accounting records" in subsection (1), the following definitions:

" "accounting corporation" means a company approved or deemed to be approved as an accounting corporation under the Accountants Act (Cap. 2);

"accounting entity" means a public accountant, an accounting corporation, an accounting firm or an accounting limited liability partnership;

"accounting firm" means a firm approved or deemed to be approved as an accounting firm under the Accountants Act;

"accounting limited liability partnership" means a limited liability partnership approved as an accounting limited liability partnership under the Accountants Act;";

(*b*) by inserting, immediately after the definition of "Act" in subsection (1), the following definition:

" "alternate address" means —

(*a*) in the case of a company, the alternate address that is recorded in place of the

residential address of a director, chief executive officer or secretary in a company's register of directors, chief executive officers or secretaries, as the case may be, referred to in section 173; or

(*b*) in the case of a foreign company, an alternate address maintained with the Registrar under section 370A;";

(*c*) by deleting the definition of "annual return" in subsection (1) and substituting the following definition:

" "annual return" means the return required to be lodged under section 197(1);";

(*d*) by deleting the definition of "articles" in subsection (1);

(*e*) by deleting the definition of "audit requirements" in subsection (1) and substituting the following definition:

" "audit requirements" means the requirements of sections 201(8) and (9) and 207;";

(*f*) by inserting, immediately after the definition of "Authority" in subsection (1), the following definition:

" "Authority's website" means the Authority's Internet website;";

(*g*) by inserting, immediately after the definition of "banking corporation" in subsection (1), the following definition:

" "book-entry securities" has the same meaning as in section 81SF of the Securities and Futures Act (Cap. 289);";

(*h*) by inserting, immediately after the definition of "charge" in subsection (1), the following definition:

" "chief executive officer", in relation to a company, means any one or more persons, by whatever name described, who —

(*a*) is in direct employment of, or acting for or by arrangement with, the company; and

(*b*) is principally responsible for the management and conduct of the business of the company, or part of the business of the company, as the case may be;";

(*i*) by deleting the word "memorandum" in the definitions of "company limited by guarantee" and "company limited by shares" in subsection (1) and substituting in each case the word "constitution";

(*j*) by inserting, immediately after the definition of "company limited by shares" in subsection (1), the following definition:

" "constitution", in relation to a company, means —

(*a*) the constitution of the company which is registered with the Registrar under section 19, as may be amended from time to time; and

(*b*) in the case of a company incorporated before the date of commencement of section 3 of the Companies (Amendment) Act 2014, the memorandum of association of the company, the articles of association of the company, or both, in force immediately before that date;";

(*k*) by inserting, immediately after the definition of "default penalty" in subsection (1), the following definition:

" "Depository" has the same meaning as in section 81SF of the Securities and Futures Act;";

(*l*) by inserting, immediately after the words "the directors" in the definition of "director" in subsection (1), the words "or the majority of the directors";

(*m*) by deleting the definition of "equity share" in subsection (1);

(*n*) by deleting the definition of "financial year" in subsection (1) and substituting the following definition:

" "financial year", in relation to any corporation, means the period in respect of which the financial statements of the corporation is made up, whether that period is a year or not;";

(*o*) by inserting, immediately after the definition of "guarantor corporation" in subsection (1), the following definition:

" "identification" means —

(*a*) in the case of an individual issued with an identity card under the National Registration Act (Cap. 201), the number of the individual's identity card; and

(*b*) in the case of an individual not issued with an identity card under that Act, particulars of the individual's passport or such other similar evidence of identity as is acceptable to the Registrar;";

(*p*) by deleting the definition of "listed corporation" in subsection (1) and substituting the following definition:

" "listed", in relation to a company or corporation, means a company or corporation that has been admitted to the official list of a securities exchange in Singapore and has not been removed from that official list;";

(*q*) by deleting the definition of "manager" in subsection (1);

(*r*) by deleting the definition of "memorandum" in subsection (1);

(*s*) by deleting the definition of "preference share" in subsection (1);

(*t*) by deleting the definition of "prescribed person" in subsection (1);

(*u*) by inserting, immediately after the definition of "registered" in subsection (1), the following definition:

" "registered qualified individual" means a qualified individual registered under section 28G of the Accounting and Corporate Regulatory Authority Act (Cap. 2A);";

(*v*) by inserting, immediately after the definition of "repealed written laws" in subsection (1), the following definition:

" "residential address" means —

(*a*) in the case of a person registered under the National Registration Act, the place of residence of that person as registered under that Act; or

(*b*) in the case of a person not registered under the National Registration Act, the usual residential address of that person;";

(*w*) by inserting, immediately after the definition of "Rules" in subsection (1), the following definition:

" "securities exchange in Singapore" means a securities exchange as defined in section 2(1) of the Securities and Futures Act;";

(*x*) by inserting, immediately after the definition of "statutory report" in subsection (1), the following definition:

" "summary financial statement" means a summary financial statement referred to in section 203A;";

(*y*) by deleting the definition of "Table A" in subsection (1);

(*z*) by deleting subsection (2) (including the subsection heading) and substituting the following subsection heading and subsection:

"**Directors**

(2) For the purposes of this Act, a person (*A*) shall not be regarded as a person in accordance with whose directions or instructions the directors or the majority of the directors of a corporation are accustomed to act by reason only that the directors or the majority of the

directors act on advice given by *A* in a professional capacity."; and

(*za*) by inserting, immediately after subsection (11), the following subsections:

"(12) For the purposes of section 9(6), 20(3), 27(2), (5), (5AA), (5A) or (12C), 28(3), (3D), (3DA) or (3E), 29(8A), 155B(8), 369(2), 377(13) or 378(5), (9) or (16), any reference to the Minister includes a reference to such Minister of State for his Ministry who is authorised by the Minister for the purposes of hearing an appeal under that section.

(13) With effect from the date of commencement of section 3 of the Companies (Amendment) Act 2014 —

(*a*) the memorandum of association and the articles of association of a company that are in force for the company immediately before that date —

(i) shall collectively be deemed to constitute, and shall have effect as, that company's constitution; and

(ii) may be amended by the company from time to time in the same manner as the constitution of a company; and

(*b*) any reference in any written law and in any contract or other document having legal effect to the memorandum of association, or the articles of association, or both, of a company shall be deemed to refer to the company's constitution.".

Amendment of section 5

4. Section 5 of the Companies Act is amended —

(*a*) by inserting the word "or" at the end of subsection (1)(*a*)(i);

(*b*) by deleting sub-paragraph (iii) of subsection (1)(*a*); and

(*c*) by deleting subsection (5) and substituting the following subsection:

"(5) For the purposes of this Act, the Depository shall not be regarded as a holding company of a corporation by reason only of the shares it holds in that corporation as a bare trustee.".

Amendment of section 7

5. Section 7 of the Companies Act is amended —

(*a*) by inserting, immediately after the words "and 165" in subsection (1), the words "and subsection (6A) shall, in addition, also have effect for the purposes of section 244";

(*b*) by inserting, immediately after subsection (1), the following subsections:

"(1A) Subject to this section, a person has an interest in shares if he has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, those shares.

(1B) For the purposes of subsection (1A), it is immaterial that the authority of a person to dispose of, or to exercise control over the disposal of, particular shares is, or is capable of being made, subject to restraint or restriction.";

(*c*) by deleting subsection (2) and substituting the following subsection:

"(2) Where any property held in trust consists of or includes shares and a person knows, or has reasonable grounds for believing, that he has an interest under the trust, he shall be deemed to have an interest in those shares.";

(*d*) by deleting the words "20% of the votes attached to the voting shares" in subsection (4A) and substituting the words "20% of the voting power";

(*e*) by deleting subsection (5) and substituting the following subsection:

"(5) For the purposes of subsection (4A), a person is an associate of another person if the first-mentioned person is —

(*a*) a subsidiary of that other person;

(*b*) a person who is accustomed or is under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of that other person in relation to the share referred to in subsection (4A); or

(*c*) a body corporate that is, or a majority of the directors of which are, accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of that other person in relation to the share referred to in subsection (4A).";

(*f*) by inserting, immediately after subsection (6), the following subsection:

"(6A) For the purposes of Division 4 of Part IV and sections 163 to 165 and 244, a book-entry security shall be treated as if it were an interest in a share.";

(*g*) by inserting, immediately after the words "interest in a share" in subsection (9)(*b*), the words "if the interest is that"; and

(*h*) by deleting the word "being" in subsection (9)(*c*) and (*ca*) and substituting in each case the words "if that interest is".

Amendment of section 7A

6. Section 7A of the Companies Act is amended —

(*a*) by inserting, immediately after the words "by the directors of the company" in subsection (1), the words "that they have formed the opinion";

(*b*) by deleting the words "that they have formed the opinion" in subsection (1)(*a*);

(*c*) by deleting paragraph (*b*) of subsection (1) and substituting the following paragraph:

"(*b*) where —

(i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the statement, that the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

(ii) it is not intended so to commence winding up, that the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the statement; and";

(*d*) by deleting the words "that they have formed the opinion" in subsection (1)(*c*);

(*e*) by deleting the words "statutory declaration" in subsection (2)(*a*) and (*b*) and substituting in each case the words "declaration in writing signed by every director"; and

(*f*) by deleting the words "section 201(1A), (3) and (3A)" in subsection (4)(*a*)(i) and substituting the words "section 201(2) and (5)".

Amendment of section 8

7. Section 8 of the Companies Act is amended —

(*a*) by deleting subsections (5) (including the subsection heading), (6) and (6A); and

(*b*) by deleting subsection (7) and substituting the following subsection:

"(7) The Minister may, by notification in the *Gazette*, add to, vary or amend —

(*a*) the Twelfth Schedule in relation to the contents of the directors' statement which is required to

accompany the financial statements under section 201(16); and

(*b*) the Thirteenth Schedule in relation to the criteria for determining whether a company is a small company for the purposes of section 205C.".

Amendment of section 9

8. Section 9 of the Companies Act is amended —

(*a*) by deleting the words "the fee set out in the Second Schedule" in subsection (2) and substituting the words "the prescribed fee"; and

(*b*) by deleting subsection (5) and substituting the following subsection:

"(5) The Minister may delegate his power under subsections (2) and (3) to any person charged with the responsibility for the registration or control of public accountants.".

Repeal and re-enactment of section 10

9. Section 10 of the Companies Act is repealed and the following section substituted therefor:

"**Company auditors**

10.—(1) No person other than an accounting entity shall —

(*a*) knowingly consent to be appointed as auditor for a company; or

(*b*) knowingly act as an auditor for a company.

(2) Without prejudice to the generality of subsection (1)(*b*), a person acts as an auditor for a company if the person prepares any report required by this Act to be prepared by an auditor of the company.

(3) No company or person shall appoint an accounting entity as an auditor of a company without obtaining the accounting entity's prior consent.

(4) For the purposes of subsection (3), the consent —

(*a*) of a public accountant shall be in writing signed by the public accountant;

(*b*) of an accounting firm, or an accounting limited liability partnership, shall be in writing signed by at least one partner of the firm or limited liability partnership; and

(*c*) of an accounting corporation shall be in writing signed by at least one director of the corporation.

(5) Where an accounting firm is appointed as auditor of the company in the name of the accounting firm, the appointment shall take effect and operate as if the partners of the firm at the time of the appointment, who are public accountants at that time, are appointed as auditors of the company.

(6) Where an accounting corporation is appointed as auditor of the company in the name of the corporation, the appointment shall take effect and operate as if —

(*a*) the directors of the corporation who are practising as public accountants in the corporation (whether directors at the time the accounting corporation was appointed as auditor or later); and

(*b*) the employees of the corporation who are practising as public accountants in the corporation (whether employed at the time the accounting corporation was appointed as auditor or later),

are appointed as auditors of the company.".

Amendment of section 12

10. Section 12 of the Companies Act is amended —

(*a*) by deleting subsection (2) (including the subsection heading) and substituting the following subsections:

"(2) Any person may, on payment of the prescribed fee —

(*a*) inspect any document, or if there is a microfilm of any such document, that microfilm, filed or lodged with the Registrar;

(*b*) subject to subsection (2AA), require a copy of the notice of incorporation of a company, any certificate issued under this Act, any document or extract from any document kept by the Registrar to be given or certified by the Registrar;

(*c*) inspect any register of directors, chief executive officers, secretaries or auditors kept by the Registrar under section 173(1) or require a copy of or an extract from any such register; or

(*d*) inspect the register of members of any private company kept by the Registrar under section 196A or require a copy of or an extract from any such register.

(2AA) A certificate of confirmation of incorporation referred to in section 17(9) or 19(7) may only be issued to the company upon an application made in accordance with those provisions.";

(*b*) by deleting the words "Subsection (2)" in subsection (2A) and substituting the words "Subsection (2)(*a*), (*b*) and (*d*)";

(*c*) by deleting the words "subsection (2)" in subsection (2B) and substituting the words "subsection (2)(*a*), (*b*) and (*d*)";

(*d*) by inserting, immediately after subsection (2B), the following subsections:

"(2C) Notwithstanding subsection (2), a director, chief executive officer, secretary, auditor or member of a company may, without charge —

(*a*) inspect the register of directors, register of chief executive officers, register of secretaries and register of auditors of that company kept by the Registrar under section 173(1); or

(*b*) obtain from the Registrar a copy of or an extract from the register of directors, register of chief executive officers, register of secretaries and register of auditors of that company kept by the Registrar under section 173(1).

(2D) Notwithstanding subsection (2), a director, chief executive officer, secretary, auditor or member of a private company may, without charge —

(*a*) inspect the register of members of that company kept by the Registrar under section 196A; or

(*b*) obtain from the Registrar a copy of or an extract from the register of members of that company kept by the Registrar under section 196A.";

(*e*) by deleting subsection (3) and substituting the following subsection:

"(3) A copy of or an extract from any document (including a copy produced by way of microfilm) filed or lodged with the Registrar using a non-electronic medium that is certified to be a true copy or extract by the Registrar shall in any proceedings be admissible in evidence as of equal validity with the original document."; and

(*f*) by deleting subsections (6) (including the subsection heading) and (7) (including the subsection heading) and substituting the following subsection heading and subsections:

"**Destruction or transfer of old records**

(6) If the Registrar is of the opinion that it is no longer necessary or desirable to retain any document lodged, filed or registered with the Registrar and which has been microfilmed or converted to electronic form, the Registrar may —

(*a*) destroy the document with the authorisation of the National Library Board under section 14D of the National Library Board Act (Cap. 197); or

(*b*) transfer the document to the National Archives of Singapore under section 14C of that Act.

(7) In subsection (3), "non-electronic medium" means a medium other than the electronic transaction system established under Part VIA of the Accounting and Corporate Regulatory Authority Act.".

Repeal and re-enactment of section 12A

11. Section 12A of the Companies Act is repealed and the following section substituted therefor:

"**Electronic transaction system**

12A.—(1) The Registrar may —

(*a*) require or permit any person to carry out any transaction with the Registrar under this Act; and

(*b*) issue any approval, certificate, notice, determination or other document pursuant or connected to a transaction referred to in paragraph (*a*),

using the electronic transaction system established under Part VIA of the Accounting and Corporate Regulatory Authority Act (Cap. 2A).

(2) If the Registrar is satisfied that a transaction should be treated as having been carried out at some earlier date and time, than the date and time which is reflected in the electronic transaction system, the Registrar may cause the electronic transaction system and the registers kept by the Registrar to reflect such earlier date and time.

(3) The Registrar shall keep a record whenever the electronic transaction system or the registers are altered under subsection (2).

(4) In this section —

"document" includes any application, form, report, certification, notice, confirmation, declaration, return or other document (whether in electronic form or

otherwise) filed or lodged with, or submitted to the Registrar;

"transaction", in relation to the Registrar, means —

(*a*) the filing or lodging of any document with the Registrar, or the submission, production, delivery, furnishing or sending of any document to the Registrar;

(*b*) any making of any application, submission or request to the Registrar;

(*c*) any provision of any undertaking or declaration to the Registrar; and

(*d*) any extraction, retrieval or accessing of any document, record or information maintained by the Registrar.".

Amendment of section 12B

12. Section 12B of the Companies Act is amended —

(*a*) by deleting subsections (3) and (4); and

(*b*) by deleting the words "of register" in the section heading and substituting the words "by High Court".

New sections 12C and 12D

13. The Companies Act is amended by inserting, immediately after section 12B, the following sections:

"**Rectification by Registrar on application**

12C.—(1) Despite section 12B, an officer of a company may notify the Registrar in the prescribed form of —

(*a*) any error contained in any document relating to the company filed or lodged with the Registrar; or

(*b*) any error in the filing or lodgment of any document relating to the company with the Registrar.

(2) The Registrar may, upon receipt of any notification referred to in subsection (1) and if satisfied that —

(*a*) the error referred to in subsection (1)(*a*) is typographical or clerical in nature; or

(*b*) the error referred to in subsection (1)(*b*) is, in the Registrar's opinion, unintended and does not prejudice any person,

rectify the register accordingly.

(3) In rectifying the register under subsection (2), the Registrar must not expunge any document from the register.

(4) The decision made by the Registrar on whether to rectify the register under subsection (2) is final.

Rectification or updating on Registrar's initiative

12D.—(1) The Registrar may rectify or update any particulars or document in a register kept by him, if the Registrar is satisfied that —

(*a*) there is a defect or error in the particulars or document arising from any grammatical, typographical or similar mistake; or

(*b*) there is evidence of a conflict between the particulars of a company or person and —

(i) other information in the register relating to that company or person; or

(ii) other information relating to that company or person obtained from such department or Ministry of the Government, or statutory body or other body corporate as may be prescribed.

(2) Before the Registrar rectifies or updates the register under subsection (1), the Registrar must, except under prescribed circumstances, give written notice to the company or person whose documents or particulars are to be rectified or updated of the Registrar's intention to do so, and state in the notice —

(*a*) the reasons for and details of the proposed rectification or updating to be made to the register; and

(*b*) the date by which any written objection to the proposed rectification or updating must be delivered to the Registrar, being a date at least 30 days after the date of the notice.

(3) The company or person notified under subsection (2) may deliver to the Registrar, not later than the date specified under subsection (2)(*b*), a written objection to the proposed rectification or updating of the register.

(4) The Registrar shall not rectify or update the register if the Registrar receives a written objection under subsection (3) to the proposed rectification or updating by the date specified under subsection (2)(*b*), unless the Registrar is satisfied that the objection is frivolous or vexatious or has been withdrawn.

(5) The Registrar may rectify or update the register if the Registrar does not receive a written objection under subsection (3) by the date specified under subsection (2)(*b*).

(6) The Registrar may include such notation as the Registrar thinks fit on the register for the purposes of providing information relating to any error or defect in any particulars or document in the register, and may remove such notation if the Registrar is satisfied that it no longer serves any useful purpose.

(7) Despite anything in this section, the Registrar may, if the Registrar is satisfied that there is any error or defect in any particulars or document in a register, by notice in writing, request that the company to which the particulars or document relate, or its officers take such steps within such time as the Registrar may specify to ensure that the error or defect is rectified.".

Amendment of section 13

14. Section 13(1) of the Companies Act is amended by deleting paragraphs (*a*) and (*b*) and substituting the following paragraphs:

"(*a*) any provision of this Act or of any other law which requires the filing or lodging in any manner with the Registrar or the Official Receiver of any return, account

or other document or the giving of notice to him of any matter;

(*b*) any request of the Registrar or the Official Receiver to amend or complete and resubmit any document or to submit a fresh document; or

(*c*) any request of the Registrar under section 12D(7) to rectify any error or defect in any particulars or document in the register,".

Repeal of sections 16 and 16A

15. Sections 16 and 16A of the Companies Act are repealed.

Amendment of section 18

16. Section 18 of the Companies Act is amended by deleting subsections (2), (3) and (4) and substituting the following subsections:

"(2) Where, on 29 December 1967, the constitution of a company that is a private company by virtue of paragraph (*a*) of the definition of "private company" in section 4(1) does not contain the restrictions and limitations required by subsection (1) to be included in the constitution of a company that may be incorporated as a private company, the constitution of the company shall be deemed to include each such restriction or limitation that is not so included and a restriction on the right to transfer its shares that is so deemed to be included in its constitution shall be deemed to be a restriction that prohibits the transfer of shares except to a person approved by the directors of the company.

(3) Where a restriction or limitation deemed to be included in the constitution of a company under subsection (2) is inconsistent with any provision already included in the constitution of the company, that restriction or limitation shall, to the extent of the inconsistency, prevail.

(4) A private company may, by special resolution, alter any restriction on the right to transfer its shares included, or deemed to be included, in its constitution or any limitation on the number of its members included, or deemed to be included, in its

constitution, but not so that the constitution of the company ceases to include the limitation required by subsection (1)(*b*) to be included in the constitution of a company that may be incorporated as a private company.".

Amendment of section 19

17. Section 19 of the Companies Act is amended by deleting subsection (6) (excluding the subsection heading) and substituting the following subsections:

"(6) The subscribers to the constitution shall be deemed to have agreed to become members of the company and on the incorporation of the company shall be entered as members —

(*a*) in the case of a public company, in the register of members kept by the public company under section 190; or

(*b*) in the case of a private company, in the electronic register of members kept by the Registrar under section 196A.

(6A) Apart from the subscribers referred to in subsection (6), every other person who agrees to become a member of a company and whose name is entered —

(*a*) in the case of a public company, in the register of members kept by the public company under section 190; or

(*b*) in the case of a private company, in the electronic register of members kept by the Registrar under section 196A,

is a member of the company.".

Amendment of section 21

18. Section 21 of the Companies Act is amended —

(*a*) by inserting, immediately after subsection (1), the following subsection:

"(1A) Subsection (1), insofar as it provides that any transfer of shares in contravention of it is void, shall not apply to a disposition of book-entry securities, but a Court, on being satisfied that a disposition of book-entry securities would in the absence of this subsection be void may, on the application of the Registrar or any other person, order the transfer of the shares acquired in contravention of subsection (1).";

(*b*) by deleting paragraph (*b*) of subsection (4) and substituting the following paragraph:

"(*b*) subject to subsections (4A) and (4B), the subsidiary shall, within the period of 12 months or such longer period as the Court may allow after becoming the subsidiary of its holding company, dispose of all of its shares in the holding company.";

(*c*) by inserting, immediately after subsection (4), the following subsections:

"(4A) For the avoidance of doubt, subsection (4)(*b*) ceases to apply if, during the period referred to in that subsection, the subsidiary ceases to be a subsidiary of the holding company.

(4B) Any shares in the holding company that are not disposed of in accordance with subsection (4)(*b*) may, subject to subsections (4C) and (6E), be held or continued to be held by the subsidiary.

(4C) With respect to the shares referred to in subsection (4B) —

(*a*) subject to this subsection and subsection (6E), sections 76J(1), (2), (3), (5) and (6) and 76K shall apply with the necessary modifications, including the following modifications:

(i) a reference to treasury shares shall be read as a reference to shares referred to in subsection (4B);

(ii) a reference to a company holding treasury shares shall be read as a reference to a subsidiary holding shares referred to in subsection (4B); and

(iii) the reference in section 76J(6) to "as if they were purchased by the company at the time they were allotted, in circumstances in which section 76H applied" shall be read as a reference to "as if they were already held by the subsidiary at the time they were allotted, in circumstances in which section 21(4) applied"; and

(*b*) the holding company shall, within 14 days after any change in the number of shares in the holding company which are held by any of its subsidiaries under subsection (4B), lodge with the Registrar a notice in the prescribed form.";

(*d*) by deleting the words "subsections (1), (3) and (4)" in subsection (5) and substituting the words "subsections (1), (3), (4), (4B), (6A) and (6C)";

(*e*) by inserting, immediately after subsection (6), the following subsections:

"(6A) This section shall not operate to prevent the transfer of shares in a holding company to a subsidiary by way of a distribution in specie, amalgamation or scheme of arrangement but —

(*a*) subject to subsection (2), the subsidiary shall have no right to vote at meetings of the holding company or any class of members thereof; and

(*b*) subject to subsections (6B) and (6C), the subsidiary shall, within the period of 12 months or such longer period as the Court may allow after the transfer to the subsidiary of

the shares in the holding company, dispose of all of the shares in the holding company.

(6B) For the avoidance of doubt, subsection (6A)(*b*) ceases to apply if, during the period referred to in that subsection, the subsidiary ceases to be a subsidiary of the holding company.

(6C) Any shares in the holding company that are not disposed of in accordance with subsection (6A)(*b*) may, subject to subsections (6D) and (6E), be held or continued to be held by the subsidiary.

(6D) With respect to the shares referred to in subsection (6C) —

(*a*) subject to this subsection and subsection (6E), sections 76J(1), (2), (3), (5) and (6) and 76K shall apply with the necessary modifications, including the following modifications:

(i) a reference to treasury shares shall be read as a reference to shares referred to in subsection (6C);

(ii) a reference to a company holding treasury shares shall be read as a reference to a subsidiary holding shares referred to in subsection (6C); and

(iii) the reference in section 76J(6) to "as if they were purchased by the company at the time they were allotted, in circumstances in which section 76H applied" shall be read as a reference to "as if they were transferred to the subsidiary at the time they were allotted, in circumstances in which section 21(6A) applied"; and

(*b*) the holding company shall, within 14 days after any change in the number of shares in the holding company which are held by any of its

subsidiaries under subsection (6C), lodge with the Registrar a notice in the prescribed form.

(6E) With respect to any share referred to in subsection (4B) or (6C) —

(*a*) where the holding company has shares of only one class, the aggregate number of shares held by all the subsidiaries of the holding company under subsection (4B) or (6C) or by the holding company as treasury shares, shall not at any time exceed 10% of the total number of shares of the holding company at that time;

(*b*) where the share capital of the holding company is divided into shares of different classes, the aggregate number of the shares of any class held by all the subsidiaries of the holding company under subsection (4B) or (6C) or by the holding company as treasury shares, shall not at any time exceed 10% of the total number of the shares in that class of the holding company at that time;

(*c*) where paragraph (*a*) or (*b*) is contravened, the holding company shall dispose of or cancel the excess shares, or procure the disposal of the excess shares by its subsidiary, in accordance with section 76K before the end of the period of 6 months beginning with the day on which that contravention occurs, or such further period as the Registrar may allow;

(*d*) where the subsidiary is a wholly-owned subsidiary of the holding company, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the holding company's assets (including any distribution of assets to members on a winding up) may be made, to the subsidiary in respect of the shares referred to in subsection (4B) or (6C); and

(*e*) where the subsidiary is not a wholly-owned subsidiary of the holding company, a dividend may be paid and other distribution (whether in cash or otherwise) of the holding company's assets (including any distribution of assets to members on a winding up) may be made, to the subsidiary in respect of the shares referred to in subsection (4B) or (6C).

(6F) In subsection (6E)(*c*), "excess shares" means such number of the shares, held by any subsidiary under subsection (4B) or (6C) or by the holding company as treasury shares at the time in question, as resulted in the limit referred to in subsection (6E)(*a*) or (*b*) being exceeded.

(6G) In sections 7(9)(*ca*), 33(5A), 63A(1)(*e*), 74(1A), 76B(3E), 78, 81(4), 164A(1), 176(1A), 177(1), 179(8), 184(4)(*b*)(i), 201A(4)(*b*), 205B(6), 206(1)(*b*), 215(1), (1C), (1D) and (3A), 232(1)(*a*)(i) and 268(4) —

(*a*) a reference to "treasury shares" shall be read as including a reference to shares held by a subsidiary under subsection (4B) or (6C); and

(*b*) a reference to a company being registered as a member of itself or being a member of itself shall be read as including a reference to a subsidiary being registered as a member of its holding company."; and

(*f*) by inserting, immediately after subsection (8), the following subsection:

"(9) For the purposes of this section, a company shall inform the Registrar of the occurrence of any of the following events by lodging a notice in the prescribed form within 14 days after the date of occurrence:

(*a*) where a shareholder of a company that is a corporation becomes subsidiary of the company;

(*b*) where shares of the company are held by a subsidiary of the company and there is a change in the number of shares held by the subsidiary.".

Amendment of section 22

19. Section 22 of the Companies Act is amended by deleting subsection (1) and substituting the following subsections:

"(1) The constitution of every company shall comply with such requirements as may be prescribed, shall be dated and shall state, in addition to other requirements —

(*a*) the name of the company;

(*b*) if the company is a company limited by shares, that the liability of the members is limited;

(*c*) if the company is a company limited by guarantee, that the liability of the members is limited and that each member undertakes to contribute to the assets of the company, in the event of its being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding a specified amount;

(*d*) if the company is an unlimited company, that the liability of the members is unlimited;

(*e*) if the company is an unlimited company or a company limited by guarantee, the number of members with which the company is applying to be registered;

(*f*) the full names, addresses and occupations of the subscribers to the constitution of the company; and

(*g*) that such subscribers are desirous of being formed into a company in pursuance of the constitution and (where the company is to have a share capital) respectively agree to

take the number of shares in the capital of the company set out opposite their respective names.

(1AA) Where a company to which subsection (1)(*e*) applies changes the number of its members with which it is registered, the company shall, within 14 days after the occurrence of such change lodge with the Registrar a notice of the change in the prescribed form.

(1AB) If default is made by a company in complying with subsection (1AA), the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $2,000 and also to a default penalty.".

New sections 25B, 25C and 25D

20. The Companies Act is amended by inserting, immediately after section 25A, the following sections:

"**Power of directors to bind company**

25B.—(1) In favour of a person dealing with a company in good faith, the power of the directors to bind the company, or authorise others to do so, shall be deemed to be free of any limitation under the company's constitution.

(2) For the purposes of subsection (1), a person dealing with a company —

(*a*) is not bound to enquire as to any limitation on the powers of the directors to bind the company or authorise others to do so; and

(*b*) is presumed to have acted in good faith unless the contrary is proved.

(3) The references in subsection (1) or (2) to limitations on the directors' powers under the company's constitution include limitations deriving —

(*a*) from a resolution of the company or of any class of shareholders; or

(*b*) from any agreement between the members of the company or of any class of shareholders.

(4) This section shall not affect any right of a member of the company to bring proceedings to restrain the doing of an action that is beyond the powers of the directors; but no such proceedings shall lie in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the company.

(5) This section shall not affect any liability incurred by the directors, or any other person, by reason of the directors exceeding their powers.

(6) This section shall have effect subject to section 25C.

Constitutional limitations: transactions with directors or their associates

25C.—(1) This section shall apply to a transaction if or to the extent that its validity depends on section 25B.

(2) Nothing in this section shall be construed as excluding the operation of any other written law or rule of law by virtue of which the transaction may be called in question or any liability to the company may arise.

(3) Where —

(*a*) a company enters into such a transaction; and

(*b*) the parties to the transaction include —

(i) a director of the company or of its holding company; or

(ii) a person connected with any such director,

the transaction is voidable at the instance of the company.

(4) Whether or not it is avoided, any such party to the transaction as is mentioned in subsection (3)(*b*)(i) or (ii), and any director of the company who authorised the transaction, is liable —

(*a*) to account to the company for any gain he has made directly or indirectly by the transaction; and

(*b*) to indemnify the company for any loss or damage resulting from the transaction.

(5) The transaction ceases to be voidable if —

(*a*) restitution of any money or other asset which was the subject-matter of the transaction is no longer possible;

(*b*) the company is indemnified for any loss or damage resulting from the transaction;

(*c*) rights acquired bona fide for value and without actual notice of the directors exceeding their powers by a person who is not party to the transaction would be affected by the avoidance; or

(*d*) the transaction is affirmed by the company.

(6) A person other than a director of the company is not liable under subsection (4) if he shows that at the time the transaction was entered into he did not know that the directors were exceeding their powers.

(7) Nothing in subsections (1) to (6) shall affect the rights of any party to the transaction not within subsection (3)(*b*)(i) or (ii); but the court may, on the application of the company or any such party, make an order affirming, severing or setting aside the transaction on such terms as appear to the court to be just.

(8) In this section, "transaction" includes any act.

Persons connected with director in section 25C

25D.—(1) For the purposes of section 25C, a reference to a person connected with a director means —

(*a*) a member of the director's family;

(*b*) a body corporate with which the director is connected within the meaning of subsection (2)(*b*);

(*c*) a person acting in his capacity as trustee of a trust —

(i) the beneficiaries of which include the director or a person who by virtue of paragraph (*a*) or (*b*) is connected with him; or

(ii) the terms of which confer a power on the trustees that may be exercised for the benefit of the director or any such person,

other than a trust for the purposes of an employees' share scheme or on a pension scheme;

(*d*) a person acting in his capacity as partner —

(i) of the director; or

(ii) of a person who, by virtue of paragraph (*a*), (*b*) or (*c*), is connected with that director;

(*e*) a firm that is a legal person under the law by which it is governed and in which —

(i) the director is a partner;

(ii) a partner is a person who, by virtue of paragraph (*a*), (*b*) or (*c*), is connected with the director; or

(iii) a partner is a firm in which the director is a partner or in which there is a partner who, by virtue of paragraph (*a*), (*b*) or (*c*), is connected with the director; and

(*f*) a reference to a person connected with a director of a company does not include a person who is himself a director of the company.

(2) For the purposes of this section —

(*a*) a member of a director's family shall include his spouse, son, adopted son, step-son, daughter, adopted daughter and step-daughter;

(*b*) a director is connected with a body corporate if, and only if, he and the persons connected with him together —

(i) are interested in at least 20% of the share capital of that body corporate; or

(ii) are entitled to exercise or control, directly or indirectly, the exercise of more than 20% of the voting power at any general meeting of that body corporate;

(*c*) a reference in paragraph (*b*)(ii) to voting power the exercise of which is controlled by a director includes voting power whose exercise is controlled by a body corporate controlled by him;

(*d*) for the avoidance of circularity in the application of subsection (1) —

(i) a body corporate with which a director is connected is not treated for the purposes of this subsection as connected with him unless it is also connected with him by virtue of subsection (1)(*c*) or (*d*); and

(ii) a trustee of a trust the beneficiaries of which include (or may include) a body corporate with which a director is connected is not treated for the purposes of this subsection as connected with a director by reason only of that fact; and

(*e*) "body corporate" includes a body incorporated outside Singapore, but does not include —

(i) a corporation sole; or

(ii) a partnership that, whether or not a legal person, is not regarded as a body corporate under the law by which it is governed.".

Amendment of section 26

21. Section 26 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsections:

"(1) Unless otherwise provided in this Act, the constitution of a company may be altered or added to by special resolution.

(1AA) Any alteration or addition made to the constitution under subsection (1) shall, subject to this Act, be deemed to form part of the original constitution on and from the date of the special resolution or such later date as is specified in the resolution.

(1AB) A special resolution adopting the whole or any part of the model constitution prescribed under section 36 for the description to which the company belongs may do so by reference to the title of the model constitution, or to the numbers of the particular regulations of the model constitution and need not set out the text of the whole or part of the model constitution to be adopted.";

(*b*) by deleting subsection (2) and substituting the following subsections:

"(2) In addition to observing and subject to any other provision of this Act requiring the lodging with the Registrar of any resolution of a company or order of the Court or other document affecting the constitution of a company, the company shall within 14 days after the passing of any such resolution or the making of any such order lodge with the Registrar a copy of such resolution or other document or a copy of such order together with (unless the Registrar dispenses therewith) a copy of the constitution as adopted or altered, as the case may be.

(2A) If default is made in complying with subsection (2), the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $1,000 and also to a default penalty."; and

(*c*) by deleting subsection (7) and substituting the following subsection:

"(7) Upon the application of a company and payment of the prescribed fee, the Registrar shall issue to the company a certificate confirming the incorporation in accordance with the alteration made to the constitution.".

Amendment of section 27

22. Section 27 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsections:

"(1) Except with the consent of the Minister or as provided in subsection (1B), the Registrar must refuse to register a company under this Act under a name which, in the opinion of the Registrar —

(*a*) is undesirable;

(*b*) is identical to the name of any other company, limited liability partnership, limited partnership or corporation or to any registered business name;

(*c*) is identical to a name reserved under subsection (12B) or section 378(15), section 16 of the Business Names Registration Act 2014, section 19(4) of the Limited Liability Partnerships Act (Cap. 163A) or section 17(4) of the Limited Partnerships Act (Cap. 163B); or

(*d*) is a name of a kind that the Minister has directed the Registrar not to accept for registration.

(1A) In addition to subsection (1), the Registrar must, on or after the date of commencement of section 22 of the Companies (Amendment) Act 2014, except with the consent of the Minister, refuse to register a company under a name, if —

(*a*) it is identical to the name of a company that was dissolved —

(i) unless, in a case where the company was dissolved following its winding up under Part X, a period of at least 2 years has passed after the date of dissolution; or

(ii) unless, in a case where the company was dissolved following its name being struck off the register under section 344 or 344A, a period of at least 6 years has passed after the date of dissolution;

(*b*) it is identical to the business name of a person whose registration and registration of that business name has been cancelled under the Business Names Registration Act 2014 or had ceased under section 22 of that Act, unless a period of at least one year has passed after the date of cancellation or cessation;

(*c*) it is identical to the name of a foreign company notice of the dissolution of which has been given to the Registrar under section 377(2), unless a period of at least 2 years has passed after the date of dissolution;

(*d*) it is identical to the name of a limited liability partnership that was dissolved —

(i) unless, in a case where the limited liability partnership was dissolved following its winding up under section 30 of, and the Fifth Schedule to, the Limited Liability Partnerships Act (Cap. 163A), a period of at least 2 years has passed after the date of dissolution; or

(ii) unless, in a case where the limited liability partnership was dissolved following its name being struck off the register under section 38 of the Limited Liability Partnerships Act, a period of at

least 6 years has passed after the date of dissolution; or

(*e*) it is identical to the name of a limited partnership that was cancelled or dissolved —

(i) unless, in a case where the registration of the limited partnership was cancelled under section 14(1) or 19(4) of the Limited Partnerships Act (Cap. 163B), a period of at least one year has passed after the date of cancellation; or

(ii) unless, in a case where notice was lodged with the Registrar of Limited Partnerships that the limited partnership was dissolved under section 19(2) of the Limited Partnerships Act, a period of at least one year has passed after the date of dissolution.

(1B) Despite subsection (1), the Registrar may, on or after the date of commencement of section 22 of the Companies (Amendment) Act 2014, register a company under —

(*a*) a name that is identical to the name of a foreign company registered under Division 2 of Part XI —

(i) in respect of which notice was lodged under section 377(1) that the foreign company has ceased to have a place of business in Singapore or ceased to carry on business in Singapore, if a period of at least 3 months has passed after the date of cessation; and

(ii) the name of which was struck off the register under section 377(8), (9) or (10), if a period of at least 6 years has passed

after the date the name was so struck off; or

(*b*) a name that is identical to the name of a limited partnership in respect of which notice was lodged under section 19(1) of the Limited Partnerships Act that the limited partnership ceased to carry on business in Singapore, if a period of at least one year has passed after the date of cessation.";

(*b*) by deleting paragraphs (*a*) and (*b*) of subsection (2) and substituting the following paragraphs:

"(*a*) which is one that is not permitted to be registered under subsection (1)(*a*), (*b*) or (*d*);

(*aa*) which is one that is not permitted to be registered under subsection (1A) until the expiry of the relevant period referred to in that subsection;

(*ab*) which is one that is permitted to be registered under subsection (1B) only after the expiry of the relevant period referred to in that subsection;

(*b*) which so nearly resembles the name of any other company, or any corporation, limited liability partnership, limited partnership or registered business name, as to be likely to be mistaken for it; or";

(*c*) by deleting subsections (2C) and (2D);

(*d*) by deleting subsections (3) and (4);

(*e*) by deleting subsection (5) and substituting the following subsections:

"(5) An appeal to the Minister against the following decisions of the Registrar that are made on or after the date of commencement of section 22 of the Companies (Amendment) Act 2014 may be made by the following persons within the following times:

(*a*) in the case of the Registrar's decision under subsection (2), by the company aggrieved by the decision within 30 days after the decision; and

(*b*) in the case of the Registrar's refusal to give a direction to a company under subsection (2) pursuant to an application under subsection (2A), by the applicant aggrieved by the refusal within 30 days after being informed of the refusal.

(5AA) The decision of the Minister on an appeal made under subsection (5) is final.";

(*f*) by deleting paragraphs (*a*), (*b*) and (*c*) of subsection (10) and substituting the following paragraphs:

"(*a*) the name of an intended company; or

(*b*) the name to which a company proposes to change its name.";

(*g*) by deleting subsection (12) and substituting the following subsections:

"(12) The Registrar may approve an application made under subsection (10) only if the Registrar is satisfied that —

(*a*) the application is made in good faith; and

(*b*) the name to be reserved is one in respect of which a company may be registered having regard to subsections (1), (1A) and (1B).

(12A) The Registrar must refuse to approve an application to reserve a name under subsection (10) as the name of an intended company if the Registrar is satisfied that —

(*a*) the name is for a company that is likely to be used for an unlawful purpose or for purposes prejudicial to public peace, welfare or good order in Singapore; or

(*b*) it would be contrary to the national security or interest for the company to be registered.

(12B) Where an application for a reservation of a name is made under subsection (10), the Registrar must reserve the proposed name for a period starting at the time the Registrar receives the application and ending —

(*a*) if the Registrar approves the application, 60 days after the date on which the Registrar notifies the applicant that the application has been approved, or such further period of 60 days as the Registrar may, on application made in good faith, extend; or

(*b*) if the Registrar refuses to approve the application, on the date on which the Registrar notifies the applicant of the refusal.

(12C) A person aggrieved by a decision of the Registrar —

(*a*) refusing to approve an application under subsection (10); or

(*b*) refusing an application under subsection (12B)(*a*) to extend the reservation period,

may, within 30 days after being informed of the Registrar's decision, appeal to the Minister whose decision is final.";

(*h*) by deleting the words "2 months" in subsection (13) and substituting the words "60 days";

(*i*) by deleting subsection (14);

(*j*) by deleting the words ", company or foreign company" wherever they appear in subsection (15) and substituting in each case the words "or company"; and

(*k*) by inserting, immediately after subsection (15), the following subsection:

"(16) In this section and section 28, "registered business name" has the same meaning as in section 2(1) of the Business Names Registration Act 2014.".

Amendment of section 28

23. Section 28 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) A company may by special resolution resolve that its name should be changed to a name by which the company could be registered under section 27(1), (1A) or (1B).";

(*b*) by deleting subsection (3) and substituting the following subsection:

"(3) Notwithstanding anything in this section and section 27, if the name of a company is, whether through inadvertence or otherwise or whether originally or by a change of name —

(*a*) a name that is not permitted to be registered under section 27(1)(*a*), (*b*) or (*d*);

(*b*) a name that is not permitted to be registered under section 27(1A) until the expiry of the relevant period referred to in that section;

(*c*) a name that is permitted to be registered under section 27(1B) only after the expiry of the relevant period referred to in that section;

(*d*) a name that so nearly resembles the name of another company, or a corporation, limited liability partnership, limited partnership or a registered business name of any person as to be likely to be mistaken for it; or

(*e*) a name the use of which has been restrained by an injunction granted under the Trade Marks Act (Cap. 332),

the company may by special resolution change its name to a name that is not referred to in paragraph (*a*), (*b*), (*c*), (*d*) or (*e*) and, if the Registrar so directs, shall so change it within 6 weeks after the date of the direction or such longer period as the Registrar may allow, unless the direction is annulled by the Minister.";

(*c*) by inserting, immediately after subsection (3), the following subsection:

"(3AA) The Registrar shall not direct a change of name under subsection (3) on the ground that the name of the company could not be registered without contravention of section 27(1)(*c*).";

(*d*) by deleting the words "subsection (3)(*b*)" in subsection (3A) and substituting the words "subsection (3)(*d*)";

(*e*) by deleting subsection (3C);

(*f*) by deleting subsection (3D) and substituting the following subsections:

"(3D) An appeal to the Minister against the following decisions of the Registrar that are made on or after the date of commencement of section 23 of the Companies (Amendment) Act 2014 may be made by the following persons within the following times:

(*a*) in the case of the Registrar's decision under subsection (3), by the company aggrieved by the decision within 30 days after the decision; and

(*b*) in the case of the Registrar's refusal to give a direction to a company under subsection (3) pursuant to an application under subsection (3A), by the applicant aggrieved by the refusal within 30 days after being informed of the refusal.

(3DA) The decision of the Minister on an appeal made under subsection (3D) is final."; and

(*g*) by deleting subsection (3E) and substituting the following subsection:

"(3E) For the avoidance of doubt, where the Registrar makes a decision under subsection (3) or the Minister makes a decision under subsection (3DA), the Registrar or the Minister, as the case may be, shall accept as correct any decision of the Court to grant an injunction referred to in subsection (3)(*e*).".

Amendment of section 29

24. Section 29 of the Companies Act is amended —

(*a*) by deleting the words "the Minister" wherever they appear in subsections (1), (2) and (6) and substituting in each case the words "the Registrar";

(*b*) by deleting subsections (3) and (4) and substituting the following subsections:

"(3) The Registrar may grant his approval on such conditions as the Registrar thinks fit, and those conditions shall be binding on the company and shall, if the Registrar so directs, be inserted in the constitution of the company and the constitution may by special resolution be altered to give effect to any such direction.

(4) Where the constitution of a company includes, as a result of a direction of the Registrar given pursuant to subsection (3) or pursuant to any corresponding previous written law, a provision that the constitution shall not be altered except with the consent of the Minister, the company may, with the consent of the Minister, by special resolution alter any provision of the constitution.";

(*c*) by inserting, immediately after subsection (6), the following subsection:

"(6A) If the Registrar is of the opinion that a company has ceased to satisfy the conditions of approval granted under subsection (1) or (2), the Registrar may revoke the approval.";

(*d*) by deleting subsections (7) and (8) and substituting the following subsections:

"(7) Where the approval of the Registrar under this section is revoked, the constitution of the company may be altered by special resolution so as to remove any provision in or to the effect that the constitution may be altered only with the consent of the Minister.

(8) Notice of any approval under this section shall be given by the Registrar to the company or, in the case of a proposed limited company, to the applicant for the approval.

(8A) An appeal to the Minister against a decision of the Registrar under subsection (1) or (2) may be made by the following persons within the following times:

(*a*) in the case of a decision made by the Registrar under subsection (1), by the promoter of the proposed limited company within 30 days after the notice is given by the Registrar under subsection (8); or

(*b*) in the case of a decision made by the Registrar under subsection (2), by the company within 30 days after the notice is given by the Registrar under subsection (8).";

(*e*) by inserting, immediately after subsection (9), the following subsections:

"(10) This section shall not apply to a limited company that is registered as a charity under the Charities Act (Cap. 37).

(11) Any approval of the Minister and any condition of the Minister's approval that was in force immediately before the appointed day for a company —

(*a*) to be registered without the word "Limited" or "Berhad" to its name; or

(*b*) to change its name to one which does not contain the word "Limited" or "Berhad",

shall on or after the appointed day be treated as the approval of the Registrar and condition of the Registrar's approval.

(12) Any reference to the Minister's approval in any condition of approval that was in force immediately before the appointed day that was inserted in the constitution of a company pursuant to a direction of the Minister under section 29(3) in force immediately before the appointed day shall, on or after the appointed day, be read as a reference to the Registrar.

(13) A reference to a direction of the Minister in subsections (3) and (4) in force immediately before the appointed day shall, on or after the appointed day, be read as a direction of the Registrar.

(14) In this section, "appointed day" means the date of commencement of section 24 of the Companies (Amendment) Act 2014."; and

(*f*) by deleting the section heading and substituting the following section heading:

"**Omission of "Limited" or "Berhad" in names of limited companies, other than companies registered under Charities Act**".

New section 29A

25. The Companies Act is amended by inserting, immediately after section 29, the following section:

"**Omission of "Limited" or "Berhad" in names of companies registered under Charities Act**

29A.—(1) Notwithstanding section 28(1) and (2) but subject to section 28(3) to (6), a limited company registered as a charity under the Charities Act (Cap. 37) (referred to in this section as charitable company) may change its name to omit the word "Limited" or "Berhad" from its name.

(2) A charitable company that proposes to change its name to omit the word "Limited" or "Berhad" from its name shall —

(*a*) alter its constitution to reflect the change of name; and

(*b*) file the prescribed form with the Registrar, together with a copy of the special resolution authorising the change of name.

(3) Upon receipt of the prescribed form referred to in subsection (2)(*b*), the Registrar shall —

(*a*) register the name of the charitable company with the omission of the word "Limited" or "Berhad" from its name; and

(*b*) issue to the company a notice of incorporation of the company under the new name.

(4) Upon issue of the notice under subsection (3)(*b*) —

(*a*) the change of name shall become effective; and

(*b*) the charitable company shall be exempted from the provisions of this Act relating to the use of the word "Limited" or "Berhad" as part of the name.

(5) If the Registrar is satisfied that a charitable company that is registered with the omission of the word "Limited" or "Berhad" from its name under this section has ceased to be a charitable company, the Registrar shall enter the word "Limited" or "Berhad" at the end of the name of the company and upon notice of that fact being given to the company, the exemption under subsection (4)(*b*) shall cease.".

Amendment of section 30

26. Section 30(4) of the Companies Act is amended —

(*a*) by inserting the word "and" at the end of paragraph (*a*)(ii);

(*b*) by deleting sub-paragraphs (iii) and (iv) of paragraph (*a*); and

(*c*) by deleting paragraph (*b*) and substituting the following paragraph:

"(*b*) where, by a special resolution referred to in paragraph (*a*), the constitution of the company is altered or added to — a copy of the constitution as altered; and".

Amendment of section 31

27. Section 31 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) A public company having a share capital may convert to a private company by lodging with the Registrar —

(*a*) a copy of a special resolution —

(i) determining to convert to a private company and specifying an appropriate alteration to its name; and

(ii) altering the provisions of its constitution so far as is necessary to impose the restrictions and limitations referred to in section 18(1);

(*b*) a list of persons holding shares in the company in the prescribed form; and

(*c*) such other information relating to the company or its members and officers as may be prescribed."; and

(*b*) by deleting subsection (3A) and substituting the following subsection:

"(3A) The public company referred to in subsection (2) shall, within 14 days after the issue of the notice of incorporation referred to in subsection (3), lodge with the Registrar in the prescribed form a list of persons holding shares in the company.".

Amendment of section 33

28. Section 33 of the Companies Act is amended —

(*a*) by deleting subsection (2) and substituting the following subsection:

"(2) Where a company proposes to alter its constitution, with respect to the objects of the company, it shall give 21 days' written notice by post or by electronic communications in accordance with section 387A or 387C, specifying the intention to propose the resolution as a special resolution and to submit it for passing at a meeting of the company to be held on a day specified in the notice."; and

(*b*) by deleting the words "issued share capital" in subsection (5A) and substituting the words "issued shares".

Repeal and re-enactment of sections 35, 36 and 37

29. Sections 35, 36 and 37 of the Companies Act are repealed and the following sections substituted therefor:

"**Regulations for company**

35.—(1) Subject to this section, a company's constitution shall contain the regulations for the company.

(2) Subsection (1) does not apply to a company limited by shares that was incorporated before the date of commencement of section 29 of the Companies (Amendment) Act 2014.

(3) Notwithstanding subsection (2), where immediately before the date of commencement of section 29 of the Companies (Amendment) Act 2014, regulations were in force for a company, whether the regulations were prescribed in the company's registered articles, or were applicable in lieu of or in addition

to the company's registered articles by virtue of section 36(2) in force before that date, such regulations shall be deemed to be the regulations for the company contained in the company's constitution for the purposes of subsection (1) until such time as the constitution of the company is amended to replace or amend those regulations.

Model constitution

36.—(1) The Minister may prescribe model constitutions for —

(*a*) private companies; and

(*b*) companies limited by guarantee,

(referred to in this section and section 37 as specified companies).

(2) Different model constitutions may be prescribed for different descriptions of specified companies.

Adoption of model constitution

37.—(1) A specified company may adopt as its constitution the whole or any part of the model constitution prescribed under section 36(1) for the type of company to which it belongs.

(2) A specified company may in its constitution adopt the whole model constitution for the type of company to which it belongs by reference to the title of the model constitution.

(3) Where a specified company adopts the whole model constitution for the type of company to which it belongs, the specified company may choose —

(*a*) to adopt the model constitution as in force at the time of adoption; or

(*b*) to adopt the model constitution as may be in force from time to time, in which case the model constitution for the type of company to which the specified company belongs that is for the time being in force shall, so far

as applicable, be the constitution for that specified company.

(4) A copy of the constitution of a specified company shall be submitted to the Registrar, in accordance with section 19(1), where the specified company —

(*a*) adopts only part of the model constitution for the type of company to which it belongs;

(*b*) includes provisions additional to those in the model constitution; or

(*c*) includes object clauses as part of its constitution.".

Amendment of section 39

30. Section 39 of the Companies Act is amended by deleting subsection (1) and substituting the following subsection:

"(1) Subject to this Act, the constitution of a company shall when registered bind the company and the members thereof to the same extent as if it respectively had been signed and sealed by each member and contained covenants on the part of each member to observe all the provisions of the constitution.".

Amendment of section 62B

31. Section 62B(7) of the Companies Act is amended by inserting, immediately after the words "section 197(4)" in paragraph (*a*)(i), the words "in force immediately before the commencement of section 111 of the Companies (Amendment) Act 2014".

Repeal and re-enactment of section 63 and new sections 63A, 63B and 63C

32. Section 63 of the Companies Act is repealed and the following sections substituted therefor:

"**Return as to allotments by private companies**

63.—(1) A private company may allot new shares, other than a deemed allotment, by lodging with the Registrar a return of the allotment in the prescribed form, which shall include the following particulars:

(*a*) the number of the shares comprised in the allotment;

(*b*) the amount (if any) paid or deemed to be paid on the allotment of each share;

(*c*) the amount (if any) unpaid on each share referred to in paragraph (*b*);

(*d*) where the capital of the company is divided into shares of different classes, the class of shares to which each share comprised in the allotment belongs; and

(*e*) the full name, identification, nationality (if such identification or nationality, as the case may be, is required by the Registrar) and address of, and the number and class of shares held by each of its members.

(2) An allotment of shares, other than a deemed allotment, by a private company on or after the date of commencement of section 32 of the Companies (Amendment) Act 2014 does not take effect until the electronic register of members of the company is updated by the Registrar under section 196A(5).

(3) In this section and section 63A, "deemed allotment" means an issue of shares without formal allotment to subscribers to the constitution.

Return as to allotments by public companies

63A.—(1) Where a public company makes any allotment of its shares, other than a deemed allotment, the company shall within 14 days thereafter lodge with the Registrar a return of the allotments stating —

(*a*) the number of the shares comprised in the allotment;

(*b*) the amount (if any) paid or deemed to be paid on the allotment of each share;

(*c*) the amount (if any) unpaid on each share referred to in paragraph (*b*);

(*d*) where the capital of the company is divided into shares of different classes, the class of shares to which each share comprised in the allotment belongs; and

(*e*) the full name, identification, nationality (if such identification or nationality, as the case may be, is required by the Registrar) and address of, and the number and class of shares held by each of the 50 members who, following the allotment, hold the most number of shares in the company (excluding treasury shares).

(2) A return of allotment referred to in subsection (1) by a public company, the shares of which are listed on a securities exchange in Singapore or any securities exchange outside Singapore, need not state the particulars referred to in subsection (1)(*e*).

(3) If default is made in complying with this section, every officer of the public company who is in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $4,000 and to a default penalty of $250.

Lodgment of documents in relation to allotment

63B.—(1) Where shares are allotted by a company as fully or partly paid up otherwise than in cash and the allotment is made pursuant to a contract in writing, the company shall lodge with the return of allotment the contract evidencing the entitlement of the allottee or a copy of any such contract certified as prescribed.

(2) If a certified copy of a contract is lodged, the original contract duly stamped shall if the Registrar so requests be produced at the same time to the Registrar.

(3) Where shares are allotted as fully or partly paid up otherwise than in cash and the allotment is made —

(*a*) pursuant to a contract not reduced to writing;

(*b*) pursuant to a provision in the constitution; or

(*c*) in satisfaction of a dividend declared in favour of, but not payable in cash to, the shareholders, or in pursuance of the application of moneys held by the company in an account or reserve in paying up unissued shares to which the shareholders have become entitled,

the company shall lodge with the Registrar the document specified in subsection (4) within the time specified in subsection (5).

(4) The document referred to in subsection (3) is —

(*a*) a statement of prescribed particulars; or

(*b*) in lieu of the statement, where the shares are allotted pursuant to a scheme of arrangement approved by the Court under section 210, a copy of the order of the Court.

(5) The company must lodge the document specified in subsection (4) at the same time and together with the return of allotment.

(6) If default is made in complying with this section, every officer of a company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $4,000 and to a default penalty of $250.

Notice of increase in total amount paid up on shares

63C. Where a private company issues any partly paid or unpaid share of any class and the company subsequently receives all or any part of the unpaid amount with respect to the share, the company shall lodge with the Registrar a notice in the prescribed form with respect to the total amount of such payments and the increase in the total amount paid up on the relevant class of shares within 14 days after the payment.".

Repeal and re-enactment of section 64 and new section 64A

33. Section 64 of the Companies Act is repealed and the following sections substituted therefor:

"**Rights and powers attaching shares**

64.—(1) Subject to subsections (2) and (3), sections 21 and 76J, and any written law to the contrary, a share in a company confers on the holder of the share the right to one vote on a poll at a meeting of the company on any resolution.

(2) A company's constitution may provide that a member shall not be entitled to vote unless all calls or other sums personally payable by him in respect of shares in the company have been paid.

(3) Subject to subsection (4) and section 64A, a right specified in subsection (1) may be negated, altered, or added to by the constitution of the company.

(4) Notwithstanding subsection (3), the right of a holder of a specified share of a company to at least one vote on a poll at a meeting of the company on the following resolutions may not be negated or altered:

(*a*) a resolution to wind up the company voluntarily under section 290; or

(*b*) a resolution to vary any right attached to a specified share and conferred on the holder.

(5) In subsection (4), "specified share" means a share in the company, by whatever name called which, but for that subsection, does not entitle the holder thereof to the right to vote at a general meeting of the company.

(6) This section shall not operate so as to limit or derogate from the rights of any person under section 74.

Issue of shares with different voting rights by public company

64A.—(1) Different classes of shares in a public company may be issued only if —

(*a*) the issue of the class or classes of shares is provided for in the constitution of the public company; and

(*b*) the constitution of the public company sets out in respect of each class of shares the rights attached to that class of shares.

(2) Without limiting subsection (1) but subject to the conditions of subsection (1)(*a*) and (*b*), shares in a public company may —

(*a*) confer special, limited, or conditional voting rights; or

(*b*) not confer voting rights.

(3) Notwithstanding anything in subsection (1) or (2), a public company shall not undertake any issuance of shares in the public company that confers special, limited or conditional voting rights, or that confers no voting rights unless it is approved by the members of the public company by special resolution.

(4) Where a public company has one or more classes of shares that confer special, limited or conditional voting rights, or that confer no voting rights, the notice of any general meeting required to be given to a person entitled to receive notice of the meeting must specify the special, limited or conditional voting rights, or the absence of voting rights, in respect of each such class of shares.

(5) This section shall not operate so as to limit or derogate from the rights of any person under section 74.

(6) Nothing in this section shall affect the right of a private company, subject to its constitution, to issue shares of different classes, including shares conferring special, limited or conditional voting rights or no voting rights, as the case may be.".

Amendment of section 66

34. Section 66 of the Companies Act is amended by deleting subsections (2) and (3) and substituting the following subsections:

"(2) The bearer of a share warrant issued before 29 December 1967 shall, in the 2-year period after the date of commencement of section 34 of the Companies (Amendment) Act 2014, be entitled to surrender it for cancellation and to have his name entered in the register of members.

(3) The company shall be responsible for any loss incurred by any person by reason of the company entering in the register the name of a bearer of a share warrant issued before 29 December 1967 in respect of the shares therein specified without the warrant being surrendered and cancelled.

(4) A company shall cancel any share warrant which is issued by a company before 29 December 1967 that is unaccounted for by the expiry of the 2-year period referred to in subsection (2), and the company shall not be responsible for any loss incurred by any person by reason of such cancellation.".

New sections 67 and 68

35. The Companies Act is amended by inserting, immediately after section 66, the following sections:

"**Use of share capital to pay expenses incurred in issue of new shares**

67.—(1) A company may use its share capital to pay any expenses (including brokerage or commission) incurred directly in the issue of new shares.

(2) A payment made under subsection (1) shall not be taken as reducing the amount of share capital of the company.

Issue of shares for no consideration

68. A company having a share capital may issue shares for which no consideration is payable to the issuing company.".

Amendment of section 70

36. Section 70 of the Companies Act is amended —

(*a*) by deleting subsection (2);

(*b*) by inserting, immediately after subsection (4), the following subsections:

"(5) For the avoidance of doubt, shares redeemed out of proceeds of a fresh issue of shares issued for the purpose of redemption shall not be treated as having been redeemed out of the capital of the company.

(6) A private company may redeem any redeemable preference shares by lodging a prescribed notice of redemption with the Registrar.

(7) A redemption of any redeemable preference shares by a private company on or after the date of commencement of section 36 of the Companies (Amendment) Act 2014 does not take effect until the electronic register of members of the company is updated by the Registrar under section 196A(5).”; and

(*c*) by deleting subsection (8) and substituting the following subsection:

“(8) If a public company redeems any redeemable preference shares, it shall within 14 days after doing so give notice thereof to the Registrar specifying the shares redeemed.”.

Amendment of section 71

37. Section 71 of the Companies Act is amended —

(*a*) by deleting the words “A company, if so authorised by its articles” in subsection (1) and substituting the words “Subject to subsections (1B) and (1C), a company, if so authorised by its constitution”; and

(*b*) by deleting subsection (1A) and substituting the following subsections:

“(1A) A public company which alters its share capital may lodge with the Registrar a notice of the alteration in the prescribed form.

(1B) A private company may alter its share capital by lodging a notice of alteration in the prescribed form with the Registrar.

(1C) An alteration of share capital of a private company on or after the date of commencement of section 37 of the Companies (Amendment) Act 2014 does not take effect until the electronic register of members of the company is updated by the Registrar under section 196A(5).”.

New sections 73, 73A and 73B

38. The Companies Act is amended by inserting, immediately after section 72, the following sections:

"**Redenomination of shares**

73.—(1) A company having a share capital may by ordinary resolution convert its share capital or any class of shares from one currency to another currency.

(2) A resolution under this section may authorise a company having a share capital to redenominate its share capital —

(*a*) on more than one occasion; and

(*b*) at a specified time or under specified circumstances.

(3) The redenomination must be made at a spot rate of exchange specified in the resolution.

(4) The rate referred to in subsection (3) must be either —

(*a*) a rate prevailing on a day specified in the resolution; or

(*b*) a rate determined by taking the average of rates prevailing on each consecutive day of a period specified in the resolution.

(5) The day or period specified for the purposes of subsection (4) must be within the period of 28 days ending on the day before the resolution is passed.

(6) A resolution under this section may specify conditions which must be met before the redenomination takes effect.

(7) Redenomination in accordance with a resolution under this section takes effect —

(*a*) on the day on which the resolution is passed; or

(*b*) on such later day as may be determined in accordance with the resolution.

(8) A resolution under this section lapses if the redenomination for which it provides has not taken effect at the end of the period of 28 days beginning on the date on which it is passed.

(9) A company's constitution may exclude or restrict the exercise of a power conferred by this section.

(10) In this section and sections 73A and 73B, "redenomination" means the conversion of share capital or any class of shares from one currency to another.

Effect of redenomination

73A.—(1) A redenomination of shares shall not affect —

(*a*) any rights or obligations of members under the company's constitution or any restrictions affecting members under the company's constitution; or

(*b*) any entitlement to dividends (including any entitlement to dividends in a particular currency), voting rights and liability in respect of amounts remaining unpaid on shares (including liability in a particular currency).

(2) For the purposes of subsection (1), the reference to a company's constitution includes the terms on which any shares of the company are allotted or held.

Notice of redenomination

73B.—(1) Within 14 days after passing a resolution under section 73, a company must deliver a notice in the specified form to the Registrar for registration in relation to the redenomination.

(2) The notice must include the following information with respect to the company's share capital as redenominated by the resolution:

(*a*) the total number of issued shares in the company;

(*b*) the amount paid up or regarded as paid up and the amount (if any) remaining unpaid on the total number of issued shares in the company;

(*c*) the total amount of the company's issued share capital; and

(*d*) for each class of shares —

(i) the particulars specified in subsection (3);

(ii) the total number of issued shares in the class;

(iii) the amount paid up or regarded as paid up and the amount (if any) remaining unpaid on the total number of issued shares in the class; and

(iv) the total amount of issued share capital of the class.

(3) The particulars referred to in subsection (2)(*d*)(i) are —

(*a*) particulars of any voting rights attached to shares in the class, including rights that arise only in certain circumstances;

(*b*) particulars of any rights attached to shares in the class, as respects dividends, to participate in a distribution;

(*c*) particulars of any rights attached to shares in the class, as respects capital, to participate in a distribution (including on a winding up of the company); and

(*d*) whether or not shares in the class are redeemable shares.

(4) If default is made in complying with this section, every officer of the company who is in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $4,000 and to a default penalty of $250.".

Amendment of section 74

39. Section 74 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) If, in the case of a company the share capital of which is divided into different classes of shares, provision is made by the constitution for authorising the variation or abrogation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of that provision, the rights attached to any

such class of shares are at any time varied or abrogated, the holders of not less in the aggregate than 5% of the total number of issued shares of that class may apply to the Court to have the variation or abrogation cancelled, and, if any such application is made, the variation or abrogation shall not have effect until confirmed by the Court."; and

(*b*) by deleting the words "issued share capital" in subsection (1A) and substituting the words "issued shares".

New section 74A

40. The Companies Act is amended by inserting, immediately after section 74, the following section:

"**Conversion of shares**

74A.—(1) Subject to this section and sections 64A and 75, a company the share capital of which is divided into different classes of shares may make provision in its constitution to authorise the conversion of one class of shares into another class of shares.

(2) A public company may convert one class of shares (*A*) into another class of shares (*B*) by special resolution only if the constitution of the public company —

(*a*) permits *B* to be issued; and

(*b*) sets out the rights attached to *B*.

(3) A private company may convert shares from one class to another by lodging a notice of conversion in the prescribed form with the Registrar.

(4) A conversion of shares by a private company on or after the date of commencement of section 40 of the Companies (Amendment) Act 2014 does not take effect until the electronic register of members of the company is updated by the Registrar under section 196A(5).

(5) Section 74 shall apply where a conversion of shares undertaken by a company involves a variation or an abrogation of the rights attached to any class of shares in the company.

(6) Notwithstanding anything in this section, a share that is not a redeemable preference share when issued cannot afterwards be converted into a redeemable preference share.".

Amendment of section 76

41. Section 76 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsections:

"(1) Except as otherwise expressly provided by this Act, a public company or a company whose holding company or ultimate holding company is a public company shall not, whether directly or indirectly, give any financial assistance for the purpose of, or in connection with —

(*a*) the acquisition by any person, whether before or at the same time as the giving of financial assistance, of —

(i) shares or units of shares in the company; or

(ii) shares or units of shares in a holding company or ultimate holding company, as the case may be, of the company; or

(*b*) the proposed acquisition by any person of —

(i) shares or units of shares in the company; or

(ii) shares or units of shares in a holding company or ultimate holding company, as the case may be, of the company.

(1A) Except as otherwise expressly provided by this Act, a company shall not —

(*a*) whether directly or indirectly, in any way —

(i) acquire shares or units of shares in the company; or

(ii) purport to acquire shares or units of shares in a holding company or ultimate holding company, as the case may be, of the company; or

(*b*) whether directly or indirectly, in any way, lend money on the security of —

(i) shares or units of shares in the company; or

(ii) shares or units of shares in a holding company or ultimate holding company, as the case may be, of the company.";

(*b*) by deleting the words "subsection (1)(*a*)" in subsections (3) and (4) and substituting in each case the words "subsection (1)";

(*c*) by inserting, immediately after the words "subsection (1)" wherever they appear in subsections (5), (8) and (9), the words "or (1A)";

(*d*) by deleting paragraph (*a*) of subsection (8) and substituting the following paragraphs:

"(*a*) a distribution of a company's assets by way of dividends lawfully made;

(*aa*) a distribution in the course of a company's winding up;";

(*e*) by deleting the word "or" at the end of subsection (8)(*i*);

(*f*) by deleting the comma at the end of paragraph (*j*) of subsection (8) and substituting a semi-colon, and by inserting immediately thereafter the following paragraphs:

"(*k*) an allotment of bonus shares;

(*l*) a redemption of redeemable shares of a company in accordance with the company's constitution; or

(*m*) the payment of some or all of the costs by a company listed on a securities exchange in Singapore or any securities exchange outside Singapore associated with a scheme, an arrangement or a plan under which any shareholder of the company may purchase or sell shares for the sole purpose of rounding off any odd-lots which he owns,";

(*g*) by inserting, immediately after subsection (8), the following subsection:

"(8A) For the purposes of subsection (8)(*m*) —

(*a*) an "odd-lot" means any amount of shares in the company which is less than the amount of shares constituting a board lot;

(*b*) a "board lot" means a standard unit of trading of the securities exchange on which the company is listed; and

(*c*) the reference to "rounding off any odd-lots" includes an act by a shareholder, who owns only odd-lots in a company, disposing all such odd-lots.";

(*h*) by inserting, immediately after the words "holding company" in subsections (9)(*b*), (9A), (9B) and (9D), the words "or ultimate holding company, as the case may be,";

(*i*) by inserting, immediately after subsection (9B), the following subsection:

"(9BA) Nothing in subsection (1) prohibits the giving by a company of financial assistance for the purpose of, or in connection with, an acquisition or proposed acquisition by a person of shares or units of shares in the company or in a holding company or ultimate

holding company, as the case may be, of the company if —

(*a*) giving the assistance does not materially prejudice —

(i) the interests of the company or its shareholders; or

(ii) the company's ability to pay its creditors;

(*b*) the board of directors of the company passes a resolution that —

(i) the company should give the assistance; and

(ii) the terms and conditions under which the assistance is proposed to be given are fair and reasonable to the company;

(*c*) the resolution sets out in full the grounds for the directors' conclusions; and

(*d*) the company lodges with the Registrar a copy of the resolution referred to in paragraph (*c*).";

(*j*) by inserting, immediately after subsection (9C), the following subsection:

"(9CA) A company shall not give financial assistance under subsection (9BA) if, before the assistance is given, any of the directors who voted in favour of the resolution under subsection (9BA)(*c*) ceases to be satisfied that the terms and conditions under which the assistance is proposed are fair and reasonable to the company.";

(*k*) by inserting, immediately after the words "subsection (9A)" in subsection (9D)(*a*), the words "or (9BA)"; and

(*l*) by inserting, immediately after the words "holding company" where they first appear in subsection (10), the words "or ultimate holding company, as the case may be,".

Amendment of section 76A

42. Section 76A of the Companies Act is amended —

(*a*) by inserting, immediately after the words "holding company" in subsections (1)(*a*) and (*b*) and (6), the words "or ultimate holding company, as the case may be,";

(*b*) by inserting, immediately after subsection (1), the following subsection:

"(1A) Subsection (1) shall not apply to a disposition of book-entry securities, but a Court, on being satisfied that a disposition of book-entry securities would in the absence of this subsection be void may, on the application of the Registrar or any other person, order the transfer of the shares acquired in contravention of subsection (1).";

(*c*) by deleting the words "or (10)" in subsections (6), (7), (11) and (12) and substituting in each case the words ", (9BA) or (10)"; and

(*d*) by deleting the words "gives financial assistance as mentioned in section 76(1)(*a*) or lends money as mentioned in section 76(1)(*c*)" in subsection (14) and substituting the words "gives financial assistance as mentioned in section 76(1) or lends money as mentioned in section 76(1A)(*b*)".

Amendment of section 76B

43. Section 76B of the Companies Act is amended —

(*a*) by deleting subsection (3) and substituting the following subsection:

"(3) The total number of ordinary shares and stocks in any class that may be purchased or acquired by a company during the relevant period shall not exceed 20% (or such other percentage as the Minister may by notification prescribe) of the total number of ordinary shares and stocks of the company in that class

ascertained as at the date of any resolution passed pursuant to section 76C, 76D, 76DA or 76E unless —

(*a*) the company has, at any time during the relevant period, reduced its share capital by a special resolution under section 78B or 78C; or

(*b*) the Court has, at any time during the relevant period, made an order under section 78I confirming the reduction of share capital of the company.";

(*b*) by deleting subsection (3B) and substituting the following subsection:

"(3B) The total number of preference shares in any class which are not redeemable under section 70 that may be purchased or acquired by a company during the relevant period shall not exceed 20% (or such other percentage as the Minister may by notification prescribe) of the total number of non-redeemable preference shares of the company in that class ascertained as at the date of any resolution passed pursuant to section 76C, 76D, 76DA or 76E, unless —

(*a*) the company has, at any time during the relevant period, reduced its share capital by a special resolution under section 78B or 78C; or

(*b*) the Court has, at any time during the relevant period, made an order under section 78I confirming the reduction of share capital of the company.";

(*c*) by deleting subsection (4) and substituting the following subsection:

"(4) In subsections (3), (3B) and (3D), "relevant period" means the period —

(*a*) commencing from the date of a resolution passed pursuant to section 76C, 76D, 76DA or 76E (as the case may be); and

(*b*) expiring on the date the next annual general meeting is or is required by law to be held, whichever is the earlier."; and

(*d*) by deleting subsections (7), (8) and (9) and substituting the following subsections:

"(7) A private company may purchase or acquire any of its shares under section 76C, 76D, 76DA or 76E by lodging the following with the Registrar:

(*a*) a copy of a resolution referred to in section 76C, 76D, 76DA or 76E; and

(*b*) a notice of purchase or acquisition in the prescribed form with the following particulars:

(i) the date of the purchase or acquisition;

(ii) the number of shares purchased or acquired;

(iii) the number of shares cancelled;

(iv) the number of shares held as treasury shares;

(v) the company's issued share capital before the purchase or acquisition;

(vi) the company's issued share capital after the purchase or acquisition;

(vii) the amount of consideration paid by the company for the purchase or acquisition of the shares;

(viii) whether the shares were purchased or acquired out of the profits or the capital of the company; and

(ix) such other particulars as may be required in the prescribed form.

(8) A purchase or acquisition by a private company on or after the date of commencement of section 43 of the

Companies (Amendment) Act 2014 does not take effect until the electronic register of members of the company is updated by the Registrar under section 196A(5).

(9) Where a public company purchases or acquires shares issued by it under section 76C, 76D, 76DA or 76E —

(*a*) within 30 days after the passing of a resolution referred to in section 76C, 76D, 76DA or 76E, as the case may be, the directors of the company shall lodge with the Registrar a copy of the resolution;

(*b*) within 30 days after the purchase or acquisition of the shares, the directors of the company shall lodge a notice of purchase or acquisition in the prescribed form with the following particulars:

(i) the date of the purchase or acquisition;

(ii) the number of shares purchased or acquired;

(iii) the number of shares cancelled;

(iv) the number of shares held as treasury shares;

(v) the company's issued share capital before the purchase or acquisition;

(vi) the company's issued share capital after the purchase or acquisition;

(vii) the amount of consideration paid by the company for the purchase or acquisition of the shares;

(viii) whether the shares were purchased or acquired out of the profits or the capital of the company; and

(ix) such other particulars as may be required in the prescribed form; and

(*c*) for the purposes of this section, shares are deemed to be purchased or acquired on the date on which the company would, apart from subsection (5), become entitled to exercise the rights attached to the shares.".

Amendment of section 76C

44. Section 76C of the Companies Act is amended —

(*a*) by inserting, immediately after the words "securities exchange" wherever they appear in subsection (1), the words "in Singapore or any securities exchange outside Singapore"; and

(*b*) by deleting the words "ordinary issued share capital" in subsection (2)(*a*) and substituting the words "ordinary shares".

Amendment of section 76D

45. Section 76D(1) of the Companies Act is amended by deleting paragraph (*b*).

Amendment of section 76DA

46. Section 76DA(1) of the Companies Act is amended by inserting, immediately after the words "securities exchange", the words "in Singapore or any securities exchange outside Singapore".

Amendment of section 76E

47. Section 76E(2) of the Companies Act is amended by deleting the words "ordinary issued share capital" in paragraph (*a*) and substituting the words "ordinary shares".

Amendment of section 76F

48. Section 76F of the Companies Act is amended —

(*a*) by inserting, immediately after subsection (1), the following subsection:

"(1A) A payment referred to in subsection (1)(*a*) shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the company of its own shares."; and

(*b*) by deleting subsections (4), (5) and (6) and substituting the following subsection:

"(4) For the purposes of this section, a company is solvent if at the date of the payment referred to in subsection (1) the following conditions are satisfied:

(*a*) there is no ground on which the company could be found to be unable to pay its debts;

(*b*) if —

(i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

(ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(*c*) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).".

Amendment of section 76G

49. The Companies Act is amended by renumbering section 76G as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

"(2) For the purpose of subsection (1), the total amount of the purchase price referred to in that subsection shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the shares of a company which is paid out of the company's capital or profits under section 76F(1).".

Amendment of section 76H

50. Section 76H(2) of the Companies Act is amended by inserting, immediately after the words "section 190 (Register and index of members)", the words "and section 196A (Electronic register of members)".

Amendment of section 76J

51. Section 76J(5) of the Companies Act is amended by deleting the words "smaller amount" in paragraph (*b*) and substituting the words "greater or smaller number".

Amendment of section 76K

52. Section 76K of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsections:

"(1) Subject to subsection (1A), where shares are held by a private company as treasury shares, the company may at any time —

(*a*) sell the shares (or any of them) for cash;

(*b*) transfer the shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(*c*) transfer the shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(*d*) cancel the shares (or any of them); or

(*e*) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

(1A) A private company may cancel or dispose of treasury shares pursuant to subsection (1) by lodging a prescribed notice of the cancellation or disposal of treasury shares with the Registrar together with the prescribed fee.

(1B) A cancellation or disposal of treasury shares by a private company on or after the date of commencement of section 52 of the Companies (Amendment) Act 2014 does not take effect until the electronic register of members of the company is updated by the Registrar under section 196A(5).

(1C) Where shares are held by a public company as treasury shares, the company may at any time —

(*a*) sell the shares (or any of them) for cash;

(*b*) transfer the shares (or any of them) for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;

(*c*) transfer the shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(*d*) cancel the shares (or any of them); or

(*e*) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

(1D) Where a public company cancels or disposes treasury shares in accordance with subsection (1C), the directors of the company shall lodge with the Registrar a prescribed notice of the cancellation or disposal of treasury shares together with the prescribed fee within

30 days after the cancellation or disposal of treasury shares.";

(*b*) by deleting the words "subsection (1)(*a*)" in subsection (2) and substituting the words "subsections (1)(*a*) and (1C)(*a*)";

(*c*) by deleting the words "subsection (1)" in subsection (3) and substituting the words "subsection (1) or (1C), as the case may be";

(*d*) by deleting the words "subsection (1)" in subsection (4) and substituting the words "subsection (1) or (1C), as the case may be,"; and

(*e*) by deleting subsection (5).

Amendment of section 78A

53. Section 78A of the Companies Act is amended —

(*a*) by deleting the definition of "Comptroller" in subsection (4); and

(*b*) by inserting, immediately after subsection (5), the following subsection:

"(5A) This Division shall not apply to any redemption of preference shares issued by a company under section 70(1) which results in a reduction in the company's share capital.".

Amendment of section 78B

54. Section 78B of the Companies Act is amended —

(*a*) by deleting paragraph (*a*) of subsection (1);

(*b*) by deleting subsection (2) and substituting the following subsection:

"(2) Notwithstanding subsection (1), the company need not meet the solvency requirements if the reduction of share capital does not involve any of the following:

(*a*) a reduction or distribution of cash or other assets by the company;

(*b*) a release of any liability owed to the company.”; and

(*c*) by deleting the words “15 days” in subsection (3)(*b*)(ii) and substituting the words “20 days”.

Amendment of section 78C

55. Section 78C of the Companies Act is amended —

(*a*) by deleting paragraph (*a*) of subsection (1);

(*b*) by deleting subsection (2) and substituting the following subsection:

“(2) Notwithstanding subsection (1), the company need not meet the solvency requirements if the reduction of share capital does not involve any of the following:

(*a*) a reduction or distribution of cash or other assets by the company;

(*b*) a release of any liability owed to the company.”; and

(*c*) by deleting the words “22 days” in subsection (3)(*b*)(ii) and substituting the words “30 days”.

Amendment of section 78E

56. Section 78E of the Companies Act is amended —

(*a*) by deleting the words “section 78B(1)(*a*) and (*c*)” in subsections (1)(*a*) and (ii)(B) and (3)(*a*) and (iii)(A) and substituting in each case the words “section 78B(1)(*c*)”; and

(*b*) by deleting the words “section 78C(1)(*a*) and (*c*)” in subsections (2)(*a*) and (i) and (4)(*a*) and (iii)(A) and substituting in each case the words “section 78C(1)(*c*)”.

Amendment of section 78G

57. Section 78G of the Companies Act is amended by deleting subsection (2).

Amendment of section 86

58. Section 86 of the Companies Act is amended by inserting, immediately after subsection (2), the following subsection:

"(2A) This section shall not apply to the Depository as the registered holder of a company's shares.".

Amendment of section 123

59. Section 123(2) of the Companies Act is amended by deleting paragraph (*c*) and substituting the following paragraph:

"(*c*) the class of the shares, whether the shares are fully or partly paid up and the amount (if any) unpaid on the shares.".

Amendment of section 125

60. Section 125 of the Companies Act is amended by inserting, immediately after subsection (3), the following subsections:

"(4) For the purposes of this section in relation to a book-entry security, a reference to an owner therein shall be construed as a reference to the Depository.

(5) Subsection (2) shall not apply to documents evidencing title in relation to listed securities which have been deposited with the Depository and registered in its name or its nominee's name.".

Repeal of sections 126 to 130 and new sections 126 to 130AE

61. Sections 126 to 130 of the Companies Act are repealed and the following sections substituted therefor:

"**Transfer of shares in private companies**

126.—(1) Notwithstanding anything in its constitution, a private company shall not lodge a transfer of shares unless a proper instrument of transfer has been delivered to the company,

but this section shall not prejudice any power to lodge a notice of transfer of shares in respect of any person to whom the right to any shares of the company has been transmitted by operation of law.

(2) Where there has been a transfer of shares, a private company shall lodge with the Registrar notice of that transfer of shares in the prescribed form.

(3) A transfer of any share in a private company on or after the date of the commencement of section 61 of the Companies (Amendment) Act 2014 does not take effect until the electronic register of members of the company is updated by the Registrar under section 196A(5).

Transfer of debentures in private companies

127. Notwithstanding anything in its constitution, a private company shall not register a transfer of debentures unless a proper instrument of transfer has been delivered to the company, but this section shall not prejudice any power to register as debenture holder any person to whom the right to any debentures of the company has been transmitted by operation of law.

Registration of transfer at request of transferor by private companies

128.—(1) Subject to section 129, on the request in writing of the transferor of —

(*a*) any share in a private company, the company shall lodge with the Registrar a notice of transfer of shares in the prescribed form; or

(*b*) any debenture or other interest in a private company, the company shall enter in such register as the company considers appropriate, the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.

(2) The transfer of any share in a private company on or after the date of commencement of section 61 of the Companies (Amendment) Act 2014 does not take effect until the electronic

register of members of the company is updated by the Registrar under section 196A(5).

(3) On the request in writing of the transferor of a share or debenture, the private company shall by notice in writing require the person having the possession, custody or control of the share certificate or debenture and the instrument of transfer thereof or either of them to deliver or produce it or them to the office of the company within a stated period, being not less than 7 and not more than 28 days after the date of the notice, to have the share certificate or debenture cancelled or rectified, and the transfer registered (in the case of a transfer of debenture) or otherwise dealt with.

(4) If any person refuses or neglects to comply with a notice given under subsection (3), the transferor may apply to a judge to issue a summons for that person to appear before the Court and show cause why the documents mentioned in the notice should not be delivered or produced as required by the notice.

(5) Upon appearance of a person so summoned the Court may examine him upon oath and receive other evidence, or if he does not appear after being duly served with such summons, the Court may receive evidence in his absence and in either case the Court may order him to deliver such documents to the company upon such terms or conditions as to the Court seems fit, and the costs of the summons and proceedings thereon shall be in the discretion of the Court.

(6) Lists of share certificates or debentures called in under this section and not delivered or produced shall be exhibited in the office of the company and shall be advertised in such newspapers and at such times as the company thinks fit.

Notice of refusal to register transfer by private companies

129.—(1) If a private company refuses to lodge a notice of transfer of any share in the company it shall, within 30 days after the date on which the transfer was lodged with it, send to the transferor and the transferee notice of the refusal.

(2) If a private company refuses to register a transfer of any debenture or other interest in the company it shall, within 30 days after the date on which the transfer was lodged with it, send to the transferor and to the transferee notice of the refusal.

(3) Where an application is made to a private company to lodge with the Registrar a notice of transfer in the prescribed form in respect of any share which have been transferred or transmitted to a person by act of parties or operation of law, the company shall not refuse to do so by virtue of any discretion in that behalf conferred by the constitution unless it has served on the applicant, within 30 days beginning with the day on which the application was made, a notice in writing stating the facts which are considered to justify refusal in the exercise of that discretion.

(4) If default is made in complying with this section, the private company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $1,000 and also to a default penalty.

Transfer of shares and debentures in public companies

130.—(1) Notwithstanding anything in its constitution, a public company shall not register a transfer of shares or debentures unless a proper instrument of transfer has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

(2) Where there has been a transfer of shares, a public company may lodge with the Registrar a notice of that transfer of shares in the prescribed form.

(3) The notice must state —

(*a*) every other transfer of shares effected prior to the date of the notice, other than a transfer that has been previously notified to the Registrar; or

(*b*) the prescribed information in relation to the shares held by each of the 50 members who hold the most number of shares in the public company after the transfer.

Registration of transfer at request of transferor by public companies

130AA.—(1) On the request in writing of the transferor of any share, debenture or other interest in a public company the company shall enter in the appropriate register the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.

(2) On the request in writing of the transferor of a share or debenture the public company shall by notice in writing require the person having the possession, custody or control of the share certificate or debenture and the instrument of transfer thereof or either of them to deliver or produce it or them to the office of the company within a stated period, being not less than 7 and not more than 28 days after the date of the notice, to have the share certificate or debenture cancelled or rectified and the transfer registered or otherwise dealt with.

(3) If any person refuses or neglects to comply with a notice given under subsection (2), the transferor may apply to a judge to issue a summons for that person to appear before the Court and show cause why the documents mentioned in the notice should not be delivered or produced as required by the notice.

(4) Upon appearance of a person so summoned the Court may examine him upon oath and receive other evidence, or if he does not appear after being duly served with such summons, the Court may receive evidence in his absence and in either case the Court may order him to deliver such documents to the company upon such terms or conditions as to the Court seems fit, and the costs of the summons and proceedings thereon shall be in the discretion of the Court.

(5) Lists of share certificates or debentures called in under this section and not brought in shall be exhibited in the office of the

company and shall be advertised in such newspapers and at such times as the company thinks fit.

Notice of refusal to register transfer by public companies

130AB.—(1) If a public company refuses to register a transfer of any share, debenture or other interest in the company it shall, within 30 days after the date on which the transfer was lodged with it, send to the transferor and to the transferee notice of the refusal.

(2) Where an application is made to a public company for a person to be registered as a member in respect of shares which have been transferred or transmitted to him by act of parties or operation of law, the company shall not refuse registration by virtue of any discretion in that behalf conferred by its constitution unless it has served on the applicant, within 30 days beginning with the day on which the application was made, a notice in writing stating the facts which are considered to justify refusal in the exercise of that discretion.

(3) If default is made in complying with this section, the public company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $1,000 and also to a default penalty.

Transfer by personal representative

130AC.—(1) A transfer of the share, debenture or other interest of a deceased person made by his personal representative shall, although the personal representative is not himself a member of the company, be as valid as if he had been such a member at the time of the execution of the instrument of transfer.

(2) The production to a company of any document which is by law sufficient evidence of probate of the will, or letters of administration of the estate, of a deceased person having been granted to some person shall be accepted by the company,

notwithstanding anything in its constitution, as sufficient evidence of the grant.

(3) In this section, "instrument of transfer" includes a written application for transmission of a share, debenture or other interest to a personal representative.

Certification of prima facie title

130AD.—(1) The certification by a company of any instrument of transfer of shares, debentures or other interests in the company shall be taken as a representation by the company to any person acting on the faith of the certification that there have been produced to the company such documents as on the face of them show a prima facie title to the shares, debentures or other interests in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares, debentures or other interests.

(2) Where any person acts on the faith of a false certification by a company made negligently, the company shall be under the same liability to him as if the certification had been made fraudulently.

(3) Where any certification by a private company is expressed to be limited to 42 days or any longer period from the date of certification, the company and its officers shall not, in the absence of fraud, be liable —

(*a*) in respect of any transfer of shares after the expiration of the period so limited or any extension thereof given by the company if the instrument of transfer has not been sent to or received by the company under section 126(1) within that period; or

(*b*) in respect of the registration of any transfer of debentures or other interests comprised in the certification after the expiration of the period so limited or any extension thereof given by the company if the instrument of transfer has not within that period been lodged with the company for registration.

(4) Where any certification by a public company is expressed to be limited to 42 days or any longer period from the date of certification, the company and its officers shall not, in the absence of fraud, be liable in respect of the registration of any transfer of shares, debentures or other interests comprised in the certification after the expiration of the period so limited or any extension thereof given by the company if the instrument of transfer has not within that period been lodged with the company for registration.

(5) For the purposes of this section —

(*a*) an instrument of transfer is to be treated as certificated if it bears the words "certificate lodged" or words to the like effect;

(*b*) the certification of an instrument of transfer is to be treated as made by a company if —

(i) the person issuing the instrument is a person apparently authorised to issue certificated instruments of transfer on the company's behalf; and

(ii) the certification is signed by a person apparently authorised to certificate transfers on the company's behalf or by any officer either of the company or of a corporation so apparently authorised; and

(*c*) a certification that purports to be authenticated by a person's signature or initials (whether handwritten or not) shall be deemed to be signed by him unless it is shown that the signature or initials were not placed there by him and were not placed there by any other person apparently authorised to use the signature or initials for the purpose of certificating transfers on the company's behalf.

Duties of company with respect to issue of certificates and default in issue of certificates

130AE.—(1) Every public company shall within 60 days after the allotment of any of its shares or debentures, and within 30 days after the date on which a transfer (other than such a transfer as the company is for any reason entitled to refuse to register and does not register) of any of its shares or debentures is lodged with the company, complete and have ready for delivery all the appropriate certificates and debentures in connection with the allotment or transfer.

(2) Every private company shall —

(*a*) within 60 days after the allotment of any of its shares or debentures;

(*b*) within 30 days after the date on which a notice of transfer of shares is lodged with the Registrar under section 126(2) or 128(1)(*a*); and

(*c*) within 30 days after the date on which a transfer (other than such a transfer as the company is for any reason entitled to refuse to register and does not register) of any of its debentures is lodged with the company,

complete and have ready for delivery all the appropriate certificates and debentures in connection with the allotment or transfer.

(3) If default is made in complying with this section, the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $1,000 and also to a default penalty.

(4) If any company on which a notice has been served requiring the company to make good any default in complying with this section fails to make good the default within 10 days after the service of the notice, the Court may, on the application of the person entitled to have the certificates or the debentures delivered to him, make an order directing the company and any officer of the company to make good the default within such time

as is specified in the order, and the order may provide that all costs of and incidental to the application shall be borne by the company or by any officer of the company in default in such proportions as the Court thinks fit.".

Repeal of Division 7A of Part IV

62. Division 7A of Part IV of the Companies Act is repealed.

Amendment of section 131

63. Section 131 of the Companies Act is amended —

(*a*) by inserting, immediately after the words "with the Registrar" in subsection (1), the words "in the prescribed manner";

(*b*) by deleting the words "The charges to which this section applies are —" in subsection (3) and substituting the words "This section applies to the following charges that are created on or after the date of commencement of section 63 of the Companies (Amendment) Act 2014:";

(*c*) by deleting the words "or an assignment" in subsection (3)(*d*);

(*d*) by inserting, immediately after the words "any interest therein" in subsection (3)(*e*), the words "but not including any charge for any rent or other periodical sum issuing out of land";

(*e*) by deleting paragraph (*j*) of subsection (3) and substituting the following paragraph:

"(*j*) a charge on goodwill, on a patent or a licence under a patent, on a trade mark or a licence to use a trademark, or on a copyright or a licence under a copyright or on a registered design or a licence to use a registered design."; and

(*f*) by inserting, immediately after subsection (3), the following subsection:

"(3AA) This section also applies to any charge that —

(*a*) was a charge to which this section applied under subsection (3) in force immediately before the

date of commencement of section 63 of the Companies (Amendment) Act 2014; and

(*b*) was created before that date.".

Amendment of section 132

64. Section 132(1) of the Companies Act is amended by inserting, immediately after the words "may be lodged for registration", the words "in the prescribed manner".

Amendment of section 138

65. Section 138 of the Companies Act is amended —

(*a*) by inserting, immediately after the words "registered office of the company" in subsection (1), the words "for as long as the charge to which the instrument relates remains in force,"; and

(*b*) by inserting, immediately after subsection (1), the following subsection:

"(1A) An instrument creating any charge or a copy thereof, or a copy of the series of debentures, as the case may be, that is required to be kept under subsection (1) —

(*a*) shall be deemed to form part of the records that are required to be kept under section 199(1); and

(*b*) for the purposes of section 199(2), shall be retained by the company for a period of 5 years after —

(i) the date the debt for which the charge was given was paid or satisfied in whole;

(ii) the date the property or undertaking charged was released or ceased to form part of the company's property or undertaking; or

(iii) where both of the events referred to in sub-paragraphs (i) and (ii) occur in any particular case, the later of the dates.".

Amendment of section 141

66. Section 141 of the Companies Act is amended by inserting, immediately after the words "a foreign company", the words "if, and only if, it is".

Amendment of section 143

67. Section 143(1) of the Companies Act is amended by deleting the words "14 days of" and substituting the words "14 days after".

Amendment of section 145

68. Section 145 of the Companies Act is amended —

(*a*) by inserting, immediately after subsection (4), the following subsections:

"(4A) Subject to subsection (5), unless the constitution otherwise provides, a director of a company may resign by giving the company a notice in writing of his resignation.

(4B) Subject to subsection (5), the resignation of a director shall not be conditional upon the company's acceptance of his resignation."; and

(*b*) by deleting subsection (6) and substituting the following subsection:

"(6) Subsection (5) shall not apply where a director of a company is required to resign or vacate his office —

(*a*) if he has not within the period referred to in section 147(1) obtained his qualification;

(*b*) by virtue of his disqualification or removal or the revocation of his appointment as a director, as the case may be, under section 148, 149, 149A, 154, 155, 155A or 155C of this Act, section 50 or 54 of the Banking Act (Cap. 19), section 47 of the Finance Companies Act (Cap. 108), section 57 of the Financial Advisers Act (Cap. 110), section 62 or 63 of

the Financial Holdings Companies Act 2013 (Act 13 of 2013), section 31, 31A, 35ZJ or 41(2)(*a*)(ii) of the Insurance Act (Cap. 142), section 30AAI of the Monetary Authority of Singapore Act (Cap. 186), section 12A of the Money-changing and Remittance Businesses Act (Cap. 187), section 22 of the Payment Systems (Oversight) Act (Cap. 222A), section 44, 46Z, 81P, 81ZJ, 97 or 292A of the Securities and Futures Act (Cap. 289) and section 14 of the Trust Companies Act (Cap. 336); or

(*c*) if he, being a director of a Registered Fund Management Company as defined in the Securities and Futures (Licensing and Conduct of Business) Regulations (Cap. 289, Rg 10), has been removed by the company as director in accordance with those Regulations.".

Amendment of section 146

69. Section 146(1A) of the Companies Act is amended by deleting paragraph (*a*) and substituting the following paragraph:

"(*a*) he has, by himself or through a registered qualified individual authorised by him, filed with the Registrar —

(i) a declaration that he has consented to act as a director;

(ii) a statement in the prescribed form that he is not disqualified from acting as a director under this Act; and

(iii) a statement in the prescribed form that he is not debarred under section 155B from acting as director of the company; and".

Amendment of section 148

70. Section 148 of the Companies Act is amended —

(*a*) by deleting the words "one month" in subsection (4) and substituting the words "14 days"; and

(*b*) by deleting the words "being director or manager" in the section heading.

Amendment of section 149

71. Section 149(6) of the Companies Act is amended by deleting the words "197, 199 and 201" in paragraph (*a*)(iii) and substituting the words "196B, 197, 199 and 201".

New section 149B

72. The Companies Act is amended by inserting, immediately after section 149A, the following section:

"**Appointment of directors by ordinary resolution**

149B. Unless the constitution otherwise provides, a company may appoint a director by ordinary resolution passed at a general meeting.".

Amendment of section 152

73. Section 152 of the Companies Act is amended —

(*a*) by deleting the words "under this section or to appoint some person in place of a director so removed at the meeting at which he is removed, and on receipt of notice of an intended resolution to remove a director under this section" in subsection (2) and substituting the words "of a public company under subsection (1) or to appoint some person in place of a director so removed at the meeting at which he is removed, and on receipt of notice of an intended resolution to remove a director under subsection (1)";

(*b*) by deleting the word "company" where it appears for the first time in subsections (3) and (4) and substituting in each case the words "public company";

(*c*) by inserting, immediately after the words "a director" in subsection (5), the words "of a public company";

(*d*) by inserting, immediately after the words "appointed director" in subsection (6), the words "of a public company";

(*e*) by inserting, immediately after the word "removed" in subsection (7), the words "as a director of a public company"; and

(*f*) by inserting, immediately after subsection (8), the following subsection:

"(9) Subject to any provision to the contrary in the constitution, a private company may by ordinary resolution remove a director before the expiration of his period of office notwithstanding anything in any agreement between the private company and the director.".

Repeal of section 153

74. Section 153 of the Companies Act is repealed.

Amendment of section 154

75. Section 154 of the Companies Act is amended —

(*a*) by deleting subsections (1) to (4) and substituting the following subsections:

"(1) A person shall be subject to the disqualifications provided in subsection (3) if —

(*a*) the person is convicted of any of the following offences:

(i) any offence, whether in Singapore or elsewhere, involving fraud or dishonesty punishable with imprisonment for 3 months or more;

(ii) any offence under Part XII of the Securities and Futures Act (Cap. 289); or

(*b*) the person is subject to the imposition of a civil penalty under section 232 of the Securities and Futures Act.

(2) Where a person is convicted in Singapore of —

(*a*) any offence in connection with the formation or management of a corporation; or

(*b*) any offence under section 157 or 339,

the court may make a disqualification order against the person in addition to any other sentence imposed.

(3) Subject to any leave which the Court may give pursuant to an application under subsection (6), a person who —

(*a*) is disqualified under subsection (1); or

(*b*) has had a disqualification order made against him under subsection (2),

shall not act as a director, or take part (whether directly or indirectly) in the management of a company, or of a foreign company to which Division 2 of Part XI applies, during the period of the disqualification or disqualification order.

(4) The disqualifications in subsection (3) shall —

(*a*) in a case where the disqualified person has been convicted of any offence referred to in subsection (1) or (2) but has not been sentenced to imprisonment, take effect upon conviction and continue for a period of 5 years or for such shorter period as the court may order under subsection (2); or

(*b*) in a case where the disqualified person has been convicted of any offence referred to in subsection (1) or (2) and has been sentenced to imprisonment, take effect upon conviction and continue for a period of 5 years after his release from prison.";

(*b*) by deleting the words "acts in contravention of a disqualification under this section" in subsection (5) and substituting the words "contravenes subsection (3)";

(*c*) by deleting subsection (6) and substituting the following subsection:

"(6) A person who —

(*a*) is disqualified under subsection (1); or

(*b*) has had a disqualification order made against him under subsection (2),

may apply to the Court for leave to act as a director, or to take part (whether directly or indirectly) in the management of a company, or of a foreign company to which Division 2 of Part XI applies, during the period of the disqualification or disqualification order, upon giving the Minister not less than 14 days' notice of his intention to apply for such leave."; and

(*d*) by deleting the words "this section" in subsection (7) and substituting the words "subsection (6)".

Repeal and re-enactment of section 155A and new sections 155B and 155C

76. Section 155A of the Companies Act is repealed and the following sections substituted therefor:

"**Disqualification for being director in not less than 3 companies which were struck off within 5-year period**

155A.—(1) Subject to subsection (5), a person —

(*a*) who was a director of a company (Company A) at the time that the name of Company A had been struck off the register under section 344; and

(*b*) who, within a period of 5 years immediately before the date on which the name of Company A was struck off the register under section 344 —

(i) had been a director of not less than 2 other companies whose names had been struck off the register under section 344; and

(ii) was a director of those companies at the time the names of the companies were so struck off the register,

shall not act as director of, or in any way (whether directly or indirectly) take part in or be concerned in the management of, any company or any foreign company to which Division 2 of Part XI applies for a period of 5 years commencing after the date on which the name of Company A was struck off.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 2 years or to both.

(3) A person who is subject to a disqualification under subsection (1) may apply to the Court for leave to act as director of, or to take part in or be concerned in the management of, a company or a foreign company to which Division 2 of Part XI applies during the period of disqualification upon giving the Minister not less than 14 days' notice of his intention to apply for such leave.

(4) On the hearing of any application under this section, the Minister may be represented at the hearing and may oppose the granting of the application.

(5) This section shall only apply where Company A and the companies referred to in subsection (1)(*b*)(i) were struck off on or after the date of commencement of section 76 of the Companies (Amendment) Act 2014.

Debarment for default of relevant requirement of this Act

155B.—(1) Where the Registrar is satisfied that a company is in default in relation to a relevant requirement of this Act, the Registrar may make a debarment order against any person who,

at the time the order is made, is a director or secretary of the company.

(2) Subject to subsection (3), a person who has a debarment order made against him shall not —

(*a*) except in respect of a company of which the person is a director immediately before the order was made, act as director of any company; or

(*b*) except in respect of a company of which the person is a secretary immediately before the order was made, act as secretary of any company.

(3) The debarment order applies from the date that the order is made and continues in force until the Registrar cancels or suspends the order.

(4) The Registrar may, upon the application of a person who has a debarment order made against him or on his own accord, cancel or suspend such debarment order where the default in relation to the relevant requirements of this Act as at the time the debarment order is made has been rectified or on such other ground as may be prescribed, subject to such conditions as the Registrar may impose.

(5) Where the Registrar imposes conditions on the suspension of a debarment order under subsection (4), the suspension of the debarment order shall operate so long as that person fulfils and continues to fulfil all such conditions imposed by the Registrar.

(6) The Registrar shall not make a debarment order under subsection (1) —

(*a*) unless the default in relation to a relevant requirement of this Act has persisted for a continuous period of 3 months or more and the person was a director or secretary of the company during that period; and

(*b*) unless the Registrar has, not less than 14 days before the order is made, sent the director or secretary concerned a notice of the Registrar's intention to make a debarment order under subsection (1) specifying the default in

relation to the relevant requirement of this Act for which the debarment order is proposed to be made and giving the director or secretary an opportunity to show cause why the debarment order should not be made.

(7) The Registrar must, in determining whether to make a debarment order, consider any representation from the director or secretary made pursuant to the notice under subsection (6)(*b*).

(8) Any person who is aggrieved by a debarment order made under subsection (1), or the Registrar's refusal to cancel or suspend a debarment order under subsection (4), may appeal to the Minister.

(9) An appeal under subsection (8) shall not suspend the effect of the debarment order.

(10) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 2 years or to both.

(11) The Registrar may from time to time prepare and publish, in such form and manner as the Registrar may decide, the names and particulars of the persons against whom a debarment order has been made and which continues in force.

(12) In this section —

"debarment order" means a debarment order made under subsection (1);

"relevant requirement of this Act" has the same meaning as in section 155(2);

"secretary" means a secretary of the company appointed under section 171.

Disqualification under Limited Liability Partnerships Act

155C.—(1) Subject to any leave which the Court may give pursuant to an application under subsection (3), a person who is subject to a disqualification or disqualification order under section 34, 35 or 36 of the Limited Liability Partnerships Act

(Cap. 163A) shall not act as director of, or in any way (whether directly or indirectly) take part in or be concerned in the management of, any company or any foreign company to which Division 2 of Part XI applies during the period of disqualification or disqualification order.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 2 years or to both.

(3) A person who is subject to a disqualification or disqualification order under section 34 or 36 of the Limited Liability Partnerships Act may apply to the Court for leave to act as director of, or to take part in or be concerned in the management of, a company or a foreign company to which Division 2 of Part XI applies during the period of disqualification or disqualification order, upon giving the Minister not less than 14 days' notice of his intention to apply for such leave.

(4) On the hearing of any application under subsection (3), the Minister may be represented at the hearing and may oppose the granting of the application.".

Repeal and re-enactment of section 156

77. Section 156 of the Companies Act is repealed and the following section substituted therefor:

"**Disclosure of interests in transactions, property, offices, etc.**

156.—(1) Subject to this section, every director or chief executive officer of a company who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the company shall as soon as is practicable after the relevant facts have come to his knowledge —

(*a*) declare the nature of his interest at a meeting of the directors of the company; or

(*b*) send a written notice to the company containing details on the nature, character and extent of his interest in the transaction or proposed transaction with the company.

(2) A notice under subsection (1)(*b*) shall be given as soon as is practicable after —

(*a*) the date on which the director or chief executive officer became a director or chief executive officer (as the case may be); or

(*b*) (if already a director or chief executive officer, as the case may be) the date on which the director or chief executive officer became, directly or indirectly, interested in a transaction or proposed transaction with the company,

as the case requires.

(3) The requirements of subsection (1) shall not apply in any case where the interest of the director or chief executive officer (as the case may be) consists only of being a member or creditor of a corporation which is interested in a transaction or proposed transaction with the first-mentioned company if the interest of the director or chief executive officer (as the case may be) may properly be regarded as not being a material interest.

(4) A director or chief executive officer of a company shall not be deemed to be interested or to have been at any time interested in any transaction or proposed transaction by reason only —

(*a*) in the case where the transaction or proposed transaction relates to any loan to the company — that he has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan; or

(*b*) in the case where the transaction or proposed transaction has been or will be made with or for the benefit of or on behalf of a corporation which by virtue of section 6 is deemed to be related to the company — that he is a director or chief executive officer (as the case may be) of that corporation,

and this subsection shall have effect not only for the purposes of this Act but also for the purposes of any other law, but shall not affect the operation of any provision in the constitution of the company.

(5) A declaration given by a director or chief executive officer under subsection (1)(*a*), or a written notice given by a director or chief executive officer under subsection (1)(*b*), shall be treated as a sufficient declaration or written notice under those provisions in relation to a transaction or proposed transaction if —

(*a*) in the case of a declaration, the declaration is given at a meeting of the directors or the director or chief executive officer (as the case may be) takes reasonable steps to ensure that it is brought up and read at the next meeting of the directors after it is given;

(*b*) the declaration or written notice is to the effect that —

(i) he is an officer or a member of a specified corporation, a member of a specified firm, or a partner or officer of a specified limited liability partnership; and

(ii) he is to be regarded as interested in any transaction which may, after the date of the declaration or written notice, be made with the specified corporation, firm or limited liability partnership;

(*c*) the declaration or written notice specifies the nature and extent of his interest in the specified corporation, firm or limited liability partnership; and

(*d*) at the time any transaction is made with the specified corporation, firm or limited liability partnership, his interest is not different in nature or greater in extent than the nature and extent specified in the declaration or written notice.

(6) Every director and chief executive officer of a company who holds any office or possess any property whereby, whether directly or indirectly, any duty or interest might be created in

conflict with their duties or interests as director or chief executive officer (as the case may be) shall —

(*a*) declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict; or

(*b*) send a written notice to the company setting out the fact and the nature, character and extent of the conflict.

(7) A declaration under subsection (6)(*a*) shall be made at the first meeting of the directors of the company held —

(*a*) after he becomes a director or chief executive officer (as the case may be); or

(*b*) (if already a director or chief executive officer, as the case may be) after he commenced to hold the office or to possess the property,

as the case requires.

(8) A written notice under subsection (6)(*b*) shall be given as soon as is practicable after —

(*a*) the date on which the director or chief executive officer became a director or chief executive officer (as the case may be); or

(*b*) (if already a director or chief executive officer, as the case may be) after he commenced to hold the office or to possess the property,

as the case requires.

(9) The company shall, as soon as practicable after the receipt of the written notice referred to in subsection (1)(*b*) or (6)(*b*), send a copy of the notice to —

(*a*) in the case where the notice is given by a chief executive officer, all the directors; or

(*b*) in the case where the notice is given by a director, all the other directors.

(10) Where a chief executive officer or a director of the company declares an interest or conflict by a written notice referred to in subsection (1)(*b*) or (6)(*b*), respectively, in accordance with this section —

(*a*) the making of the declaration is deemed to form part of the proceedings at the next meeting of the directors after the notice is given; and

(*b*) the provisions of section 188 (minutes of proceedings) shall apply as if the declaration had been made at that meeting.

(11) The secretary of the company shall record every declaration under this section in the minutes of the meeting at which it was made and keep records of every written resolution duly signed and returned to the company under this section.

(12) The directors of a company shall permit a chief executive officer of the company who is not a director to attend a meeting of the board of directors where such attendance is necessary for the chief executive officer to make a declaration for the purpose of complying with this section.

(13) For the purposes of this section —

(*a*) an interest of a member of a director's family shall be treated as an interest of the director and the words "member of a director's family" shall include his spouse, son, adopted son, step-son, daughter, adopted daughter and step-daughter; and

(*b*) an interest of a member of a chief executive officer's family shall be treated as an interest of the chief executive officer and the words "member of the chief executive officer's family" shall include his spouse, son, adopted son, step-son, daughter, adopted daughter and step-daughter.

(14) Subject to subsection (4), this section shall be in addition to and not in derogation of the operation of any rule of law or any provision in the constitution restricting a director or chief executive officer from having any interest in transactions with

the company or from holding offices or possessing properties involving duties or interests in conflict with his duties or interests as a director or chief executive officer (as the case may be).

(15) Any director or chief executive officer of a company who fails to comply with any of the provisions of this section 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 12 months.".

Amendment of section 157

78. Section 157(2) of the Companies Act is amended by inserting, immediately after the words "make improper use of", the words "his position as an officer or agent of the company or".

Amendment of section 157A

79. Section 157A(1) of the Companies Act is amended by deleting the words "managed by or under the direction of" and substituting the words "managed by, or under the direction or supervision of,".

Amendment of section 158

80. Section 158 of the Companies Act is amended —

(*a*) by deleting the words "if the conditions specified in subsection (3) are met" in subsection (1) and substituting the words "if such disclosure is not likely to prejudice the company and is made with the authorisation of the board of directors"; and

(*b*) by deleting subsections (3) and (4) and substituting the following subsection:

"(3) The authorisation referred to in subsection (1) may be conferred in respect of disclosure of —

(*a*) all or any class of information; or

(*b*) only such information as may be specified in the authorisation.".

Repeal and re-enactment of section 162

81. Section 162 of the Companies Act is repealed and the following section substituted therefor:

"**Loans and quasi-loans to directors, credit transactions and related arrangements**

162.—(1) For the purposes of this section, a company makes a restricted transaction if it —

(*a*) makes a loan or quasi-loan to a director —

(i) of the company; or

(ii) of a company which by virtue of section 6 is deemed to be related to that company,

(referred to in this section as a relevant director);

(*b*) enters into any guarantee or provides any security in connection with a loan or quasi-loan made to a relevant director by any other person;

(*c*) enters into a credit transaction as creditor for the benefit of a relevant director;

(*d*) enters into any guarantee or provides any security in connection with a credit transaction entered into by any person for the benefit of a relevant director;

(*e*) takes part in an arrangement under which —

(i) another person enters into a transaction that, if it had been entered into by the company, would have been a restricted transaction under paragraph (*a*), (*b*), (*c*), (*d*) or (*f*); and

(ii) that person, in pursuance of the arrangement, obtains a benefit from the company or a company which by virtue of section 6 is deemed to be related to that company; or

(*f*) arranges the assignment to the company, or assumption by the company, of any rights, obligations or liabilities under a transaction that, if it had been entered into by the

company, would have been a restricted transaction under paragraphs (*a*) to (*e*).

(2) Subject to subsections (3) and (4) and sections 163A and 163B, a company (other than an exempt private company) shall not make a restricted transaction.

(3) Subject to subsection (4), nothing in this section shall apply to any transaction which would otherwise be a restricted transaction that is —

(*a*) made to or for the benefit of a relevant director to meet expenditure incurred or to be incurred by him for the purposes of the company or for the purpose of enabling him to properly perform his duties as an officer of the company;

(*b*) made to or for the benefit of a relevant director who is engaged in the full-time employment of the company or of a corporation that is deemed to be related to the company, as the case may be, for the purpose of purchasing or otherwise acquiring a home occupied or to be occupied by the director, except that not more than one such restricted transaction may be outstanding at any time;

(*c*) made to or for the benefit of a relevant director who is engaged in the full-time employment of the company or of a corporation that is deemed to be related to that company, as the case may be, where the company has at a general meeting approved of a scheme for the making of such transaction to or for the benefit of employees of the company and the restricted transaction is in accordance with that scheme; or

(*d*) made to or for the benefit of a relevant director in the ordinary course of business of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans, quasi-loans or credit transactions made or entered into by other persons if the activities of that company are regulated by any written law relating to banking, finance

companies or insurance or are subject to supervision by the Monetary Authority of Singapore.

(4) Subsection (3)(*a*) or (*b*) shall not authorise the making of any restricted transaction, except —

(*a*) with the prior approval of the company given at a general meeting at which the purposes of the expenditure and the amount or extent of the restricted transaction are disclosed; or

(*b*) on condition that, if the prior approval of the company is not given as aforesaid at or before the next following annual general meeting, the amount of or liability under the restricted transaction shall be repaid or discharged, as the case may be, within 6 months from the conclusion of that meeting.

(5) Where the prior approval of the company is not given as required by the condition referred to in subsection (4)(*b*), the directors authorising the making of the restricted transaction shall be jointly and severally liable to indemnify the company against any loss arising therefrom.

(6) Where a company contravenes this section, any director who authorises the making of the restricted transaction 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 2 years.

(7) Nothing in this section shall operate to prevent the company from recovering the amount of any loan, quasi-loan, credit transaction or arrangement or amount for which it becomes liable under any guarantee entered into or in respect of any security given contrary to this section.

(8) For the purpose of subsection (1), a reference to a director or relevant director therein includes a reference to the director's spouse, son, adopted son, step-son, daughter, adopted daughter and step-daughter.

(9) In determining for the purposes of this section whether a transaction is a restricted transaction under subsection (1)(*e*), the

transaction shall be treated as having been entered into on the date of the arrangement.

(10) For the purposes of this section, a reference to prior approval does not include any approval of the company that is given after the restricted transaction has been made, provided for or entered into (as the case may be).

(11) In this section and section 163 —

"conditional sale agreement" has the same meaning as in section 2 of the Hire-Purchase Act (Cap. 125);

"credit transaction" means a transaction under which one party (referred to in this section and section 163 as the creditor) —

(*a*) supplies any goods or disposes of any immovable property under a hire-purchase agreement or a conditional sale agreement;

(*b*) leases or hires any immovable property or goods in return for periodic payments; or

(*c*) otherwise disposes of immovable property or supplies goods or services on the understanding that payment (whether in a lump sum or instalments or by way of periodic payments or otherwise) is to be deferred;

"quasi-loan" means a transaction under which one party (referred to in this section and section 163 as the creditor) agrees to pay, or pays otherwise than in pursuance of an agreement, a sum for another (referred to in this section as the borrower) or agrees to reimburse, or reimburses otherwise than in pursuance of an agreement, expenditure incurred by another party for another (referred to in this section and section 163 as the borrower) —

(*a*) on terms that the borrower (or a person on his behalf) will reimburse the creditor; or

(*b*) in circumstances giving rise to a liability on the borrower to reimburse the creditor;

"services" means any thing other than goods or immovable property.

(12) For the purposes of subsection (11) —

(*a*) a reference to the person to whom a quasi-loan is made is a reference to the borrower;

(*b*) the liabilities of the borrower under a quasi-loan include the liabilities of any person who has agreed to reimburse the creditor on behalf of the borrower;

(*c*) a reference to the person for whose benefit a credit transaction is entered into is a reference to the person to whom goods, immovable property or services are supplied, sold, leased, hired or otherwise disposed of under the transaction; and

(*d*) a reference to the supply of services means the supply of anything other than goods or immovable property and includes the transfer or disposal of choses in action or of intellectual property rights.".

Amendment of section 163

82. Section 163 of the Companies Act is amended —

(*a*) by deleting subsections (1), (2) and (3) and substituting the following subsections:

"(1) Subject to this section and sections 163A and 163B, it shall not be lawful for a company (other than an exempt private company) —

(*a*) to make a loan or quasi-loan to another company or a limited liability partnership;

(*b*) to enter into any guarantee or provide any security in connection with a loan or quasi-loan made to another company or a limited liability partnership by a person other than the first-mentioned company;

(*c*) to enter into a credit transaction as creditor for the benefit of another company or a limited liability partnership; or

(*d*) to enter into any guarantee or provide any security in connection with a credit transaction entered into by any person for the benefit of another company or a limited liability partnership,

if a director or directors of the first-mentioned company is or together are interested in 20% or more of the total voting power in the other company or the limited liability partnership, as the case may be, unless there is prior approval by the company in general meeting for the making of, provision for or entering into the loan, quasi-loan, credit transaction, guarantee or security (as the case may be) at which the interested director or directors and his or their family members abstained from voting.

(2) Subsection (1) shall extend to apply to —

(*a*) a loan or quasi-loan made by a company (other than an exempt private company) to another company or a limited liability partnership;

(*b*) a credit transaction made by a company (other than an exempt private company) for the benefit of another company or to a limited liability partnership; and

(*c*) a guarantee entered into or security provided by a company (other than an exempt private company) in connection with a loan or quasi-loan made to another company or a limited liability partnership by a person other than the first-mentioned company or with a credit transaction made for the benefit of another company or a limited liability partnership entered into by a person other than the first-mentioned company,

where such other company or such limited liability partnership is incorporated or formed, as the case may be, outside Singapore, if a director or directors of the first-mentioned company have an interest in the other company or the limited liability partnership, as the case may be.

(3) For the purposes of subsection (2), a director or directors of a company —

(*a*) have an interest in the other company if —

(i) in the case of a company with a share capital, the director or directors is or together are interested in 20% or more of the total voting power in the other company; or

(ii) in the case of a company without a share capital, the director or directors exercises or together exercise control over the other company (whether by reason of having the power to appoint directors or otherwise); or

(*b*) have an interest in a limited liability partnership if the director or directors is or together are interested in 20% or more of the total voting power in the limited liability partnership.

(3A) Subject to this section and sections 163A and 163B, a company (other than an exempt private company) shall not —

(*a*) take part in an arrangement under which —

(i) another person enters into a transaction that, if it had been entered into by the company, would have required approval under this section; and

(ii) that person, in pursuance of the arrangement, obtains a benefit from the company or a related company; or

(*b*) arrange the assignment to it, or assumption by it, of any rights, obligations or liabilities under a transaction that, if it had been entered into by the company, would have required such approval,

unless there is prior approval by the company in general meeting for taking part in such an arrangement or for arranging the assignment or assumption of rights, obligations or liabilities under such a transaction at which the interested director or directors or his or their family members abstained from voting.

(3B) In determining for the purposes of subsection (3A) whether a transaction is one that would have required approval under this section if it had been entered into by the company, the transaction shall be treated as having been entered into on the date of the arrangement.

(3C) The requirement in subsections (1) and (3A) that the interested director or directors or his or their family members abstain from voting at the general meeting of the company shall not apply where all the shareholders of the company have each voted to approve the arrangement.

(3D) For the purposes of this section —

(*a*) where a company makes a loan or quasi-loan to another company, enters into a credit transaction for the benefit of another company, gives a guarantee or provides security in connection with a loan, quasi-loan or credit transaction made to or entered into for the benefit of another company, or enters into an arrangement referred to in subsection (3A), a director or directors of the first-mentioned company shall not be taken to have an interest in shares in that other

company by reason only that the first-mentioned company has an interest in shares in that other company and a director or directors have an interest in shares in the first-mentioned company;

(*b*) "interest in shares" has the meaning assigned to that expression in section 7;

(*c*) a person who has an interest in a share of a company under section 7 is to be treated as having an interest in the voting power conferred on the holder by that share;

(*d*) a reference to prior approval of the company in subsection (1) shall not include any approval of the company that is given after the loan, quasi-loan, credit transaction, guarantee or security referred to in that subsection has been made, provided for or entered into (as the case may be); and

(*e*) a reference to prior approval of the company in subsection (3A) shall not include any approval of the company that is given after the arrangement referred to in that subsection has been entered into.";

(*b*) by deleting subsection (5) and substituting the following subsection:

"(5) For the purposes of this section —

(*a*) an interest of a member of a director's family shall be treated as the interest of the director; and

(*b*) a reference to a member of a director's family shall include the director's spouse, son, adopted son, step-son, daughter, adopted daughter and step-daughter.";

(*c*) by deleting the words "recovery of any loan" in subsection (6) and substituting the words "recovery of the amount of any loan, quasi-loan, credit transaction or arrangement";

(*d*) by deleting the words "the making of any loan, the entering into of any guarantee or the providing of any security" in subsection (7) and substituting the words "the making of any loan or quasi-loan, the entering into of any credit transaction, the entering into of any guarantee, the providing of any security or the entering into of any arrangement"; and

(*e*) by deleting the section heading and substituting the following section heading:

"**Approval of company required for loans and quasi-loans to, and credit transactions for benefit of, persons connected with directors of lending company, etc.**".

New sections 163A and 163B

83. The Companies Act is amended by inserting, immediately after section 163, the following sections:

"**Exception for expenditure on defending proceedings, etc.**

163A.—(1) Sections 162 and 163 shall not apply to anything done by a company —

(*a*) to provide a director of the company with funds by way of any loan to meet expenditure incurred or to be incurred by him —

(i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the company; or

(ii) in connection with an application for relief; or

(*b*) to enable any such director to avoid incurring such expenditure,

if it is done on the terms provided in subsection (2).

(2) The terms referred to in subsection (1) are —

(*a*) that the loan is to be repaid, or (as the case may be) any liability of the company incurred under any transaction connected with the thing done is to be discharged, in the event of —

(i) the director being convicted in the proceedings;

(ii) judgment being given against him in the proceedings; or

(iii) the court refusing to grant him relief on the application; and

(*b*) that it is to be repaid or discharged not later than 14 days after —

(i) the date when the conviction becomes final;

(ii) the date when the judgment becomes final; or

(iii) the date when the refusal of relief becomes final.

(3) For the purposes of this section —

(*a*) a conviction, judgment or refusal of relief becomes final —

(i) if it is not appealed against, at the end of the period for bringing an appeal; or

(ii) if it is appealed against, when the appeal (or any further appeal) is disposed of;

(*b*) an appeal or further appeal is disposed of —

(i) if it is determined and there is no right of further appeal, or if there is a right of further appeal, the period for bringing any further appeal has ended; or

(ii) if it is abandoned or otherwise ceases to have effect; and

(*c*) a reference to the repayment of a loan includes the payment of any interest which is chargeable under the terms on which the loan was given.

(4) The reference in this section to an application for relief is to an application for relief under section 76A(13) or 391.

Exception for expenditure in connection with regulatory action or investigation

163B. Sections 162, 163 and 172 shall not apply to anything done by a company —

(*a*) to provide a director of the company with funds by way of any loan to meet expenditure incurred or to be incurred by him in defending himself —

(i) in an investigation by a regulatory authority; or

(ii) against any action proposed to be taken by a regulatory authority,

in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the company; or

(*b*) to enable any such director to avoid incurring such expenditure.".

Amendment of section 164

84. Section 164 of the Companies Act is amended —

(*a*) by inserting, immediately after subsection (1), the following subsection:

"(1A) A company shall keep a register showing with respect to each chief executive officer of the company particulars of —

(*a*) shares in that company, being shares of which the chief executive officer is their registered holder or in which he has an interest and the nature and extent of that interest;

(*b*) debentures of the company which are held by the chief executive officer or in which he has an interest and the nature and extent of that interest;

(*c*) rights or options of the chief executive officer or of the chief executive officer and another person or other persons in respect of the acquisition or disposal of shares in the company; and

(*d*) contracts to which the chief executive officer is a party or under which he is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the company.";

(*b*) by deleting subsection (3) and substituting the following subsection:

"(3) A company that is a wholly-owned subsidiary of another company shall be deemed to have complied with this section in relation to a director or chief executive officer of that other company (whether or not he is also a director of that company) if the particulars required by this section to be shown in the registers of the first-mentioned company with respect to the director or chief executive officer (as the case may be) are shown in the registers of the second-mentioned company.";

(*c*) by deleting subsection (5) and substituting the following subsection:

"(5) A company shall, within 3 days after receiving notice from a director or chief executive officer under section 165(1)(*a*) of this Act or section 133(1)(*a*), (*b*), (*c*), (*d*) or (*e*) of the Securities and Futures Act, enter in its register in relation to the director or chief executive officer (as the case may be) the particulars referred to in subsection (1) or (1A), as the case may be, including the number and description of shares, debentures, participatory interests (if applicable), rights, options and contracts to which the notice relates and in respect of shares, debentures, participatory interests (if applicable), rights or options acquired or contracts entered into after he became a director or chief executive officer (as the case may be) —

(*a*) the price or other consideration for the transaction, if any, by reason of which an entry is required to be made under this section; and

(*b*) the date of —

(i) the agreement for the transaction or, if it is later, the completion of the transaction; or

(ii) where there was no transaction, the occurrence of the event by reason of which an entry is required to be made under this section.";

(*d*) by inserting, immediately after the words "a director" in subsection (6), the words "or chief executive officer (as the case may be)";

(*e*) by deleting subsection (12) and substituting the following subsection:

"(12) It is a defence to a prosecution for failing to comply with subsection (1), (1A) or (5) in respect of particulars relating to a director or chief executive officer if the defendant proves that the failure was due to the failure of the director or chief executive officer to comply with section 165 of this Act, or (as the case may be) section 133 of the Securities and Futures Act with respect to those particulars.";

(*f*) by deleting subsections (15) and (16) and substituting the following subsections:

"(15) For the purposes of the application of this section —

(*a*) a director or chief executive officer of a company shall be deemed to hold or have an interest or a right in or over any shares or debentures if —

(i) a wife or husband of the director or chief executive officer (as the case may be) (not being herself or himself a director or chief executive officer thereof) holds or has an interest or a right in or over any shares or debentures; or

(ii) a child of less than 18 years of age of that director or chief executive officer (as the case may be) (not being himself or herself a director or chief executive officer) holds or has an interest in shares or debentures; and

(*b*) any contract, assignment or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, the director or chief executive officer (as the case may be) if —

(i) the contract, assignment or right of subscription is entered into, exercised or made by, or a grant is made to, the wife or husband of a director or chief executive officer of a company (not being herself or himself a director or chief executive officer thereof); or

(ii) the contract, assignment or right of subscription is entered into, exercised or made by, or a grant is made to, a child of less than 18 years of age of a director or chief executive officer of a company (not being himself or herself a director or chief executive officer thereof).

(16) In subsection (15), "child" includes step-son, adopted son, step-daughter and adopted daughter."; and

(*g*) by inserting, immediately after the word "director's" in the section heading, the words "and chief executive officer's".

Amendment of section 165

85. Section 165 of the Companies Act is amended —

(*a*) by deleting the words "A director" in subsection (1) and substituting the words "Every director and chief executive officer";

(*b*) by inserting, immediately after the words "section 164" in subsection (1)(*a*), the words "that are applicable in relation to him";

(*c*) by inserting the word "and" at the end of subsection (1)(*b*);

(*d*) by deleting the words "section 173" in subsection (1)(*c*) and substituting the words "section 173A";

(*e*) by deleting the word "; and" at the end of subsection (1)(*c*) and substituting a full-stop;

(*f*) by deleting paragraph (*d*) of subsection (1);

(*g*) by inserting, immediately after the words "a director" in subsection (2)(*a*)(i), the words "or the chief executive officer became a chief executive officer, as the case may be";

(*h*) by inserting, immediately after the word "director" in subsection (2)(*a*)(ii), the words "or chief executive officer, as the case may be,";

(*i*) by inserting the word "and" at the end of subsection (2)(*a*);

(*j*) by deleting the word "; and" at the end of subsection (2)(*b*) and substituting a full-stop;

(*k*) by deleting paragraph (*c*) of subsection (2);

(*l*) by inserting, immediately after the word "directors" in subsection (3), the words "or chief executive officers";

(*m*) by inserting, immediately after the word "director" in subsection (9), the words "or chief executive officer"; and

(*n*) by deleting paragraphs (*a*) and (*b*) of subsection (10) and substituting the following paragraphs:

"(*a*) who is a director or chief executive officer of a listed company; and

(*b*) who is required to make disclosure of the matters referred to in subsection (1)(*a*) and (*b*) of this section under section 133 of the Securities and Futures Act (Cap. 289).".

Amendment of section 168

86. Section 168 of the Companies Act is amended by inserting, immediately after subsection (1), the following subsections:

"(1A) The requirement for approval by the company in subsection (1) shall not apply in respect of any payment to a director holding a salaried employment or office in the company by way of compensation for termination of employment pursuant to an existing legal obligation arising from an agreement made between the company and the director if —

(*a*) the amount of the payment does not exceed the total emoluments of the director for the year immediately preceding his termination of employment; and

(*b*) the particulars with respect to the proposed payment, including the amount thereof, have been disclosed to the members of the company upon or prior to the payment.

(1B) For the purposes of subsection (1A) —

(*a*) an existing legal obligation is an obligation of the company, or any corporation which is by virtue of section 6 deemed to be related to the company, that was not entered into in connection with, or in consequence of, the event giving rise to the payment for loss of office; and

(*b*) if paragraph (*a*) or (*b*) of that subsection is not complied with, the amount received by the director shall be deemed to have been received by him on trust for the company.".

Repeal of section 170

87. Section 170 of the Companies Act is repealed.

Amendment of section 171

88. Section 171 of the Companies Act is amended —

(*a*) by inserting, immediately after the word "Singapore" in subsection (1), the words "and who is not debarred under section 155B from acting as secretary of the company";

(*b*) by deleting subsection (1AA) and substituting the following subsection:

"(1AA) In addition, it shall be the duty of the directors of a public company to take all reasonable steps to secure that each secretary of the company is a person who —

(*a*) on 15 May 1987 held the office of secretary in that company and continued to hold that office on 15 May 2003; or

(*b*) satisfies such requirements relating to experience, professional and academic requirements and membership of professional associations, as may be prescribed.";

(*c*) by deleting the words "subsection (1AA)(*b*), (*c*) or (*d*)" in subsection (1AB) and substituting the words "subsection (1AA)(*b*)";

(*d*) by deleting the words "subsection (1AA)(*b*), (*c*) and (*d*)" in subsection (1C) and substituting the words "subsection (1AA)(*b*)";

(*e*) by deleting subsection (1D) and substituting the following subsection:

"(1D) In this section and sections 173 to 173I, "secretary" includes an assistant or deputy secretary."; and

(*f*) by inserting, immediately after subsection (3), the following subsection:

"(3A) Notwithstanding subsection (3), a secretary, his agent or clerk of a private company need not be physically present at the registered office during the

times specified in that subsection if a secretary, his agent or clerk of the private company is readily contactable by a person at the registered office by telephone or other means of instantaneous communication during those times.".

Repeal and re-enactment of section 172 and new sections 172A and 172B

89. Section 172 of the Companies Act is repealed and the following sections substituted therefor:

"**Provision protecting officers from liability**

172.—(1) Any provision that purports to exempt an officer of a company (to any extent) from any liability that would otherwise attach to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void.

(2) Any provision by which a company directly or indirectly provides an indemnity (to any extent) for an officer of the company against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void, except as permitted by section 172A or 172B.

(3) This section shall apply to any provision, whether contained in a company's constitution or in any contract with the company or otherwise.

Provision of insurance

172A. Section 172(2) shall not prevent a company from purchasing and maintaining for an officer of the company insurance against any such liability referred to in that subsection.

Third party indemnity

172B.—(1) Section 172(2) shall not apply where the provision for indemnity is against liability incurred by the officer to a person other than the company, except when the indemnity is against —

(*a*) any liability of the officer to pay —

(i) a fine in criminal proceedings; or

(ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

(*b*) any liability incurred by the officer —

(i) in defending criminal proceedings in which he is convicted;

(ii) in defending civil proceedings brought by the company or a related company in which judgment is given against him; or

(iii) in connection with an application for relief referred to in subsection (4) in which the court refuses to grant him relief.

(2) The references in subsection (1)(*b*) to a conviction, judgment or refusal of relief are references to the final decision in the proceedings.

(3) For the purposes of subsection (2) —

(*a*) a conviction, judgment or refusal of relief becomes final —

(i) if it is not appealed against, at the end of the period for bringing an appeal; or

(ii) if it is appealed against, at the time when the appeal (or any further appeal) is disposed of; and

(*b*) an appeal (or further appeal) is disposed of —

(i) if it is determined and there is no right of further appeal, or if there is a right of further appeal, the period for bringing any further appeal has ended; or

(ii) if it is abandoned or otherwise ceases to have effect.

(4) The reference in subsection (1)(*b*)(iii) to an application for relief is to an application for relief under section 76A(13) or 391.".

Repeal and re-enactment of section 173 and new sections 173A to 173I

90. Section 173 of the Companies Act is repealed and the following sections substituted therefor in Division 2 of Part V:

"**Registers of directors, chief executive officers, secretaries and auditors**

173.—(1) The Registrar shall, in respect of each company, keep a register of the company's —

(*a*) directors;

(*b*) chief executive officers;

(*c*) secretaries; and

(*d*) auditors (if any).

(2) The register under subsection (1) shall be kept in such form as the Registrar may determine.

(3) Subject to subsection (4), the register of a company's directors shall contain the following information in respect of each director of the company:

(*a*) full name and any former name;

(*b*) residential address or, at the director's option, alternate address;

(*c*) nationality;

(*d*) identification;

(*e*) date of appointment; and

(*f*) date of cessation of appointment.

(4) The Registrar shall only keep any former name of a director in the register of the company for a period of 5 years from the date on which the name was furnished to the Registrar.

(5) The register of a company's chief executive officers shall contain the following information in respect of each chief executive officer of the company:

(*a*) full name;

(*b*) residential address or, at the chief executive officer's option, alternate address;

(*c*) nationality;

(*d*) identification;

(*e*) date of appointment; and

(*f*) date of cessation of appointment.

(6) The register of a company's secretaries shall contain the following information in respect of each secretary of the company:

(*a*) full name;

(*b*) residential address or, at the secretary's option, alternate address;

(*c*) identification;

(*d*) date of appointment; and

(*e*) date of cessation of appointment.

(7) The register of a company's auditors shall contain the following information in respect of each auditor of the company:

(*a*) full name;

(*b*) an address at which the auditors may be contacted;

(*c*) identification, if any;

(*d*) date of appointment; and

(*e*) date of cessation of appointment.

(8) An entry in the register of directors, register of chief executive officers, register of secretaries and register of auditors required to be kept by the Registrar under this section, is prima facie evidence of the truth of any matters which are by this Act

directed or authorised to be entered or inserted in the respective register.

(9) A certificate of the Registrar setting out any of the particulars required to be entered or inserted in the register of directors, register of chief executive officers, register of secretaries or register of auditors required to be kept by the Registrar under this section shall in all courts and before all persons and bodies authorised by law to receive evidence be received as prima facie evidence of the entry of such particulars in the respective register.

(10) A certificate of the Registrar stating that, at the time specified in the certificate, a person was named as director, chief executive officer, secretary or auditor of the company in the register of directors, register of chief executive officers, register of secretaries or register of auditors, as the case may be, shall in all courts and before all persons and bodies authorised by law be received as prima facie evidence of the fact, until by a notification of change given to the Registrar it appears that he has ceased to be or becomes disqualified to act as such a director, chief executive officer, secretary or auditor, as the case may be.

(11) For the purposes of this section —

(*a*) a person's name and identification —

(i) in the case of a person registered under the National Registration Act (Cap. 201), means the name and identification as they appear in the latest identity card issued to that person under section 7 of that Act; or

(ii) in the case of a person not registered under the National Registration Act, means the name and identification as they appear in the latest passport issued to that person or such other similar evidence of identification as is available;

(*b*) a director includes an alternate, a substitute or a local director.

(12) For the purposes of this section, only one alternate address may be provided at any one time.

(13) An alternate address of an individual must comply with the following conditions:

(*a*) it is an address at which the individual can be located;

(*b*) it is not a post office box number;

(*c*) it is not the residential address of the individual; and

(*d*) it is located in the same jurisdiction as the individual's residential address.

(14) Any document required to be served under this Act on any person who is a director, chief executive officer or secretary shall be sufficiently served if addressed to the person and left at or sent by post to his residential address or alternate address, as the case may be, which is entered in the register of directors, register of chief executive officers or register of secretaries kept by the Registrar under this section.

(15) Any document required to be served under this Act on a person who is for the time being an auditor of a company shall be sufficiently served if addressed to the person and left at or sent by post to the address which is entered in the register of auditors kept by the Registrar under this section.

Duty of company to provide information on directors, chief executive officers, secretaries and auditors

173A.—(1) A company shall by notice furnish to the Registrar —

(*a*) within 14 days after a person becomes a director, chief executive officer, secretary or auditor, the information required under section 173(3), (5), (6) or (7), as the case may be; and

(*b*) within 14 days after any change in —

(i) the appointment of any director, chief executive officer, secretary or auditor; or

(ii) any information required to be contained in the registers of directors, chief executive officers, secretaries and auditors referred to in section 173(3), (5), (6) or (7).

(2) A prescribed fee is payable for the provision of an alternate address in prescribed circumstances for the purposes of the register of directors, register of chief executive officers or register of secretaries (as the case may be) under section 173.

(3) The information to be furnished to the Registrar under subsection (1) shall be given in a notice in such form as may be prescribed or, if not prescribed, in such form as the Registrar may determine.

Duty of directors, chief executive officers, secretaries and auditors to provide information to company

173B.—(1) A director, a chief executive officer, a secretary or an auditor, as the case may be, shall give the company —

(*a*) any information the company needs to comply with section 173A(1)(*a*) as soon as practicable but not later than 14 days after his initial appointment unless he has previously given the information to the company in writing; and

(*b*) any information the company needs to comply with section 173A(1)(*b*) as soon as practicable but not later than 14 days after any change to the information referred to in section 173(3), (5), (6) and (7).

(2) Notwithstanding subsection (1), a director, a chief executive officer, a secretary or an auditor, as the case may be, shall, subject to subsection (3), provide any information referred to in section 173(3), (5), (6) or (7) for the purpose of enabling the company to confirm its record of such information or reinstate its record of the information where the original record of the information has been destroyed or lost.

(3) The director, chief executive officer, secretary or auditor, as the case may be, referred to in subsection (2) shall furnish the

information to the company as soon as practicable but not later than 14 days after receipt of a written request for such information from the company.

(4) A director, chief executive officer or secretary who wishes to —

(*a*) substitute his residential address, as stated in the register of directors, register of chief executive officers or register of secretaries, with an alternate address; or

(*b*) substitute his alternate address, as stated in the register of directors, register of chief executive officers or register of secretaries, with his residential address or with a different alternate address,

must inform the company which will treat the change as a change of particulars under section 173A(1)(*b*)(ii).

Duty of company to keep consents of directors and secretaries

173C. Every company shall keep at its registered office —

(*a*) in respect of each director —

(i) a signed copy of his consent to act as director;

(ii) a statement that he is not disqualified to act as director under this Act or under any other written law; and

(iii) documentary evidence (if any) of any change in his name; and

(*b*) in respect of a secretary, a signed copy of his consent to act as secretary.

Savings and transitional provisions for existing particulars of directors, chief executive officers, secretaries and auditors

173D.—(1) In the case of a company incorporated before the date of commencement of section 90 of the Companies (Amendment) Act 2014 (referred to in this section as the

appointed day) the name and particulars of the persons who were lodged with the Registrar as a director, a secretary or an auditor of the company under section 173 in force immediately before the appointed day, shall be entered in the company's register of directors, register of secretaries or register of auditors, whichever may be applicable, referred to in section 173, until a notification of any change to the information referred to in section 173(3), (6) or (7) is received by the Registrar under section 173A(1)(*b*).

(2) Where a company referred to in subsection (1) has lodged the name and particulars of one or more managers with the Registrar as a manager or managers, as the case may be, of the company under section 173 in force immediately before the appointed day, the name and particulars of the manager or managers, as the case may be, shall be entered in the company's register of chief executive officers referred to in section 173, until a notification of any change in the information referred to in section 173(5) is received by the Registrar under section 173A(1)(*b*).

(3) For the purposes of subsections (1) and (2) —

(*a*) the address lodged with the Registrar in respect of any director or secretary under section 173 in force immediately before the appointed day shall be entered as his residential address;

(*b*) the address lodged with the Registrar in respect of any manager under section 173 in force immediately before the appointed day shall be entered as his residential address in his capacity as chief executive officer of the company; and

(*c*) the address lodged with the Registrar in respect of any auditor under section 173 in force immediately before the appointed day, shall be entered as his address.

Self-notification in certain circumstances

173E.—(1) A director who ceases to qualify to act as director by virtue of section 148 or 155 —

(*a*) shall, without prejudice to section 165(1)(*c*), notify the company of his disqualification as soon as practicable but not later than 14 days after the disqualification; and

(*b*) may give the notice referred to in section 173A(1)(*b*) to the Registrar if he has reasonable cause to believe that the company will not do so.

(2) A director who resigns from office and who has given notice of his resignation to the company, or a director who is removed or retires from office may give the notice referred to in section 173A(1)(*b*) to the Registrar if he has reasonable cause to believe that the company will not do so.

(3) A secretary who resigns from office and who has given notice of his resignation to the company, or a secretary who is removed or retires from office may give the notice referred to in section 173A(1)(*b*) to the Registrar if he has reasonable cause to believe that the company will not do so.

(4) A director, chief executive officer or secretary who has changed his residential address or alternate address, as the case may be, which is entered in the register of directors, register of chief executive officers or register of secretaries kept by the Registrar under section 173, or an auditor who has changed his address which is entered in the register of auditors kept by the Registrar under section 173 may give the notice referred to in section 173A(1)(*b*) to the Registrar if he has reasonable cause to believe that the company will not do so.

Amendment of register by Registrar

173F.—(1) Where the Registrar has reasonable cause to believe that a director of a company —

(*a*) is no longer qualified to act as such by virtue of section 148 or 155; or

(*b*) is dead,

the Registrar may on his own initiative amend the register of directors of the company kept by the Registrar under section 173

to indicate that the person has ceased to be a director by virtue of that fact.

(2) Where the Registrar has reasonable cause to believe that a chief executive officer of a company is dead, the Registrar may on his own initiative amend the register of chief executive officers of the company kept by the Registrar under section 173 to indicate that the person has ceased to be a chief executive officer of the company by virtue of that fact.

(3) Where the Registrar has reasonable cause to believe that a secretary of a company is dead, the Registrar may on his own initiative amend the register of secretaries of the company kept by the Registrar under section 173 to indicate that the person has ceased to be a secretary of the company by virtue of that fact.

(4) Where the Registrar has reasonable cause to believe that the auditor of a company —

(*a*) has had its registration as an accounting entity suspended or removed; or

(*b*) being an individual is dead,

the Registrar may on his own initiative amend the register of auditors of the company kept by the Registrar under section 173 to indicate that the person has ceased to be an auditor of the company by virtue of that fact.

(5) Where the Registrar has reasonable cause to believe that he has made an amendment to the relevant register under subsection (1), (2), (3) or (4) under a mistaken belief that a director, a chief executive officer, a secretary or an auditor, as the case may be, of a company has ceased to be a director, a chief executive officer, a secretary or an auditor, as the case may be, of the company, the Registrar may on his own initiative amend the register of directors, register of chief executive officers, register of secretaries or register of auditors to restore the name of the person in such register.

Provision and use of residential address

173G.—(1) Subject to this section, a director, a chief executive officer and a secretary of a company that is incorporated on or after the date of commencement of section 90 of the Companies (Amendment) Act 2014 is required to give notice to the Registrar of the following:

(*a*) at incorporation or within 14 days after the date of his appointment, as the case may be, his residential address, unless his residential address has already been entered in the register of directors, register of chief executive officers or register of secretaries kept by the Registrar under section 173;

(*b*) if there is any change to his residential address, the particulars of the change within 14 days after the change, unless such change has already been entered in the register of directors, register of chief executive officers or register of secretaries, as the case may be, kept by the Registrar under section 173.

(2) In the case of a company incorporated before the date of commencement of section 90 of the Companies (Amendment) Act 2014 —

(*a*) a director, chief executive officer and secretary of the company is required to give notice to the Registrar of the following:

(i) any change in his residential address that was lodged with the Registrar under section 173 in force immediately before that date within 14 days after the change, unless such change has already been entered in the register of directors, register of chief executive officers or register of secretaries, as the case may be, kept by the Registrar under section 173;

(ii) any subsequent change in his residential address within 14 days after the change, unless such change has already been entered in the register of

directors, register of chief executive officers or register of secretaries, as the case may be, kept by the Registrar under section 173;

(*b*) if the address that is entered as the residential address of a chief executive officer or a secretary under section 173D(3)(*a*) or (*b*) is not the individual's residential address, the chief executive officer or secretary, as the case may be, is required to give notice to the Registrar of the individual's residential address within 14 days after the date of commencement of section 90 of the Companies (Amendment) Act 2014, unless the residential address has, pursuant to a notice by the company under section 173A(1)(*b*)(ii), already been entered in the register of chief executive officers or the register of secretaries, as the case may be, kept by the Registrar under section 173.

(3) Where a director, chief executive officer or secretary of a company has made a report of a change of his residential address under section 8 of the National Registration Act (Cap. 201), he shall be taken to have notified the Registrar of the change in compliance with subsection (1)(*b*) or (2), whichever subsection is applicable.

(4) Notwithstanding section 12 or 12A, where on or after the date of commencement of section 90 of the Companies (Amendment) Act 2014, the residential address of a person is notified to the Registrar under subsection (1) or (2), or is transmitted to the Registrar by the Commissioner of National Registration under section 8A of the National Registration Act, the residential address of the individual is protected from disclosure and is not available for public inspection or access except as provided for under this section or where the individual's residential address is entered in the register of directors, register of chief executive officers or register of secretaries kept by the Registrar under section 173.

(5) Where —

(*a*) the alternate address of a director, chief executive officer or secretary is entered in the register of directors, register of chief executive officers or register of secretaries, as the case may be, that is kept by the Registrar under section 173(1)(*a*), (*b*) or (*c*), respectively; and

(*b*) the circumstances set out in subsection (6) apply,

the Registrar may enter the residential address of the director, chief executive officer or secretary in the respective register of directors, register of chief executive officers or register of secretaries, as the case may be.

(6) Subsection (5) applies where —

(*a*) communications sent by the Registrar under this Act, or by any officer of the Authority under any ACRA administered Act to the director, chief executive officer or secretary, as the case may be, at his alternate address and requiring a response within a specified period remain unanswered; or

(*b*) there is evidence to show that service of any document under this Act or under any ACRA administered Act at the alternate address is not effective to bring it to the notice of the director, chief executive officer or secretary, as the case may be.

(7) Before proceeding under subsection (5), the Registrar shall give notice to the director, chief executive officer or secretary affected, and to every company of which the Registrar has been notified under this Act that the individual is a director, chief executive officer or secretary, as the case may be.

(8) The notice referred to in subsection (7) shall —

(*a*) state the grounds on which it is proposed to enter the individual's residential address in the register of directors, register of chief executive officers or register of secretaries, as the case may be; and

(*b*) specify a period within which representations may be made before that is done.

(9) The Registrar shall take account of any representations received within the specified period.

(10) Where the Registrar enters the residential address in the register of directors, register of chief executive officers or register of secretaries under subsection (5), the Registrar shall give notice of that fact to the director, chief executive officer or secretary affected, and to every company of which the Registrar has been notified under this Act that the individual is a director, chief executive officer or secretary, as the case may be.

(11) A notice to a director, chief executive officer or secretary under subsection (7) or (10) shall be sent to the individual at his residential address unless it appears to the Registrar that service at that address may be ineffective to bring it to the individual's notice, in which case it may be sent to any other last known address of that individual.

(12) Where the Registrar enters an individual's residential address in the register of directors, register of chief executive officers or register of secretaries under subsection (5), or a Registrar appointed under any other ACRA administered Act discloses and makes available for public inspection under that Act the particulars of an individual's residential address under a provision of that Act equivalent to subsection (5) —

(*a*) the residential address ceases to be protected under subsection (4) from disclosure or from public inspection or access; and

(*b*) the individual is not, for a period of 3 years after the date on which the residential address is entered in the register of directors, register of chief executive officers or register of secretaries, allowed to provide an alternate address under section 173B(1)(*b*) or 173E(4).

(13) Nothing in this section applies to any information lodged with the Registrar or deemed to be lodged before the date of commencement of section 90 of the Companies (Amendment)

Act 2014 or prevents such information from being disclosed or from being available for public inspection or access.

(14) Nothing in this section prevents the residential address of an individual that is notified to the Registrar under subsection (1) or (2), or is transmitted to the Registrar by the Commissioner of National Registration under section 8A of the National Registration Act from —

(*a*) being used by the Registrar for the purposes of any communication with the individual;

(*b*) being disclosed for the purposes of issuing any summons or other legal process against the individual for the purposes of this Act or any other written law;

(*c*) disclosure in compliance with the requirement of any court or the provisions of any written law;

(*d*) disclosure for the purpose of assisting any public officer or officer of any other statutory body in the investigation or prosecution of any offence under any written law; or

(*e*) disclosure in such other circumstances as may be prescribed.

(15) Any individual aggrieved by the decision of the Registrar under subsection (5) may, within 30 days after the date of receiving the notice under subsection (10), appeal to the High Court which may confirm the decision or give such directions in the matter as seem proper or otherwise determine the matter.

(16) In this section, "ACRA administered Act" means the Accounting and Corporate Regulatory Authority Act (Cap. 2A) and any of the written laws specified in the Second Schedule to that Act.

Penalty for breach under sections 173, 173A, 173B, 173C and 173G

173H.—(1) If default is made by a company in section 173A(1) or 173C, the company and every officer of the company who is in default shall each be guilty of an offence

and shall each be liable on conviction to a fine not exceeding $5,000 and also to a default penalty.

(2) Subject to subsection (3) —

(*a*) a director, a chief executive officer, a secretary or an auditor who being bound to comply with a requirement under section 173B fails to do so; or

(*b*) a director, a chief executive officer or a secretary who being bound to comply with a requirement under section 173G(1) or (2) fails to do so,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $5,000 and also to a default penalty.

(3) A director, a chief executive officer or a secretary who has opted to provide the company with an alternate address instead of his residential address for the purpose of section 173(3)(*b*), (5)(*b*) or (6)(*b*), as the case may be, must ensure that the alternate address that he has provided is and continues to be an address at which he may be located, and if he fails to do so he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 2 years or to both.

(4) For the purposes of subsection (3), a reference to the director, chief executive officer or secretary being located at an address means the director, chief executive officer or secretary may be physically found at the address after reasonable attempts have been made to contact the person at the address.

Transitional provisions for old registers of directors, managers, secretaries and auditors

173I.—(1) A company shall continue to keep the following information for the periods set out in subsection (2):

(*a*) with respect to each person who is a director of the company immediately before the date of commencement of section 90 of the Companies (Amendment) Act 2014 (referred to in this section as the appointed day) —

(i) the signed copy of the person's consent to act as a director referred to in section 173(2)(*a*) in force immediately before the appointed day; and

(ii) documentary evidence (if any) of any change in the person's name referred to in section 173(2)(*c*) in force immediately before the appointed day; and

(*b*) with respect to each person who is a secretary of the company immediately before the appointed day, the signed copy of the person's consent to act as a secretary referred to in section 173(4A) in force immediately before the appointed day.

(2) The period referred to in subsection (1) commences on the appointed day and ceases on —

(*a*) in the case of subsection (1)(*a*), the date on which the person ceases to be a director of the company; or

(*b*) in the case of subsection (1)(*b*), the date on which the person ceases to be a secretary of the company.

(3) Section 173(8) in force immediately before the appointed day shall continue to apply in respect of any information lodged with the Registrar under section 173 in force immediately before that day.".

Amendment of section 175

91. Section 175 of the Companies Act is amended by deleting subsection (2) and substituting the following subsection:

"(2) Notwithstanding subsection (1), the Registrar may extend the period of 15 months or 18 months referred to in that subsection, notwithstanding that the period is so extended beyond the calendar year —

(*a*) upon an application by the company, if the Registrar thinks there are special reasons to do so; or

(*b*) in respect of any prescribed class of companies.".

Amendment of section 176

92. Section 176 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) The directors of a company, notwithstanding anything in its constitution, shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10% of the total number of paid-up shares as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than 10% of the total voting rights of all members having at that date a right to vote at general meetings, immediately proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than 2 months after the receipt by the company of the requisition."; and

(*b*) by deleting the words "paid-up capital" in subsection (1A) and substituting the words "paid-up shares".

Amendment of section 177

93. Section 177 of the Companies Act is amended by deleting subsection (4) and substituting the following subsection:

"(4) So far as the constitution does not make other provision in that behalf, notice of every meeting shall be served on every member having a right to attend thereat in the manner in which notices are required to be served by the model constitution prescribed under section 36(1) for the type of company to which the company belongs, if any.".

Amendment of section 178

94. Section 178 of the Companies Act is amended —

(*a*) by deleting the words "Any provision in a company's articles" in subsection (1) and substituting the words

"Subject to subsection (1B), any provision in a company's constitution";

(*b*) by deleting "10%" in subsection (1)(*b*)(ii) and (iii) and substituting in each case "5%";

(*c*) by deleting the words "48 hours" in subsection (1)(*c*) and substituting the words "72 hours";

(*d*) by inserting, immediately after subsection (1), the following subsection:

"(1A) Notwithstanding subsection (1)(*b*), where any provision of the constitution of a company incorporated before the date of commencement of section 94 of the Companies (Amendment) Act 2014 is void under subsection (1)(*b*)(ii) or (iii), a demand for a poll on any question or matter other than the election of the chairman of the meeting or the adjournment of the meeting may be made —

(*a*) by a member or members representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting; or

(*b*) by a member or members holding shares in the company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than 5% of the total sum paid up on all the shares conferring that right.";

(*e*) by inserting, immediately before subsection (2), the following subsection:

"(1B) Any provision in the constitution of a company incorporated before the date of commencement of section 94(*c*) and (*e*) of the Companies (Amendment) Act 2014 which requires the instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to the appointment of a proxy to be received by the company or any other person

less than 72 hours before a meeting or adjourned meeting in order that the appointment may be effective thereat, shall be read as requiring such instrument to be received by the company or any other person not more than 72 hours before a meeting or adjourned meeting in order that the appointment may be effective."; and

(*f*) by deleting the section heading and substituting the following section heading:

"**Right to demand a poll**".

Amendment of section 179

95. Section 179 of the Companies Act is amended —

(*a*) by deleting the words "the articles do not make other provision in that behalf and subject to section 64" in subsection (1) and substituting the words "the constitution does not make other provision in that behalf and subject to sections 64 and 64A";

(*b*) by inserting, immediately after the word "meeting" in subsection (4)(*b*), the words "as a member or proxy or as a corporate representative of another member"; and

(*c*) by deleting the words "one month" in subsection (7) and substituting the words "14 days".

Repeal and re-enactment of section 180

96. Section 180 of the Companies Act is repealed and the following section substituted therefor:

"**As to member's rights at meetings**

180.—(1) A member shall, notwithstanding any provision in the constitution of the company, have a right to attend any general meeting of the company and to speak on any resolution before the meeting.

(2) In the case of a company limited by shares, the holder of a share may vote on a resolution before a general meeting of the

company if, in accordance with the provisions of section 64, the share confers on the holder a right to vote on that resolution.

(3) In the case of a company other than a company limited by shares, a member may vote on a resolution before a general meeting of the company if the right to vote on that resolution is conferred on the member under the constitution of the company.

(4) Notwithstanding subsection (2), a preference share issued after 15 August 1984 but before the date of commencement of section 96 of the Companies (Amendment) Act 2014 shall, in addition to any other right conferred by this Act, carry the right in a poll at any general meeting to at least one vote in respect of each such share held during such period as the preferential dividend or any part thereof remains in arrears and unpaid, such period starting from a date not more than 12 months, or such lesser period as the constitution may provide, after the due date of the dividend.

(5) For the purposes of subsection (4) —

(*a*) "preference share" means a share, by whatever name called, which does not entitle the holder thereof —

(i) to the right to vote at a general meeting (except in the circumstances specified in subsection (4)); or

(ii) to any right to participate beyond a specified amount in any distribution whether by way of dividend, or on redemption, in a winding up, or otherwise; and

(*b*) a dividend shall be deemed to be due on the date appointed in the constitution for the payment of the dividend for any year or other period or, if no such date is appointed, upon the day immediately following the expiration of the year or other period and whether or not such dividend shall have been earned or declared.".

Amendment of section 181

97. Section 181 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsections:

"(1) Subject to this section, a member of a company entitled to attend and vote at a meeting of the company, or at a meeting of any class of members of the company, shall be entitled to appoint another person, whether a member or not, as his proxy to attend and vote instead of the member at the meeting and a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting.

(1A) Subject to this section, unless the constitution otherwise provides —

(*a*) a proxy shall not be entitled to vote except on a poll;

(*b*) a member shall not be entitled to appoint more than 2 proxies to attend and vote at the same meeting; and

(*c*) where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

(1B) A member of a company entitled to attend and vote at a meeting of the company held pursuant to an order of the Court under section 210(1), or at any adjourned meeting under section 210(3), is, unless the Court orders otherwise, entitled to appoint only one proxy to attend and vote at the same meeting.

(1C) Except where subsection (1B) applies, a member of a company having a share capital who is a relevant intermediary may appoint more than 2 proxies in relation to a meeting to exercise all or any of his rights to attend and to speak and vote at the meeting, but each proxy

must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

(1D) A proxy appointed under subsection (1C) shall at a meeting have the right to vote on a show of hands.";

(*b*) by deleting the word "proxies" in subsection (2) and substituting the words "a proxy or proxies"; and

(*c*) by inserting, immediately after subsection (5), the following subsection:

"(6) In this section, "relevant intermediary" means —

(*a*) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(*b*) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(*c*) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.".

Amendment of section 184A

98. Section 184A of the Companies Act is amended —

(*a*) by inserting, immediately after the words "private company" in subsection (1), the words "or an unlisted public company";

(*b*) by inserting, immediately after the word "resolution" in subsection (5)(*a*)(ii), the words "by way of the member's signature (or his proxy's signature if that is allowed), or such other method as the constitution may provide"; and

(*c*) by inserting, immediately after subsection (8), the following subsection:

"(9) In this section and sections 184B to 184F, "unlisted public company" means a public company the securities of which are not listed for quotation or quoted on a securities exchange in Singapore or any securities exchange outside Singapore.".

New section 184DA

99. The Companies Act is amended by inserting, immediately after section 184D, the following section:

"**Period for agreeing to written resolution**

184DA.—(1) Unless the constitution of a company otherwise provides, a resolution proposed to be passed by written means lapses if it is not passed before the end of the period of 28 days beginning with the date on which the written resolution is circulated to the members of the company.

(2) The agreement to a resolution is ineffective if indicated after the expiry of that period.".

Amendment of section 186

100. Section 186 of the Companies Act is amended by deleting subsection (1) and substituting the following subsection:

"(1) A copy of —

(*a*) every special resolution; and

(*b*) every resolution, including any resolution passed under section 175A(1), which effectively binds any class of shareholders whether agreed to by all the members of that class or not,

shall, except where otherwise expressly provided by this Act within 14 days after the passing or making thereof, be lodged by the company with the Registrar.".

Amendment of section 188

101. Section 188(1) of the Companies Act is amended by deleting the word "managers" in paragraph (*a*) and substituting the words "chief executive officers".

Amendment of section 189

102. Section 189(2A) of the Companies Act is amended by deleting the word "managers" and substituting the words "chief executive officers".

Amendment of Division heading of Part V

103. Part V of the Companies Act is amended by inserting, immediately after the word "*members*" in the heading of Division 4, the words "*kept by public company*".

New section 189A

104. The Companies Act is amended by inserting, immediately before section 190 in Division 4, the following section:

"**Application and interpretation of Division**

189A.—(1) This Division shall apply only in relation to a public company.

(2) In this Division, a reference to the register means the register of members required to be kept by a public company under section 190(1).".

Amendment of section 190

105. Section 190 of the Companies Act is amended —

(*a*) by deleting the word "company" wherever it appears in subsections (1), (2A) and (5) (including the subsection heading) and substituting in each case the words "public company";

(*b*) by deleting the word "company" where it first appears in subsections (2), (3) and (7) and substituting in each case the words "public company"; and

(*c*) by inserting, immediately after the word "members" in the section heading, the words "of public companies".

Amendment of section 191

106. Section 191 of the Companies Act is amended —

(*a*) by deleting the word "company" where it first appears in subsections (1) and (3) and substituting in each case the words "public company"; and

(*b*) by deleting the word "company" in subsection (2) and substituting the words "public company".

Amendment of section 192

107. Section 192 of the Companies Act is amended —

(*a*) by deleting the word "company" in subsections (1) and (2) and substituting in each case the words "public company"; and

(*b*) by deleting the word "company" where it first appears in subsections (3) and (4) and substituting in each case the words "public company".

Amendment of section 193

108. Section 193 of the Companies Act is amended by deleting the word "company" where it first appears and substituting the words "public company".

Amendment of section 196

109. Section 196 of the Companies Act is amended —

(*a*) by deleting the word "company" in subsections (1), (2) and (4) and substituting in each case the words "public company";

(*b*) by deleting the words "one month" in subsection (2) and substituting the words "14 days";

(*c*) by deleting the word "company" where it first appears in subsections (6) and (9) and substituting in each case the words "public company"; and

(*d*) by deleting the word "companies" in subsection (7) and substituting the words "public companies".

New Division 4A of Part V

110. Part V of the Companies Act is amended by inserting, immediately after section 196, the following Division:

"*Division 4A — Electronic register of members kept by Registrar*

Electronic register of members

196A.—(1) On and after the date of commencement of section 110 of the Companies (Amendment) Act 2014, the Registrar shall, in respect of every private company, keep and maintain an electronic register of members of that company containing such information notified to the Registrar on or after that date.

(2) The electronic register of members of a private company shall be kept in such form as the Registrar may determine and shall contain —

(*a*) the following information:

(i) the names of the members;

(ii) the addresses of the members;

(iii) in the case of a company having a share capital —

(A) a statement of the shares held by each member of the amount paid or agreed to be

considered as paid on the shares of each member; and

(B) the date of every allotment of shares to members (including any deemed allotment as defined in section 63(3)) and the number of shares comprised in each allotment;

(iv) the date on which the name of each person was entered in the register as a member; and

(v) the date on which any person who ceased to be a member during the previous 7 years so ceased to be a member; and

(*b*) any change to the information referred to in paragraph (*a*)(i), (ii) and (iii) that occurs on or after the date of commencement of section 110 of the Companies (Amendment) Act 2014.

(3) Where a private company has converted any of its shares into stock and the company notifies the Registrar of this fact, the register shall show the amount of stock or number of stock units held by each member instead of the number of shares and the particulars relating to shares specified in subsection (2)(*a*).

(4) Particulars of any change in the information referred to in subsection (2) shall be given to the Registrar where a private company purchases one or more of its shares or stocks in circumstances in which section 76H applies unless the company cancels all the shares or stocks immediately after the purchase in accordance with section 76K(1).

(5) The Registrar shall update the electronic register of members in accordance with any change that is required or authorised by any provision of this Act to be lodged with the Registrar, including section 31(1), 63(1), 70(6), 71(1B), 74A(3), 76B(7), 76K(1A), 126(2) or 128(1)(*a*).

(6) An entry in the register of members required to be kept by the Registrar under this section is prima facie evidence of the truth of any matters which are by this Act directed or authorised to be entered or inserted in the register of members.

Information to be provided by pre-existing private companies

196B.—(1) A private company incorporated, or converted from a public company, before the date of commencement of section 110 of the Companies (Amendment) Act 2014 shall lodge with the Registrar the information necessary to be included in the company's electronic register of members under section 196A within the earlier of the following dates:

(*a*) 6 months after the date of commencement of section 110 of the Companies (Amendment) Act 2014; or

(*b*) the date on which the first return under section 197 is required to be lodged with the Registrar after the date of commencement of section 110 of the Companies (Amendment) Act 2014.

(2) If a private company to which subsection (1) applies fails to lodge any of the information that it is required to lodge under that subsection, the Registrar may, in place of the omitted information, enter in the electronic register of members the corresponding information contained in the register of members kept by the company under section 190 in force immediately before the date of commencement of section 110 of the Companies (Amendment) Act 2014.

(3) The Registrar may extend the time for furnishing the information under subsection (1) if the Registrar considers it fair and reasonable to do so in the circumstances of the case.

Application of sections 194 and 195

196C.—(1) Section 194 shall apply in respect of the electronic register of members of a private company required to be kept by the Registrar under section 196A as if a reference to a register under section 194 referred to the electronic register of members of the private company in question.

(2) Section 195 shall apply in respect of the electronic register of members of a private company required to be kept by the

Registrar under section 196A but with the following modifications:

(*a*) a reference to a register under section 194 refers to the electronic register of members of the private company in question;

(*b*) the reference to any branch register were omitted; and

(*c*) the company is required to notify the Registrar of any request made by a trustee under section 195(3) for the relevant shares to be marked in the electronic register of members as to identify the shares being held in respect of a trust within 14 days after the request.

Maintenance of old register of members

196D.—(1) Subject to subsections (2) and (3), a private company incorporated, or which was converted from a public company before the date of commencement of section 110 of the Companies (Amendment) Act 2014 (referred to in this section as the appointed day) shall —

(*a*) continue to keep any branch register of members under section 196 in force immediately before the appointed day for a period of 7 years after that day; and

(*b*) continue to keep its register of members under section 190(1) in force immediately before the appointed day for a period of 7 years after the last member referred to in the register ceases to be a member of the company.

(2) A private company is not required to update the branch register or the register of members required to be kept under subsection (1) with any changes in the particulars therein that occurred on or after the date on which the company furnishes the information required to be furnished to the Registrar under section 196B(1).

(3) Until the expiry of the period for which any branch register and register of members is required to be kept under subsection (1) but subject to subsection (2) —

(*a*) sections 190, 191, 192(2), (3) and (4), 194, 195 and 196 in force immediately before the appointed day shall, with the necessary modifications, continue to apply in relation to the branch register and register of members required to be kept under subsection (1); and

(*b*) any non-compliance with the sections referred to in paragraph (*a*) may be dealt with and punished in accordance with those provisions as if they were in force immediately before the appointed day.".

Repeal and re-enactment of section 197

111. Section 197 of the Companies Act is repealed and the following section substituted therefor:

"**Annual return by companies**

197.—(1) Every company shall lodge a return with the Registrar —

(*a*) in the case of a company having a share capital and keeping a branch register in any place outside Singapore, within 60 days after its annual general meeting; and

(*b*) in any other case, within 30 days after its annual general meeting.

(2) The return referred to in subsection (1) —

(*a*) shall be in such form;

(*b*) shall contain such particulars; and

(*c*) shall be accompanied by such documents,

as may be prescribed.

(3) The particulars to be contained in, and the documents that are to accompany, the return referred to in subsection (1) may differ according to the class or description of company prescribed.

(4) Notwithstanding subsection (1), if a company has dispensed with the holding of its annual general meeting under

section 175A in relation to a calendar year, the annual return for that calendar year shall be lodged with the Registrar —

(*a*) in the case of a company having a share capital and keeping a branch register in any place outside Singapore, within 60 days after the start date; or

(*b*) in any other case, within 30 days after the start date.

(5) In subsection (4) —

"balance-sheet", "consolidated financial statements", "financial statements" and "parent company" have the same meanings as in section 209A;

"calendar year" includes such period beyond the calendar year as may be extended by the Registrar under section 175(2) for holding the annual general meeting;

"start date" means the later of the following dates:

(*a*) the date on which the company sent a copy of its financial statements or, in the case of a parent company, a copy of the consolidated financial statements and balance-sheet (including every document required by law to be attached thereto), to all persons entitled to receive notice of general meetings of the company under section 203(1); or

(*b*) the date on which all resolutions of the company by written means (where such resolutions would have been passed at the annual general meeting if it had been held) were passed.

(6) If a company fails to comply with this section, the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $5,000 and also to a default penalty.".

Deletion and substitution of Part heading of Part VI

112. The heading of Part VI of the Companies Act is deleted and the following heading substituted therefor:

"FINANCIAL STATEMENTS AND AUDIT".

Deletion and substitution of Division heading of Part VI

113. The heading of Division 1 of Part VI of the Companies Act is deleted and the following heading substituted therefor:

"*Division 1 — Financial statements*".

Amendment of section 199

114. Section 199 of the Companies Act is amended —

(*a*) by deleting the words "and the directors and managers thereof" in subsection (1);

(*b*) by deleting the words "profit and loss accounts and balance-sheets" in subsections (1), (2A)(*b*) and (4) and substituting in each case the words "financial statements";

(*c*) by deleting the word "subsidiary" in subsection (2A) and substituting the words "subsidiary company"; and

(*d*) by deleting the words "a fine not exceeding $2,000 or to imprisonment for a term not exceeding 3 months" in subsection (6) and substituting the words "a fine not exceeding $5,000 or to imprisonment for a term not exceeding 12 months".

Repeal of section 200

115. Section 200 of the Companies Act is repealed.

Repeal and re-enactment of section 201

116. Section 201 of the Companies Act is repealed and the following section substituted therefor:

"**Financial statements and consolidated financial statements**

201.—(1) The directors of every company shall, at a date not later than 18 months after the incorporation of the company and subsequently at least once in every calendar year at intervals of not more than 15 months, lay before the company at its annual general meeting the financial statements for the period since the preceding financial statements (or in the case of the first financial statements, since the incorporation of the company) made up to a date —

(*a*) in the case of a public company that is listed, not more than 4 months before the date of the meeting; or

(*b*) in the case of any other company, not more than 6 months before the date of the meeting.

(2) Subject to subsections (12) to (15), the financial statements referred to in subsection (1) shall comply with the requirements of the Accounting Standards and give a true and fair view of the financial position and performance of the company.

(3) The Minister may, by order published in the *Gazette*, specify such other period in substitution of the period referred to in subsection (1)(*a*) or (*b*).

(4) Notwithstanding subsection (1), the Registrar may extend the periods of 18 months and 15 months referred to in that subsection and with respect to any year extend the period referred to in subsection (1)(*a*) or (*b*), notwithstanding that the period is so extended beyond the calendar year —

(*a*) upon an application by the company, if the Registrar thinks there are special reasons to do so; or

(*b*) in respect of any prescribed class of companies.

(5) Subject to subsections (12) to (15), the directors of a company that is a parent company at the end of its financial year need not comply with subsection (1) but must cause to be made out and laid before the company at its annual general meeting —

(*a*) consolidated financial statements dealing with the financial position and performance of group for the period beginning from the date the preceding financial statements were made up to (or, in the case of first financial statements, since the incorporation of the company) and ending on a date —

(i) in a case where the parent company is a public company that is listed, not more than 4 months before the date of the meeting; or

(ii) in any other case, not more than 6 months before the date of the meeting; and

(*b*) a balance-sheet dealing with the state of affairs of the parent company at the end of its financial year,

each of which complies with the requirements of the Accounting Standards and gives a true and fair view of the matters referred to in paragraph (*a*) or (*b*), as the case may be, so far as it concerns members of the parent company.

(6) Subsections (3) and (4) shall, with the necessary modifications, apply to the periods referred to in subsection (5)(*a*)(i) and (ii) as they apply to the periods referred to in subsection (1)(*a*) and (*b*).

(7) The directors shall (before the financial statements referred to in subsection (1) and the balance-sheet referred to in subsection (5)(*b*) are made out) take reasonable steps —

(*a*) to ascertain what action has been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts and to cause all known bad debts to be written off and adequate provision to be made for doubtful debts;

(*b*) to ascertain whether any current assets (other than current assets to which paragraph (*a*) applies) are unlikely to realise in the ordinary course of business their value as shown in the accounting records of the company and, if so, to cause —

(i) those assets to be written down to an amount which they might be expected so to realise; or

(ii) adequate provision to be made for the difference between the amount of the value as so shown and the amount that they might be expected so to realise; and

(*c*) to ascertain whether any non-current asset is shown in the books of the company at an amount which, having regard to its value to the company as a going concern, exceeds the amount which would be recoverable over its useful life or on its disposal and (unless adequate provision for writing down that asset is made) to cause to be included in the financial statements such information and explanations as will prevent the financial statements from being misleading by reason of the overstatement of the amount of that asset.

(8) The financial statements shall be duly audited before they are laid before the company at its annual general meeting as required by this section, and the auditor's report required by section 207 shall be attached to or endorsed upon those financial statements.

(9) The directors of the company shall —

(*a*) take reasonable steps to ensure that the financial statements are audited as required by this Part not less than 14 days before the annual general meeting of the company, unless all the persons entitled to receive notice of general meetings of the company agree that the financial statements may be audited as required by this Part less than 14 days before the annual general meeting of the company; and

(*b*) cause to be attached to those financial statements the auditor's report that is furnished to the directors under section 207(1A).

(10) In subsections (8) and (9), "financial statements", in relation to a company, means —

(*a*) in the case where the company is not a parent company, the financial statements required to be laid before the company at its annual general meeting under subsection (1); or

(*b*) in the case where the company is a parent company, the consolidated financial statements of the group and the balance-sheet of the parent company required to be laid before the company at its annual general meeting under subsection (5).

(11) Where at the end of a financial year a company is the subsidiary company of another corporation, the directors of the company shall state in, or in a note as a statement annexed to, the financial statements laid before the company at its annual general meeting the name of the corporation which is its ultimate parent corporation.

(12) The financial statements or consolidated financial statements of a company need not comply with any requirement of the Accounting Standards for the purposes of subsection (1) or (5), if the company has obtained the approval of the Registrar to such non-compliance.

(13) Where financial statements or consolidated financial statements prepared in accordance with any requirement of the Accounting Standards for the purposes of subsection (1) or (5), would not give a true and fair view of any matter required by this section to be dealt with in the financial statements or consolidated financial statements, the financial statements or consolidated financial statements need not comply with that requirement to the extent that this is necessary for them to give a true and fair view of the matter.

(14) In the event of any non-compliance with a requirement of the Accounting Standards referred to in subsection (13), there shall be included in the financial statements or consolidated financial statements, as the case may be —

(*a*) a statement by the auditor of the company that he agrees that such non-compliance is necessary for the financial statements or consolidated financial statements, as the

case may be, to give a true and fair view of the matter concerned;

(*b*) particulars of the departure, the reason therefor and its effect, if any; and

(*c*) such further information and explanations as will give a true and fair view of that matter.

(15) The Minister may, by order published in the *Gazette*, in respect of companies of a specified class or description, substitute other accounting standards for the Accounting Standards, and the provisions of this section and sections 207 and 209A shall apply accordingly in respect of such companies.

(16) The financial statements laid before a company at its general meeting (including any consolidated financial statements annexed to the balance-sheet of a parent company) shall be accompanied, before the auditor reports on the financial statements under this Part, by a statement signed on behalf of the directors by 2 directors of the company containing the information set out in the Twelfth Schedule.

(17) Any document (other than any financial statements or a balance-sheet prepared in accordance with this Act) or advertisement published, issued or circulated by or on behalf of a company (other than a banking corporation) shall not contain any direct or indirect representation that the company has any reserve unless the representation is accompanied —

(*a*) if the reserve is invested outside the business of the company — by a statement showing the manner in which and the security upon which it is invested; or

(*b*) if the reserve is being used in the business of the company — by a statement to the effect that the reserve is being so used.

(18) The provisions of this Act relating to the form and content of the statement of directors and the annual financial statements shall apply to a banking corporation with such modifications and exceptions as are determined either generally or in any particular case by the Monetary Authority of Singapore established under

section 3 of the Monetary Authority of Singapore Act (Cap. 186).

(19) In respect of a company that is registered as a charity or approved as an institution of a public character under the Charities Act (Cap. 37), the requirements of this section as to the form and content of a company's financial statements or consolidated financial statements being in compliance with the Accounting Standards shall apply subject to any modification prescribed under section 13(1)(*f*) of that Act in respect of such a company.

(20) For the purposes of subsections (1) and (5), a reference to the preceding financial statements includes the profit and loss account, balance-sheet and consolidated accounts required to be laid before the company at its annual general meeting under section 201 in force before the date of commencement of section 116 of the Companies (Amendment) Act 2014.

(21) For the purposes of subsections (1) and (5), a reference to the requirement to lay financial statements before a company includes the laying of the profit and loss account, balance-sheet and consolidated accounts prepared in accordance with section 201 in force immediately before the date of commencement of section 116 of the Companies (Amendment) Act 2014, where such profit and loss account, balance-sheet and consolidated accounts have been prepared in respect of a financial year which ended before the date of commencement of section 116 of the Companies (Amendment) Act 2014.

(22) Subsection (16) shall not apply to any company in respect of any financial year which ended before the date of commencement of section 116 of the Companies (Amendment) Act 2014; and section 201(5) to (8), (11), (12) and (15) in force immediately before that date shall continue to apply to such company for that financial year.

(23) Without prejudice to the generality of section 197(2), a company referred to in subsection (22) shall, when lodging a return with the Registrar under section 197, attach a copy of the

report prepared in accordance with section 201(5) in force immediately before the date of commencement of section 116 of the Companies (Amendment) Act 2014.".

New sections 201A and 201AA

117. The Companies Act is amended by inserting, immediately after section 201, the following sections:

"**Certain dormant companies exempted from duty to prepare financial statements**

201A.—(1) Subject to subsection (3), the directors of a dormant relevant company are exempt from the requirements of section 201 for a financial year if the requirements set out in subsection (2) are satisfied.

(2) The requirements referred to in subsection (1) are —

(*a*) the relevant company has been dormant —

(i) from the time of its formation; or

(ii) since the end of the previous financial year;

(*b*) the directors of the relevant company have lodged with the Registrar a statement by the directors that —

(i) the company has been dormant for the period set out in paragraph (*a*)(i) or (ii), as the case may be;

(ii) no notice has been received under subsection (3) in relation to the financial year; and

(iii) the accounting and other records required by this Act to be kept by the company have been kept in accordance with section 199; and

(*c*) the statement referred to in paragraph (*b*) has been lodged with the Registrar at the same time that the annual return is required to be lodged under section 197(1).

(3) A relevant person may by notice in writing require the directors of a dormant relevant company to comply with any or all of the requirements of section 201 in respect of a financial

year but the notice in writing must be issued to the directors not less than 3 months before the end of the financial year.

(4) In subsection (3), "relevant person" means —

(*a*) the Registrar;

(*b*) one or more members holding not less than 5% of the total number of issued shares of the company (excluding treasury shares); or

(*c*) not less than 5% of the total number of members of the company (excluding the company itself if it is registered as a member).

(5) For the purposes of this section —

(*a*) "relevant company" means a company —

(i) which is not a listed company or a subsidiary company of a listed company;

(ii) whose total assets at any time during the financial year in question does not exceed —

(A) $500,000 in value; or

(B) such other amount as may be prescribed in substitution by the Minister; and

(iii) which, if it is a parent company (which is not itself a subsidiary company of another corporation), belongs to a group the consolidated total assets of which at any time during the financial year in question does not exceed —

(A) $500,000 in value; or

(B) such other amount as may be prescribed in substitution by the Minister; and

(*b*) section 205B(2) and (3) shall apply in determining whether a relevant company is dormant.

(6) This section shall not apply to the directors of any company in respect of a financial year which ended before the date of

commencement of section 117 of the Companies (Amendment) Act 2014 and the directors of such company shall prepare the accounts or consolidated accounts for that financial year and lay the accounts or consolidated accounts of the company at its annual general meeting for that financial year, in accordance with Part VI in force immediately before that date.

(7) Without prejudice to the generality of section 197(2), a company referred to in subsection (6) shall, when lodging a return with the Registrar under section 197, attach a copy of the accounts or consolidated accounts so prepared.

Retention of documents laid before company at annual general meeting

201AA.—(1) Every company shall cause to be kept at the company's registered office, or such other place as the directors think fit —

(*a*) a copy of each of the documents that was laid before the company at its annual general meeting under section 201 for a period of not less than 5 years after the date of the annual general meeting, being a date on or after the date of commencement of section 117 of the Companies (Amendment) Act 2014; or

(*b*) if the company has dispensed with the holding of its annual general meeting under section 175A —

(i) a copy of the financial statements; or

(ii) in the case of a parent company, a copy of the consolidated financial statements and balance-sheet (including every document required by law to be attached thereto),

and a copy of the auditors' report where such financial statements or consolidated financial statements are duly audited, that were sent to all persons entitled to receive notice of general meetings of the company in accordance with section 203(1) for a period of not less than 5 years after the date on which the documents were sent, being a

date on or after the date of commencement of section 117 of the Companies (Amendment) Act 2014.

(2) If default is made in complying with subsection (1), the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $5,000 or to imprisonment for a term not exceeding 12 months and also to a default penalty.

(3) The Registrar or an authorised officer may at any time require the company to furnish any document kept under subsection (1), and may, without fee or reward, inspect, make copies of or extracts from such document.

(4) Any person who —

(*a*) without lawful excuse, refuses to produce any document required of him by the Registrar or an authorised officer under subsection (3); or

(*b*) assaults, obstructs, hinders or delays the Registrar or the authorised officer in the course of inspecting or making copies or extracts from the document,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 2 years or to both.

(5) In this section, "authorised officer" means an officer of the Authority authorised by the Registrar for the purposes of this section.".

Amendment of section 201B

118. Section 201B of the Companies Act is amended —

(*a*) by deleting sub-paragraph (vi) of subsection (5)(*a*) and substituting the following sub-paragraph:

"(vi) the financial statements of the company and, if it is a parent company, the consolidated financial statements, submitted to it by the company or the parent company, and thereafter to submit

them to the directors of the company or parent company; and";

(*b*) by deleting subsection (9) and substituting the following subsection:

"(9) Where the directors of a company or of a parent company are required to make a statement under section 201(16) and the company is a listed company, the directors shall describe in the statement the nature and extent of the functions performed by the audit committee pursuant to subsection (5)."; and

(*c*) by deleting subsection (10).

Amendment of section 201C

119. Section 201C of the Companies Act is amended —

(*a*) by deleting the words "accounts or consolidated accounts" in paragraph (*a*) and substituting the words "financial statements or consolidated financial statements";

(*b*) by deleting the word "accounts" in paragraph (*b*) and substituting the words "financial statements"; and

(*c*) by deleting the word "accounts" in the section heading and substituting the words "financial statements".

Amendment of section 202

120. Section 202 of the Companies Act is amended —

(*a*) by deleting the words "accounts or consolidated accounts (other than a requirement of the Accounting Standards) or to the form and content of the report required by section 201(6) and (6A)" in subsections (1) and (2) and substituting in each case the words "financial statements or consolidated financial statements (other than a requirement of the Accounting Standards) or to the form and content of the statement required by section 201(16)";

(*b*) by deleting the words "accounts or consolidated accounts or report" in subsections (1), (2) and (3) and substituting in each

case the words "financial statements or consolidated financial statements or directors' statement"; and

(*c*) by deleting the words "accounts and reports" in the section heading and substituting the words "financial statements and directors' statement".

New sections 202A and 202B

121. The Companies Act is amended by inserting, immediately after section 202, the following sections:

"**Voluntary revision of defective financial statements, or consolidated financial statements or balance-sheet**

202A.—(1) Subject to subsection (3), this section applies at any time —

(*a*) in the case where the holding of annual general meetings is dispensed with under section 175A, after the financial statements or, in the case of a parent company, consolidated financial statements and balance-sheet are sent to the members of the company under section 203; or

(*b*) in any other case, after the financial statements or, in the case of a parent company, consolidated financial statements and balance-sheet are laid before the company at an annual general meeting.

(2) Where this section applies, if it appears to the directors of the company that the financial statements or, in the case of a parent company, consolidated financial statements or balance-sheet do not comply with the requirements of this Act (including compliance with the Accounting Standards), the directors may cause the financial statements, or consolidated financial statements or balance-sheet, as the case may be, to be revised and make necessary consequential revisions to the summary financial statement or directors' statement.

(3) The revision of the financial statements, or consolidated financial statements or balance-sheet, as the case may be, under subsection (2) shall be confined to —

(*a*) those aspects in which the financial statements, or consolidated financial statements or balance-sheet, as the case may be, did not comply with this Act (including compliance with the Accounting Standards); and

(*b*) the making of any necessary consequential revisions.

(4) Where the Registrar has given the directors of the company a notice under section 202B(1), the directors may not cause the financial statements, or consolidated financial statements or balance-sheet, as the case may be, to be revised unless the Registrar agrees with the directors on the manner in which to revise the financial statements, or consolidated financial statements or balance-sheet, as the case may be, referred to in section 202B(2)(*b*).

(5) The Minister may make regulations under section 411 in respect of the revision of financial statements, consolidated financial statements, balance-sheet, directors' statement or summary financial statement, including but not limited to the following:

(*a*) the manner of revision of financial statements, consolidated financial statements, balance-sheet, directors' statement or summary financial statement;

(*b*) the application of any provision of this Act to such financial statements, consolidated financial statements, balance-sheet, directors' statement or summary financial statement subject to such additions, exceptions and modifications as may be specified in the regulations;

(*c*) the taking of steps by the directors to bring any revision of the financial statements, consolidated financial statements, balance-sheet, directors' statement or summary financial statement to the notice of persons likely to rely on the previous financial statements, consolidated financial statements, balance-sheet, directors' statement or summary financial statement; and

(*d*) the requirement to lodge the revised financial statements, consolidated financial statements,

balance-sheet, directors' statement or summary financial statement with the Registrar and the payment of any filing fee pursuant to such lodgment.

Registrar's application to Court in respect of defective financial statements, or consolidated financial statements and balance-sheet

202B.—(1) If it appears to the Registrar that there is, or may be, a question whether the financial statements or, in the case of a parent company, consolidated financial statements and balance-sheet comply with the requirements of this Act (including compliance with the Accounting Standards), the Registrar may give notice to the directors of the company indicating the respects in which it appears that such a question arises or may arise, and specify the period within which the directors must respond.

(2) The directors of the company to whom notice under subsection (1) is given must at the end of the period referred to in subsection (1), or such longer period as the Registrar may allow —

(*a*) give the Registrar an explanation of the financial statements, or consolidated financial statements and balance-sheet, as the case may be, if the directors do not propose to revise the financial statements, or consolidated financial statements or balance-sheet, as the case may be; or

(*b*) inform the Registrar how the directors propose to revise the financial statements, or consolidated financial statements or balance-sheet, as the case may be, to address the questions in respect of which the Registrar has given notice.

(3) If the Registrar is satisfied with the explanation of the financial statements, or consolidated financial statements and balance-sheet, as the case may be, referred to in subsection (2)(*a*), no further action need be taken by the directors in respect of the notice under subsection (1).

(4) If the Registrar agrees with the directors on the manner in which to revise the financial statements, or consolidated financial statements or balance-sheet, as the case may be, referred to in subsection (2)(*b*), the directors may cause the financial statements, or consolidated financial statements or balance-sheet, as the case may be, to be revised in the manner provided in section 202A.

(5) The Registrar may apply to Court under subsection (6) if —

(*a*) the Registrar does not receive a response from the directors after giving the notice referred to in subsection (1);

(*b*) the Registrar is not satisfied with the explanation of the financial statements, or consolidated financial statements and balance-sheet, as the case may be, referred to in subsection (2)(*a*); or

(*c*) the Registrar does not agree with the directors on the manner in which the financial statements, or consolidated financial statements or balance-sheet, as the case may be, referred to in subsection (2)(*b*) are to be revised.

(6) An application to Court referred to in subsection (5) may be for —

(*a*) a declaration that the financial statements, or consolidated financial statements or balance-sheet, as the case may be, do not comply with the requirements of this Act (including compliance with the Accounting Standards); and

(*b*) an order requiring the directors of the company to cause the financial statements, or consolidated financial statements or balance-sheet, as the case may be, to be revised.

(7) Where the Court orders the preparation of revised financial statements, or consolidated financial statements or balance-sheet, under subsection (6), it may give directions as to —

(*a*) the auditing of the financial statements, or consolidated financial statements or balance-sheet, as the case may be;

(*b*) the making of revisions to the financial statements, consolidated financial statements, balance-sheet, directors' statement or summary financial statement in such manner as the Court considers necessary within a specified period;

(*c*) where the Court has given directions under paragraph (*b*) to make revisions to the summary financial statement, the review by the auditors of the revised summary financial statement;

(*d*) the making of necessary consequential revisions to any other document;

(*e*) the taking of steps by the directors to bring the making of the order to the notice of persons likely to rely on the previous financial statements, consolidated financial statements, balance-sheet, directors' statement or summary financial statement; and

(*f*) such other matters as the Court thinks fit.

(8) If the Court finds that the financial statements, or consolidated financial statements or balance-sheet, as the case may be, did not comply with the requirements of this Act (including the Accounting Standards), it may order that all or part of —

(*a*) the costs of or incidental to the application; and

(*b*) any reasonable expenses incurred by the company in connection with or in consequence of the preparation of revised financial statements, or consolidated financial statements or balance-sheet, as the case may be,

shall be borne by any or all the directors who were directors of the company as at the date of the directors' statement which accompanied the defective financial statements, or consolidated financial statements and balance-sheet, as the case may be.

(9) The provisions of this section apply equally to revised financial statements, or consolidated financial statements or balance-sheet, as the case may be, in which case they have effect as if the references to revised financial statements, or consolidated financial statements or balance-sheet, as the case may be, were references to further revised financial statements, or consolidated financial statements or balance-sheet, as the case may be.".

Amendment of section 203

122. Section 203 of the Companies Act is amended —

(*a*) by deleting subsections (1), (2) and (3) and substituting the following subsections:

"(1) A copy of the financial statements or, in the case of a parent company, a copy of the consolidated financial statements and balance-sheet (including every document required by law to be attached thereto), which is duly audited and which (or which but for section 201C) is to be laid before the company in general meeting accompanied by a copy of the auditor's report thereon shall be sent to all persons entitled to receive notice of general meetings of the company —

(*a*) unless subsection (2) applies, not less than 14 days before the date of the meeting; or

(*b*) if a resolution under section 175A is in force, not less than 28 days before the end of the period allowed for the laying of those documents.

(2) The financial statements, or consolidated financial statements, balance-sheet and documents referred to in subsection (1) may be sent less than 14 days before the date of the meeting as required under subsection (1)(*a*) if all the persons entitled to receive notice of general meetings of the company so agree.

(3) Any member of a company (whether he is or is not entitled to have sent to him copies of the financial

statements, or consolidated financial statements and balance-sheet) to whom copies have not been sent and any holder of a debenture shall, on a request being made by him to the company, be furnished by the company without charge with a copy of the last financial statements, or consolidated financial statements and balance-sheet (including every document required by this Act to be attached thereto) together with a copy of the auditor's report thereon.

(3A) If default is made in complying with subsection (1) or (3), the company and every officer of the company who is in default shall, unless it is proved that the member or holder of a debenture in question has already made a request for and been furnished with a copy of the financial statements, or consolidated financial statements and balance-sheet, and all documents referred to in subsection (1) or (3), each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $5,000 and also to a default penalty.";

(*b*) by deleting the words "28 days from" in subsection (4) and substituting the words "14 days after";

(*c*) by deleting the words "21 days from" in subsection (6) and substituting the words "14 days after"; and

(*d*) by deleting the word "balance-sheet" in the section heading and substituting the words "financial statements".

Amendment of section 203A

123. Section 203A of the Companies Act is amended —

(*a*) by deleting subsections (1) and (2) and substituting the following subsections:

"(1) Notwithstanding section 203 and anything in its constitution, a company may, in such cases as may be specified by regulations and provided all the conditions so specified are complied with, send a summary

financial statement instead of copies of the documents referred to in section 203(1) to members of the company.

(2) Where a company sends to its members a summary financial statement under subsection (1), any member of the company, and any holder of a debenture, entitled to be furnished by the company with a copy of the documents referred to in section 203(3) may instead request for a summary financial statement.";

(*b*) by deleting the words "annual accounts and the directors' report" in subsections (5) and (6)(*a*) and substituting in each case the words "annual financial statements or consolidated financial statements, and directors' statement";

(*c*) by deleting paragraph (*b*) of subsection (6) and substituting the following paragraph:

"(*b*) contain a statement by the company's auditors, if any, of their opinion as to whether the summary financial statement is consistent with the financial statements or consolidated financial statements, and the directors' statement and complies with the requirements of this section and any regulations made under subsection (9).";

(*d*) by inserting, immediately after subsection (6), the following subsection:

"(6A) The directors of the company shall ensure that the summary financial statements comply with the requirements referred to in subsections (5) and (6).";

(*e*) by inserting, immediately after the words "this section" in subsection (7), the words "other than subsection (6A)"; and

(*f*) by deleting subsection (8).

Amendment of section 204

124. Section 204 of the Companies Act is amended —

(*a*) by deleting the words "section 201(1A), (3), (3A) or (15)" in subsection (1) and substituting the words "section 201(2), (5) or (16)";

(*b*) by deleting the words "section 201(1A), (3), (3A) and (15)" in subsection (1A)(*a*) and substituting the words "section 201(2), (5) or (16)"; and

(*c*) by deleting subsection (2) and substituting the following subsection:

"(2) In any proceedings against a person for failure to take all reasonable steps to comply with, or to secure compliance with, the preceding provisions of this Division relating to the form and content of the financial statements of a company or consolidated financial statements of a parent company by reason of an omission from the financial statements or consolidated financial statements, it is a defence to prove that the omission was not intentional and that the information omitted was immaterial and did not affect the giving of a true and fair view of the matters required by section 201 to be dealt with in the financial statements or consolidated financial statements.".

Amendment of section 205

125. Section 205 of the Companies Act is amended —

(*a*) by deleting the words "a person or persons" in subsections (1) and (2) and substituting in each case the words "an accounting entity or accounting entities";

(*b*) by deleting subsection (3) and substituting the following subsection:

"(3) Subject to subsections (7) and (8) and section 205AF, the directors may appoint an accounting entity to fill any casual vacancy in the office of auditor of the company, but while such a

vacancy continues the surviving or continuing auditor or auditors, if any, may act.";

(*c*) by deleting the words "another person" in subsection (7)(*a*) and (*b*) and substituting in each case the words "another accounting entity";

(*d*) by deleting the words "a person" in subsection (7)(*b*) and substituting the words "an accounting entity";

(*e*) by deleting the words "the Registrar shall" in subsection (8) and substituting the words "the Registrar may";

(*f*) by deleting subsection (11) and substituting the following subsection:

"(11) Subject to subsection (7), an accounting entity shall not be capable of being appointed auditor of a company at an annual general meeting unless it held office as auditor of the company immediately before the meeting or notice of its nomination as auditor was given to the company by a member of the company not less than 21 days before the meeting.";

(*g*) by deleting the words "a person" in subsections (12) and (13) and substituting in each case the words "an accounting entity";

(*h*) by deleting the words "the person" in subsections (12) and (13) and substituting in each case the words "the accounting entity";

(*i*) by deleting subsections (14) and (15); and

(*j*) by inserting, immediately after the words "appointed by the directors or by the Registrar" in subsection (16)(*b*), the words "under this section or under section 205AF".

New sections 205AA to 205AF

126. The Companies Act is amended by inserting, immediately after section 205, the following sections:

"**Resignation of non-public interest company auditors**

205AA.—(1) An auditor of a non-public interest company (other than a company which is a subsidiary company of a public interest company) may resign before the end of the term of office for which he was appointed by giving the company a notice of resignation in writing.

(2) Where a notice of resignation is given under subsection (1), the auditor's term of office expires —

(*a*) at the end of the day on which notice is given to the company; or

(*b*) if the notice specifies a time on a later day for the purpose, at that time.

(3) Within 14 days beginning on the date on which a company receives a notice of resignation under subsection (1), the company must lodge with the Registrar a notification of that fact in such form as the Registrar may require.

(4) In this section and sections 205AB, 205AC and 205AF —

"non-public interest company" means a company other than a public interest company;

"public interest company" means a company which is listed or in the process of issuing its debt or equity instruments for trading on a securities exchange in Singapore, or such other company as the Minister may prescribe.

Resignation of auditor of public interest company or subsidiary company of public interest company

205AB.—(1) An auditor of a public interest company, or a subsidiary company of a public interest company, may by giving the company a notice of resignation in writing, resign before the end of the term of office for which he was appointed, if —

(*a*) the auditor has applied for consent from the Registrar to the resignation and provided a written statement of his reasons for his resignation and, at or about the same time as the application, notified the company in writing of the

application to the Registrar and provided the company with the written statement of his reasons for his resignation; and

(*b*) the consent of the Registrar has been given.

(2) The Registrar shall, as soon as practicable after receiving the application from an auditor under subsection (1), notify the auditor and the company whether it consents to the resignation of the auditor.

(3) A statement made by an auditor in an application to the Registrar under subsection (1)(*a*) or in answer to an inquiry by the Registrar relating to the reasons for the application —

(*a*) is not admissible in evidence in any civil or criminal proceedings against the auditor; and

(*b*) subject to subsection (4), may not be made the ground of a prosecution, an action or a suit against the auditor,

and a certificate by the Registrar that the statement was made in the application or in the answer to the inquiry by the Registrar is conclusive evidence that the statement was so made.

(4) Notwithstanding subsection (3), the statement referred to therein may be used in any disciplinary proceedings commenced under the Accountants Act (Cap. 2) against the auditor.

(5) The resignation of an auditor of a public interest company, or subsidiary company of a public interest company, takes effect —

(*a*) on the day (if any) specified for the purpose in the notice of resignation;

(*b*) on the day on which the Registrar notifies the auditor and the company of his consent to the resignation; or

(*c*) on the day (if any) fixed by the Registrar for the purpose,

whichever last occurs.

Written statement to be disseminated unless application to court made

205AC.—(1) Where an auditor of a public interest company, or a subsidiary company of a public interest company, gives the company a notice of resignation under section 205AB, the company must within 14 days after receiving the notice of resignation and the written statement of the auditor's reasons for his resignation (referred to in this section and sections 205AD and 205AE as the written statement) send a copy of the written statement to every member of the company.

(2) Copies of the written statement need not be sent out if an application is made to the court within 14 days, beginning on the date on which the company received the written statement, by either the company or any other person who claims to be aggrieved by the written statement, for a determination that the auditor has abused the use of the written statement or is using the provisions of this section to secure needless publicity for defamatory matter.

(3) In the case where an application is made under subsection (2) by —

(*a*) the company, the company must give notice of the application to the auditor of the company; or

(*b*) any other person, that person must give notice of the application to the company and the auditor of the company.

(4) If default is made in complying with subsection (1), the company and every director of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $5,000.

Court may order written statement not to be sent out

205AD.—(1) This section applies if an application has been made under section 205AC(2) in relation to a written statement given by an auditor.

(2) If the Court is satisfied that the auditor has abused the use of the written statement or is using the written statement to secure needless publicity for any defamatory matter, the Court —

(*a*) must direct that copies of the written statement are not to be sent under section 205AC(1); and

(*b*) may order the auditor, though not a party to the application, to pay the applicant's costs on the application in whole or in part.

(3) If the Court gives directions under subsection (2)(*a*), the company must, within 14 days beginning on the date on which the directions are given send a notice setting out the effect of the directions to —

(*a*) every member of the company; and

(*b*) unless already named as a party to the proceedings, the auditor who gave the written statement.

(4) If the Court decides not to grant the application, the company must, within 14 days beginning on the date on which the decision is made or on which the proceedings are discontinued for any reasons —

(*a*) give notice of the decision to the auditor who has given the written statement; and

(*b*) send a copy of the written statement to every member of the company and to that auditor.

(5) If default is made in complying with subsection (3) or (4), the company and every director of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $5,000.

Privilege against defamation

205AE. A person is not liable to any action for defamation at the suit of any person —

(*a*) in the absence of malice, in respect of the publication of the written statement to the member of the company pursuant to section 205AC(1); or

(*b*) in respect of the publication of the written statement to the member of the company pursuant to section 205AD(4)(*b*).

Appointment of new auditor in place of resigning auditor

205AF.—(1) Subject to subsection (3), if —

(*a*) an auditor of a non-public interest company (other than a subsidiary company of a public interest company) gives notice of resignation under section 205AA(1); or

(*b*) an auditor of a public interest company, or a subsidiary company of a public interest company, gives notice of resignation under section 205AB(1), and the Registrar approves the resignation of the auditor under section 205AB(2),

the directors of the company in question —

(i) shall call a general meeting of the company as soon as is practicable, and in any case not more than 3 months after the date of the auditor's resignation, for the purpose of appointing an auditor in place of the auditor who desires to resign or has resigned; and

(ii) upon appointment of the new auditor, shall lodge with the Registrar a notification of such appointment within 14 days of the appointment.

(2) If the directors of a company fail to appoint an auditor in place of the auditor who desires to resign or has resigned, the Registrar may, on the application in writing of any member of the company, make the appointment.

(3) Subsections (1) and (2) shall not apply if the financial statements of the company are not required to be audited under this Act, or where the resigning auditor is not the sole auditor of the company.

(4) An auditor appointed pursuant to subsection (1) or (2) shall, unless he is removed or resigns, hold office until the conclusion of the next annual general meeting of the company.

(5) If default is made in complying with subsection (1), the company and every director of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $5,000.".

Amendment of section 205B

127. Section 205B of the Companies Act is amended —

(*a*) by deleting paragraph (*f*) of subsection (3) and substituting the following paragraphs:

"(*f*) the payment of any fee or charge (including any fee, penalty or interest for late payment) payable under any written law;

(*fa*) the payment of any composition amount payable under section 409B or any other written law;

(*fb*) the payment or receipt by the company of such nominal sum not exceeding such amount as may be prescribed;"; and

(*b*) by deleting the words "profit and loss accounts and balance-sheet, or consolidated accounts and balance-sheet" in subsection (4)(*a*) and substituting the words "financial statements or consolidated financial statements and balance-sheet".

Repeal and re-enactment of section 205C

128. Section 205C of the Companies Act is repealed and the following section substituted therefor:

"**Small company exempt from audit requirements**

205C.—(1) Subject to subsections (3), (4) and (6), a company that is a small company in respect of a financial year shall be exempt from audit requirements for that financial year.

(2) Section 205B(4), (6) and (7) shall apply, with the necessary modifications, to a small company so exempt.

(3) Subsection (1) does not apply to a parent company unless the parent company —

(*a*) is a small company; and

(*b*) is part of a small group.

(4) Subsection (1) does not apply to a subsidiary company unless the subsidiary company —

(*a*) is a small company; and

(*b*) is part of a small group.

(5) In this section, "small company" and "small group" have the same meanings as in the Thirteenth Schedule.

(6) This section shall not apply to a company with respect to its financial statements for a financial year commencing before the date of commencement of section 128 of the Companies (Amendment) Act 2014 and such a company shall prepare its accounts or consolidated accounts and its directors shall lay them at its annual general meeting in accordance with Part VI in force immediately before the date of commencement of section 128 of the Companies (Amendment) Act 2014.

(7) Without prejudice to the generality of section 197(2), a company referred to in subsection (6) shall, when lodging a return with the Registrar under section 197, attach a copy of the accounts or consolidated accounts so prepared.".

Amendment of section 205D

129. Section 205D of the Companies Act is amended —

(*a*) by deleting the word "accounts" in paragraphs (*a*) and (*b*) and substituting in each case the words "financial statements"; and

(*b*) by deleting the word "accounts" in the section heading and substituting the words "financial statements".

Amendment of section 206

130. Section 206(1) of the Companies Act is amended by deleting the word "subsidiary" and substituting the words "subsidiary corporation".

Amendment of section 207

131. Section 207 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) An auditor of a company shall report to the members —

(*a*) on the financial statements required to be laid before the company in general meeting and on the company's accounting and other records relating to those financial statements; and

(*b*) where the company is a parent company for which consolidated financial statements are prepared, on the consolidated financial statements.";

(*b*) by deleting the word "accounts" wherever it appears in subsection (1A) and substituting in each case the words "financial statements";

(*c*) by deleting paragraph (*a*) of subsection (2) and substituting the following paragraph:

"(*a*) whether the financial statements and, if the company is a parent company for which consolidated financial statements are prepared, the consolidated financial statements are in his opinion —

(i) in compliance with the requirements of the Accounting Standards; and

(ii) give a true and fair view of —

(A) the financial position and performance of the company; and

(B) if consolidated financial statements are required, the financial position and performance of the group;";

(*d*) by deleting the words "accounts or consolidated accounts" wherever they appear in subsection (2)(*aa*) and (*d*) and substituting in each case the words "financial statements or consolidated financial statements";

(*e*) by deleting the words "section 201(14)" in subsection (2)(*aa*) and substituting the words "section 201(12)";

(*f*) by deleting paragraph (*b*) of subsection (2) and substituting the following paragraph:

"(*b*) whether the accounting and other records required by this Act to be kept by the company and, if it is a parent company, by the subsidiary corporations other than those of which he has not acted as auditor have been, in his opinion, properly kept in accordance with this Act;";

(*g*) by inserting, immediately after the words "excluding registers," in subsection (3)(*b*), the words "required to be kept under section 199(1),";

(*h*) by deleting paragraph (*d*) of subsection (3);

(*i*) by deleting paragraph (*e*) of subsection (3) and substituting the following paragraph:

"(*e*) where consolidated financial statements are prepared otherwise than as one set of consolidated financial statements for the group, whether he agrees with the reasons for preparing them in the form in which they are prepared, as given by the directors in the financial statements,";

(*j*) by deleting the words "subsidiaries (which are not incorporated in Singapore) of a Singapore holding company" in subsection (4) and substituting the words "subsidiary corporations (which are not incorporated in Singapore) of a Singapore parent company";

(*k*) by deleting subsection (6) and substituting the following subsection:

"(6) An auditor of a parent company for which consolidated financial statements are required has a right of access at all times to the accounting and other records, including registers, of any subsidiary corporation, and is entitled to require from any officer or auditor of any subsidiary corporation, at the expense of the parent company, such information and explanations in relation to the affairs of the subsidiary corporation as he requires for the purpose of reporting on the consolidated financial statements.";

(*l*) by deleting the word "accounts" wherever it appears in subsection (7) and substituting in each case the words "financial statements";

(*m*) by deleting paragraph (*b*) of subsection (9) and substituting the following paragraph:

"(*b*) the circumstances are such that in his opinion the matter has not been or will not be adequately dealt with by comment in his report on the financial statements or consolidated financial statements or by bringing the matter to the notice of the directors of the company or, if the company is a subsidiary company, of the directors of the parent company,";

(*n*) by deleting the word "subsidiary" in subsection (9A) and substituting the words "subsidiary corporation";

(*o*) by deleting "$20,000" in subsection (9D)(*b*) and substituting "$100,000";

(*p*) by deleting the words "holding company" in subsection (10) and substituting the words "parent company"; and

(*q*) by deleting the word "accounts" in the section heading and substituting the words "financial statements".

New section 208A

132. The Companies Act is amended by inserting, immediately after section 208, the following section:

"**Provisions indemnifying auditors**

208A.—(1) Any provision, whether in the constitution or in any contract with a company or otherwise, for exempting any auditor of the company from, or indemnifying him or it against, any liability which by law would otherwise attach to him or it in respect of any negligence, default, breach of duty or breach of trust of which he or it may be guilty in relation to the company shall be void.

(2) This section does not prevent a company from indemnifying such auditor against any liability incurred or that will be incurred by him or it —

(*a*) in defending any proceedings (whether civil or criminal) in which judgment is given in his or its favour or in which he or it is acquitted; or

(*b*) in connection with any application under section 76A(13) or 391 or any other provision of this Act, in which relief is granted to him or it by the court.".

Amendment of section 209

133. Section 209(1) of the Companies Act is amended by deleting the words "balance-sheet or profit and loss account" and substituting the words "financial statements".

Repeal and re-enactment of section 209A

134. Section 209A of the Companies Act is repealed and the following section substituted therefor:

"**Interpretation of this Part**

209A. In this Part, unless the contrary intention appears —

"balance-sheet", in relation to a company, means the balance-sheet, by whatever name called, prepared in accordance with the Accounting Standards;

"consolidated financial statements" has the same meaning as in the Accounting Standards;

"consolidated total assets" —

(*a*) in the case where consolidated financial statements are prepared in relation to a group, shall be determined in accordance with the accounting standards applicable to the group; or

(*b*) in the case where consolidated financial statements are not prepared in relation to a group, means the aggregate total assets of all the members of the group;

"directors' statement" means the statement of the directors referred to in section 201(16);

"entity" means an entity that is referred to in the Accounting Standards in relation to the preparation of financial statements and the requirements for the preparation of financial statements;

"financial statements" means the financial statements of a company required to be prepared by the Accounting Standards;

"group" has the same meaning as in the Accounting Standards;

"parent company" means a company that is required under the Accounting Standards to prepare financial statements in relation to a group;

"subsidiary company" means a company that is a subsidiary as defined in the Accounting Standards;

"subsidiary corporation" means a corporation that is a subsidiary as defined in the Accounting Standards;

"ultimate parent corporation" means a corporation which is a parent but is not a subsidiary, within the meaning of the Accounting Standards.".

Amendment of section 210

135. Section 210 of the Companies Act is amended —

(*a*) by deleting subsections (1), (2) and (3) and substituting the following subsections:

"(1) Where a compromise or an arrangement is proposed between —

(*a*) a company and its creditors or any class of them;

(*b*) a company and its members or any class of them; or

(*c*) a company and holders of units of shares of the company or any class of them,

the Court may, on the application in a summary way of any person referred to in subsection (2), order a meeting of the creditors, the members of the company, the holders of units of shares of the company, or a class of such persons, to be summoned in such manner as the Court directs.

(2) The persons referred to in subsection (1) are —

(*a*) in the case of a company being wound up, the liquidator; and

(*b*) in any other case —

(i) the company; or

(ii) any creditor, member or holder of units of shares of the company.

(3) A meeting held pursuant to an order made under subsection (1) may be adjourned from time to time if the

resolution for the adjournment is approved by a majority in number representing three-fourths in value of —

(*a*) the creditors or class of creditors;

(*b*) the members or class of members; or

(*c*) the holders of units of shares or class of holders of units of shares,

present and voting either in person or by proxy at the meeting.

(3AA) If the conditions set out in subsection (3AB) are satisfied, a compromise or an arrangement shall be binding —

(*a*) in the case of a company in the course of being wound up, on the liquidator and contributories of the company; or

(*b*) in the case of any other company, on the company and on all —

(i) the creditors or class of creditors;

(ii) the members or class of members; or

(iii) the holders of units of shares or class of holders of units of shares,

as the case may be.

(3AB) The conditions referred to in subsection (3AA) are as follows:

(*a*) unless the Court orders otherwise, a majority in number of —

(i) the creditors or class of creditors;

(ii) the members or class of members; or

(iii) the holders of units of shares or class of holders of units of shares,

present and voting either in person or by proxy at the meeting or the adjourned meeting agrees to the compromise or arrangement;

(*b*) the majority in number referred to, or such number as the Court may order, under paragraph (*a*) represents three-fourths in value of —

(i) the creditors or class of creditors;

(ii) the members or class of members; or

(iii) the holders of units of shares or class of holders of units of shares,

present and voting either in person or by proxy at the meeting or the adjourned meeting, as the case may be; and

(*c*) the compromise or arrangement is approved by order of the Court.";

(*b*) by deleting the words "subsection (3)" in subsection (5) and substituting the words "subsection (3AB)(*c*)";

(*c*) by deleting subsection (6) and substituting the following subsection:

"(6) Subject to subsection (7), a copy of every order made under subsection (3AB)(*c*) shall be annexed to every copy of the constitution of the company issued after the order has been made.";

(*d*) by deleting the words "shareholders and creditors of the company" in subsection (8)(*b*) and substituting the words "shareholders, creditors and holders of units of shares of the company";

(*e*) by deleting the words "member or creditor" in subsection (10) and substituting the words "member, creditor or holder of units of shares";

(*f*) by inserting, immediately after subsection (10), the following subsections:

"(10A) Where the terms of any compromise or arrangement approved under this section provides for any money or other consideration to be held by or on behalf of any party to the compromise or arrangement in trust for any person, the person holding the money or other consideration may, after the expiration of 2 years and shall before the expiration of 10 years from the date on which the money or other consideration was received by the person, transfer the money or other consideration to the Official Receiver.

(10B) The Official Receiver shall —

(*a*) deal with any moneys received under subsection (10A) as if the moneys were paid to him under section 322; and

(*b*) sell or dispose of any other consideration received under subsection (10A) in such manner as he thinks fit and shall deal with the proceeds of such sale or disposal as if it were moneys paid to him under section 322.";

(*g*) by deleting the words "or society" in the definition of "company" in subsection (11);

(*h*) by deleting the full-stop at the end of the definition of "company" in subsection (11) and substituting a semi-colon, and by inserting immediately thereafter the following definition:

" "holder of units of shares" does not include a person who holds units of shares only beneficially."; and

(*i*) by deleting the section heading and substituting the following section heading:

"**Power to compromise with creditors, members and holders of units of shares**".

Amendment of section 211

136. Section 211 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) Where a meeting is summoned under section 210, there shall —

(*a*) with every notice summoning the meeting which is sent to a creditor, member or holder of units of shares of the company, be sent also a statement explaining the effect of the compromise or arrangement and in particular stating any material interests of the directors, whether as directors or as members, creditors or holders of units of shares of the company or otherwise, and the effect thereon of the compromise or arrangement in so far as it is different from the effect on the like interests of other persons; and

(*b*) in every notice summoning the meeting which is given by advertisement, be included either such a statement or a notification of the place at which and the manner in which creditors, members or holders of units of shares of the company entitled to attend the meeting may obtain copies of such a statement.";

(*b*) by deleting the words "creditor or member" in subsection (3) and substituting the words "creditor, member or holder of units of shares of the company"; and

(*c*) by deleting the section heading and substituting the following section heading:

"**Information as to compromise with creditors, members and holders of units of shares of company**".

Amendment of section 212

137. Section 212 of the Companies Act is amended by deleting subsection (6) and substituting the following subsection:

"(6) In this section, "company" means any corporation liable to be wound up under this Act.".

Amendment of section 215

138. Section 215 of the Companies Act is amended —

(*a*) by deleting the words "another company or corporation (referred to in this section as the transferee company)" in subsection (1) and substituting the words "a person (referred to in this section as the transferee)";

(*b*) by deleting the words "transferee company" wherever they appear in subsections (1), (2), (4) and (8) to (11) and substituting in each case the word "transferee";

(*c*) by deleting the words "excluding any shares in the company" in subsection (1) and substituting the words "excluding any shares in the transferor company";

(*d*) by inserting, immediately after subsection (1), the following subsections:

"(1A) Where alternative terms were offered to the shareholders, a dissenting shareholder is entitled to elect not later than the end of one month after the date on which the notice is given under subsection (1), or 14 days after a statement is supplied under subsection (2), whichever is the later, which of those terms the dissenting shareholder prefers.

(1B) In offering alternative terms to the shareholders, the transferee shall state which of those terms is to apply to the acquisition of the shares of a dissenting shareholder where the dissenting shareholder fails to

make the election within the time allowed under subsection (1A).

(1C) In determining whether the scheme or contract has been approved by the holders of the requisite number of shares, or shares of any particular class, under subsection (1), the following shares shall be disregarded:

(*a*) shares that are issued after the date of the offer; and

(*b*) relevant treasury shares that cease to be held as treasury shares after the date of the offer.

(1D) In subsection (1C)(*b*), "relevant treasury shares" means —

(*a*) shares that are held by the transferor company as treasury shares on the date of the offer; or

(*b*) shares that become shares held by the transferor company as treasury shares after the date of the offer but before a date specified in or determined in accordance with the terms of the offer.";

(*e*) by deleting the words "require the company by a demand in writing served on that company" in subsection (2) and substituting the words "require the transferor company by a demand in writing served on the transferor company";

(*f*) by deleting subsection (3) and substituting the following subsections:

"(3) Where, in pursuance of any such scheme or contract, shares in a transferor company are transferred to a transferee or its nominee and those shares together with any other shares in the transferor company held by the transferee at the date of the transfer comprise or include 90% of the total number of the shares in the transferor company or of any class of those shares, then —

(*a*) the transferee shall within one month from the date of the transfer (unless on a previous transfer

in pursuance of the scheme or contract it has already complied with this requirement) give notice of that fact in the prescribed manner to the holders of the remaining shares or of the remaining shares of that class who have not assented to the scheme or contract; and

(*b*) any such holder may within 3 months from the giving of the notice to him require the transferee to acquire the shares in question,

and where a shareholder gives notice under paragraph (*b*) with respect to any shares, the transferee shall be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders were transferred to it, or on such other terms as are agreed or as the Court on the application of either the transferee or the shareholder thinks fit to order.

(3A) In subsection (3), for the purpose of calculating whether 90% of the total number of shares are held by the transferee, shares held by the transferor company as treasury shares are to be treated as having been acquired by the transferee.";

(*g*) by deleting the words "that company is entitled to acquire" in subsection (4) and substituting the words "the transferee is entitled to acquire";

(*h*) by deleting the words "that company" in subsection (5) and substituting the words "the transferor company";

(*i*) by deleting subsections (6) and (7) and substituting the following subsections:

"(6) Where any money or other consideration is held in trust by a company for any person under this section, the company holding the money or other consideration may, after the expiration of 2 years and shall before the expiration of 10 years from the date on which the money or other consideration was received by the person,

transfer the money or other consideration to the Official Receiver.

(7) The Official Receiver shall —

(*a*) deal with any moneys received under subsection (6) as if the moneys were paid to him under section 322; and

(*b*) sell or dispose of any other consideration received under subsection (6) in such manner as he thinks fit and shall deal with the proceeds of such sale or disposal as if it were moneys paid to him under section 322.";

(*j*) by inserting, immediately after the words "In this section," in subsection (8), the word "a"; and

(*k*) by inserting, immediately after subsection (8), the following subsections:

"(8A) In this section and sections 215AA and 215AB —

(*a*) "shares" shall include units of shares;

(*b*) "shareholders" includes holders of units of shares but does not include a person who holds units of shares only beneficially;

(*c*) "register of members" includes any records kept by or with respect to the transferor company of the names and addresses of holders of units of shares.

(8B) Nothing in the definition of "shares" in subsection (8A) shall be read as requiring any securities to be treated —

(*a*) as shares of the same class as those into which they are convertible or for which the holder is entitled to subscribe; or

(*b*) as shares of the same class as other securities by reason only that the shares into which they are

convertible or for which the holder is entitled to subscribe are of the same class.".

New sections 215AA and 215AB

139. The Companies Act is amended by inserting, immediately after section 215, the following sections:

"**Joint offers**

215AA.—(1) In the case of a scheme involving an offer to acquire all of the shares in a company, or all of the shares in any particular class in a company, by 2 or more persons jointly (referred to in this section as the joint transferees), section 215 shall be read subject to this section.

(2) The conditions for the exercise of the rights conferred by section 215(1) are satisfied —

(*a*) in the case of acquisitions of shares by virtue of acceptances of the offer, by the joint transferees acquiring or unconditionally contracting to acquire the necessary shares jointly; or

(*b*) in other cases, by the joint transferees acquiring or unconditionally contracting to acquire the necessary shares either jointly or separately.

(3) The conditions for the exercise of the rights conferred by section 215(3) are satisfied —

(*a*) in the case of acquisitions of shares by virtue of acceptances of the offer, by the joint transferees acquiring or unconditionally contracting to acquire the necessary shares jointly; or

(*b*) in other cases, by the joint transferees acquiring or contracting (whether unconditionally or subject to conditions being met) to acquire the necessary shares either jointly or separately.

(4) Subject to this section, the rights and obligations of the transferee under section 215 are respectively joint rights and joint and several obligations of the joint transferees.

(5) Subject to subsection (6), any notice or other document given or sent by or to the joint transferees under section 215 is complied with if the notice or document is given or sent by or to any of them.

(6) The notice required to be given by the joint transferees under section 215(1) and (3) shall be made by all of the joint transferees and, where one or more of them is a company, signed by a director of that company.

Effect of impossibility, etc., of communicating or accepting offer made under scheme or contract

215AB.—(1) Where there are holders of shares in a company to whom an offer to acquire shares in the company is not communicated, that does not prevent the offer from being an offer made under a scheme or contract for the purposes of section 215 if —

(*a*) those shareholders have no address in Singapore registered with the company;

(*b*) the offer was not communicated to those shareholders —

(i) in order not to contravene the law of a country or territory outside Singapore; or

(ii) because communication to those shareholders would in the circumstances be unduly onerous; and

(*c*) either —

(i) the offer is published in the *Gazette*; or

(ii) the offer can be inspected, or a copy of it obtained, at a place in Singapore or on a website, and a notice is published in the *Gazette* specifying the address of that place or website.

(2) Where an offer is made to acquire shares in a company and there are persons for whom, by reason of the law of a country or territory outside Singapore, it is impossible to accept the offer, or

more difficult to do so, that does not prevent the offer from being made under a scheme or contract for the purposes of section 215.

(3) It is not to be inferred —

(*a*) that an offer which is not communicated to every holder of shares in the company cannot be an offer made under a scheme or contract for the purposes of section 215 unless the requirements of subsection (1)(*a*), (*b*) and (*c*) are met; or

(*b*) that an offer which is impossible, or more difficult, for certain persons to accept cannot be an offer made under a scheme or contract for those purposes unless the reason for the impossibility or difficulty is the reason mentioned in subsection (2).".

Amendment of section 215B

140. Section 215B of the Companies Act is amended —

(*a*) by deleting paragraph (*c*) of subsection (1) and substituting the following paragraphs:

"(*c*) the full name of every director of the amalgamated company;

(*ca*) the residential address or alternate address, as the case may be, of every director of the amalgamated company which is entered in the register of directors kept by the Registrar under section 173(1)(*a*) in respect of the company;"; and

(*b*) by deleting the words "section 27(12)" in subsection (5)(*b*) and substituting the words "section 27(12B)".

Amendment of section 215D

141. Section 215D of the Companies Act is amended —

(*a*) by inserting, immediately after the words "being the amalgamated holding company" in subsection (1), the words "or the amalgamated subsidiary company";

(*b*) by deleting paragraphs (*a*) to (*d*) of subsection (1) and substituting the following paragraphs:

"(*a*) in the case —

(i) where the amalgamating companies continue as the amalgamated holding company, the shares of each amalgamating subsidiary company will be cancelled without any payment or any other consideration; or

(ii) where the amalgamating companies continue as an amalgamated subsidiary company, the shareholders of the amalgamating holding company shall be issued and hold the same number of shares in the amalgamated subsidiary company as they hold in the amalgamating holding company without any payment or other consideration and the shares of each amalgamating company, except for the shares in the amalgamated subsidiary company which are issued to the shareholders of the amalgamating holding company, will be cancelled without any payment or any other consideration;

(*b*) the constitution of the amalgamated company will be the same as the constitution of the amalgamating company whose shares are not cancelled;

(*c*) the directors of the amalgamating holding company and every amalgamating subsidiary company are satisfied that the amalgamated company will be able to pay its debts as they fall due as at the date on which the amalgamation is to become effective; and

(*d*) the person or persons named as director or directors in the resolution of each amalgamating company will be the director or directors of the amalgamated company.";

(*c*) by deleting the words "during the period of 12 months immediately after" in subsection (2)(*c*) and substituting the words "as at";

(*d*) by deleting the words "the resolution will be the director or directors, respectively," in subsection (2)(*d*) and substituting the words "each resolution will be the director or directors"; and

(*e*) by deleting the words "the date of the general meeting" in subsection (5) and substituting the words "the commencement of the general meeting".

Amendment of section 215E

142. Section 215E(1) of the Companies Act is amended —

(*a*) by inserting, immediately after paragraph (*a*), the following paragraph:

"(*aa*) any solvency statement made under section 215C(2) or 215D(5), as the case may be;";

(*b*) by deleting the words "section 215C or 215D" in paragraph (*b*) and substituting the words "section 215C(3) or 215D(6)"; and

(*c*) by deleting the words "section 27(12)" in paragraph (*d*) and substituting the words "section 27(12B)".

Amendment of section 215I

143. Section 215I of the Companies Act is amended —

(*a*) by deleting the words "statutory declaration" in subsection (2)(*a*) and (*b*) and substituting in each case the words "declaration in writing"; and

(*b*) by deleting the words "section 201(1A), (3) and (3A)" in subsection (4)(*a*)(i) and substituting the words "section 201(2) and (5)".

Amendment of section 215J

144. Section 215J of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) In sections 215C(2)(*c*) and 215D(5), "solvency statement", in relation to an amalgamated company, means a declaration in writing by the board of directors of each amalgamating company that it has formed the opinion —

(*a*) that the amalgamated company will be able to pay its debts as they fall due as at the date on which the amalgamation is to become effective; and

(*b*) that the value of the amalgamated company's assets will not be less than the value of its liabilities (including contingent liabilities).";

and

(*b*) by deleting the words "section 201(1A), (3) and (3A)" in subsection (3)(*a*)(i) and substituting the words "section 201(2) and (5)".

New section 215K

145. The Companies Act is amended by inserting, immediately after section 215J, the following section:

"**Transfer of money or other consideration paid under terms of amalgamation to Official Receiver**

215K.—(1) Where the terms of any amalgamation proposal that is approved under section 215C, or is deemed to be approved under section 215D, provide for any money or other consideration to be held by or on behalf of any party to the amalgamation in trust for any person, the person holding the

money or other consideration may, after the expiration of 2 years and shall before the expiration of 10 years from the date on which, the money or other consideration was received by the person, transfer the money or other consideration to the Official Receiver.

(2) The Official Receiver shall —

(*a*) deal with any moneys received under subsection (1) as if the moneys were paid to him under section 322; and

(*b*) sell or dispose of any other consideration received under subsection (1) in such manner as he thinks fit and shall deal with the proceeds of such sale or disposal as if it were moneys paid to him under section 322.".

Amendment of section 216A

146. Section 216A of the Companies Act is amended —

(*a*) by deleting the definition of "company" in subsection (1);

(*b*) by inserting, immediately after the word "action" wherever it appears in subsections (2) and (3), the words "or arbitration";

(*c*) by inserting, immediately after the word "action" in subsection (5)(*a*) and (*c*), the words "or arbitration"; and

(*d*) by inserting, immediately after the word "action" in subsection (5)(*b*), the words "or arbitration by the person so authorised".

Amendment of section 223

147. Section 223(1) of the Companies Act is amended by deleting the words "one month" in paragraph (*c*) and substituting the words "30 days".

Amendment of section 225

148. Section 225(1) of the Companies Act is amended by deleting the words "one month" wherever they appear in paragraph (*a*) and substituting in each case the words "30 days".

Amendment of section 227X

149. Section 227X of the Companies Act is amended by deleting paragraph (*a*) and substituting the following paragraph:

"(*a*) section 210 shall apply as if —

(i) subsections (1) and (2) were substituted with the following subsection:

"(1) Where a compromise or an arrangement is proposed between a company and its creditors, the Court may on the application of the judicial manager order a meeting of creditors to be summoned in such manner as the Court directs.";

(ii) subsections (3AA) and (3AB) were substituted with the following subsection:

"(3AA) If three-fourths in value of the creditors present and voting either in person or by proxy at the meeting agree to any compromise or arrangement, the compromise or arrangement shall, if approved by the Court, be binding on all the creditors and on the judicial manager."; and

(iii) the references to "subsection (3AB)(*c*)" in subsections (5) and (6) were substituted with "subsection (3AA)"; and".

Amendment of section 254

150. Section 254 of the Companies Act is amended by inserting, immediately after subsection (2), the following subsection:

"(2A) On an application for winding up on the ground specified in subsection (1)(*f*) or (*i*), instead of making an order for the winding up, the Court may if it is of the opinion that it is just and equitable to do so, make an order for the interests in shares of one or more members to be purchased by the company

or one or more other members on terms to the satisfaction of the Court.".

Amendment of section 328

151. Section 328 of the Companies Act is amended by deleting subsections (2) and (2A) and substituting the following subsection:

"(2) The amount payable under subsection (1)(*b*) and (*c*) shall not exceed such amount as may be prescribed by the Minister by order published in the *Gazette*.".

Amendment of section 344

152. Section 344 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) Where the Registrar has reasonable cause to believe that a company is not carrying on business or is not in operation, the Registrar may send to the company, and its directors, secretaries and members, a letter to that effect and stating that, if an answer showing cause to the contrary is not received within 30 days after the date of the letter, a notice will be published in the *Gazette* with a view to striking the name of the company off the register.";

(*b*) by inserting, immediately after subsection (1), the following subsection:

"(1A) Without prejudice to the generality of subsection (1), in determining whether there is reasonable ground to believe that a company is not carrying on business, the Registrar may have regard to such circumstances as may be prescribed.";

(*c*) by deleting the words "3 months from the date of that notice the name of the company mentioned therein will unless cause is" in subsection (2) and substituting the words "60 days after the date of that notice the name of the company mentioned in

that notice will unless cause is, in the form and manner specified in section 344C,";

(*d*) by deleting the words "15 years" in subsection (5) and substituting the words "6 years";

(*e*) by inserting, immediately after subsection (6), the following subsection:

"(7) The Registrar shall ensure that —

(*a*) such particulars of the company referred to in subsection (1) and of his belief that the company is not carrying on business or is not in operation, as he may determine, is sent to —

(i) the Inland Revenue Authority of Singapore established under the Inland Revenue Authority of Singapore Act (Cap. 138A); and

(ii) the Central Provident Fund Board established under the Central Provident Fund Act (Cap. 36); and

(*b*) the substance of the notices to be published in the *Gazette* referred to in subsections (2), (3) and (4) is also published on the Authority's website.".

New sections 344A to 344G

153. The Companies Act is amended by inserting, immediately after section 344, the following sections:

"**Striking off on application by company**

344A.—(1) The Registrar may, on the application by a company, strike the company's name off the register on such grounds and subject to such conditions as may be prescribed.

(2) An application under subsection (1) shall be made on the company's behalf by its directors or by a majority of them.

(3) Upon receipt of the application, the Registrar shall, if satisfied that the grounds and conditions (if any) referred to in subsection (1) have been satisfied, send to the company and its directors, secretaries and members a letter informing them of the application and stating that if an answer showing cause to the contrary (in the form and manner referred to in section 344C) is not received within 30 days after the date thereof a notice, details of which are set out in subsection (4), will be published in the *Gazette* with a view to striking the name of the company off the register.

(4) The Registrar may not strike a company's name off the register under this section until after the expiration of 60 days after the publication by the Registrar in the *Gazette* of a notice —

(*a*) stating that the Registrar intends to exercise the power under this section in relation to the company; and

(*b*) inviting any person to show cause why that should not be done within such period as may be prescribed.

(5) If no person shows cause or sufficient cause within the period referred to in subsection (4)(*b*) as to why the name of the company should not be struck off the register, the Registrar shall strike off the name of the company from the register and publish a notice in the *Gazette* of the company's name having been so struck off.

(6) On the publication of the notice in the *Gazette* under subsection (5), the company is dissolved.

(7) Notwithstanding the dissolution of the company under subsection (6) —

(*a*) the liability, if any, of every officer and member of the company shall continue and may be enforced as if the company had not been dissolved; and

(*b*) nothing in this section shall affect the power of the Court to wind up a company the name of which has been struck off the register.

(8) The Registrar shall ensure that —

(*a*) such particulars of the company and of the application referred to in subsection (1), as he may determine, is sent to —

(i) the Inland Revenue Authority of Singapore established under the Inland Revenue Authority of Singapore Act (Cap. 138A); and

(ii) the Central Provident Fund Board established under the Central Provident Fund Act (Cap. 36); and

(*b*) the substance of the notices to be published in the *Gazette* referred to in subsections (4) and (5) is also published on the Authority's website.

(9) The Registrar may, for the purposes of this section, send notices to the company by ordinary post or in such other prescribed manner.

Withdrawal of application

344B.—(1) The applicant or applicants may, by written notice to the Registrar, withdraw an application to strike a company's name off the register under section 344A at any time before the name of the company has been struck off the register.

(2) Upon receipt of the notice referred to in subsection (1), the Registrar shall —

(*a*) send to the company by ordinary post a notice that the application to strike the company's name off the register has been withdrawn; and

(*b*) publish a notice on the Authority's website that the application to strike the company's name off the register has been withdrawn.

Objections to striking off

344C.—(1) Where a notice is given or published by the Registrar under section 344(2) or 344A(4) of the Registrar's

intention to strike the company's name off the register, any person may deliver, not later than the date specified in the notice, an objection to the striking off of the name of the company from the register on the ground that there is reasonable cause why the name of the company should not be so struck off, including that the company does not satisfy any of the prescribed grounds for striking off referred to in section 344(1) or 344A(1).

(2) An objection to the striking the name of the company off the register referred to in subsection (1) shall be given to the Registrar by notice in the prescribed form and manner.

(3) Upon receipt of a notice of objection, which is made in the prescribed form and manner, within the time referred to in subsection (1), the Registrar —

(*a*) shall where applicable, give the applicant or applicants for striking the name of the company off the register notice of the objection; and

(*b*) shall, in deciding whether to allow the objection, take into account such considerations as may be prescribed.

Application for administrative restoration to register

344D.—(1) Subject to such conditions as may be prescribed, an application may be made to the Registrar to restore to the register the name of a company whose name has been struck off the register by the Registrar under section 344, if no application has been or is being made to the Court to restore the name of the company to the register under section 344(5).

(2) An application under this section may be made whether or not the company has in consequence been dissolved.

(3) An application under this section may only be made by a former director or former member of the company.

(4) An application under this section is not valid unless the application is received by the Registrar within 6 years after the date on which the company is dissolved.

Registrar's decision on application for administrative restoration

344E.—(1) The Registrar shall give notice to the applicant of the decision on an application under section 344D.

(2) If the Registrar's decision is that the name of the company should be restored to the register —

(*a*) the restoration takes effect as from the date that notice is sent; and

(*b*) the Registrar shall —

(i) enter in the register a note of the date on which the restoration takes effect; and

(ii) cause notice of the restoration to be published in the *Gazette* and on the Authority's website.

(3) The notice under subsection (2)(*b*)(ii) shall state —

(*a*) the name of the company or, if the company is restored to the register under a different name, that name and its former name;

(*b*) the company's registration number; and

(*c*) the date as on which the restoration of the name of the company to the register takes effect.

(4) If the Registrar's decision is that the name of the company should not be restored to the register, the person who made the application under section 344D or any other person aggrieved by the decision of the Registrar may appeal to the Court.

(5) On an appeal made under subsection (4), the Court may —

(*a*) confirm the Registrar's decision; or

(*b*) restore the name of the company to the register and give such directions and make such orders as the Court is empowered to give and make under section 344G(3).

Registrar may restore company deregistered by mistake

344F.—(1) The Registrar may, on his own initiative, restore the name of a company to the register if he is satisfied that the name of the company has been struck off the register and the company is dissolved under section 344 or 344A as a result of a mistake of the Registrar.

(2) In subsection (1), a reference to a mistake of the Registrar excludes a mistake that is made on the basis of wrong, false or misleading information given by the applicant in connection with the application for striking the name of the company off the register under section 344A.

(3) The Registrar may restore the name of a company to the register by publishing in the *Gazette* and on the Authority's website a notice declaring the restoration, and the restoration takes effect on the date of publication of the notice.

Effect of restoration

344G.—(1) If the name of a company is restored to the register under section 344E(2) or 344F, or on appeal to the Court under section 344E(5), the company is to be regarded as having continued in existence as if its name had not been struck off the register.

(2) The company and its directors are not liable to a penalty under section 204 for a financial year in relation to which the period for filing its financial statements and other related statements ended —

(*a*) after the date of dissolution or striking off; and

(*b*) before the restoration of the name of the company to the register.

(3) On the application by any person, the Court may give such directions and make such orders, as it seems just for placing the company and all other persons in the same position (as nearly as may be) as if the company had not been dissolved or its name had not been struck off the register.

(4) An application to the Court for such directions or orders may be made any time within 3 years after the date of restoration of the name of the company to the register.".

Repeal and re-enactment of section 365

154. Section 365 of the Companies Act is repealed and the following section substituted therefor:

"**Foreign companies to which this Division applies**

365. This Division applies to a foreign company which —

(*a*) establishes a place of business or carries on business in Singapore; or

(*b*) intends to establish a place of business or carry on business in Singapore.".

Amendment of section 366

155. Section 366 of the Companies Act is amended —

(*a*) by deleting the definitions of "agent" and "carrying on business" in subsection (1) and substituting the following definitions:

" "authorised representative", in relation to a foreign company, means —

(*a*) in the case of a foreign company registered before the date of commencement of section 155 of the Companies (Amendment) Act 2014, the agent of the foreign company as defined by this section in force immediately before that date; and

(*b*) in the case of a foreign company registered on or after the date of commencement of section 155 of the Companies (Amendment) Act 2014, the person named in a notice lodged under section 368(1)(*e*);

"carrying on business" —

(*a*) includes the administration, management or otherwise dealing with property situated in Singapore as an agent, a legal personal representative, or a trustee, whether by employees or agents or otherwise; and

(*b*) does not exclude activities carried on without a view to any profit.";

(*b*) by deleting the word "or" at the end of subsection (2)(*j*);

(*c*) by deleting the words "the Authority" in subsection (2)(*k*) and substituting the words "the Monetary Authority of Singapore"; and

(*d*) by deleting the full-stop at the end of paragraph (*k*) of subsection (2) and substituting the word "; or", and by inserting immediately thereafter the following paragraph:

"(*l*) carries on such other activity as the Minister may prescribe.".

Repeal and re-enactment of section 368 and new sections 368A and 368B

156. Section 368 of the Companies Act is repealed and the following sections substituted therefor:

"**Documents, etc., to be lodged by foreign companies having place of business in Singapore**

368.—(1) Every foreign company shall, before it establishes a place of business or commences to carry on business in Singapore, lodge with the Registrar for registration —

(*a*) the name of the foreign company and the address of the registered office of the company in its place of incorporation or formation;

(*b*) a certified copy of the certificate of its incorporation or registration in its place of incorporation or formation or a document of similar effect;

(*c*) a certified copy of its charter, statute, constitution or memorandum or articles or other instrument constituting or defining its constitution but only if such document is required to be registered or lodged under the law relating to the incorporation, formation or registration of the foreign company in its place of incorporation, formation or original registration;

(*d*) a list of its directors containing similar particulars with respect to its directors as are by this Act required to be contained in the register of directors of a company incorporated under this Act and, in respect of each director, his residential address;

(*e*) a notice stating the names, nationalities and other identification particulars of one or more natural persons resident in Singapore who are appointed as the company's authorised representatives and authorised as such to accept on its behalf service of process and any notice required to be served on the company, and in respect of each authorised representative, his residential address;

(*f*) a statement by or on behalf of the foreign company in the prescribed form confirming that each of its authorised representatives referred to in the notice lodged under paragraph (*e*) has consented to act as such (referred to in this section and section 370 as the consent statement);

(*g*) notice of the situation of its registered office in Singapore and, unless the office is open and accessible to the public during ordinary business hours on each business day, the days and hours during which it is open and accessible to the public;

(*h*) a notice in the prescribed form containing the following particulars:

(i) in the case —

(A) where a certificate of the foreign company's incorporation or registration or a document

of similar effect is issued in its place of incorporation or formation, the registration number indicated on the certificate of the foreign company's incorporation or registration or a document of similar effect; or

(B) where the document referred to in sub-paragraph (A) is not available, the number issued to the foreign company upon its incorporation by or registration with an authority which is responsible for incorporating or registering companies;

(ii) a description of the business carried on by the foreign company; and

(iii) the type of legal form or legal entity of the foreign company; and

(*i*) where the law for the time being applicable to the foreign company in the place of its incorporation or formation requires audited financial statements of its head office to be prepared, a copy of the latest audited financial statements of its head office,

and on payment of the appropriate fees and subject to this Act, the Registrar shall register the foreign company under this Division by registration of the documents.

(2) Any document required to be served under this Act on a director or an authorised representative of a foreign company shall be sufficiently served if addressed to the director or authorised representative and left at or sent by post to his residential address or, if the director or authorised representative has provided an alternate address under section 370A, his alternate address.

(3) The following shall be made available for inspection at the registered office of the foreign company during the hours in which the registered office of the company is accessible to the public:

(*a*) a copy of the memorandum of appointment or power of attorney appointing each authorised representative of the company in such manner as to be binding on the company;

(*b*) where the memorandum of appointment or power of attorney referred to in paragraph (*a*) is executed by a person on behalf of the company, a copy of the deed or document by which that person is authorised to execute the memorandum of appointment or power of attorney, verified by statutory declaration in the prescribed manner.

(4) Subsection (1) shall apply to a foreign company which was not registered under the repealed written laws but which, immediately before 29 December 1967, had a place of business or was carrying on business in Singapore and, on that date, had a place of business or was carrying on business in Singapore, as if it established that place of business or commenced to carry on that business on that date.

Duty of directors and authorised representatives to provide information to foreign company

368A.—(1) A director shall give the foreign company any information the company needs to comply with section 372(1) as soon as practicable but not later than 14 days after his initial appointment, unless he has previously given the information to the company in writing.

(2) An authorised representative shall give the foreign company —

(*a*) any information the company needs to comply with section 370(4) as soon as practicable but not later than 14 days after his initial appointment, unless he has previously given the information to the company in writing; and

(*b*) any information the company needs to comply with section 372(1) as soon as practicable but not later than 14 days after any change in his particulars.

(3) Notwithstanding subsection (1) or (2), a director or an authorised representative shall, subject to subsection (4), if requested by the foreign company, give the company any information referred to in section 368(1)(*d*) or (*e*) for the purpose of enabling the company to confirm its record of such information or reinstate its record of the information where the original record of the information has been destroyed or lost.

(4) The director or authorised representative referred to in subsection (3) shall furnish the information to the foreign company as soon as practicable but not later than 14 days after receipt of a written request for such information from the company.

(5) A director or an authorised representative who is bound to comply with a requirement under this section and fails to do so shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $5,000 and also to a default penalty.

Savings and transitional provisions for existing particulars of directors and authorised representatives

368B.—(1) If a foreign company, whether incorporated before, on or after the date of commencement of section 156 of the Companies (Amendment) Act 2014 —

(*a*) has lodged the name and particulars of one or more directors with the Registrar as a director or directors, as the case may be, of the foreign company under section 368(1)(*c*) in force immediately prior to that date, the name and particulars of the director or directors, as the case may be, shall be treated as the name and particulars of the company's director or directors, as the case may be, until a notification of any change to the information is received by the Registrar under section 372(1)(*ca*); or

(*b*) has lodged the name and particulars of one or more agents with the Registrar as an agent or agents, as the case may be, of the foreign company under section 368(1)(*e*) in force immediately prior to that

date, the name and particulars of the agent or agents, as the case may be, shall be treated as the name and particulars of the company's authorised representative or representatives, as the case may be, until a notification of any change to the information is received by the Registrar under section 372(1)(*ca*).

(2) For the purposes of subsection (1) —

(*a*) the address lodged with the Registrar in respect of a director under section 368(1)(*c*) in force immediately before the date of commencement of section 156 of the Companies (Amendment) Act 2014 shall be treated as his residential address; and

(*b*) the address lodged with the Registrar in respect of an agent under section 368(1)(*e*) in force immediately before the date of commencement of section 156 of the Companies (Amendment) Act 2014 shall be treated as his residential address in his capacity as an authorised representative of the foreign company.".

Amendment of section 369

157. Section 369(1) of the Companies Act is amended by deleting the words "is acting or likely to act against the national security or interest" and substituting the words "it would be contrary to the national security or interest for the foreign company to be registered".

Amendment of section 370

158. Section 370 of the Companies Act is amended by deleting subsections (4), (5) and (6) and substituting the following subsections:

"(4) On the appointment of a new authorised representative, the company shall lodge a notice referred to in section 368(1)(*e*) and a consent statement in respect of the new authorised representative with the Registrar.

(5) Subject to subsections (6) and (7), the authorised representative in respect of whom the notice under subsection (3) has been lodged shall cease to be an authorised representative on the expiration of a period of 21 days after the

date of lodgment of the notice or on the date on which the consent statement in respect of another authorised representative is lodged with the Registrar under section 368(1)(*f*), whichever is the earlier, but if the notice states a date on which the first-mentioned authorised representative is to so cease and the date is later than the expiration of that period, on that date.

(6) Where the authorised representative in respect of whom the notice under subsection (3) has been lodged is the sole authorised representative of a foreign company —

(*a*) the foreign company shall appoint another authorised representative; and

(*b*) the authorised representative shall cease to be an authorised representative of the foreign company on the date on which the consent statement in respect of another authorised representative is lodged under subsection (4).

(7) Where a foreign company's sole authorised representative dies, the company shall, within 21 days after the death of the authorised representative, appoint another authorised representative.".

New section 370A

159. The Companies Act is amended by inserting, immediately after section 370, the following section:

"**Alternate address**

370A.—(1) Despite sections 12 and 12A, the Registrar must not disclose or make available for public inspection the particulars of a director's or an authorised representative's residential address that is lodged with the Registrar under this Part or transmitted to the Registrar by the Commissioner of National Registration under section 8A of the National Registration Act (Cap. 201) if the requirements of subsection (2) are satisfied.

(2) The requirements referred to in subsection (1) are that the director or authorised representative referred to in that subsection

maintains with the Registrar an alternate address that complies with the following conditions:

(*a*) it is an address at which the director or authorised representative can be located;

(*b*) it is not a post office box number;

(*c*) it is not the residential address of the director or authorised representative; and

(*d*) it is located in the same jurisdiction as the director's or authorised representative's residential address.

(3) For the purposes of subsection (2) —

(*a*) an individual who wishes to maintain an alternate address must lodge an application with the Registrar;

(*b*) an individual may not maintain more than one alternate address at any one time;

(*c*) an individual who wishes to cease to maintain an alternate address must lodge a notice of withdrawal with the Registrar; and

(*d*) an individual who wishes to change his alternate address must lodge a notice of change with the Registrar.

(4) An application to maintain an alternate address, the lodgment of a notice of withdrawal and notice of change are subject to the payment of such fees as may be prescribed.

(5) Subsection (1) applies from the time at which the Registrar accepts an application to maintain an alternate address referred to in subsection (3)(*a*).

(6) A director or an authorised representative who maintains an alternate address under subsection (2) must ensure that he can be located at his alternate address.

(7) A director or an authorised representative who fails to comply with subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 2 years or to both.

(8) Despite subsection (1), the Registrar may disclose and make available for public inspection the particulars of a director's or an authorised representative's residential address despite the maintenance of an alternate address under subsection (2) if —

(*a*) communications sent by the Registrar under this Act, or by any officer of the Authority under any ACRA administered Act, to the director or authorised representative at his alternate address and requiring a response within a specified period remain unanswered; or

(*b*) there is evidence to show that service of any document under this Act or under any ACRA administered Act at the alternate address is not effective to bring it to the notice of the director or authorised representative.

(9) Before proceeding under subsection (8), the Registrar must give notice to the director or authorised representative affected, and to every foreign company of which the Registrar has been notified under this Act that the individual is a director or an authorised representative, as the case may be —

(*a*) stating the grounds on which the Registrar proposes to disclose and make available for public inspection the individual's residential address; and

(*b*) specifying a period within which representations may be made before that is done.

(10) The Registrar is to consider the representations received within the specified period.

(11) Where the Registrar discloses and makes available for public inspection the particulars of a director's or an authorised representative's residential address, the Registrar must give notice of that fact to the director or authorised representative affected, and to every foreign company of which the Registrar has been notified under this Act that the individual is a director or an authorised representative, as the case may be.

(12) A notice to a director or an authorised representative under subsection (11) is to be sent to him at his residential address unless it appears to the Registrar that service at that address may be ineffective to bring it to his notice, in which case it may be sent to any other last known address of the director or authorised representative.

(13) Where —

(*a*) the Registrar discloses and makes available for public inspection the particulars of a director's or an authorised representative's residential address under subsection (8); or

(*b*) a Registrar appointed under any other ACRA administered Act discloses and makes available for public inspection under that Act the particulars of a director's or an authorised representative's residential address under a provision of that Act equivalent to subsection (8),

the director or authorised representative is not, for a period of 3 years after the date on which the residential address is disclosed and made available for public inspection, allowed to maintain an alternate address under subsection (2).

(14) Nothing in this section applies to any information lodged or deemed to be lodged with the Registrar before the date of commencement of this section or prevents such information from being disclosed or from being made available for public inspection or access.

(15) Nothing in this section prevents the residential address of an individual that is lodged with the Registrar under this Act, or is transmitted to the Registrar by the Commissioner of National Registration under section 8A of the National Registration Act from —

(*a*) being used by the Registrar for the purposes of any communication with the individual;

(*b*) being disclosed for the purposes of issuing any summons or other legal process against the individual for the purposes of this Act or any other written law;

(*c*) being disclosed in compliance with the requirement of any court or the provisions of any written law;

(*d*) being disclosed for the purpose of assisting any public officer or officer of any statutory body in the investigation or prosecution of any offence under any written law; or

(*e*) being disclosed in such other circumstances as may be prescribed.

(16) Any director or authorised representative aggrieved by the decision of the Registrar under subsection (8) may, within 30 days after the date of receiving the notice under subsection (11), appeal to the High Court which may confirm the decision or give such directions in the matter as seem proper or otherwise determine the matter.

(17) For the purposes of this section —

(*a*) "ACRA administered Act" means the Accounting and Corporate Regulatory Authority Act (Cap. 2A) and any of the written laws specified in the Second Schedule to that Act; and

(*b*) a director or an authorised representative can be located at an address if he may be physically found at the address after reasonable attempts have been made to find him at that address.".

Amendment of section 372

160. Section 372 of the Companies Act is amended —

(*a*) by inserting, immediately after the words "the charter, statutes," in subsection (1)(*a*), the words "constitution,";

(*b*) by deleting paragraph (*c*) of subsection (1) and substituting the following paragraphs:

"(*c*) the authorised representative or authorised representatives of the foreign company;

(*ca*) the particulars of any director or authorised representative of the foreign company which are lodged with the Registrar under section 368(1), other than the director's or authorised representative's residential address;";

(*c*) by deleting the word "or" at the end of subsection (1)(*f*);

(*d*) by deleting paragraph (*g*) of subsection (1) and substituting the following paragraphs:

"(*g*) the description of the business carried on by the foreign company; or

(*h*) the type of legal form or legal entity of the foreign company,";

(*e*) by deleting the words "one month" in subsection (1) and substituting the words "30 days";

(*f*) by deleting subsections (1A), (1B) and (1C) and substituting the following subsections:

"(1A) A director or an authorised representative of a foreign company must lodge with the Registrar a notice of the director's or authorised representative's new residential address within 30 days after the date of change.

(1B) Where the director or authorised representative referred to in subsection (1) has changed his residential address and has made a report of the change under section 8 of the National Registration Act (Cap. 201), the director or authorised representative is to be taken to have informed the Registrar of the change of residential address in compliance with subsection (1A).

(1C) If default is made by any director or authorised representative of a foreign company in complying with subsection (1A), he shall be guilty of an offence and

shall be liable on conviction to a fine not exceeding $5,000 and also to a default penalty.";

(*g*) by deleting subsections (2) and (3); and

(*h*) by deleting the words "one month" in subsection (4) and substituting the words "30 days".

Repeal and re-enactment of section 373

161. Section 373 of the Companies Act is repealed and the following section substituted therefor:

"**Financial statements**

373.—(1) Subject to this section, a foreign company shall lodge with the Registrar, within the time specified in subsection (3), financial statements made up to the end of its last financial year together with a declaration in the prescribed form verifying that the copies are true copies of the documents so required and, in the case where the financial statements are audited, a statement of the name of the auditor.

(2) In this section, "financial statements" means —

(*a*) in the case where the foreign company is required by the law for the time being in force in the place of the company's incorporation or formation to prepare financial statements in accordance with any applicable accounting standards which are similar to the Accounting Standards or which are acceptable to the Registrar, those financial statements; and

(*b*) in any other case, financial statements in such form and containing such particulars as the directors of the company would have been required to prepare or obtain if the foreign company were a public company incorporated under this Act.

(3) The financial statements referred to in subsection (1) shall be lodged —

(*a*) where the foreign company is required by the law of its place of incorporation or formation to table financial

statements referred to in subsection (2)(*a*) at an annual general meeting, within 60 days after the date on which its annual general meeting is held; or

(*b*) in any other case, within such period as the directors of the foreign company would have been required to lodge its financial statements if the company were a public company incorporated under this Act which does not keep a branch register outside Singapore.

(4) The Registrar may, if he is of the opinion that the financial statements referred to in subsection (2)(*a*) do not sufficiently disclose the foreign company's financial position, require the company —

(*a*) to lodge financial statements within such period, in such form and containing such particulars; and

(*b*) to annex thereto such documents,

as the Registrar may by notice in writing to the company require.

(5) Subsection (4) does not authorise the Registrar to require —

(*a*) financial statements to contain any particulars; or

(*b*) the company to annex, attach or to send any documents,

that would not be required to be furnished if the company were a public company incorporated under this Act.

(6) The foreign company shall comply with the requirements set out in the notice under subsection (4).

(7) In addition to the financial statements required to be lodged with the Registrar under subsections (1), (3) and (4), a foreign company shall lodge with the Registrar within the time specified in subsection (3) —

(*a*) a duly audited statement showing its assets used in and liabilities arising out of its operations in Singapore as at the date to which its balance-sheet was made up;

(*b*) a duly audited profit and loss account which, in so far as is practicable, complies with the requirements of the Accounting Standards and which gives a true and fair

view of the profit or loss arising out of the company's operation in Singapore for the last preceding financial year of the company; and

(*c*) a statement of the name of the auditor who audited the documents referred to in paragraphs (*a*) and (*b*).

(8) For the purpose of subsection (7), the foreign company shall be entitled to make such apportionments of expenses incurred in connection with operations or administration affecting both Singapore and elsewhere and to add such notes and explanations as in its opinion are necessary or desirable in order to give a true and fair view of the profit or loss of its operations in Singapore.

(9) A foreign company which is dormant in Singapore may, in lieu of satisfying the requirements of subsection (7), lodge with the Registrar —

(*a*) an unaudited statement showing its assets used in and liabilities arising out of its operations in Singapore; and

(*b*) an unaudited profit and loss account with respect to the company's operations in Singapore.

(10) The Registrar may, on application by a foreign company and payment of the prescribed application fee, extend the period referred to in subsection (3) within which the company is required to comply with any or all of the requirements of subsection (7).

(11) A statement and profit and loss account shall be deemed to have been duly audited for the purposes of subsection (7) if it is accompanied by a report by an accounting entity appointed to provide auditing services in respect of the foreign company's operations in Singapore which complies, in so far as is practicable, with section 207.

(12) The Registrar may, upon the written application of a foreign company, waive the requirement of a foreign company to lodge the documents referred to in subsection (7)(*a*), (*b*) and (*c*) if the Registrar is satisfied that —

(*a*) it is impractical for the foreign company to comply having regard to the nature of the foreign company's operations in Singapore;

(*b*) it would be of no real value having regard to the amount involved;

(*c*) it would involve expense unduly out of proportion to its value; or

(*d*) it would be misleading or harmful to the business of the foreign company, or to any company which is deemed by virtue of section 6 to be related to the foreign company.

(13) The Registrar may, upon the written application of a foreign company, by order relieve the foreign company from either or both of the following:

(*a*) any requirement relating to audit or the form and content of the documents referred to in subsection (2)(*b*);

(*b*) any requirement relating to audit or the form and content of the documents referred to in subsection (7).

(14) The Registrar may make the order referred to in subsection (13) unconditionally or subject to the condition that the foreign company comply with such other requirements relating to audit or the form and content of the documents as the Registrar may determine.

(15) The Registrar shall not make an order under subsection (13) unless he is of the opinion that compliance with the requirements of this section would render the documents misleading or inappropriate to the circumstances of the foreign company or would impose unreasonable burdens on the company.

(16) The Registrar may make an order under subsection (13) which may be limited to a specific period and may from time to time revoke or suspend the operation of any such order.

(17) Without prejudice to subsections (12), (13) and (14), the Minister may, by order published in the *Gazette*, in respect of foreign companies of a specified class or description —

(*a*) substitute other accounting standards for the Accounting Standards, and the provisions of this section shall apply accordingly in respect of such foreign companies; or

(*b*) exempt foreign companies of a specified class or description from any or all of the requirements of subsection (7).

(18) If default is made by a foreign company in complying with this section —

(*a*) the company; and

(*b*) every director or equivalent person, and every authorised representative of the company, who knowingly and wilfully authorises or permits the default,

shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $50,000.

(19) For the purposes of this section —

(*a*) a foreign company is dormant in Singapore during a period in which no accounting transaction arising out of its operations in Singapore occurs; and the company ceases to be dormant on the occurrence of such a transaction; and

(*b*) an "accounting transaction" means a transaction for which accounting or other records would be required to be kept so as to enable the documents referred to in subsection (7) to be prepared.".

Amendment of section 375

162. Section 375 of the Companies Act is amended —

(*a*) by deleting paragraph (*a*) of subsection (1); and

(*b*) by deleting subsection (2) and substituting the following subsections:

"(2) Where the name of a foreign company is indicated on any of the documents referred to in subsection (1) in characters or in any other way than by the use of romanised letters, this section relating to the statement of its name shall be deemed not to have been complied with unless the name of the company is stated on such document in romanised letters not smaller than any of the characters so exhibited or stated on the relevant document.

(3) The unique entity number of a foreign company, issued by the Registrar, shall appear in a legible form on all business letters, statements of account, invoices, official notices and publications of or purporting to be issued or signed by or on behalf of the company.

(4) Notwithstanding subsection (3), a foreign company incorporated before the date of commencement of section 162 of the Companies (Amendment) Act 2014 need only comply with subsection (3) after the expiration of 12 months after that date.".

Amendment of section 377

163. Section 377 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsections:

"(1) If a foreign company ceases to have a place of business in Singapore or to carry on business in Singapore, it shall, within 7 days after so ceasing, lodge with the Registrar notice of that fact.

(1A) Starting on the day on which the foreign company lodged the notice referred to in subsection (1), the foreign company's obligation to lodge any document (not being a document that ought to have been lodged before that day) with the Registrar shall cease.

(1B) The Registrar shall as soon as practicable after the lodgment of the notice referred to in subsection (1) record in the register that the company has ceased to have a place of business in Singapore or ceased to carry on business in Singapore, as the case may be.";

(*b*) by deleting the words "one month" in subsection (2)(*a*) and substituting the words "14 days";

(*c*) by deleting subsection (5) and substituting the following subsection:

"(5) On receipt of a notice from an authorised representative that the foreign company has been dissolved, the Registrar shall record in the register that the foreign company has been dissolved.";

(*d*) by deleting subsection (6); and

(*e*) by deleting subsections (8) and (9) and substituting the following subsections:

"(8) The Registrar shall strike the name of a foreign company off the register if the Registrar is satisfied that the company is being used for an unlawful purpose or for purposes prejudicial to public peace, welfare or good order in Singapore or against the national security or interest.

(9) The Registrar may strike the name of a foreign company off the register if —

(*a*) the Registrar has reasonable cause to believe that the company has ceased to carry on business or to have a place of business in Singapore; or

(*b*) the company has failed to appoint an authorised representative within 6 months after the date of the death of its sole authorised representative.

(10) The Registrar may strike the name of a foreign company off the register upon the application of the sole

authorised representative of the foreign company in the prescribed form if the Registrar is satisfied that —

(*a*) the sole authorised representative has given notice in writing to the foreign company that he desires to resign and has lodged a notice under section 370(3) with the Registrar, but the company has failed to respond or appoint another authorised representative within 12 months after the date of lodgment of the notice; or

(*b*) the foreign company has failed to give instructions with respect to a written request from the sole authorised representative for instructions as to whether the company wishes to cancel or continue its registration under this Act within 12 months after the date the written request was sent.

(11) Without prejudice to the generality of subsection (9)(*a*), in determining whether there is reasonable ground to believe that a company is not carrying on business under that subsection, the Registrar may have regard to such circumstances as may be prescribed.

(12) For the purposes of subsections (9) and (10), the provisions of this Act relating to the striking off the register of the name of a defunct company shall, with such adaptations as are necessary, extend and apply accordingly.

(13) Any person aggrieved by the decision of the Registrar under subsection (8), (9) or (10) may, within 30 days after the date of the decision, appeal to the Minister whose decision is final.".

New sections 377A to 377D

164. The Companies Act is amended by inserting, immediately after section 377, the following sections:

"**Application for administrative restoration of foreign company to register**

377A.—(1) Subject to such conditions as may be prescribed, a director or member of a foreign company whose name has been struck off the register under section 377(9) or (10) may apply to the Registrar to restore the name of the company to the register.

(2) An application under this section is not valid unless the application is received by the Registrar within 6 years after the date on which the name of the foreign company is struck off the register.

Registrar's decision on application for administrative restoration of foreign company

377B.—(1) The Registrar shall give notice to the applicant of the decision on an application under section 377A.

(2) If the Registrar's decision is that the name of the foreign company should be restored to the register, the name of the company shall be restored to the register on the date on which notice is sent (referred to in this section as the restoration date).

(3) The Registrar shall —

(*a*) enter in the register a note of the restoration date; and

(*b*) cause notice of the restoration to be published in the *Gazette* and on the Authority's website.

(4) The notice under subsection (3)(*b*) shall state —

(*a*) the name of the foreign company or, if the company is restored to the register under a different name, that name and its former name;

(*b*) the unique entity number of the foreign company issued by the Registrar; and

(*c*) the restoration date.

(5) If the Registrar's decision is that the name of the foreign company should not be restored to the register, the person who made the application under section 377A or any other person

aggrieved by the decision of the Registrar, may appeal to the Court.

(6) On an appeal made under subsection (5), the Court may —

(*a*) confirm the Registrar's decision; or

(*b*) restore the name of the foreign company to the register and give such directions and make such orders as the Court is empowered to give and make under section 377D(3).

Registrar may restore foreign company deregistered by mistake

377C.—(1) The Registrar may, on his own initiative, restore the name of a foreign company to the register if he is satisfied that the name of the company has been struck off the register under section 377(9) or (10) as a result of a mistake of the Registrar.

(2) In subsection (1), a reference to a mistake of the Registrar excludes a mistake that is made on the basis of wrong, false or misleading information given by an applicant in connection with an application for striking the name of the foreign company off the register under section 377(10).

(3) The Registrar may restore the name of a foreign company to the register by publishing in the *Gazette* and on the Authority's website a notice declaring the restoration, and the restoration takes effect on the date of publication of the notice.

Effect of restoration of foreign company

377D.—(1) If the name of a foreign company is restored to the register under section 377B(2) or 377C, or on appeal to the Court under section 377B(5), the company is to be regarded as having continued its registration under this Act as if the name of the company had not been struck off the register.

(2) The foreign company, its directors or equivalent persons, and authorised representatives are not liable to a penalty under section 373(18) for a financial year in relation to which the

period for filing its balance-sheet, cash flow statement, profit and loss statement and other related documents ended —

(*a*) after the date on which the name of the company was struck off the register; and

(*b*) before the restoration of the name of the company to the register.

(3) On the application by any person, the Court may give directions and make orders, as seem just for placing the foreign company and all other persons in the same position (as nearly as may be) as if the name of the company had not been struck off the register.

(4) An application to the Court for such directions or orders may be made any time within 3 years after the date of restoration of the name of the foreign company to the register.".

Repeal and re-enactment of section 378

165. Section 378 of the Companies Act is repealed and the following section substituted therefor:

"**Restriction on use of certain names**

378.—(1) Except with the consent of the Minister or as provided in subsection (2), the Registrar must refuse to register a foreign company under a name, whether on its registration or by a subsequent change of name, under which the company is to carry on business in Singapore that, in the opinion of the Registrar —

(*a*) is undesirable;

(*b*) is identical to a name of any other foreign company, or any company, limited liability partnership, limited partnership or corporation, or to a registered business name;

(*c*) is identical to a name reserved under subsection (15) and section 27(12B) of this Act, section 16 of the Business Names Registration Act 2014, section 19(4) of the Limited Liability Partnerships Act (Cap. 163A) or

section 17(4) of the Limited Partnerships Act (Cap. 163B); or

(*d*) is a name, or is a name of a kind that the Minister has directed the Registrar not to accept for registration.

(2) In addition to subsection (1), the Registrar must, on or after the date of commencement of section 165 of the Companies (Amendment) Act 2014, except with the consent of the Minister, refuse to register a foreign company under a name, if —

(*a*) it is identical to the name of a company that was dissolved —

(i) unless, in a case where the company was dissolved following its winding up under Part X, a period of at least 2 years has passed after the date of dissolution; or

(ii) unless, in a case where the company was dissolved following its name being struck off the register under section 344 or 344A, a period of at least 6 years has passed after the date of dissolution;

(*b*) it is identical to the business name of a person whose registration and registration of that business name has been cancelled under the Business Names Registration Act 2014 or had ceased under section 22 of that Act, unless a period of at least one year has passed after the date of cancellation or cessation;

(*c*) it is identical to the name of a foreign company notice of the dissolution of which has been given to the Registrar under section 377(2), unless a period of at least 2 years has passed after the date of dissolution;

(*d*) it is identical to the name of a limited liability partnership that was dissolved —

(i) unless, in a case where the limited liability partnership was dissolved following its winding up under section 30 of, and the Fifth Schedule to,

the Limited Liability Partnerships Act, a period of at least 2 years has passed after the date of dissolution; or

(ii) unless, in a case where the limited liability partnership was dissolved following its name being struck off the register kept under section 38 of the Limited Liability Partnerships Act, a period of at least 6 years has passed after the date of dissolution; or

(*e*) it is identical to the name of a limited partnership that was cancelled or dissolved —

(i) unless, in a case where the registration of the limited partnership was cancelled under section 14(1) or 19(4) of the Limited Partnerships Act, a period of at least one year has passed after the date of cancellation; or

(ii) unless, in a case where notice was lodged with the Registrar of Limited Partnerships that the limited partnership was dissolved under section 19(2) of the Limited Partnerships Act, a period of at least one year has passed after the date of dissolution.

(3) Despite subsection (1), the Registrar may, on or after the date of commencement of section 165 of the Companies (Amendment) Act 2014, register a foreign company under —

(*a*) a name that is identical to the name of a foreign company registered under Division 2 of Part XI —

(i) in respect of which notice was lodged under section 377(1) that the foreign company has ceased to have a place of business in Singapore or ceased to carry on business in Singapore, if a period of at least 3 months has passed after the date of cessation; and

(ii) the name of which was struck off the register under section 377(8), (9) or (10), if a period of at

least 6 years has passed after the date the name was so struck off; and

(*b*) a name that is identical to the name of a limited partnership in respect of which notice was lodged under section 19(1) of the Limited Partnerships Act that the limited partnership ceased to carry on business in Singapore, if a period of at least one year has passed after the date of cessation.

(4) No foreign company to which this Division applies shall use in Singapore any name other than —

(*a*) the name under which the foreign company is registered under this Division; and

(*b*) if the foreign company is registered under the Business Names Registration Act 2014, a business name in respect of which the foreign company is registered under section 8 of that Act.

(5) Despite this section, where the Registrar is satisfied that a foreign company has been registered (whether through inadvertence or otherwise or whether on its registration or by a subsequent change of name) by a name —

(*a*) which is one that is not permitted to be registered under subsection (1)(*a*), (*b*) or (*d*);

(*b*) which is one that is not permitted to be registered under subsection (2) until the expiry of the relevant period referred to in that subsection; or

(*c*) which is one that is permitted to be registered under subsection (3) only after the expiry of the relevant period referred to in that subsection,

the Registrar may direct the foreign company to change its name, and the company shall comply with the direction within 6 weeks after the date of the direction or such longer period as the Registrar may allow, unless the direction is annulled by the Minister.

(6) Any person may apply, in writing, to the Registrar to give a direction to a foreign company under subsection (5) on a ground referred to in that subsection.

(7) If the foreign company fails to comply with subsection (4), the company and every officer of the company who is in default and every authorised representative of the company who knowingly and wilfully authorises or permits the default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $2,000 and also to a default penalty.

(8) In this section, "registered business name" has the same meaning as in section 2(1) of the Business Names Registration Act 2014.

(9) An appeal to the Minister against the following decisions of the Registrar that are made on or after the date of commencement of section 165 of the Companies (Amendment) Act 2014 may be made by the following persons within the following times:

(*a*) in the case of the Registrar's decision under subsection (5), by the foreign company aggrieved by the decision within 30 days after the decision; and

(*b*) in the case of the Registrar's refusal to give a direction to a foreign company under subsection (5) pursuant to an application under subsection (6), by the applicant aggrieved by the refusal within 30 days after being informed of the refusal.

(10) The Minister shall cause a direction given by him under subsection (1)(*d*) to be published in the *Gazette.*

(11) A person may apply in the prescribed form to the Registrar for the reservation of a name set out in the application as the name under which a foreign company proposes to be registered, either originally or upon change of name.

(12) A foreign company shall not be registered, whether on its initial registration or by a subsequent change of name, by a name unless the name has been reserved under subsection (15).

(13) The Registrar may approve an application made under subsection (11) only if the Registrar is satisfied that —

(*a*) the application is made in good faith; and

(*b*) the name to be reserved is one in respect of which a foreign company may be registered having regard to subsections (1), (2) and (3).

(14) The Registrar must refuse to approve an application to reserve a name under subsection (11) if the Registrar is satisfied that —

(*a*) the foreign company is likely to be used for an unlawful purpose or for purposes prejudicial to public peace, welfare or good order in Singapore; or

(*b*) it would be contrary to the national security or interest for the foreign company to be registered.

(15) Where an application for a reservation of a name is made under subsection (11), the Registrar must reserve the proposed name for a period starting at the time the Registrar receives the application and ending —

(*a*) if the Registrar approves the application, 60 days after the date on which the Registrar notifies the applicant that the application has been approved, or such further period of 60 days as the Registrar may, on application made in good faith, extend; or

(*b*) if the Registrar refuses to approve the application, on the date on which the Registrar notifies the applicant of the refusal.

(16) A person aggrieved by a decision of the Registrar —

(*a*) refusing to approve an application under subsection (11); or

(*b*) refusing an application under subsection (15)(*a*) to extend the reservation period,

may, within 30 days after being informed of the Registrar's decision, appeal to the Minister whose decision is final.

(17) The reservation of a name under this section in respect of a foreign company does not in itself entitle the foreign company to be registered by that name, either originally or upon change of name.".

Amendment of section 379

166. Section 379 of the Companies Act is amended by deleting the words "14 days" in subsections (6) and (7) and substituting in each case the words "30 days".

New section 386A

167. The Companies Act is amended by inserting, immediately before section 387 in Part XII, the following section:

"**Interpretation**

386A. In this section and sections 387B, 387C, 397 and 401, unless the contrary intention appears —

"consolidated financial statements" and "parent company" have the same meanings as in section 209A;

"financial statements" means the financial statements of a company required to be prepared by the Accounting Standards and, in the case of a parent company, means the consolidated financial statements.".

Amendment of section 387B

168. Section 387B of the Companies Act is amended by deleting subsection (1) and substituting the following subsection:

"(1) Where any accounts, balance-sheet, financial statements, report or other document is required or permitted to be given, sent or served under this Act or under the constitution of a company by the company or the directors of the company to —

(*a*) a member of the company; or

(*b*) an officer or auditor of the company,

that document may be given, sent or served using electronic communications to the current address of that person.".

New section 387C

169. The Companies Act is amended by inserting, immediately after section 387B, the following section:

"**Electronic transmission in accordance with constitution, etc.**

387C.—(1) Notwithstanding sections 387A and 387B, where a notice of meeting or any accounts, balance-sheet, financial statements, report or other document is required or permitted to be given, sent or served under this Act or under the constitution of a company by the company or the directors of the company to a member of the company, that notice or document may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company.

(2) For the purposes of this section, a member has given implied consent if the constitution of the company —

(*a*) provides for the use of electronic communications;

(*b*) specifies the manner in which electronic communications is to be used; and

(*c*) provides that the member shall agree to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.

(3) For the purposes of this section, a member shall be deemed to have consented if —

(*a*) the constitution of the company provides for the use of electronic communications;

(*b*) the constitution of the company specifies the manner in which electronic communications is to be used;

(*c*) the constitution of the company specifies that the member will be given an opportunity to elect within a specified period of time (the specified time), whether to receive such notice or document by way of electronic communications or as a physical copy; and

(*d*) the member was given an opportunity to elect whether to receive such notice or document by way of such electronic communications or as a physical copy, and he failed to make an election within the specified time.

(4) The Minister may make regulations under section 411 —

(*a*) to exclude any notice or document or any class of notices or documents from the application of this section;

(*b*) to provide for safeguards for the use of electronic communications under this section; and

(*c*) without prejudice to the generality of paragraph (*a*), to provide that a member who is deemed to have consented to receive notices or documents by way of electronic communications may make a fresh election to receive such notice or document as a physical copy and the manner in which the fresh election may be made.".

Repeal and re-enactment of sections 395 and 396 and new section 396A

170. Sections 395 and 396 of the Companies Act are repealed and the following sections substituted therefor:

"**Form of company records**

395.—(1) A company shall adequately record for future reference the information required to be contained in any company records.

(2) Subject to subsection (1), company records may be —

(*a*) kept in hard copy form or in electronic form; and

(*b*) arranged in the manner that the directors of the company think fit.

(3) If company records are kept in electronic form, the company shall ensure that they are capable of being reproduced in hard copy form.

(4) In this section and sections 396 and 396A —

"company" includes a corporation which is required to keep company records under this Act;

"company record" means any register, index, minute book, accounting record, minute or other document required by this Act to be kept by a company;

"in electronic form" means in the form of an electronic record as defined in section 2(1) of the Electronic Transactions Act (Cap. 88);

"in hard copy form" means in a paper form or similar form capable of being read.

Duty to take precautions against falsification

396.—(1) Where company records are kept otherwise than in hard copy form, reasonable precautions shall be taken for —

(*a*) ensuring the proper maintenance and authenticity of the company records;

(*b*) guarding against falsification; and

(*c*) facilitating the discovery of any falsifications.

(2) In the case where company records are kept in electronic form, the company shall provide for the manner by which the records are to be authenticated and verified.

(3) Where default is made in complying with subsection (1) or (2), the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $1,000 and also to a default penalty.

Inspection of records

396A.—(1) Any company record which is by this Act required to be available for inspection shall, subject to and in accordance with this Act, be available for inspection at the place where in accordance with this Act it is kept during the hours in which the registered office of the company is accessible to the public.

(2) If company records are kept by the company by recording the information in question in electronic form, any duty imposed on the company under subsection (1) or any other provision of this Act to allow inspection of the company records is to be regarded as a duty to allow inspection of —

(*a*) a reproduction of the recording, or the relevant part of the recording, in hard copy form; or

(*b*) if requested by the person inspecting the recording, the recording, or the relevant part of the recording, by electronic means.

(3) Any person permitted by this Act to inspect any company records may make copies of or take extracts from it.

(4) Where company records are kept by the company by recording the information in question in electronic form, the company shall ensure that proper facilities shall be provided to enable the company records to be inspected, and where default is made in complying with this subsection, the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $1,000 and also to a default penalty.".

Amendment of section 397

171. Section 397 of the Companies Act is amended by deleting subsection (3) and substituting the following subsection:

"(3) Where any accounts, financial statements, minute books or other records of a corporation required by this Act to be kept are not kept in the English language, the directors of the corporation shall cause a true translation of such accounts, financial statements, minute books and other records to be made from time to time at intervals of not more than 7 days and shall cause such translations to be kept with the original accounts, financial statements, minute books and other records for so long as the original accounts, financial statements, minute books and other records are required by this Act to be kept.".

Amendment of section 401

172. Section 401 of the Companies Act is amended by deleting subsection (2) and substituting the following subsection:

"(2) Every person who in any return, report, certificate, balance-sheet, financial statements or other document required by or for the purposes of this Act wilfully makes or authorises the making of a statement false or misleading in any material particular knowing it to be false or misleading or wilfully omits or authorises the omission of any matter or thing without which the document is misleading in a material respect shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 2 years or to both.".

Amendment of section 405

173. Section 405 of the Companies Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) If any person —

(*a*) other than a foreign company, uses any name or title or trades or carries on business under any name or title which "Limited" or "Berhad" or any abbreviation, imitation or translation of any of those words is the final word; or

(*b*) in any way holds out that the business is incorporated under this Act,

that person shall, unless at that time the business was duly incorporated under this Act, be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 2 years or to both."; and

(*b*) by inserting, immediately after subsection (2), the following subsection heading and subsection:

"**Penalty for holding out business as registered foreign company**

(3) If a person carrying on a business, his agent or a person acting on his behalf, in any way holds out that the business is registered as a foreign company under this Act when at the material time the business was not so registered, that person shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 2 years or to both.".

Amendment of section 408

174. Section 408(1) of the Companies Act is amended by deleting the words "section 409(4) or (5)" and substituting the words "section 409B".

Amendment of section 409

175. Section 409 of the Companies Act is amended by deleting subsections (4), (5) and (6).

New section 409B

176. The Companies Act is amended by inserting, immediately after section 409A, the following section:

"**Composition of offences**

409B.—(1) The Registrar may, in his discretion, compound any offence under this Act which is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding the lower of the following:

(*a*) one half of the amount of the maximum fine that is prescribed for the offence;

(*b*) $5,000.

(2) The Registrar may, in his discretion, compound any offence under this Act (including an offence under a provision that has been repealed) which —

(*a*) was compoundable under this Act at the time the offence was committed; but

(*b*) has ceased to be so compoundable,

by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding the lower of the following:

(i) one half of the amount of the maximum fine that is prescribed for the offence at the time it was committed;

(ii) $5,000.

(3) On payment of such sum of money referred to in subsection (1) or (2), no further proceedings shall be taken against that person in respect of the offence.

(4) The Minister may prescribe the offences which may be compounded.".

New section 409C

177. Part XII of the Companies Act is amended by inserting, immediately before section 410 in Division 3, the following section:

"**Appeal**

409C.—(1) Any party aggrieved by an act or a decision of the Registrar under this Act may, within 28 days after the date of the act or decision, appeal to the Court against the act or decision.

(2) The Court may confirm the act or decision or give such directions in the matter as seem proper or otherwise determine the matter.

(3) This section shall not apply to any act or decision of the Registrar —

(*a*) in respect of which any provision in the nature of an appeal or a review is expressly provided in this Act; or

(*b*) which is declared by this Act to be conclusive or final or is embodied in any document declared by this Act to be conclusive evidence of any act, matter or thing.".

Amendment of section 410

178. Section 410 of the Companies Act is amended by deleting the words "any law for the time being in force relating to the courts" and substituting the words "section 80 of the Supreme Court of Judicature Act (Cap. 322)".

Amendment of section 411

179. Section 411 of the Companies Act is amended —

(*a*) by deleting paragraph (*e*) and substituting the following paragraphs:

"(*e*) prescribing the fees payable for the purposes of this Act, including but not limited to fees for —

(i) the lodgment or registration of any document required to be lodged or registered with the Registrar;

(ii) the issue of any document by the Registrar;

(iii) any act required to be performed by the Registrar; or

(iv) the inspection of any document referred to in sub-paragraphs (i) and (ii);

(*ea*) prescribing the fees payable in respect of any of the following required or permitted under any other Act:

(i) the lodgment or registration of any document with the Registrar;

(ii) the issue of any document by the Registrar;

(iii) the performance of any act by the Registrar; and

(iv) the inspection of any document referred to in sub-paragraphs (i) and (ii);

(*eb*) prescribing the penalties payable for the late lodgment of any document;

(*ec*) prescribing the manner in which prescribed fees and penalties are to be paid;

(*ed*) the waiver, refund or remission, whether wholly or in part, of any fee or penalty chargeable under this Act;

(*ee*) prescribing all matters connected with or arising from the restrictions under this Act as to the reservation or registration of names of companies and foreign companies (including rules for determining when a name falls within those restrictions);"; and

(*b*) by renumbering the section as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

"(2) The regulations may provide that a contravention of a specified provision of the regulations shall be an offence.".

Repeal of Second Schedule

180. The Second Schedule to the Companies Act is repealed.

Repeal of Fourth Schedule

181. The Fourth Schedule to the Companies Act is repealed.

Amendment of Sixth Schedule

182. Part I of the Sixth Schedule to the Companies Act is amended by deleting the words "Names, descriptions, and addresses of directors or proposed directors" and substituting the words "Names and descriptions and residential addresses or alternate addresses of directors (as entered in the register of directors kept by the Registrar under section 173(1)(*a*) in respect of the company) or proposed directors".

Repeal of Eighth Schedule

183. The Eighth Schedule to the Companies Act is repealed.

New Twelfth and Thirteenth Schedules

184. The Companies Act is amended by inserting, immediately after the Eleventh Schedule, the following Schedules:

"TWELFTH SCHEDULE

Sections 8(7) and 201(16)

CONTENTS OF DIRECTORS' STATEMENT

1. A statement as to whether in the opinion of the directors —

(*a*) the financial statements and, where applicable, the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, if applicable, of the financial position and performance of the group for the period covered by the financial statements or consolidated financial statements; and

(*b*) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. Where any option has been granted by a company, other than a parent company for which consolidated financial statements are required, during the period covered by the financial statements to take up unissued shares of a company —

(*a*) the number and class of shares in respect of which the option has been granted;

(*b*) the date of expiration of the option;

(*c*) the basis upon which the option may be exercised; and

(*d*) whether the person to whom the option has been granted has any right to participate by virtue of the option in any share issue of any other company.

3. Where any of the particulars required by paragraph 2 have been stated in a previous directors' statement, they may be stated by reference to that statement.

4. Where a parent company or any of its subsidiary corporations has at any time granted to a person an option to have shares issued to him in the company or subsidiary corporation, the directors' statement of the parent company must

state the name of the corporation in respect of the shares in which the option was granted and the other particulars required under paragraphs 2, 5 and 6.

5. The particulars of shares issued during the period to which the statement relates by virtue of the exercise of options to take up unissued shares of the company, whether granted before or during that period.

6. The number and class of unissued shares of the company under option as at the end of the period to which the statement relates, the price, or method of fixing the price, of issue of those shares, the date of expiration of the option and the rights, if any, of the persons to whom the options have been granted to participate by virtue of the options in any share issue of any other company.

7. The names of the persons who are the directors in office at the date of the statement.

8. Whether at the end of the financial year to which the financial statements or, where the company is a parent company, consolidated financial statements relate —

(*a*) there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate; or

(*b*) there have, at any time in that year, subsisted such arrangements as aforesaid to which the company was a party,

and if so, a statement explaining the effect of the arrangements and giving the names of the persons who at any time in that year were directors of the company and held, or whose nominees held, shares or debentures acquired in pursuance of the arrangements.

9. As respects each person who, at the end of the financial year, was a director of the company —

(*a*) whether or not (according to the register kept by the company for the purposes of section 164 relating to the obligation of a director of a company to notify it of his interests in shares in, or debentures of, the company and of every other body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company) he was, at the end of that year, interested in shares in, or debentures of, the company or any other such body corporate; and

(*b*) if he was, the number and amount of shares in, and debentures of, each body (specifying it) in which, according to that register, he was then interested and whether or not, according to that register, he was,

at the beginning of that year (or, if he was not then a director, when he became a director), interested in shares in, or debentures of, the company or any other such body corporate and, if he was, the number and amount of shares in, and debentures of, each body (specifying it) in which, according to that register, he was interested at the beginning of that year or, as the case may be, when he became a director.

THIRTEENTH SCHEDULE

Sections 8(7) and 205C(5)

CRITERIA FOR SMALL COMPANY AND SMALL GROUP

1. For the purposes of section 205C —

(*a*) a company is a small company if it qualifies as a small company under paragraph 2, 3 or 4, whichever may be applicable, and the company continues to be a small company until it ceases to be a small company under paragraph 5; and

(*b*) a group is a small group if it qualifies as a small group under paragraph 7, 8 or 9, whichever may be applicable, and the group continues to be a small group until it ceases to be a small group under paragraph 10.

2. A company is a small company from a financial year if —

(*a*) it is a private company throughout the financial year; and

(*b*) it satisfies any 2 of the following criteria for each of the 2 financial years immediately preceding the financial year:

(i) the revenue of the company for each financial year does not exceed $10 million;

(ii) the value of the company's total assets at the end of each financial year does not exceed $10 million;

(iii) it has at the end of each financial year not more than 50 employees.

3. Notwithstanding paragraph 2, where a company has not reached its third financial year after incorporation, a company is a small company —

(*a*) from its first financial year after incorporation if —

(i) it is a private company throughout its first financial year; and

(ii) it satisfies any 2 of the following criteria for its first financial year:

(A) the revenue of the company for its first financial year does not exceed $10 million;

(B) the value of the company's total assets at the end of its first financial year does not exceed $10 million;

(C) it has at the end of its first financial year not more than 50 employees; or

(*b*) from its second financial year after incorporation if —

(i) it is a private company throughout its second financial year; and

(ii) it satisfies any 2 of the following criteria for its second financial year:

(A) the revenue of the company for its second financial year does not exceed $10 million;

(B) the value of the company's total assets at the end of its second financial year does not exceed $10 million;

(C) it has at the end of its second financial year not more than 50 employees.

4. Notwithstanding paragraph 2, a company which was incorporated before the date of commencement of section 184 of the Companies (Amendment) Act 2014 (referred to in this Schedule as the appointed day) is a small company —

(*a*) from the first financial year that commences on or after the appointed day if —

(i) it is a private company throughout the first financial year; and

(ii) it satisfies any 2 of the following criteria for the first financial year:

(A) the revenue of the company for the first financial year does not exceed $10 million;

(B) the value of the company's total assets at the end of the first financial year does not exceed $10 million;

(C) it has at the end of the first financial year not more than 50 employees; or

(*b*) from the second financial year that commences on or after the appointed day if —

(i) it is a private company throughout the second financial year; and

(ii) it satisfies any 2 of the following criteria for the second financial year:

(A) the revenue of the company for the second financial year does not exceed $10 million;

(B) the value of the company's total assets at the end of the second financial year does not exceed $10 million;

(C) it has at the end of the second financial year not more than 50 employees.

5. Subject to paragraph 6, a small company shall cease to be a small company from a financial year if —

(*a*) it ceases to be a private company at any time during the financial year; or

(*b*) it does not satisfy any 2 of the following criteria for each of the 2 consecutive financial years immediately preceding the financial year:

(i) the revenue of the company for each financial year does not exceed $10 million;

(ii) the value of the company's total assets at the end of each financial year does not exceed $10 million;

(iii) it has at the end of each financial year not more than 50 employees.

6. Paragraph 5 does not apply —

(*a*) to a company that has not reached its third financial year after incorporation; or

(*b*) in the case of a company that was incorporated before the appointed day, to a company that has not reached its third financial year after the appointed day.

7. A group is a small group from a financial year if the group satisfies any 2 of the following criteria for each of the 2 consecutive financial years immediately preceding the financial year:

(*a*) the consolidated revenue of the group for each financial year does not exceed $10 million;

(*b*) the value of the consolidated total assets of the group at the end of each financial year does not exceed $10 million;

(*c*) the group has at the end of each financial year an aggregate number of employees of not more than 50.

8. Notwithstanding paragraph 7, a group is a small group —

(*a*) from its first financial year after it is formed if it satisfies any 2 of the following criteria for its first financial year:

(i) the consolidated revenue of the group for its first financial year does not exceed $10 million;

(ii) the value of the consolidated total assets of the group at the end of its first financial year does not exceed $10 million;

(iii) the group has at the end of its first financial year an aggregate number of employees of not more than 50; or

(*b*) from its second financial year after it is formed if it satisfies any 2 of the following criteria for its second financial year:

(i) the consolidated revenue of the group for its second financial year does not exceed $10 million;

(ii) the value of the consolidated total assets of the group at the end of its second financial year does not exceed $10 million;

(iii) the group has at the end of its second financial year an aggregate number of employees of not more than 50.

9. Notwithstanding paragraph 7, a group which is formed before the appointed day is a small group —

(*a*) from the first financial year that commences on or after the appointed day, if it satisfies any 2 of the following criteria for the financial year:

(i) the consolidated revenue of the group for the first financial year does not exceed $10 million;

(ii) the value of the consolidated total assets of the group at the end of the first financial year does not exceed $10 million;

(iii) the group has at the end of the first financial year an aggregate number of employees of not more than 50; or

(*b*) from the second financial year that commences on or after the appointed day if it satisfies any 2 of the following criteria for the second financial year:

(i) the consolidated revenue of the group for the second financial year does not exceed $10 million;

(ii) the value of the consolidated total assets of the group at the end of the second financial year does not exceed $10 million;

(iii) the group has at the end of the second financial year an aggregate number of employees of not more than 50.

10. Subject to paragraph 11, a small group shall cease to be a small group from a financial year if it does not satisfy any 2 of the following criteria for 2 consecutive financial years immediately preceding the financial year:

(*a*) the consolidated revenue of the group for each financial year does not exceed $10 million;

(*b*) the value of the consolidated total assets of the group at the end of each financial year does not exceed $10 million;

(*c*) the group has at the end of each financial year an aggregate number of employees of not more than 50.

11. Paragraph 10 does not apply —

(*a*) to a group that has not reached its third financial year after it is formed; or

(*b*) in the case of a group that was formed before the appointed day, to a group that has not reached its third financial year after the appointed day.

12. For the purposes of this Schedule —

(*a*) the question whether an entity is part of a group is to be decided in accordance with the Accounting Standards;

(*b*) in the case —

(i) where consolidated financial statements are prepared by a parent in relation to a group, the "consolidated total assets" and "consolidated revenue" of the group shall be determined in accordance with the accounting standards applicable to the group; or

(ii) where consolidated financial statements are not prepared by a parent in relation to a group —

(A) "consolidated total assets" means the aggregate total assets of all the members of the group; and

(B) "consolidated revenue" means the aggregate revenue of all the members of the group; and

(*c*) "parent" has the same meaning as in the Accounting Standards, but does not include any entity which is a subsidiary of any other entity within the meaning of the Accounting Standards.

13. For the purposes of this Schedule —

(*a*) a reference to a company being a small company from a financial year means that the company is a small company for that financial year

and every subsequent financial year until it ceases to be a small company under paragraph 5;

(*b*) a reference to a group being a small group from a financial year means that the group is a small group for that financial year and every subsequent financial year until it ceases to be a small group under paragraph 10.

14. For the avoidance of doubt —

(*a*) a company that has ceased to be a small company under paragraph 5 may become a small company again if it subsequently qualifies as a small company under paragraph 2; and

(*b*) a group that has ceased to be a small group under paragraph 10 may become a small group again if it subsequently qualifies as a small group under paragraph 7.".

Miscellaneous amendments

185. The provisions of the Companies Act specified in the first column of the First Schedule are amended in the manner set out in the second column of that Schedule.

Savings and transitional provisions

186.—(1) Any person who was a prescribed person for the purposes of sections 19(2)(*a*), 22(2), 30(4)(*c*)(ii), 61(1)(*b*)(iii)(B) and (2)(*c*)(ii), 146(1A)(*a*) and (*b*) and 171(1B) in force immediately before the date of commencement of section 3 of the Companies (Amendment) Act 2014 (referred to in this section as the appointed day) may, on and after that day but before such date as the Minister may, by notification in the *Gazette*, prescribe, continue to do such acts which were permitted or required to be done by him under any of those provisions in force immediately before the appointed day.

(2) 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.

Related amendments to Securities and Futures Act

187. The Securities and Futures Act (Cap. 289, 2006 Ed.) is amended by inserting, immediately after section 81SE, the following Part:

"PART IIIAA

CENTRAL DEPOSITORY SYSTEM

Interpretation of this Part

81SF. In this Part, unless the context otherwise requires —

"account holder" means a person who has an account directly with the Depository and not through a depository agent;

"bare trustee" means a trustee who has no beneficial interest in the subject-matter of the trust;

"book-entry securities", in relation to the Depository, means securities —

(*a*) the documents evidencing title to which are deposited by a depositor with the Depository and are registered in the name of the Depository or its nominee; and

(*b*) which are transferable by way of book-entry in the Depository Register and not by way of an instrument of transfer;

"Central Depository System" means the Central Depository System referred to in section 81SH(1);

"constitution" means —

(*a*) the constitution;

(*b*) the memorandum of association, the articles of association, or both; or

(*c*) any other constitutive document,

of a corporation;

"Court" means the High Court or a judge thereof;

"debenture" has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

"depositor" means an account holder or a depository agent but does not include a sub-account holder;

"Depository" means The Central Depository (Pte) Limited or any other corporation approved by the Authority as a depository company or corporation for the purposes of this Act, which operates the Central Depository System for the holding and transfer of book-entry securities;

"depository agent" means a member of the SGX-ST, a trust company (licensed under the Trust Companies Act (Cap. 336)), a bank licensed under the Banking Act (Cap. 19), any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186)) or any other person or body approved by the Depository who or which —

(*a*) performs services as a depository agent for sub-account holders in accordance with the terms of a depository agent agreement entered into between the Depository and the depository agent;

(*b*) deposits book-entry securities with the Depository on behalf of the sub-account holders; and

(*c*) establishes an account in its name with the Depository;

"Depository Register" means a register maintained by the Depository in respect of book-entry securities;

"depository rules" means the rules made by the Depository in relation to the operation of the Central Depository System and includes the Central Depository Rules and Procedures made by the Depository pursuant to its constitution (as the same may be amended from time to time) and any rule made by the Depository with regard to payment of fees to the Depository;

"derivative instruments", in relation to debentures, stocks and shares, includes warrants, transferable subscription rights, options to subscribe for stocks or shares, convertibles, depository receipts and such other instruments as the Authority may prescribe by regulations for the purposes of the definition;

"documents evidencing title" means —

(*a*) in the case of stocks, shares, debentures or any derivative instruments related thereto of a company or debentures or any derivative instruments related thereto of the Government — the stock certificates, share certificates, debenture certificates or certificates representing the derivative instrument, as the case may be; and

(*b*) in the case of stocks, shares, debentures or any derivative instruments related thereto of a foreign company or debentures or any derivative instruments related thereto of a foreign government or of an international body, or any other securities — such documents or other evidence of title thereto, as the Depository may require;

"instrument" includes a deed or any other instrument in writing;

"international body" means the Asian Development Bank, the International Bank for Reconstruction and Development, the International Monetary Fund, the European Bank for Reconstruction and Development and such other international bodies as the Authority may prescribe by regulations;

"securities" has the same meaning as in section 2(1), but includes derivative instruments;

"SGX-ST" means the Singapore Exchange Securities Trading Limited;

"sub-account holder" means a holder of an account maintained with a depository agent.

Application of this Part

81SG.—(1) This Part shall apply only to —

(*a*) book-entry securities; and

(*b*) designated securities, as if a reference to book-entry securities includes a reference to designated securities.

(2) The application of this Part to designated securities under subsection (1)(*b*) shall be subject to such modifications as the Authority may prescribe by regulations, and different modifications may be prescribed for different classes of designated securities.

(3) In this section, "designated securities" means such securities as may be accepted or designated by the Depository or its nominee for deposit, custody, clearing or book-entry settlement.

Central Depository System

81SH.—(1) The Central Depository System established by the repealed section 130C of the Companies Act (Cap. 50) on 12 November 1993 shall continue on or after the date of commencement of section 187 of the Companies (Amendment) Act 2014 as if it had been established under this section.

(2) The following shall be carried out using the computerised Central Depository System in accordance with the depository rules:

(*a*) the deposit of documents evidencing title in respect of securities (with where applicable, in the case of shares or registered debentures, proper instruments of transfer duly executed) with the Depository and registration of such documents in the name of the Depository or its nominee;

(*b*) maintenance of accounts by the Depository in the names of the depositors so as to reflect the title of the depositors to the book-entry securities; and

(*c*) effecting transfers of the book-entry securities electronically, and not by any other means, by the Depository and making an appropriate entry in the Depository Register of the book-entry securities that have been transferred.

Depository or nominee deemed to be bare trustee

81SI.—(1) The Depository or its nominee shall be deemed to hold the book-entry securities deposited with it as a bare trustee for the collective benefit of depositors.

(2) Subject to subsections (3) and (4), a depositor shall not have any right to specific book-entry securities deposited with the Depository or its nominee but shall be entitled to a pro rata share computed on the basis of the book-entry securities credited to one or more accounts in the name of the depositor.

(3) A depository agent shall be deemed to hold book-entry securities deposited in its name with the Depository or its nominee, on behalf of any sub-account holder, as a bare trustee.

(4) A sub-account holder shall not have any right to specific book-entry securities deposited with the Depository or its nominee but shall be entitled to a pro rata share computed on the basis of the book-entry securities credited to one or more accounts maintained by the sub-account holder with a depository agent.

Depository not member of company and depositors deemed to be members

81SJ.—(1) Notwithstanding anything in the Companies Act (Cap. 50) or any other written law or rule of law or in any instrument or in the constitution of a corporation, where book-entry securities of the corporation are deposited with the Depository or its nominee —

(*a*) the Depository or its nominee (as the case may be) shall be deemed not to be a member of the corporation; and

(*b*) the persons named as the depositors in a Depository Register shall, for such period as the book-entry securities are entered against their names in the Depository Register, be deemed to be —

(i) members of the corporation in respect of the amount of book-entry securities (relating to the stocks or shares issued by the corporation) entered against their respective names in the Depository Register; or

(ii) holders of the amount of the book-entry securities (relating to the debentures or any derivative instrument) entered against their respective names in the Depository Register.

(2) Notwithstanding anything in the Companies Act or any other written law or rule of law or in any instrument or in the constitution of a corporation, where book-entry securities relating to units in any collective investment scheme (whether or not constituted as a corporation) are deposited with the Depository or its nominee —

(*a*) the Depository or its nominee (as the case may be) shall be deemed not to be a holder of the book-entry securities; and

(*b*) the persons named as the depositors in a Depository Register shall, for such period as the book-entry securities are entered against their names in the Depository Register, be deemed to be holders of the amount of the book-entry securities entered against their respective names in the Depository Register.

(3) Nothing in this Part shall be construed as affecting —

(*a*) the obligation of a public company to keep —

(i) a register of its members under section 190 of the Companies Act and allow inspection of the

register under section 192 of the Companies Act; and

(ii) a register of holders of debentures issued by the company under section 93 of the Companies Act and allow inspection of the register under that section,

except that the company shall not be obliged to enter in such registers the names and particulars of persons who are deemed members or holders of debentures under subsection (1)(*b*);

(*b*) the right of a depositor to withdraw his documents evidencing title in respect of securities from the Depository at any time in accordance with the rules of the Depository and to register them in his or any other name; or

(*c*) the enjoyment of any right, power or privilege conferred by, or the imposition of any liability, duty or obligation under the Companies Act, any rule of law or under any instrument or under the constitution of a corporation upon a depositor, as a member of a corporation or as a holder of debentures or any derivative instruments except to the extent provided for in this Part or prescribed by regulations made thereunder.

(4) Notwithstanding any provision in the Companies Act, a depositor shall not be regarded as a member of a company entitled to attend any general meeting of the company and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the general meeting.

(5) The payment by a corporation to the Depository of any dividend payable to a depositor shall, to the extent of the payment made, discharge the corporation from any liability in respect of that payment.

Depository to certify names of depositors to corporation upon request

81SK. The Depository shall certify the names of persons on the Depository Register to a corporation in accordance with the rules of the Depository upon a written request being made to it by the corporation.

Maintenance of accounts

81SL. The Depository shall maintain accounts of book-entry securities on behalf of depositors in accordance with the rules of the Depository.

Transfers effected by Depository under book-entry clearing system

81SM.—(1) Subject to this Part, a transfer of book-entry securities between depositors shall be effected, notwithstanding anything in the Companies Act (Cap. 50) or any other written law or rule of law or in any instrument or in a corporation's constitution to the contrary, by the Depository making an appropriate entry in its Depository Register.

(2) A transfer of securities by the Depository by way of book-entry to a depositor under this Part shall be valid and shall not be challenged in any Court on the ground that the transfer is not accompanied by a proper instrument of transfer or that otherwise the transfer is not made in writing.

Depository to be discharged from liability if acting on instructions

81SN.—(1) Subject to the regulations, the Depository, if acting in good faith and without negligence, shall not be liable for conversion or for any breach of trust or duty where the Depository has, in respect of book-entries in accounts maintained by it, made entries regarding the book-entry securities, or transferred or delivered the book-entry securities, according to the instructions of a depositor notwithstanding that the depositor had no right to dispose of or take any other action in respect of the book-entry securities.

(2) The Depository or a depository agent, if acting in good faith and without negligence, shall be fully discharged of its obligations to the account holder or sub-account holder by the transfer or delivery of book-entry securities upon the instructions of the account holder or sub-account holder, as the case may be.

(3) The Depository, if acting in good faith and without negligence, shall be fully discharged of its obligations to a depository agent by the transfer or delivery of book-entry securities upon the instructions of the depository agent.

(4) For the purposes of this section, the Depository or a depository agent is not to be treated as having been negligent by reason only of its failure to concern itself with whether or not the depositor or sub-account holder, as the case may be, has a right to dispose of or take any other action in respect of the book-entry securities or to issue the instructions.

Confirmation of transaction

81SO. The Depository shall, in accordance with the depository rules, issue to each account holder and to each sub-account holder through his depository agent, following upon any transaction affecting book-entry securities maintained for such account holder by the Depository and maintained for such sub-account holder by his depository agent under this Part, a confirmation note which shall specify the amount and description of the book-entry securities and any other relevant transaction information.

No rectification of Depository Register

81SP.—(1) Notwithstanding anything in the Companies Act (Cap. 50) or any written law or rule of law, no order shall be made by the Court for rectification of the Depository Register; subject to that where the Court is satisfied that —

(*a*) a depositor did not consent to a transfer of the book-entry securities; or

(*b*) a depositor should not have been registered in the Depository Register as having title to the book-entry securities,

the Court may award damages to the first-mentioned depositor or to any person who would have been entitled to be registered in the Depository Register as having title to the book-entry securities, as the case may be, on such terms as the Court thinks to be equitable or make such other order as the Court thinks fit including an order for the transfer of book-entry securities to such depositor or person.

(2) Where provisions exist in the constitution of a corporation that entitle a corporation to refuse registration of a transfer of book-entry securities, the corporation may in relation to any transfer to which it objects, notify the Depository in writing of its refusal before the transfer takes place and furnish the Depository with the facts upon which such refusal is considered to be justified.

(3) Where the Depository has had prior notice of the corporation's refusal under subsection (2) (but not otherwise), the Depository shall refuse to effect the transfer and to enter the name of the transferee in the Depository Register and thereupon convey the facts upon which such refusal is considered to be justified to the transferee.

(4) Section 130AB of the Companies Act shall not apply to any refusal to register a transfer under subsections (2) and (3).

Trustee, executor or administrator of deceased depositor named as depositor

81SQ.—(1) Any trustee, executor or administrator of the estate of a deceased depositor whose name was entered in the Depository Register as owner or as having an interest in book-entry securities may open an account with the Depository and have his name entered in the Depository Register so as to reflect the interest of the trustee, executor or administrator in the book-entry securities.

(2) Subject to this section, no notice of any trust expressed, implied or constructive shall be entered in the Depository Register and no liabilities shall be affected by anything done in pursuance of subsection (1) or pursuant to the law of any other place which corresponds to this section and the Depository and the issuer of the book-entry securities shall not be affected with notice of any trust by anything so done.

Non-application of certain provisions in bankruptcy and company liquidation law

81SR. Where by virtue of the provisions of any written law in relation to bankruptcy or company liquidation it is provided that —

(*a*) any disposition of the property of a company after commencement of a winding up shall be void, unless the Court orders otherwise; or

(*b*) any disposition of the property of a person who is adjudged bankruptcy after the making of an application for a bankruptcy order and before vesting of the bankrupt's estate in a trustee shall be void unless done with the consent or ratification of the Court,

those provisions shall not apply to any disposition of book-entry securities; but where a Court is satisfied that a party to the disposition, being a party other than the Depository, had notice that an application has been made for the winding up or bankruptcy of the other party to the disposition, it may award damages against that party on such terms as it thinks equitable or make such other order as the Court thinks fit, including an order for the transfer of book-entry securities by that party but not an order for the rectification of the Depository Register.

Security interest

81SS.—(1) Except as provided in this section or any other written law or any regulations made under section 81SU, no security interest may be created in book-entry securities.

(2) A security interest in book-entry securities to secure the payment of a debt or liability may be created in favour of any depositor in the following manner:

(*a*) by way of assignment, by an instrument of assignment in the prescribed form executed by the assignor; or

(*b*) by way of charge, by an instrument of charge in the prescribed form executed by the chargor,

if no security interest in any book-entry securities subsequent to any assignment or charge thereof may be created by the assignor or the chargor, as the case may be, in favour of any other person and any such assignment or charge shall be void.

(3) Upon receipt of the instrument of assignment, the Depository shall immediately, by way of an off-market transaction, transfer the book-entry securities to the assignee and thereafter notify the assignor and the assignee of the transfer in the prescribed manner.

(4) Upon receipt of the instrument of charge, the Depository shall immediately register the instrument in a register of charges maintained by the Depository and thereafter notify the chargor and the chargee in the prescribed manner.

(5) The register of charges shall not be open to inspection to any person other than the chargor or the chargee or their authorised representatives and except for the purpose of the performance of its duties or the exercise of its functions or when required to do so by any court or under the provisions of any written law, the Depository shall not disclose to any unauthorised person any information contained in the register of charges.

(6) An assignment or a charge made in accordance with the provisions of this section, but not otherwise, shall have effect upon the Depository transferring the book-entry securities or endorsing the charge in the register of charges except that the instrument of assignment or charge shall not have any effect if on the date of receipt of such instrument, the number of book-entry securities in the account of the assignor or chargor is less than the number of book-entry securities specified in such instrument.

(7) The provisions of section 81SJ(1), (2) and (3) shall apply to an assignment of book-entry securities made under this section.

(8) An assignee or a registered chargee of book-entry securities shall have the following powers:

(*a*) a power, when the loan or liability has become due and payable, to sell the book-entry securities or any part thereof and in the case of a chargee he shall have the power to sell the book-entry securities or any part thereof in the name of and for and on behalf of the chargor; and

(*b*) any other power which may be granted to him in writing by the assignor or chargor in relation to the book-entry securities provided that the Depository shall not be concerned with or affected by the exercise of any such power.

(9) Nothing in subsection (8) shall be construed as imposing on the Depository a duty to ascertain whether the power of sale has become exercisable or has been lawfully exercised by the assignee or chargee.

(10) No book-entry securities assigned by way of security or charged in accordance with the provisions of this section may be —

(*a*) transferred by way of an off-market transaction to the assignor save upon the production of a duly executed re-assignment in the prescribed form; or

(*b*) transferred by the chargor, by way of sale or otherwise, save upon the production of a duly executed discharge or charge in the prescribed form.

(11) Upon the sale by the assignee or the chargee in exercise of his power of sale of any book-entry securities assigned or charged in accordance with the provisions of this section, the assignee or the chargee shall immediately notify the Depository of the sale and the particulars of the book-entry securities sold by him, and the Depository shall —

(*a*) in the case of the sale by the assignee, notify the assignor of the sale; and

(*b*) in the case of the sale by the chargee, effect a transfer of the book-entry securities to the buyer in accordance with section 81SM and notify the chargor of the transfer,

and the provisions of sections 81SO, 81SP and 81SR shall apply, with the necessary modifications, to a transfer effected pursuant to this section.

(12) Upon fulfilling his obligations under an assignment by way of security or a charge, the assignor or the chargor shall be entitled to obtain from the assignee or chargee a re-assignment or a discharge of charge, as the case may be, of the whole or part of the book-entry securities.

(13) A re-assignment or discharge of charge shall be effected by the Depository by transferring the book-entry securities to the assignor or cancelling the endorsement of charge in the register of charges and in the account of the chargor, as the case may be.

(14) Book-entry securities may be assigned by way of security by an assignee or charged in the prescribed form by a chargee to secure the payment of any debt or liability of the assignee or the chargee, as the case may be, in accordance with the provisions of this section provided that no book-entry security may be charged by a chargee subsequent to any sub-charge.

(15) All acts, powers and rights which might previously have been done or exercised by the chargee thereunder in relation to the book-entry securities may thereafter be done or exercised by the sub-chargee, and, except with the consent of the sub-chargee, shall not be done or exercised by the chargee thereunder during the currency of the sub-charge.

(16) Upon the sale by the sub-chargee in exercise of his power of sale of any book-entry securities in accordance with the provisions of this section, the provisions of subsection (11), in respect of a sale by a chargee, shall apply with the necessary modifications to the sale by the sub-chargee.

(17) Nothing in subsection (14) shall affect the rights or liabilities of the original assignor or chargor of the book-entry securities under subsections (12) and (13) and he shall be entitled to a re-assignment or discharge of charge from the assignee or chargee free from all subsequent security interests created without his consent upon satisfying his indebtedness or liability to the assignee or the chargee.

(18) The provisions of section 81SN shall apply to relieve the Depository and its servants or agents of any liability in respect of any act done or omission made under this section as if references to depositor include references to assignee, chargee or sub-chargee, as the case may be.

(19) Nothing in this section shall affect the validity and operation of floating charges on book-entry securities created under the common law before or after 12 November 1993, but that the Depository shall not be required to recognise, even when having notice thereof, any equitable interest in any book-entry securities under a floating charge except the power of the chargee, upon the crystallisation of the floating charge, to sell the book-entry securities in the name of the chargor in accordance with the provisions of this section.

(20) Nothing in subsection (19) shall be construed as imposing on the Depository a duty to ascertain whether the power of sale pursuant to a floating charge has become exercisable or has been lawfully exercised.

(21) A member of SGX-ST shall have a lien over the unpaid book-entry securities purchased for the account of its customer which shall be enforceable by sale in accordance with and subject to the provisions of this section as if the same had been charged to him under this section except that the member shall not be obliged to notify the Depository of the sale or the particulars of the book-entry securities sold by him.

(22) Any security interest on book-entry securities created before 12 November 1993 and subsisting or in force on that date shall continue to have effect as if the Companies (Amendment) Act 1993 (Act 22 of 1993) had not been enacted.

(23) In this section, "off-market transaction" means a transaction effected outside the SGX-ST.

Depository rules to be regarded as rules of securities exchange that are subject to this Act

81ST.—(1) Depository rules in relation to the operation of the Central Depository System, including any amendments made thereto from time to time, shall be regarded as having the same force and effect as if made by a securities exchange and shall likewise be subject to the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), sections 23 and 25 shall apply to the depository rules under subsection (1) as they apply to rules made by a securities exchange.

Power of Authority to make regulations

81SU.—(1) Without prejudice to section 341, the Authority may make regulations for the purposes of this Part, including regulations relating to —

(*a*) rights and obligations of persons in relation to securities dealt with under the Central Depository System;

(*b*) procedures for the deposit and custody of securities and the transfer of title to book-entry securities and the regulation of persons concerned in that operation;

(*c*) matters relating to security interest in book-entry securities;

(*d*) keeping of depositors' accounts by the Depository and sub-accounts by the depository agents;

(*e*) keeping of the Depository Register and of records generally;

(*f*) safeguards for depositors including the maintenance of insurance and the establishment and maintenance of compensation funds by the Depository for the purpose of settling claims by depositors;

(*g*) matters relating to linkages between the Depository and other securities depositories (by whatever name called) established and maintained outside Singapore;

(*h*) any requirement for fees charged by the Depository to be approved by the Authority;

(*i*) the modification or exclusion of any provision of any written law, rule of law, any instrument or constitution;

(*j*) the application, with such modifications as may be required, of the provisions of any written law, instrument or constitution; and

(*k*) such supplementary, incidental, saving or transitional provisions as may be necessary or expedient.

(2) Regulations made under this section may provide —

(*a*) that the Authority may require the Depository to furnish it with such information or documents as the Authority considers necessary for such approval; and

(*b*) that any contravention of any specified provision in the regulations shall be an offence punishable with a fine not exceeding $150,000 and, in the case of a continuing offence, with a further fine not exceeding 10% of the maximum fine prescribed for that offence for every day or part thereof during which the offence continues after conviction.

Power of Authority to issue written directions

81SV.—(1) The Authority may, if it thinks it necessary or expedient in the public interest or for the protection of investors, issue written directions, either of a general or specific nature, to the Depository or the depository agent, to comply with such requirements as the Authority may specify in the written direction.

(2) Without prejudice to the generality of subsection (1), any written direction may be issued with respect to the discharge of the duties or functions of the Depository or depository agent.

(3) The Depository and the depository agent shall comply with any direction made under subsection (1).

(4) Before giving directions under subsection (1), the Authority may consult the Depository or the depository agent and afford it an opportunity to make representations.

(5) It shall not be necessary to publish any direction given under subsection (1) in the *Gazette*.".

Consequential amendments to other written laws

188. The provisions of the Acts specified in the first column of the Second Schedule are amended in the manner set out in the second column of that Schedule.

FIRST SCHEDULE

Section 185

MISCELLANEOUS AMENDMENTS

First column	*Second column*
1. Section 12(4)	Delete the words "under the hand and seal of" and substitute the words "issued by".
2. Sections 14(1), 18(1), 24(2), 25A, 26A(1)(*a*) and (*b*), (3) and (4), 31(2), 32(2)(*a*) and (*c*) and (8), 38(1), 39(2) and (3), 40(2), 72, 74(7), 75(1) and section heading, 78A(3), 145(4) and (5), 152(1), 160(1), 161(1), 179(6), 216(4), 227G(8) and (9), 254(1)(*h*), 387A(1), (4) and (6) and 387B(3)	Delete the words "memorandum or articles" wherever they appear and substitute in each case the word "constitution".

FIRST SCHEDULE — *continued*

First column	*Second column*
3. Sections 17(1), 19(4) and (5), 20(1) and (2), 22(1A) to (4) and section heading, 23(1A), 26(1A), (1B), (3) and (6) and section heading, 30(4)(*a*)(ii), 33(1) and (11) and section heading, 34(1) and (2)(*b*) and section heading, 146(2), 205B(3)(*a*), 215B(1)(*e*), 215C(1)(*a*) and (*b*), 215D(2)(*b*), 215E(1)(*c*) and 344(6)	Delete the word "memorandum" wherever it appears and substitute in each case the word "constitution".
4. Section 17(7)	Delete the words "memorandum and articles of association" and substitute the word "constitution".
5. Sections 17(7), 19(1)(*a*) and (3), 26A (section heading), 38 (section heading), 39 (section heading), 40 (section heading), 62B(6) and 184B(1)(*c*)	Delete the words "memorandum and articles" and substitute in each case the word "constitution".
6. Sections 17(9), 19(7) and 215F(4)	Delete the words "under his hand and seal".
7. Sections 19(2)(*a*), 22(2), 30(4)(*c*)(ii), 61(1)(*b*)(iii)(B) and (2)(*c*)(ii), 146(1A)(*b*) and 171(1B)	Delete the words "prescribed person" wherever they appear and substitute in each case the words "registered qualified individual".
8. Sections 19(2)(*b*), 41(7), 65(1), 70(1), 74(6), 76B(1), 76D(6)(*b*), 78(*a*), 93(4), 96(1)(*a*), 121, 124, 147(1) and (2), 150(5)(*a*), 152(8), 174(7) and (8), 177(1) and (2), 182, 183(6), 184(4)(*a*) and (*b*), (5) and (6), 185, 201B(5)(*b*), 215E(2)(*b*), 250(3)(*c*), 292(1), 294(5), 325(3) and 387B(5)	Delete the word "articles" wherever it appears and substitute in each case the word "constitution".

FIRST SCHEDULE — *continued*

First column	*Second column*
9. Section 19(2)(ii)	Delete the words "memorandum, and of the persons named in the memorandum or articles" and substitute the words "constitution, and of the persons named in the constitution".
10. Sections 23(1) and (1B) and 227G(2)	Delete the words "memorandum or articles of association" and substitute in each case the word "constitution".
11. Section 25A(*a*) and (*b*)	Delete the words "memorandum, articles" and substitute in each case the word "constitution".
12. Sections 28(5), 30(3A), 31(5), 61(7), 134(3) and 371(2)	Delete the words ", under his hand and seal,".
13. Section 34(1)	Delete the words "be special resolution" and substitute the words "by special resolution".
14. Section 34(2)	Delete the words "memorandum of a company contains a provision to the effect that its memorandum or articles of association" and substitute the words "constitution of a company contains a provision to the effect that its constitution".
15. Section 38(2)	Delete the words "memorandum of a company limited by guarantee and of this section, every provision in the memorandum or articles" and substitute the words "constitution of a company limited by guarantee and of this section, every provision in the constitution".
16. Section 40(1)	Delete the words "memorandum and of the articles" and substitute the word "constitution".

FIRST SCHEDULE — *continued*

First column	*Second column*
17. Section 40(2)(*b*)	Delete the words "or articles affected" and substitute the word "affected".
18. Sections 76F(3), 151, 254(4)(*a*) and 403(2)	Delete the word "manager" and substitute in each case the words "chief executive officer".
19. Section 143(1)	Delete the words "memorandum and its articles, if any" and substitute the word "constitution".
20. Section 146(1)(*b*) and (ii) and 174(3)(*d*)	Delete the word "managers" and substitute in each case the words "chief executive officers".
21. Section 146(3)(*c*)	Delete the word "articles" and substitute the words "a constitution".
22. Section 157A(2)	Delete the words "memorandum and articles of the company require" and substitute the words "constitution of the company requires".
23. Section 184A(3)(*b*) and (4)(*b*)	Delete the words "memorandum or articles of the company require" and substitute in each case the words "constitution of the company requires".
24. Sections 184B(1), 184C(1), 184D(1), 184E(1) and 184F(1)	Insert, immediately after the words "private company", the words "or an unlisted public company".
25. Section 184B(1)(*b*)	Delete the words "memorandum and articles of the company do not" and substitute the words "constitution of the company does not".
26. Section 186(2)	Delete the words "articles have" and substitute the words "the constitution of a company has".
27. Section 194(1)	Delete the word "company" where it first appears and substitute the words "public company".

FIRST SCHEDULE — *continued*

First column	*Second column*
28. Section 194(2)(*a*)	Delete the word "company" and substitute the words "public company".
29. Section 290(1)(*a*)	Delete the words "memorandum or articles expires or the event, if any, happens, on the occurrence of which the memorandum or articles provide" and substitute the words "constitution expires or the event, if any, happens, on the occurrence of which the constitution provides".
30. Section 300	Delete the words "the articles otherwise provide" and substitute the words "the constitution otherwise provides".
31. Section 351(2)(*a*) and (*b*)	Delete the words ", manager or principal officer of the company" and substitute in each case the words "or chief executive officer".
32. Sections 370(2) and (3), 376(*b*), 377(2)(*a*), 379(3) and 386	Delete the word "agent" wherever it appears and substitute in each case the words "authorised representative".
33. Section 370 (section heading)	Delete the word "agents" and substitute the words "authorised representatives".
34. Section 398	Delete the words "under the hand and seal" where they appear the second time.
35. Section 403(3)	Delete the words "from the manager" and substitute the words "chief executive officer".

SECOND SCHEDULE

Section 188

CONSEQUENTIAL AMENDMENTS TO OTHER WRITTEN LAWS

First column	*Second column*
1. Architects Act (Chapter 12, 2000 Ed.)	
Section 23	(*a*) Delete the words ", 197 of and the Eighth Schedule to" in subsection (1) and substitute the words "and 197 of". (*b*) Delete the words "and that Schedule" in subsection (1). (*c*) Delete paragraph (*a*) of subsection (2) and substitute the following paragraph: "(*a*) comply with the prohibitions in sections 162 and 163 of the Companies Act as if it were not an exempt private company; and".
2. Land Surveyors Act (Chapter 156, 2012 Ed.)	
Section 20	(*a*) Delete the words "and the Eighth Schedule to" in subsection (1). (*b*) Delete the words "and that Schedule" in subsection (1).

SECOND SCHEDULE — *continued*

First column	*Second column*
	(*c*) Delete paragraph (*a*) of subsection (2) and substitute the following paragraph: "(*a*) comply with the prohibitions in sections 162 and 163 of the Companies Act as if it were not an exempt private company; and".
3. Professional Engineers Act (Chapter 253, 1992 Ed.) Section 23(1)	(*a*) Delete the words ", 197 of and the Eighth Schedule to" and substitute the words "and 197 of". (*b*) Delete the words "and that Schedule". (*c*) Delete paragraph (*a*) and substitute the following paragraph: "(*a*) comply with the prohibitions in sections 162 and 163 of the Companies Act as if it were not an exempt private company; and".
4. Trustees Act (Chapter 337, 2005 Ed.) Section 27(8)	Delete the words "section 130A of the Companies Act (Cap. 50)" and substitute the words "section 81SF of the Securities and Futures Act (Cap. 289)".

EXPLANATORY STATEMENT

This Bill seeks to amend the Companies Act (Cap. 50) to implement —

(*a*) the recommendations of the Steering Committee for the Review of the Companies Act (principally set out in the Ministry of Finance's Responses to the Report of the Steering Committee for Review of the Companies Act dated 3 October 2012);

(*b*) changes to the regulatory framework for foreign companies in Singapore (principally set out in the Ministry of Finance's press release dated 23 October 2013); and

(*c*) measures to simplify filing and regulatory processes and to enhance the enforcement powers of the Registrar of Companies (the Registrar).

The objectives of the amendments are to reduce the regulatory burden and compliance costs, provide greater flexibility for companies and improve corporate governance.

The Bill also makes consequential and related amendments to certain other written laws.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 3(3) as a consequence of the repeal of the Fourth Schedule.

Clause 3 amends section 4 —

(*a*) to insert new definitions and to make consequential amendments to other definitions. In particular —

(i) the definition of "constitution" is inserted and the definitions of "articles" and "memorandum" are deleted to give effect to Recommendation 5.6 of the Report of the Steering Committee for Review of the Companies Act (RSC);

(ii) the definition of "equity share" is deleted to give effect to Recommendation 3.3 of the RSC; and

(iii) the definition of "preference share" is deleted to give effect to Recommendation 3.1 of the RSC;

(*b*) to clarify that, for the purposes of the Act, the fact that the directors or a majority of directors of a company act on a person's advice given in a professional capacity does not in itself make that person a person in accordance with whom the directors or majority of directors are accustomed to act;

(*c*) to allow the Minister to designate a Minister of State in the Ministry to hear appeals under certain provisions of the Act in place of the Minister; and

(*d*) to provide that references in written law and elsewhere to the memorandum of association or the articles of association of a company are deemed to refer to the constitution of the company.

Clause 4 amends section 5 —

(*a*) to amend the criteria for a company to be a subsidiary (by deleting sub-paragraph (iii) of subsection (1)(*a*), which deems a company S to be a subsidiary of another company H if company H holds more than half of the issued share capital of company S). This amendment gives effect to modified Recommendation 3.6 of the RSC; and

(*b*) to make a consequential amendment to subsection (5) pursuant to the repeal of Division 7A of Part IV.

Clause 5 amends section 7 —

(*a*) to insert new subsections (1A) and (1B) to deem a person who has authority to dispose of, or to exercise control over the disposal of, shares as having an interest in those shares. This amendment gives effect to modified Recommendation 3.10 of the RSC;

(*b*) to replace subsection (2) to make a technical amendment;

(*c*) to substitute the reference to "voting shares" in subsection (4A) with "voting power". This is to address an anomaly whereby partners in a limited partnership which holds shares in a company are currently not deemed to have an interest in the shares of the company as there are no voting shares in a limited partnership;

(*d*) to replace subsection (5) to narrow the situations under which a person is deemed to be an associate of another person. This provision defines a person (*A*) to be an associate of another person (*B*) if *A* is a subsidiary of *B* or *B* is able to control the decisions of *A*. This is consistent with the manner in which corporate control is exercised;

(*e*) to insert a new subsection (6A) which treats a book-entry security as if it were an interest in a share. This is based on regulation 24 of the Companies (Central Depository System) Regulations (Rg 2) (which Regulations will be repealed). This amendment gives effect to modified Recommendation 3.16 of the RSC; and

(*f*) to make technical amendments to subsections (1) and (9)(*b*), (*c*) and (*ca*).

Clause 6 amends section 7A —

(*a*) to make technical amendments to subsection (1);

(*b*) to amend subsection (2) so that the solvency statement referred to in subsection (1) no longer needs to be in the form of a statutory declaration. A declaration in writing will suffice. This amendment gives effect to Recommendation 3.20 of the RSC; and

(*c*) to make consequential amendments to subsection (4)(*a*)(i) arising from the repeal and re-enactment of section 201.

Clause 7 amends section 8 —

(*a*) to delete subsections (5), (6) and (6A). Subsections (5) and (6) are redundant as fees will be prescribed with the amendments to section 411 (see clause 179). Subsection (6A) is redundant as it is covered by section 13 of the Accounting and Corporate Regulatory Authority Act (Cap. 2A); and

(*b*) to replace subsection (7) (relating to amendment of the Eighth Schedule which is repealed by clause 183) to empower the Minister to amend the new Twelfth Schedule (Contents of Directors' Statement) and new Thirteenth Schedule (Criteria for small company and small group) by notification in the *Gazette*.

Clause 8 amends section 9 —

(*a*) to delete the reference to the Second Schedule which is repealed by clause 180; and

(*b*) to empower the Minister to delegate his power not only to approve a person under subsection (2), but also to revoke any approval granted under subsection (3), to any person charged with the responsibility for the registration or control of public accountants.

Clause 9 repeals and re-enacts section 10 to remove the provisions relating to auditor independence. In accordance with Recommendation 4.26 of the RSC, the provisions relating to auditor independence will be consolidated under the Accountants Act (Cap. 2).

Clause 10 amends section 12 —

(*a*) to replace subsection (2) to enable any person to, upon payment of a prescribed fee, inspect any register or require a copy of or an extract from, any register of directors, chief executive officers, secretaries or auditors kept by the Registrar under section 173(1), or the register of members of any private company kept by the Registrar under section 196A. This amendment gives effect to modified Recommendation 5.5 of the RSC;

(*b*) to insert a new subsection (2AA) to clarify that a company may only be issued a certificate of confirmation of incorporation in accordance with section 17(9) or 19(7);

(*c*) to amend subsections (2A) and (2B) to enable any person to, upon the payment of a prescribed fee, inspect any register or require a copy of or an extract from, the register of directors, chief executive officers, secretaries or auditors kept by the Registrar under section 173(1) of an exempt private company specified in subsections (2A) and (2B). This amendment gives effect to modified Recommendation 5.5 of the RSC;

(*d*) to insert new subsections (2C) and (2D):

(i) the new subsection (2C) enables any director, chief executive officer, secretary, auditor or member of any company to, without payment of any charge, inspect or obtain a copy of or an extract from, the register of directors, chief executive officers, secretaries or auditors kept by the Registrar under section 173(1) of the company. This amendment gives effect to modified Recommendation 5.5 of the RSC; and

(ii) the new subsection (2D) enables any director, chief executive officer, secretary, auditor or member of a private company to, without payment of any charge, inspect or obtain a copy of or an extract from the register of members kept by the Registrar under section 196A, of the company. This amendment gives effect to modified Recommendation 5.1 of the RSC;

(*e*) to replace subsection (3) to provide for the admissibility of a copy of or extract from certain documents filed or lodged with the Registrar using non-electronic means and certified by the Registrar as a true copy or extract (as the admissibility of electronically filed documents is covered by Part VIA of the Accounting and Corporate Regulatory Authority Act);

(*f*) to delete subsection (6) and its subsection heading as it is now covered under the new section 409C (Appeal) (see clause 177) and insert a new subsection (6) to update existing subsection (7), which deals with the Registrar's power to destroy or transfer any document lodged, filed or registered with the Registrar under certain circumstances; and

(*g*) to delete subsection (7) and its subsection heading as it is now covered by new subsection (6) and to insert a new subsection (7) to provide a definition of "non-electronic medium" for the purpose of new subsection (3).

Clause 11 repeals and re-enacts section 12A, which empowers the Registrar to require or permit any person to carry out any transaction or to issue any approval, certificate, notice, determination or other document pursuant or connected to such transaction using the electronic transaction system established under Part VIA of the Accounting and Corporate Regulatory Authority Act.

Clause 12 amends section 12B —

(*a*) to delete subsections (3) and (4) which are now covered by new section 12C (to be inserted by clause 13); and

(*b*) to amend the section heading to better reflect the contents of the section.

Clause 13 inserts new sections 12C and 12D.

The new section 12C sets out the circumstances in which a register under the Act may be rectified by the Registrar on a company's application and the procedure for such rectification.

The new section 12D sets out the circumstances in which the Registrar may rectify or update a register on the Registrar's own initiative, and the procedure to be followed, and the circumstances in which the Registrar may request a company or its officers to take steps to rectify particulars or documents in the register.

Clause 14 amends section 13(1) to widen the circumstances of default by a corporation or person for which an application may be made to court for an order directing the corporation and any of its officers or such person to make good the default within the time specified in the order. The new circumstance relates to any request of the Registrar to rectify any error or defect in any particulars or document in the register.

Clause 15 repeals sections 16 (Instant Information System — exclusion of liability for errors or omissions) and 16A (Supply of magnetic tapes — exclusion of liability for errors or omissions) which are obsolete.

Clause 16 amends section 18 to replace subsections (2), (3) and (4) to substitute references to "memorandum nor articles", "memorandum or articles", "articles" and "memorandum and articles" with the word "constitution", to give effect to Recommendation 5.6 of the RSC.

Clause 17 amends section 19 to delete subsection (6) and substitute new subsections (6) and (6A).

The new subsection (6) provides that subscribers to the constitution of a company will be deemed to have agreed to become members of the company and on incorporation of the company, they must be entered in the register of members kept by the company under section 190 in the case of a public company or the register of members kept by the Registrar under the new section 196A (inserted by clause 110), in the case of a private company. This amendment gives effect to Recommendation 5.1 of the RSC.

The new subsection (6A) states that a person, other than a person who is a subscriber of a company, who agrees to be a member of a company and whose name is entered in the register of members kept by the company under section 190 in the case of a public company or the register of members kept by the Registrar

under the new section 196A in the case of a private company is a member of the company. This amendment gives effect to Recommendation 5.2 of the RSC.

Clause 18 amends section 21 —

(*a*) to insert a new subsection (1A) to clarify that the restriction in subsection (1) against a corporation being a member of its holding company does not apply to a disposition of book-entry securities unless the Court, on application of the Registrar or any other person, being satisfied that the disposition of book-entry securities would be void anyway, order the disposition of the book-entry securities to be in contravention of the restriction in subsection (1). This is based on the current section 130M, which is repealed by clause 62;

(*b*) to amend subsection (4)(*b*) and insert new subsections (4A), (4B) and (4C) to allow a company to either dispose the shares which it holds in its holding company, within 12 months or such longer period as the Court may allow, after the company becomes a subsidiary of its holding company, or retain such shares, subject to the restrictions specified in new subsection (4C) and new subsection (6E), which is inserted by sub-clause (*e*). This amendment gives effect to modified Recommendations 3.7 and 3.8 of the RSC;

(*c*) to make consequential amendments to subsection (5) arising from the amendments to the section;

(*d*) to insert new subsections (6A) to (6G) to provide that section 21 does not prevent the transfer of shares in a holding company to a subsidiary by way of a distribution in specie, amalgamation or scheme of arrangement and that the subsidiary may either dispose the shares in its holding company within 12 months or such longer period as the Court may allow, after the transfer of shares, or retain such shares subject to the restrictions specified in new subsections (6D) and (6E). This amendment gives effect to Recommendations 2.33 and 2.34 and modified Recommendations 3.7 and 3.8 of the RSC; and

(*e*) to insert new subsection (9) to require a company to notify the Registrar where a shareholder of the company, that is a corporation, becomes its subsidiary or where there is any change in the number of shares of the company that are held by a subsidiary.

Clause 19 amends section 22 —

(*a*) to replace the references to "memorandum" with "constitution", to give effect to Recommendation 5.6 of the RSC; and

(*b*) to insert new subsections (1AA) and (1AB):

(i) the new subsection (1AA) requires an unlimited company or a company limited by guarantee to notify the Registrar within 14 days after the number of its members has changed; and

(ii) the new subsection (1AB) makes a contravention of new subsection (1AA) an offence.

Clause 20 inserts new sections 25B, 25C and 25D to give effect to Recommendation 1.20 of the RSC.

The new section 25B provides that in favour of a person dealing with a company in good faith, the power of the directors to bind the company, or authorise others to do so, is deemed to be free of any limitation under the company's constitution.

The new section 25C states that any transaction, which validity depends on the new section 25B and is entered into by a company with its director or a director of the company's holding company, or a person connected with any such director (specified person), is voidable at the instance of the company. The specified person and any director of the company who authorised the transaction are liable to the company to the extent provided in the section. The transaction ceases to be voidable under certain circumstances specified in the section.

The new section 25D explains the circumstances when a person is connected with a director of a company for the purposes of the new section 25C.

Clause 21 amends section 26 —

(*a*) to delete subsection (1) and substitute new subsections (1), (1AA) and (1AB):

(i) the new subsections (1) and (1AA) provide that the constitution of a company may be changed by special resolution; and

(ii) the new subsection (1AB) provides that where the special resolution adopts the whole or any part of the model constitution prescribed under the new section 36 inserted by clause 29, only the title of the model constitution or the numbers of the particular regulations of the model constitution need to be referred to in the resolution to be adopted. This amendment gives effect to Recommendation 5.9 of the RSC;

(*b*) to delete subsection (2) and substitute new subsections (2) and (2A):

(i) the new subsection (2) requires a company to lodge a copy of any resolution of the company, order of the Court or other document which affects its constitution, together with a copy of the adopted or altered constitution, with the Registrar. This amendment gives effect to Recommendation 5.9 of the RSC; and

(ii) the new subsection (2A) makes non-compliance with subsection (2) an offence; and

(*c*) to replace subsection (7) to provide that the certificate to a company confirming its incorporation in accordance with the alteration to its constitution may be issued by the Registrar. This amendment removes the need for the certificate to be issued under the hand and seal of the Registrar.

Clause 22 amends section 27 —

(*a*) to expand the Registrar's powers in subsection (1) to refuse the registration of a company by a name which is identical to a name of a limited partnership, or to a name which is reserved under new subsection (12B), the Business Names Registration Act 2014, the Limited Liability Partnerships Act (Cap. 163A) or the Limited Partnerships Act (Cap. 163B);

(*b*) to insert a new subsection (1A) to prevent the Registrar from registering a company by a name which is identical to certain business names and the names of certain companies, foreign companies, limited liability partnerships and limited partnerships, within the moratorium period specified in subsection (1A), unless consent of the Minister is obtained. This amendment gives effect to Recommendation 5.38 of the RSC;

(*c*) to insert a new subsection (1B) which sets out the exceptions, which relate to certain foreign companies and limited partnerships, to subsection (1). A consequential amendment is made to subsection (1) with respect to this;

(*d*) to amend subsection (2) to expand the Registrar's power to direct a company to change its name if its name is referred to in new subsection (1A) or (1B) and it was registered within the moratorium period under that subsection;

(*e*) to delete subsections (2C), (2D) and (4);

(*f*) to delete subsection (5) and substitute new subsections (5) and (5AA) to give effect to modified Recommendation 5.40 of the RSC:

(i) the existing subsection (5) gives a company that is given a direction by the Registrar under subsection (2) a right of appeal to the Minister. The new subsection (5) expands on existing subsection (5) by giving a person who is aggrieved by the Registrar's refusal to give a direction to a company to change its name pursuant to the person's application under subsection (2A) a right of appeal to the Minister; and

(ii) the new subsection (5AA) provides for the decision of the Minister on an appeal made under subsection (5) to be final;

(*g*) to amend subsection (10) to delete paragraph (*c*) relating to the reservation of a name of a foreign company which will be covered in the new section 378 re-enacted by clause 165;

(*h*) to delete subsection (12) and substitute new subsections (12), (12A), (12B) and (12C):

(i) the new subsection (12) sets out the grounds on which the Registrar may approve an application for the reservation of a company's name;

(ii) the new subsection (12A) sets out the grounds on which the Registrar must refuse to approve an application for the reservation of a name for an intended company;

(iii) the new subsection (12B) sets out the period during which a company name is reserved; and

(iv) the new subsection (12C) confers a right to appeal against the Registrar's decision under subsection (10) or new subsection (12B)(*a*) on any person who is aggrieved by the decision;

(*i*) to make a technical amendment to subsection (13);

(*j*) to delete subsection (14) as it is covered by amended subsection (1);

(*k*) to make a consequential amendment to subsection (15); and

(*l*) to insert a new subsection (16) to define the term "registered business name".

Clause 23 amends section 28 —

(*a*) to replace subsection (1) to allow a company to change its name to one which will not contravene section 27(1), (1A) or (1B), by special resolution;

(*b*) to replace subsection (3) to expand the Registrar's power to direct a company to change its name if its name could not be registered without contravening the new section 27(1A) or (1B) or its name so nearly resembles the name of a limited liability partnership or a limited partnership;

(*c*) to insert a new subsection (3AA), which prohibits the Registrar from directing a company to change its name under subsection (3) on the ground that the name is identical to a name reserved under the Act, the Business Names Registration Act 2014, the Limited Liability Partnerships Act or the Limited Partnerships Act;

(*d*) to delete subsection (3C);

(*e*) to delete subsection (3D) and substitute new subsections (3D) and (3DA) to give effect to modified Recommendation 5.40 of the RSC:

(i) the existing subsection (3D) gives the company that is given a direction by the Registrar under subsection (3) a right of appeal to the Minister. The new subsection (3D) expands on existing subsection (3D) by giving a person who is aggrieved by the Registrar's refusal to give a direction to a company to change its name pursuant to the person's application under subsection (3A) a right of appeal to the Minister; and

(ii) the new subsection (3DA) provides for the decision of the Minister on an appeal made under subsection (3D) to be final; and

(*f*) to replace subsection (3) and amend subsections (1), (3A) and (3E) as a consequence of the amendments to section 28.

Clause 24 amends section 29 —

(*a*) to amend subsections (1), (2) and (6) to empower the Registrar (in place of the Minister) to approve an application by a proposed limited company to be registered without the addition of the word "Limited" or "Berhad" to its name, or by a limited company to change its name to a name which does not contain the word "Limited" or "Berhad", and to revoke any such approval;

(*b*) to replace subsections (3) and (4) to allow the Registrar to grant approval under subsection (1) or (2) on such conditions as he thinks fit;

(*c*) to insert a new subsection (6A) to empower the Registrar to revoke his approval granted under subsection (1) or (2);

(*d*) to delete subsections (7) and (8) and substitute new subsections (7), (8) and (8A):

(i) the new subsection (7) provides that where the approval of the Registrar under section 29 is revoked, the company may change its constitution such that it may be altered without the consent of the Minister;

(ii) the new subsection (8) deals with the notification of the Registrar's approval under the section; and

(iii) the new subsection (8A) confers a right of appeal to the Minister against the Registrar's decision under subsection (1) or (2);

(*e*) to insert new subsections (10) to (14):

(i) the new subsection (10) provides that section 29 will not apply to a limited company that is registered as a charity under the Charities

Act (Cap. 37), which is covered under the new section 29A, inserted by clause 25;

(ii) the new subsections (11), (12) and (13) are transitional provisions for the proposed changes to section 29; and

(iii) the new subsection (14) provides for the term "appointed day" which is used in the amended section 29; and

(*f*) to amend the section heading to better reflect the contents of the amended section 29.

Clause 25 inserts a new section 29A which enables a limited company which is registered as a charity under the Charities Act (Cap. 37) to change its name to omit the word "Limited" or "Berhad" from its name.

Clause 26 amends section 30(4) to substitute the words "memorandum" and "articles" with the word "constitution", to give effect to Recommendation 5.6 of the RSC.

Clause 27 amends section 31 —

(*a*) to replace subsection (1) to require a public company, which desires to convert into a private company, to also lodge a list of persons holding shares in the company and such other information relating to the company or its members and officers as may be prescribed. This amendment gives effect to Recommendation 5.2 and modified Recommendation 5.3 of the RSC; and

(*b*) to replace subsection (3A) to shorten the period for lodgment of a list of persons holding shares in the newly converted public company with the Registrar. This amendment gives effect to modified Recommendation 5.12 of the RSC.

Clause 28 amends section 33 to replace subsection (2) to allow a company to give notice by electronic communications in accordance with section 387A or 387C of its intention to alter the objects of the company and to hold a meeting to pass a special resolution to do so, and to make a technical amendment to subsection (5A).

Clause 29 repeals and re-enacts sections 35, 36 and 37.

The new section 35 states that the constitution of a company must contain regulations for the company. This amendment gives effect to Recommendation 5.6 of the RSC.

The new section 36 empowers the Minister to prescribe model constitutions for private companies and companies limited by guarantee. This amendment gives effect to Recommendations 5.7 and 5.8 and modified Recommendation 5.10 of the RSC.

The new section 37 allows a private company or a company limited by guarantee to adopt as its constitution the whole or any part of the model constitution. There is no need for such company to submit its constitution if it adopts the whole of the model constitution. This amendment gives effect to Recommendations 5.7, 5.8 and 5.9 and modified Recommendation 5.10 of the RSC.

Clause 30 amends section 39(1) by substituting the words "memorandum and articles" and "memorandum and of the articles" with the word "constitution" to give effect to Recommendation 5.6 of the RSC.

Clause 31 amends section 62B(7)(*a*)(i) to preserve the reference to the section 197(4) prior to it being amended by clause 111.

Clause 32 repeals and re-enacts section 63 and inserts new sections 63A, 63B and 63C.

The new section 63 requires a private company, which intends to allot shares, other than a deemed allotment, to lodge a return of the allotment with the Registrar, and provides that such allotment of shares will not take effect until the Registrar updates its electronic register of members kept under the new section 196A (inserted by clause 110) to include particulars of the allotment. This amendment gives effect to Recommendation 5.2 and modified Recommendation 5.3 of the RSC.

The new section 63A requires a public company which allots any shares, other than a deemed allotment, to lodge a return of the allotment within the stipulated period after such allotment of shares.

The new section 63B requires, where shares are allotted by a company as fully or partly paid up otherwise than in cash, that the company lodge certain documents with the Registrar within the period stipulated in the section.

The new section 63C requires a private company, which issues any partly paid or unpaid shares, to notify the Registrar if it subsequently receives any outstanding amount with respect to these shares.

Clause 33 repeals and re-enacts section 64 and inserts a new section 64A to give effect to Recommendations 3.4 and 3.5 of the RSC.

The new section 64 sets out a general rule that a share in a company confers on the holder of the share the right to one vote on a poll at a meeting of the company on any resolution. This right is subject to the exceptions specified in the section, and to the constitution of the company.

The new section 64A provides the conditions under which a public company may issue different classes of shares. It also requires a public company, which issues different classes of shares to specify details of the voting rights of each class of shares, or the lack thereof, in each notice of its general meeting.

Clause 34 amends section 66 to delete subsections (2) and (3) and substitutes new subsections (2), (3) and (4) to give a bearer of a share warrant issued by a company before 29 December 1967, a period of 2 years to surrender the warrant to the company for cancellation and have his name entered in the register of members.

Clause 35 inserts new sections 67 and 68.

The new section 67 allows a company to use its share capital to pay any expenses incurred directly in the issue of new shares, and provides that the payment will not be taken as a reduction of the company's share capital. This amendment gives effect to Recommendation 3.35 of the RSC.

The new section 68 clarifies that a company may issue shares for no consideration.

Clause 36 amends section 70 —

(*a*) to delete subsection (2) as a consequential amendment to the insertion of new subsection (5A) to section 78A by clause 53;

(*b*) to insert new subsections (5), (6) and (7):

(i) the new subsection (5) clarifies that shares in a company that are redeemed out of proceeds of a fresh issue of shares issued for the redemption are not treated as having been redeemed out of the capital of the company; and

(ii) the new subsection (6) requires a private company, which intends to redeem any redeemable preference shares, to lodge a notice of redemption with the Registrar. The new subsection (7) provides that a redemption of redeemable preference shares by a private company will not take effect until the Registrar updates its electronic register of members kept under the new section 196A (inserted by clause 110) to include particulars of such redemption. This amendment gives effect to modified Recommendation 5.3 of the RSC; and

(*c*) to replace subsection (8) to require a public company which redeems any redeemable preference shares to give notice of such redemption to the Registrar within the period stipulated in the subsection.

Clause 37 amends section 71 to delete subsection (1A) and substitute new subsections (1A), (1B) and (1C), and to make other consequential amendments.

The new subsection (1A) gives a public company, which alters its share capital, an option to notify the Registrar of such alteration.

The new subsection (1B) requires a private company, which intends to alter its share capital, to lodge a notice of alteration with the Registrar. The new subsection (1C) provides that an alteration of share capital by a private company

will not take effect until the Registrar updates its electronic register of members kept under the new section 196A (inserted by clause 110) to include particulars of such alteration. This amendment gives effect to modified Recommendation 5.3 of the RSC.

Clause 38 inserts new sections 73, 73A and 73B to give effect to Recommendation 3.9 of the RSC.

The new section 73 sets out the procedure by which a company having a share capital may redenominate its share capital or any class of its shares from one currency to another currency.

The new section 73A clarifies that any redenomination of shares of a company will not affect any rights or obligations of its members.

The new section 73B requires a company, which redenominates its share capital or any class of its shares, to notify the Registrar of the particulars of the redenomination specified in subsection (2) within the period stipulated in the section.

Clause 39 amends section 74 to replace subsection (1) to substitute the words "memorandum or articles" with the word "constitution" to give effect to Recommendation 5.6 of the RSC.

Clause 40 inserts a new section 74A dealing with the conversion of one class of shares into another class of shares. This amendment gives effect to modified Recommendation 5.3 of the RSC.

The new subsections (1) and (2) set out the conditions under which a company may convert one class of shares into another class. The new subsection (3) requires a private company, which intends to convert its shares, to lodge a notice of conversion with the Registrar. The new subsection (4) provides that a conversion of shares by a private company will not take effect until the Registrar updates its electronic register of members kept under the new section 196A (inserted by clause 110) to include particulars of such conversion.

Clause 41 amends section 76 —

(*a*) to replace subsection (1) to confine the prohibition against a company giving financial assistance under section 76 to a public company or a company whose holding company or ultimate holding company is a public company. This amendment gives effect to Recommendation 3.27 of the RSC;

(*b*) to amend subsection (8) and insert subsection (9BA) to expand the list of transactions and circumstances under which the prohibition in subsection (1) will not apply. In particular —

(i) the new paragraph (*m*) of subsection (8) provides that the prohibition in subsection (1) will not apply to the payment of

some or all of the costs by a company listed on a securities exchange in Singapore or any securities exchange outside Singapore associated with a scheme, arrangement or plan under which any shareholder of the company may purchase or sell shares for the sole purpose of rounding off any odd-lots which he owns. This amendment gives effect to Recommendations 3.25 and 3.28 of the RSC; and

(ii) the new subsection (9BA) allows a company to give financial assistance if the giving of the assistance will not materially prejudice the interests of the company or its shareholders, or the company's ability to pay its creditors. This amendment gives effect to Recommendation 3.27 of the RSC;

(*c*) to insert a new subsection (8A) which defines the terms used in the new paragraph (*m*) of subsection (8); and

(*d*) to insert a new subsection (9CA) to set out the circumstance under which a company must not give any financial assistance under the new subsection (9BA). This amendment gives effect to Recommendation 3.28 of the RSC.

Clause 42 amends section 76A to insert a new subsection (1A) to provide that subsection (1), which makes certain contracts and transactions made in contravention of section 76 void, will not apply to a disposition of book-entry securities but the Court, on application of the Registrar or any other person, if satisfied that the disposition of book-entry securities would be void if not for the new subsection, order the application of subsection (1) to the disposition of the book-entry securities. Apart from certain consequential amendments, section 76A is also amended to clarify that the references to a "holding company" also include an ultimate holding company.

Clause 43 amends section 76B —

(*a*) to replace subsection (3) to provide that the total number of ordinary shares and stocks in any class of a company that may be acquired by the company must not exceed the percentage, stipulated in the subsection, of the total number of ordinary shares and stocks in that class ascertained as at the date on which the resolution authorising such acquisition was passed, unless certain circumstances apply. This amendment gives effect to modified Recommendation 3.23 of the RSC;

(*b*) to replace subsection (3B) to provide that the total number of non-redeemable preference shares in any class of a company that may be acquired by the company must not exceed the percentage, stipulated in the subsection, of the total number of non-redeemable preference shares in that class ascertained as at the date on which the resolution authorising

such acquisition was passed, unless certain circumstances apply. This amendment gives effect to modified Recommendation 3.23 of the RSC;

(*c*) to replace subsection (4) to introduce a new definition of "relevant period". This amendment gives effect to modified Recommendation 3.22 of the RSC; and

(*d*) to replace subsections (7), (8) and (9):

(i) the new subsection (7) requires a private company, which acquires shares in itself, to lodge a copy of the resolution authorising the acquisition and a notice of purchase or acquisition with the Registrar;

(ii) the new subsection (8) provides that an acquisition by a private company of shares in itself will not take effect until the Registrar updates its electronic register of members kept under the new section 196A (inserted by clause 110) to include particulars of such acquisition. This amendment gives effect to Recommendation 5.2 and modified Recommendation 5.3 of the RSC; and

(iii) the new subsection (9) requires a public company which acquires shares in itself to lodge a copy of the resolution authorising the acquisition and a notice of purchase or acquisition with the Registrar within the period stipulated.

Clause 44 amends section 76C to clarify in subsection (1) that an acquisition of shares by a company in itself under an equal access scheme authorised by the company must not entail acquisitions being made on a securities exchange, whether it is a securities exchange in Singapore or outside Singapore and to make a technical amendment in subsection (2).

Clause 45 amends section 76D to delete paragraph (*b*) of subsection (1) to allow listed companies to make selective off-market acquisition of shares in itself, in accordance with an agreement authorised by the company. This amendment gives effect to modified Recommendation 3.25 of the RSC.

Clause 46 amends section 76DA(1) to clarify that a company, whether or not it is listed on a securities exchange in Singapore or any securities exchange outside Singapore, may acquire shares in itself under a contingent purchase contract which is authorised by the company.

Clause 47 makes a technical amendment to section 76E(2)(*a*).

Clause 48 amends section 76F —

(*a*) to insert a new subsection (1A) to clarify that a company, in using its capital or profits to acquire shares in itself under subsection (1)(*a*), may also use such capital or profits to pay for any expenses (including

brokerage and commission) incurred directly in such acquisition. This amendment gives effect to Recommendation 3.35 of the RSC; and

(*b*) to delete subsections (4), (5) and (6) and substitute a new subsection (4) to align the solvency test, which must be satisfied by a company before it may make a payment under subsection (1), with the solvency test referred to in section 7A(1) as amended by clause 6. This amendment gives effect to Recommendations 3.18 and 3.19 of the RSC.

Clause 49 amends section 76G to renumber the existing provision as subsection (1) and insert a new subsection (2) to clarify that for the purposes of subsection (1), the reference to the total amount of the purchase price includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the relevant shares. This amendment gives effect to Recommendation 3.35 of the RSC.

Clause 50 makes a consequential amendment to section 76H(2) in relation to the new section 196A, which is inserted by clause 110, and the amendment to section 190 by clause 105.

Clause 51 makes a technical amendment to section 76J(5)(*b*).

Clause 52 amends section 76K —

(*a*) to delete subsection (1) and substitute new subsections (1) to (1D):

(i) the new subsections (1) and (1C) set out the circumstances in which a private company and a public company may deal with its treasury shares, respectively. In particular, these subsections provide that a company may transfer treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons. This amendment gives effect to Recommendation 3.26 of the RSC;

(ii) the new subsection (1A) enables a private company, to cancel or dispose of treasury shares under subsection (1), by lodging a prescribed notice of the cancellation or disposal of treasury shares with the Registrar. Under the new subsection (1B), the cancellation or disposal of treasury shares by a private company will not take effect until the Registrar updates its electronic register of members kept under the new section 196A (inserted by clause 110) to include the particulars of such cancellation or disposal. This amendment gives effect to Recommendation 5.2 and modified Recommendation 5.3 of the RSC; and

(iii) the new subsection (1D) requires a public company which cancels or disposes treasury shares under subsection (1C) to notify the Registrar within the period stipulated;

(*b*) to delete subsection (5); and

(*c*) to make certain consequential amendments.

Clause 53 amends section 78A —

(*a*) to delete the definition of "Comptroller" in subsection (4). This is a consequential amendment pursuant to the amendments to sections 78B(1)(*a*), 78C(1)(*a*) and 78G(2), by clauses 54, 55 and 57 respectively; and

(*b*) to insert a new subsection (5A) to clarify that Division 3A (Reduction of share capital) will not apply to any redemption of preference shares issued by a company under section 70(1) that results in a reduction in the company's share capital.

Clause 54 amends section 78B —

(*a*) to delete paragraph (*a*) of subsection (1) to remove the requirement for a private company, which intends to reduce its share capital to notify the Comptroller of Income Tax;

(*b*) to replace subsection (2) to set out the circumstances under which the company need not satisfy the solvency requirements required under subsection (1). This amendment gives effect to Recommendation 3.31 of the RSC; and

(*c*) to amend subsection (3)(*b*)(ii) to increase from 15 to 20 days the longest period permissible between the date of the making of the solvency statement by the directors of the company and the date on which the company passes a resolution to authorise the reduction of its share capital. This amendment gives effect to Recommendation 3.32 of the RSC.

Clause 55 amends section 78C —

(*a*) to delete paragraph (*a*) of subsection (1) to remove the requirement for a public company, which intends to reduce its share capital, to notify the Comptroller of Income Tax;

(*b*) to replace subsection (2) to set out the circumstances under which the company need not satisfy the solvency requirements required under subsection (1). This amendment gives effect to Recommendation 3.31 of the RSC; and

(*c*) to amend subsection (3)(*b*)(ii) to increase from 22 to 30 days the longest period permissible between the date of the making of the solvency statement by the directors of the company and the date on which the company passes a resolution to authorise the reduction of its share capital. This amendment gives effect to Recommendation 3.32 of the RSC.

Clause 56 makes consequential amendments to section 78E pursuant to the amendments to sections 78B and 78C by clauses 54 and 55 respectively.

Clause 57 amends section 78G to delete subsection (2) to remove the requirement for a company limited by shares, which intends to reduce its share capital by a special resolution approved by an order of the Court, to notify the Comptroller of Income Tax.

Clause 58 amends section 86 to insert a new subsection (2A) to provide that section 86 will not apply to the Depository (deemed to continue in existence under the new section 81SH of the Securities and Futures Act (Cap. 289)) as the registered holder of a company's shares. This amendment gives effect to modified Recommendation 3.16 of the RSC.

Clause 59 amends section 123 to replace paragraph (*c*) of subsection (2) to remove the requirement to disclose the amount paid on the shares in the share certificate relating to those shares. This amendment gives effect to Recommendation 3.36 of the RSC.

Clause 60 amends section 125 to insert new subsections (4) and (5). This amendment gives effect to modified Recommendation 3.16 of the RSC.

The new subsection (4) clarifies that for the purpose of section 125, a reference to the owner of a book-entry security means the Depository (deemed to continue in existence under the new section 81SH of the Securities and Futures Act).

The new subsection (5) clarifies that subsection (2), which sets out the procedure for applying to the company for the issue of a duplicate certificate or document, will not apply to documents evidencing title in relation to listed securities, which have been deposited with the Depository and registered in its name or its nominee's name.

Clause 61 repeals sections 126 to 130 and substitutes new sections 126 to 130AE.

The new section 126(2) requires a private company to lodge a notice of transfer pertaining to any transfer of shares in the private company with the Registrar. The new section 126(3) states that a transfer of share in a private company will not come into effect until the Registrar updates its electronic register of members kept under the new section 196A (inserted by clause 110) to include particulars of such transfer. This amendment gives effect to Recommendation 5.2 and modified Recommendation 5.3 of the RSC.

The new section 127 deals with the transfer of debentures in private companies.

The new section 128 deals with the transfer of any share, debenture and other interest in a private company where the transfer is made at the request of the holder of that share, debenture or other interest, as the case may be. Consistent with section 126, any request to transfer shares in a private company will not come into

effect until the company lodges a notice of transfer with the Registrar and upon the Registrar updating its electronic register of members kept under the new section 196A (inserted by clause 110) to include particulars of such transfer. This amendment gives effect to Recommendation 5.2 and modified Recommendation 5.3 of the RSC.

The new section 129 deals with the refusal by a private company to lodge a notice of transfer of shares or to register a transfer of any debentures or other interests in the company. This amendment gives effect to Recommendation 5.2 and modified Recommendation 5.3 of the RSC.

The new section 130 deals with the transfer of shares and debentures in public companies.

The new section 130AA deals with the transfer of any share, debenture and other interest in a public company, where the transfer is made at the request of the holder of that share, debenture or other interest, as the case may be.

The new section 130AB deals with the refusal by a public company to register a transfer of any share, debenture or other interest in the company.

The new section 130AC deals with the transfer of a share, debenture or other interest of the deceased person by the person's personal representative.

The new section 130AD deals with the certification by a company of an instrument of transfer of shares, debentures or other interests in the company.

The new section 130AE stipulates the periods during which a company is required to have ready for delivery all appropriate certificates and debentures in connection with an allotment of shares or debentures or a transfer of shares or debentures.

Clause 62 deletes Division 7A of Part IV (on the Central Depository System) which will be replicated in the Securities and Futures Act. This amendment gives effect to modified Recommendation 3.16 of the RSC.

Clause 63 amends section 131 —

(*a*) to state in subsection (1) that registration of the charge has to be in a prescribed manner. This amendment gives effect to Recommendation 6.9 of the RSC;

(*b*) to update the list of charges in subsection (3) to give effect to Recommendation 6.1 of the RSC. In particular, subsection (3) has been amended such that section 131 will not apply to —

(i) an assignment created or evidenced by an instrument which if executed by an individual, would require registration as a bill of sale, and any charge for any rent or other periodical sum issuing out of land; and

(ii) a charge on goodwill, on a patent or a licence under a patent, on a trade mark or a licence to use a trademark, or on a copyright or a licence under a copyright or on a registered design or a licence to use a registered design; and

(*c*) to provide for transitional matters.

Clause 64 amends section 132(1) to make clear that the relevant documents and particulars must be lodged in the prescribed manner. This amendment gives effect to Recommendation 6.9 of the RSC.

Clause 65 amends section 138 —

(*a*) to provide in subsection (1) that a company needs only to keep the instrument creating any charge requiring registration or a copy of the instrument at its registered office for as long as the charge remains in force. This amendment gives effect to Recommendation 6.4 of the RSC; and

(*b*) to insert a new subsection (1A) to provide that an instrument creating any charge or a copy of the instrument or a copy of the series of debentures that is required to be kept under subsection (1) forms part of the records that are required to be kept under section 199(1), and that such record must be kept for the stipulated period. This amendment gives effect to Recommendation 6.5 of the RSC.

Clause 66 amends section 141 to clarify that the provisions of Division 8 of Part IV, which relate to the requirement to register certain charges, apply only to foreign companies registered under the Act, and not to unregistered foreign entities. This amendment gives effect to Recommendation 6.8 of the RSC.

Clause 67 makes a technical amendment to section 143(1).

Clause 68 amends section 145 —

(*a*) to insert new subsections (4A) and (4B):

(i) the new subsection (4A) provides that subject to the constitution of a company, a director of the company may resign by giving the company written notice of his resignation. This amendment gives effect to Recommendation 1.10 of the RSC; and

(ii) the new subsection (4B) provides that the resignation of a director is not conditional upon the company's acceptance of his resignation. This amendment gives effect to Recommendation 1.11 of the RSC; and

(*b*) to replace subsection (6) to update the circumstances in which the restriction under subsection (5) against a sole director vacating his office does not apply.

Clause 69 amends section 146 to replace paragraph (*a*) of subsection (1A) to impose a requirement on a person who seeks to be a director of a company to file or cause to be filed with the Registrar a statement that (amongst other things) he is not debarred from acting as a director of the company under the new section 155B inserted by clause 76.

Clause 70 amends section 148 —

(*a*) to change the time limit by which a person who has been granted leave of Court or written permission from the Official Assignee to act as director, etc., must notify the Registrar. This amendment gives effect to modified Recommendation 5.12 of the RSC; and

(*b*) to amend the section heading to better reflect the substance of the section.

Clause 71 amends section 149(6)(*a*)(iii) to provide that the Court in deciding whether a person's conduct as a director of any particular company or companies makes him unfit to be concerned in, or take part in, the management of a company, may consider the extent of the director's responsibility for any failure by the company to comply with the new section 196B, which is inserted by clause 110.

Clause 72 inserts a new section 149B to clarify that, subject to the constitution of a company, the company may appoint a director by ordinary resolution. This amendment gives effect to Recommendation 1.3 of the RSC.

Clause 73 amends section 152 —

(*a*) to restrict the application of subsections (1) to (8), which concerns the removal of directors, to public companies; and

(*b*) to insert a new subsection (9) to clarify that a private company may, subject to its constitution, remove a director by ordinary resolution before the expiration of his period of office, notwithstanding any agreement between the private company and the director. This amendment gives effect to Recommendation 1.13 of the RSC.

Clause 74 repeals section 153 to remove any maximum age limit for directors in the Act. This amendment gives effect to Recommendations 1.7 and 1.8 of the RSC.

Clause 75 amends section 154 —

(*a*) to replace subsections (1) to (4):

(i) the new subsection (1) expands the circumstances under which a person is subject to the disqualification from acting as director, etc., under subsection (3);

(ii) the new subsection (2) is a re-enactment of the existing provision allowing a court to make a disqualification order against a person who is convicted of any of the offences specified in the subsection,

in addition to any sentence given by the court in relation to any of those offences;

(iii) the new subsection (3) prohibits, subject to leave of Court granted under new subsection (6), any person who is disqualified under subsection (1) or has a disqualification order made against him under subsection (2) from acting as director, etc., of a company or foreign company during the periods stipulated in the new subsection (4); and

(iv) the new subsection (4) sets out the periods of disqualification from acting as director, etc., referred to in new subsection (3); and

(*b*) to replace subsection (6) to allow a person disqualified under subsection (1) or has a disqualification order made against him under subsection (2) from acting as director, etc., to apply to Court for leave to act as director, etc. This amendment gives effect to Recommendation 1.9 of the RSC.

Clause 76 repeals and re-enacts section 155A and inserts new sections 155B and 155C.

The new section 155A disqualifies a person from acting as a director, etc., of any company or a foreign company for a period of 5 years if he was a director in at least 3 companies which were struck off the register under section 344 within a period of 5 years. The 5-year disqualification period commences after the last of the 3 companies were struck off. The disqualified person may apply to the Court for leave to act as director, etc., of a company or a foreign company.

The new section 155B empowers the Registrar to make a debarment order prohibiting any person who is a director or secretary of a company from accepting a new appointment to act as director or secretary, as the case may be, of any company, if the first-mentioned company is in default of a relevant requirement (as defined in section 155(2)). The Registrar may suspend or cancel a debarment order in certain circumstances. An appeal against the Registrar's decision lies to the Minister.

The new section 155C re-states the existing prohibition on a person who is subject to a disqualification or disqualification order under certain provisions in the Limited Liability Partnerships Act from acting as a director of a company or a foreign company during the period of disqualification or disqualification order. The disqualified person may apply to the Court for leave to act as director, etc., of a company or a foreign company.

Clause 77 repeals and re-enacts section 156 to require, in addition to every director of a company, every chief executive officer of a company to disclose particulars of his interest in any transaction or proposed transaction with the company. Particulars of the interest of a director or chief executive officer in the

transaction may be disclosed to the company through a declaration at a meeting of the directors of the company or a written notice to the company. This amendment gives effect to Recommendation 1.25 of the RSC.

Clause 78 amends section 157(2) to prohibit an officer or agent of a company from making improper use of his position as an officer or agent of the company to gain an advantage for himself or for any other person, or to cause detriment to the company. This amendment gives effect to Recommendation 1.24 of the RSC.

Clause 79 amends section 157A(1) to provide that the business of a company must be managed by, or under the direction or supervision of, the directors. This amendment gives effect to Recommendation 1.19 of the RSC.

Clause 80 amends section 158 to give effect to Recommendation 1.27 of the RSC. In particular —

(*a*) to amend subsection (1) to allow a director of a company to disclose information which he has only in his capacity as a director or an employee of the company, if such disclosure is not likely to prejudice the company and is made with the authorisation of the board of directors; and

(*b*) to delete subsections (3) and (4) and substitute subsection (3) to provide that the authorisation of the board of directors may be conferred in respect of disclosure of all or any class of information, or only such information which is specified in the authorisation.

Clause 81 replaces section 162 to extend the restriction against a company from making loans to directors to include quasi-loans, credit transactions and related arrangements. This amendment gives effect to Recommendation 1.18 of the RSC.

Clause 82 amends section 163 —

(*a*) to replace existing subsections (1), (2) and (3) and insert new subsections (3A) to (3D) to give effect to Recommendations 1.17(*b*) and 1.18 of the RSC:

(i) the new subsection (1) prohibits a company other than an exempt private company from making certain restricted transactions involving a company or limited liability partnership, without the company's prior approval in general meeting, if the director or directors of the first-mentioned company possess an interest in the company or limited liability partnership which is equal to or more than the threshold stipulated in subsection (1). In obtaining the prior approval from the company, the interested director or directors and their family members must abstain from voting, unless the exception in the new subsection (3C) applies;

(ii) the new subsection (2) extends the prohibition on a company in the new subsection (1) to making certain restricted transactions

involving a company or limited liability partnership incorporated or formed outside Singapore if a director or directors of the first-mentioned company possess an interest in the company or limited liability partnership which is equal to or more than the threshold stipulated in the new subsection (3);

(iii) the new subsection (3) sets out when a director or directors have an interest in a company or limited liability partnership for the purposes of subsection (2);

(iv) the new subsection (3A) prohibits a company from entering into certain arrangements without the company's prior approval. In obtaining the prior approval from the company, a director or directors of the company, who have an interest in the arrangement, and their family members must abstain from voting, unless the exception in the new subsection (3C) applies;

(v) the new subsection (3B) determines the date on which an arrangement referred to in subsection (3A) is entered into;

(vi) the new subsection (3C) provides that with respect to the requirement to obtain the prior approval of a company under subsections (1) and (3A), the interested director or directors or their family members need not abstain from voting at the general meeting if all the shareholders of the company have each voted to approve the arrangement; and

(vii) the new subsection (3D) deals with the interpretation of certain terms which are used in the amended section 163;

(*b*) to replace subsection (5) to make a technical amendment;

(*c*) to make technical amendments to subsections (6) and (7); and

(*d*) to change the section heading to better reflect the substance of the amended section 163.

Clause 83 inserts new sections 163A and 163B to give effect to Recommendation 1.29 of the RSC.

The new section 163A allows a company to lend, on specified terms, funds to a director if the funds are used to meet expenditure incurred or to be incurred by him in defending certain criminal or civil proceedings, or in connection with an application for certain reliefs; or to enable the director to avoid incurring such expenditure.

The new section 163B allows a company to lend funds to a director to meet expenditure incurred or to be incurred by him in defending himself in any investigation by a regulatory authority or against specified action proposed to be

taken by a regulatory authority; and to enable the director to avoid incurring such expenditure.

Clause 84 amends section 164 to give effect to modified Recommendation 1.25 of the RSC —

(*a*) to insert a new subsection (1A) to require a company to keep a register showing specified particulars of each chief executive officer of the company. The particulars do not include interests in related corporations;

(*b*) to replace subsection (3) to incorporate consequential amendments arising from the new subsection (1A);

(*c*) to replace subsection (5) to require a company to update its register relating to a director or a chief executive officer kept under subsection (1) or (1A) upon its receipt of a notice from that director or chief executive officer under section 133(1)(*a*), (*b*), (*c*), (*d*) or (*e*) of the Securities and Futures Act or under section 165(1)(*a*);

(*d*) to replace subsection (12) to incorporate consequential amendments arising from new subsections (1A) and (5); and

(*e*) to replace subsections (15) and (16):

(i) the new subsection (15) provides that a director or chief executive officer of a company is deemed to hold or have an interest or right in or over any share or debentures which his spouse or child holds or has an interest in. It also deems a director or chief executive officer of a company of entering into or exercising or making, any contract, assignment or right of subscription, or a grant being made to a director or chief executive officer, if the contract, assignment or right of subscription is entered into, exercised or made by his spouse or child, or the grant is made to his spouse or child; and

(ii) the new subsection (16) defines the word "child" for the purposes of subsection (15).

Clause 85 amends section 165 —

(*a*) to give effect to modified Recommendation 1.25 of the RSC. In particular, subsection (1) is amended to require chief executive officers, in addition to directors, of a company to make such disclosure to the company as is necessary for the company to comply with sections 164, 173 and 173A. Consequential amendments are also made to the other subsections to apply section 165 to chief executive officers;

(*b*) to delete paragraph (*d*) of subsection (1) as a consequence of the repeal of section 153; and

(*c*) to make technical amendments to subsection (10).

Clause 86 amends section 168 to insert new subsections (1A) and (1B) to provide that approval from a company is not required under subsection (1) in respect of any payment to a director holding a salaried employment or office in the company by way of compensation for termination of employment pursuant to an existing legal obligation arising from an agreement made between the company and the director if certain conditions are met. This amendment gives effect to modified Recommendation 1.15 of the RSC.

Clause 87 repeals section 170 as it is obsolete. This amendment gives effect to Recommendation 1.4 of the RSC.

Clause 88 amends section 171 —

(*a*) to replace subsection (1AA) to impose a duty on the directors of a public company to take all reasonable steps to ensure that each secretary of the company satisfies such requirements relating to experience, professional and academic requirements and membership of professional associations, as may be prescribed;

(*b*) to insert a new subsection (3A) to provide that a secretary of a private company, or his agent or clerk need not be physically present at the registered office during the times specified in subsection (3) if any one of these persons is readily contactable by a person at the registered office. This amendment gives effect to Recommendation 5.42 of the RSC; and

(*c*) to make consequential amendments to subsections (1), (1AB), (1C) and (1D).

Clause 89 repeals and re-enacts section 172 and inserts new sections 172A and 172B to give effect to modified Recommendation 1.28 of the RSC.

The new section 172 provides that any provision which seeks to exempt an officer of a company from or provides an indemnity for an officer of a company against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void, except as permitted by the new section 172A or 172B.

The new section 172A permits a company to purchase and maintain insurance for an officer of the company against liability attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company.

The new section 172B permits a company to provide an indemnity for an officer of a company against liability incurred by the officer to a person other than the company, except for certain specified liabilities.

Clause 90 repeals and re-enacts section 173 and inserts new sections 173A to 173I to give effect to modified Recommendations 5.5 and 5.11 of the RSC.

The new section 173 requires the Registrar to maintain, with respect to each company, a register of directors, a register of chief executive officers, a register of secretaries and a register of auditors (if any), containing specified personal particulars of each. Where the register is required to contain the person's residential address, the register may contain the person's alternate address instead at that person's option, subject to the conditions specified in subsection (13).

The new section 173A imposes an obligation on a company to furnish such information as may be required, within the specified period, to enable the Registrar to maintain and update the registers of directors, chief executive officers, secretaries and auditors (if any) of the company.

The new section 173B imposes an obligation on a director, a chief executive officer, a secretary and an auditor of a company to furnish such information as may be required, within the specified period, to enable the company to fulfil its obligations under the new section 173A. Each of these persons is also required to furnish the information to the company if the company requires the information for the purpose of enabling the company to confirm its record of such information or reinstate its record of the information where the original record of the information has been destroyed or lost.

The new section 173C requires every company to keep documents which concern the appointment of a person as a director or secretary of the company. These include the signed copy of the person's consent to act as a director or secretary of the company.

The new section 173D provides savings and transitional provisions relating to existing particulars of directors, managers, secretaries and auditors lodged with the Registrar.

The new section 173E allows a director, a chief executive officer, a secretary and an auditor to notify the Registrar of certain facts or events if the person has reasonable cause to believe that the company will not do so.

The new section 173F empowers the Registrar to, at his own initiative, amend the respective registers of directors, chief executive officers, secretaries and auditors to reflect that the director, chief executive officer, etc., has ceased to act as such because of disqualification or death. The Registrar may reverse the amendment if the amendment was made because of a mistaken belief of the facts.

The new section 173G requires a director, a chief executive officer and a secretary of a company to provide his residential address, and particulars of any subsequent change to his residential address, to the Registrar. Unless the director, chief executive officer or secretary has opted to disclose his residential address in the relevant register kept by the Registrar under the new section 173 or unless otherwise provided for in subsection (5), the residential address will be protected from disclosure to the public.

The new section 173H sets out the penalties for breaches of the new sections 173, 173A, 173B, 173C and 173G.

The new section 173I requires a company to continue to keep the signed copy of a person's consent to act as a director or secretary, which is furnished to the company prior to the commencement of the new sections 173 to 173I until such person ceases to be a director or secretary, as the case may be, of the company.

Clause 91 amends section 175 to replace subsection (2) to allow the Registrar to extend the period for a company to hold its annual general meeting, not only pursuant to an application by the company, but if the company falls within a prescribed class of companies.

Clause 92 amends section 176 to replace subsection (1) to substitute the word "articles" with the word "constitution" to give effect to Recommendation 5.6 of the RSC and to make a consequential amendment.

Clause 93 amends section 177 to replace subsection (4) to substitute the word "articles" with "constitution" pursuant to Recommendation 5.6 of the RSC, and to substitute the reference to "Table A" with a reference to the model constitution to be prescribed under the new section 36(1) inserted by clause 29.

Clause 94 makes the following amendments to section 178:

(*a*) it amends subsection (1) —

(i) to lower the threshold to demand for a poll at a meeting of a company on any question or matter other than the election of the chairman of the meeting or the adjournment of the meeting, from 10% to 5% of the total voting rights of the company. This amendment gives effect to Recommendation 2.2 of the RSC; and

(ii) to allow companies to require members to send the instrument appointing their proxies to the company not less than 72 hours before the time of a meeting, to give the company more time to process the instruments. This amendment gives effect to Recommendation 2.12 of the RSC;

(*b*) it inserts new subsections (1A) and (1B) to provide savings and transitional provisions for the amendments to subsection (1); and

(*c*) it changes the section heading to better reflect the substance of the amended section 178.

Clause 95 makes the following amendments to section 179:

(*a*) it amends subsection (1) to substitute the word "articles" with the word "constitution" to give effect to Recommendation 5.6 of the RSC;

(*b*) it amends subsection (4)(*b*) to clarify that a corporation will be taken to be present at a meeting of a company if its corporate representative is present

at the meeting and that representative is not otherwise entitled to be present at the meeting as a member or a proxy, or as a corporate representative of another member. This amendment gives effect to modified Recommendation 2.16 of the RSC; and

(*c*) it amends subsection (7) to shorten the period within which the minute referred to in subsection (6) is required to be lodged by a company with the Registrar. This amendment gives effect to modified Recommendation 5.12 of the RSC.

Clause 96 repeals and re-enacts section 180 to re-state the rights of members to attend and speak and, as the case may be, vote at a general meeting of a company. The rights of holders of existing preference shares are also preserved. This amendment gives effect to Recommendation 3.2 of the RSC.

Clause 97 amends section 181 —

(*a*) to delete subsection (1) and substitute new subsections (1) and (1A) to re-state a member's right to appoint up to 2 proxies, subject to the company's constitution and certain exceptions, and the rights of such proxies;

(*b*) to insert new subsection (1B) to allow each member to appoint one proxy for schemes of arrangement under section 210 unless the Court orders otherwise. This is an exception to the multiple proxy rule and gives effect to modified Recommendation 3.41 of the RSC;

(*c*) to insert new subsections (1C) and (1D) to allow a relevant intermediary to appoint more than 2 proxies who are entitled to vote at a meeting by a show of hands. This amendment gives effect to Recommendations 2.10, 2.11, 2.14 and 2.15 of the RSC; and

(*d*) to insert a new subsection (6) to define the term "relevant intermediary".

Clause 98 amends section 184A —

(*a*) to extend the provisions concerning the passing of resolutions by written means to unlisted public companies and to define the term "unlisted public company". This amendment gives effect to Recommendation 2.9 of the RSC; and

(*b*) to clarify that the manner of indicating a member's agreement to a written resolution is by way of the member's signature, or such other method as the constitution provides. This amendment gives effect to Recommendation 2.6 of the RSC.

Clause 99 inserts a new section 184DA to provide that, subject to the constitution of a company, a proposed written resolution of the company will lapse after 28 days of it being circulated if the required majority vote is not attained. This amendment gives effect to Recommendation 2.7 of the RSC.

Clause 100 amends section 186 to replace subsection (1) to shorten the time within which a copy of the resolutions specified in the subsection are required to be lodged with the Registrar. This amendment gives effect to modified Recommendation 5.12 of the RSC.

Clause 101 amends section 188(1)(*a*) to replace the reference to the company's managers with the company's chief executive officers. This amendment gives effect to modified Recommendation 5.5 of the RSC.

Clause 102 amends section 189(2A) to replace the reference to the company's managers with its chief executive officers. This amendment gives effect to modified Recommendation 5.5 of the RSC.

Clause 103 amends the heading of Division 4 of Part V to reflect that the Division has been amended to apply only to public companies.

Clause 104 inserts a new section 189A to state that Division 4 of Part V will apply only to public companies.

Clause 105 amends section 190 to limit its application only to public companies and to provide that private companies no longer need to keep and maintain a register of members. This amendment gives effect to Recommendation 5.1 of the RSC.

Clauses 106, 107 and 108 amend sections 191, 192 and 193, respectively, as a consequence of the amendments to section 190 by clause 105.

Clause 109 amends section 196 —

(*a*) to shorten the period in subsection (2) within which a company must lodge with the Registrar a notice of the situation of the office where any branch register is kept and other related notices to give effect to modified Recommendation 5.12 of the RSC; and

(*b*) as a consequence of the amendments to section 190 by clause 105.

Clause 110 inserts new sections 196A to 196D to give effect to Recommendations 5.1 and 5.2 and modified Recommendation 5.3 of the RSC.

The new section 196A requires the Registrar to keep and maintain an electronic register of members of each private company.

The new section 196B requires existing private companies to furnish such information as is necessary to be included in the electronic register of members for those companies within the specified period.

The new section 196C applies, with modifications, the provisions of sections 194 and 195 to the electronic register of members of a private company.

The new section 196D requires existing private companies to continue to keep, but not update, their existing branch registers of members and register of members.

Clause 111 repeals and re-enacts section 197 —

(*a*) to provide that the annual return required to be lodged by every company is to contain prescribed particulars (instead of those set out in the Eighth Schedule, which is repealed by clause 183); and

(*b*) to clarify in the new subsection (4), when a company that has dispensed with the holding of its annual general meeting in relation to a year is required to lodge its annual return.

Clause 112 replaces the heading of Part VI as a consequence of the replacement of the references to "accounts" with "financial statements".

Clause 113 replaces the heading of Division 1 of Part VI to better reflect the substance of the division.

Clause 114 amends section 199 —

(*a*) to provide in subsection (1) that the obligation to keep accounting and other records to explain the transactions and financial position of the company is imposed on the company only, for consistency with subsection (2A);

(*b*) to substitute the words "profit and loss accounts and balance-sheets" with the words "financial statements" to give effect to Recommendation 4.35 of the RSC;

(*c*) to substitute the word "subsidiary" with the words "subsidiary company" to give effect to Recommendation 4.38 of the RSC; and

(*d*) to align the penalty for breaching the section, which is set out in subsection (6), with the penalty imposed under the new section 201AA(2) for a breach of the new section 201AA(1).

Clause 115 repeals section 200 as the alignment of the financial year between a parent company and its subsidiaries will be governed by the Accounting Standards. This amendment gives effect to Recommendation 4.39 of the RSC.

Clause 116 repeals and re-enacts section 201 —

(*a*) to substitute the references to "profit and loss account" and "accounts" with "financial statements". This amendment gives effect to Recommendation 4.35 of the RSC;

(*b*) to substitute the references to "holding company" and "subsidiary" with "parent company" and "subsidiary company", respectively. This amendment gives effect to Recommendation 4.38 of the RSC;

(*c*) to empower the Registrar to extend the periods for a company to lay its financial statements at its annual general meeting in respect of such class of companies as may be prescribed;

(*d*) to allow the financial statements of a company to be audited less than 14 days before the annual general meeting if all the persons who are entitled to receive notice of general meetings of a company agree;

(*e*) to remove the requirement for the directors to, issue a report to be attached to the financial statements and disclose directors' benefits, as similar disclosure requirements are already prescribed under the Accounting Standards or are fulfilled in the financial statements. This amendment gives effect to Recommendations 4.13 and 4.15 of the RSC;

(*f*) to require 2 directors of a company, on behalf of all the directors of the company, to sign a statement containing the information set out in the new Twelfth Schedule inserted by clause 184. The statement, which will contain the list of all the directors of the company, will accompany the audited financial statements of the company. This amendment gives effect to Recommendation 4.16 of the RSC; and

(*g*) to provide savings and transitional provisions.

Clause 117 inserts new sections 201A and 201AA.

The new section 201A exempts dormant companies that satisfy the requirements of subsection (2) from the requirement to prepare financial statements under the new section 201. This amendment gives effect to Recommendations 4.6, 4.7 and 4.11 of the RSC.

The new section 201AA requires a company to keep at its registered office, or such other place as the directors think fit, a copy of each document that was laid before the company at its annual general meeting, or where a company has dispensed with holding its annual general meeting, a copy of its financial statements, or consolidated financial statements and balance-sheet, and related documents which were sent to all persons entitled to receive notice of general meetings of the company. The Registrar or authorised officers are empowered to inspect the financial statements kept or to require a company to produce the documents that are required to be kept.

Clause 118 amends section 201B to replace sub-paragraph (vi) of subsection (5)(*a*) and to replace subsection (9) for the following purposes:

(*a*) to substitute the references to "balance-sheet" and "profit and loss account" with "financial statements" to give effect to Recommendation 4.35 of the RSC;

(*b*) to substitute the references to "holding company" with "parent company" to give effect to Recommendation 4.38 of the RSC;

(*c*) to substitute the references to the directors' report with the references to the directors' statement; and

(*d*) to delete subsection (10) which is obsolete.

Clause 119 amends section 201C to substitute the references to "accounts" with "financial statements" to give effect to Recommendation 4.35 of the RSC.

Clause 120 amends section 202 —

(*a*) to substitute the references to "accounts" with "financial statements" to give effect to Recommendation 4.35 of the RSC; and

(*b*) to delete references to the directors' report, the requirement for which has been deleted under the new section 201 inserted by clause 116.

Clause 121 inserts new sections 202A and 202B.

The new section 202A empowers the directors of a company to cause the financial statements, or consolidated financial statements or balance-sheet, to be revised if they are of the view that these documents do not comply with the requirements of the Act. The directors may also make necessary consequential revisions to the summary financial statement or directors' statement. This amendment gives effect to Recommendation 4.41 of the RSC.

The new section 202B empowers the Registrar to apply to the Court for a declaration that the financial statements, or consolidated financial statements or balance-sheet, of a company do not comply with the requirements of the Act, and for an order to require a company to revise any of these documents, if it appears to the Registrar that the documents do not comply with the requirements of the Act. The Registrar may make the application if, upon giving notice of this to the company, the Registrar does not get any response from the company, or he is not satisfied with the explanation given by the company with respect to the documents, or he does not agree with the manner in which the company has proposed to revise the documents. This amendment gives effect to Recommendation 4.40 of the RSC.

Clause 122 amends section 203 —

(*a*) to substitute the references to "profit and loss account and balance-sheet", "accounts and balance-sheet", "accounts" and "balance-sheet" with "financial statements" to give effect to Recommendation 4.35 of the RSC;

(*b*) to substitute the references to "holding company" with "parent company" to give effect to Recommendation 4.38 of the RSC;

(*c*) to allow a company to send the financial statements, or consolidated financial statements, balance-sheet and related documents, less than 14 days before the date of the general meeting if all the persons entitled to receive notice of general meetings consent. This amendment gives effect to modified Recommendation 4.37 of the RSC;

(*d*) to shorten the period in subsection (4) within which a member or an auditor of a company, which has dispensed with the holding of its annual general meeting, may require the company to hold a general meeting for

the purpose of laying the financial statements and related documents before the company; and

(*e*) to shorten the period in subsection (6) within which the directors of the company have to hold a general meeting after receiving a notice from a member or an auditor under subsection (4).

Clause 123 amends section 203A —

(*a*) to allow all companies to send to its members summary financial statements, instead of the documents referred to in section 203(1). This amendment gives effect to Recommendation 4.12 of the RSC;

(*b*) to substitute the references to "annual accounts" and "accounts and the report" with "annual financial statements" and "financial statements or consolidated financial statements, and the directors' statement", respectively, to give effect to Recommendations 4.15 and 4.35 of the RSC;

(*c*) to clarify that the directors of a company are responsible for ensuring that the summary financial statements comply with the requirements specified in subsections (5) and (6); and

(*d*) to delete the definition of the word "listed" in subsection (8) as it is no longer used in section 203A.

Clause 124 amends section 204 —

(*a*) to make consequential amendments in relation to the repeal and re-enactment of section 201 by clause 116;

(*b*) to substitute the references to "accounts" with "financial statements" to give effect to Recommendation 4.35 of the RSC; and

(*c*) to substitute the references to "holding company" with "parent company" to give effect to Recommendation 4.38 of the RSC.

Clause 125 amends section 205 —

(*a*) to clarify that the directors of a company may only appoint an accounting entity or accounting entities to be the auditor or auditors of the company;

(*b*) to replace subsection (3) to provide that the power of the directors of a company to appoint an accounting entity to fill any casual vacancy in the office of auditor of the company is subject to the new section 205AF (Appointment of new auditor in place of resigning auditor) inserted by clause 126;

(*c*) to amend subsection (8) to provide that the Registrar has the discretion, but is not required, to appoint an auditor for a company if the company

does not appoint another auditor where an auditor of the company is removed from office at a general meeting of the company; and

(*d*) to delete subsections (14) and (15) as a consequence of the insertion of the new sections 205AA to 205AF by clause 126.

Clause 126 inserts new sections 205AA to 205AF.

The new section 205AA provides that an auditor of a non-public interest company (other than a subsidiary company of a public interest company) may resign before the end of the term of office for which he was appointed by giving the company a written notice of resignation. This amendment gives effect to modified Recommendation 4.23 of the RSC.

The new section 205AB provides that an auditor of a public interest company or a subsidiary company of a public interest company may resign before the end of the term of office for which he was appointed if the auditor has applied for and obtained consent from the Registrar to the resignation, and has notified the company of his application. This amendment gives effect to modified Recommendation 4.23 and Recommendation 4.24 of the RSC.

The new section 205AC requires a company which receives a notice of resignation from its auditor and a written statement of the auditor's reasons for his resignation under the new section 205AB to send a copy of the written statement to every member of the company, unless an application is made to the Court for a determination that the auditor has abused the use of the written statement or is using the procedure in the new section 205AC to secure needless publicity for defamatory matter. This amendment gives effect to modified Recommendation 4.25 of the RSC.

The new section 205AD sets out the procedure and the Court's powers following an application to the Court for an order to not send the written statement of the auditor's reasons for resignation to its members.

The new section 205AE provides that a person will not be liable to any action for defamation in respect of publication of a written statement of an auditor's reasons for resignation if there is an absence of malice or if the publication is made upon a refusal of an application made to the Court under the new section 205AC.

The new section 205AF requires the directors of a company, whose financial statements are required to be audited under the Act or where the resigning auditor is the sole auditor of the company, to appoint an auditor in place of the auditor who desires to resign or has resigned, failing which the Registrar may, on the application of any member of the company, make the appointment.

Clause 127 amends section 205B —

(*a*) to expand the list of transactions in subsection (3), the occurrence of which is to be disregarded in determining whether a dormant company has

ceased to be dormant. This amendment gives effect to Recommendation 4.10 of the RSC; and

(*b*) to substitute the references to "profit and loss accounts and balance-sheet, or consolidated accounts and balance-sheet" in subsection (4)(*a*) with "financial statements or consolidated financial statements and balance-sheet" to give effect to Recommendation 4.35 of the RSC.

Clause 128 repeals and re-enacts section 205C to exempt from the audit requirements —

(*a*) a small company;

(*b*) a parent company which is a small company and is part of a small group; and

(*c*) a subsidiary company which is a small company and is part of a small group.

This amendment gives effect to Recommendations 4.1, 4.2 and 4.3 of the RSC.

Clause 129 amends section 205D to substitute the references to "accounts" with "financial statements" to give effect to Recommendation 4.35 of the RSC.

Clause 130 amends section 206(1) to substitute the reference to "subsidiary" with "subsidiary corporation" to give effect to Recommendation 4.38 of the RSC.

Clause 131 amends section 207 —

(*a*) to substitute the references to "accounts" and "consolidated accounts" with "financial statements" and "consolidated financial statements", respectively, to give effect to Recommendation 4.35 of the RSC;

(*b*) to substitute the references to "holding company" and "subsidiaries" with "parent company" and "subsidiary corporations", respectively, to give effect to Recommendation 4.38 of the RSC;

(*c*) to make a consequential amendment to subsection (2)(*aa*) in relation to the repeal and re-enactment of section 201;

(*d*) to clarify that the reference to proper accounting and other records in subsection (3) refers to the records which have to be kept under section 199(1). This amendment gives effect to Recommendation 4.19 of the RSC;

(*e*) to delete paragraph (*d*) of subsection (3) to remove the requirement for an auditor to form an opinion on the procedures and methods used by a holding company or a subsidiary in arriving at the amounts taken into any consolidated financial statements. This amendment gives effect to Recommendation 4.20 of the RSC; and

(*f*) to revise the definition of "a serious offence involving fraud or dishonesty" by increasing the value of the property obtained or likely to be obtained from the commission of the offence. This amendment gives effect to modified Recommendation 4.22 of the RSC.

Clause 132 inserts a new section 208A to render any provision for exempting any auditor of a company from or indemnifying him or it against any liability in respect of any negligence, default, breach of duty or breach of trust of which he or it may be guilty in relation to the company, void. However, a company may indemnify an auditor against any liability incurred or will be incurred in defending any proceedings in which judgement is given in his or its favour or in which he or it is acquitted, or in connection with any application specified in subsection (2) in which relief is granted to him or it by the court. This amendment gives effect to Recommendations 4.28 and 4.29 of the RSC.

Clause 133 amends section 209(1) by substituting the references to "balance-sheet or profit and loss account" with "financial statements" to give effect to Recommendation 4.35 of the RSC.

Clause 134 repeals and re-enacts section 209A to set out definitions of terms that are used in Part VI.

Clause 135 amends section 210 —

(*a*) to delete subsections (1), (2) and (3) and substitute new subsections (1) to (3AB), and make consequential amendments to the other subsections to clarify that holders of units of shares in a company, for instance holders of share options, can be parties to a scheme of arrangement of the company. These amendments give effect to Recommendation 3.39 of the RSC;

(*b*) to confer a discretion on the Court, under the new subsection (3AB) to prevent the defeat of a member's scheme of arrangement by opposing parties who engaged in share splitting, that is to say, one or more members transferring small parcels of shares to a large number of other persons who are willing to vote according to their wishes. This amendment gives effect to Recommendation 3.40 of the RSC;

(*c*) to replace subsection (6) to substitute references to "memorandum" with "constitution" to give effect to Recommendation 5.6 of the RSC;

(*d*) to insert new subsections (10A) and (10B) to provide that all forms of consideration paid under any compromise or arrangement may be transferred to the Official Receiver if the rightful owner cannot be located. This clarifies the handling of unclaimed consideration. This amendment gives effect to Recommendation 3.55 of the RSC;

(*e*) by amending the definition of "company" in subsection (11) to exclude any society;

(*f*) to insert a new definition of "holder of units of shares" in subsection (11); and

(*g*) to replace the section heading to better reflect the substance of the amended section 210.

Clause 136 amends section 211 and the section heading to clarify that holders of units of shares in a company, for instance holders of share options, can be parties to a scheme of arrangement of the company under the amended section 210. These amendments give effect to Recommendation 3.39 of the RSC.

Clause 137 amends section 212 to replace subsection (6) to amend the definition of "company" so that, for the purposes of the provision, it includes foreign companies. This amendment gives effect to Recommendation 3.43 of the RSC.

Clause 138 amends section 215 —

(*a*) to enable an individual to acquire shares in a transferor company under this section. This amendment gives effect to Recommendation 3.47 of the RSC;

(*b*) to insert new subsections (1A) and (1B) to give effect to Recommendation 3.54 of the RSC:

(i) the new subsection (1A) provides that where a transferee offers alternative terms to the shareholders of the transferor company for the acquisition of the shares in the transferor company, the dissenting shareholder has to elect which of the alternative terms he prefers within the period stipulated in the subsection; and

(ii) the new subsection (1B) requires a transferee, who offers alternative terms to the shareholders of the transferor company, to specify which of the terms will apply to a dissenting shareholder who fails to make an election;

(*c*) to insert new subsections (1C) and (1D):

(i) the new subsection (1C) states that shares issued, and treasury shares that cease to be held as treasury shares, after the date of the transferee's offer to acquire the shares in the transferor company, will be disregarded for purposes of determining whether the threshold of 90% of the total number of shares, or shares in a particular class, of the transferor company has been attained. This amendment gives effect to Recommendation 3.52 of the RSC; and

(ii) the new subsection (1D) sets out the definition of "relevant treasury shares" which is used in the new subsection (1C);

(*d*) to delete subsection (3) and substitute new subsections (3) and (3A) to make consequential amendments in relation to the amendment to enable

an individual to acquire shares in a transferor company under this section, and to state that in determining whether the threshold of 90% of the total number of shares, or shares in a particular class, of the transferor company has been attained before a transferee is entitled and bound to acquire the remaining shares, or remaining shares of that class, from holders who have not accepted the offer, shares held by the transferor company as treasury shares are to be treated as having been acquired by the transferee. This amendment gives effect to Recommendation 3.53 of the RSC;

(*e*) to replace subsections (6) and (7) so that all forms of consideration paid under an offer to acquire shares in a transferor company which are held in trust by a company for any person, may or shall (as the case may be) be transferred to the Official Receiver within the specified period. This amendment gives effect to Recommendation 3.55 of the RSC; and

(*f*) to insert 2 new subsections (8A) and (8B) to define the terms used in the section and the new sections 215AA and 215AB, and to extend the ambit of section 215 to include an offer to acquire units of shares in a transferor company. This amendment gives effect to Recommendation 3.46 of the RSC.

Clause 139 inserts new sections 215AA and 215AB.

The new section 215AA sets out the modifications to section 215 where an offer to acquire shares in a transferor company is made by 2 or more persons jointly. This amendment gives effect to Recommendation 3.48 of the RSC.

The new section 215AB provides that where a transferor company has shareholders to whom an offer to acquire shares in the transferor company could not be communicated, the offer does not fail under section 215 if these shareholders are not resident in Singapore, the offer was not communicated to them to avoid contravening a foreign law or because communication to these shareholders would be onerous, and reasonable efforts have been made to publicise details of the offer. This amendment gives effect to Recommendation 3.56 of the RSC.

Clause 140 amends section 215B(1) to delete paragraph (*c*) and substitute new paragraphs (*c*) and (*ca*) to allow every director of an amalgamated company to state an alternate address, instead of his residential address, in the register of directors kept by the Registrar. This is a consequential amendment arising from the amendments to section 173 by clause 90. A consequential amendment is also made to section 215B(5)(*b*).

Clause 141 amends section 215D —

(*a*) to provide in subsection (1) that the short-form amalgamation under the section applies to an amalgamation of a group of companies where one of

the subsidiaries is the surviving amalgamated company. This amendment gives effect to Recommendation 3.57 of the RSC;

(*b*) to amend subsection (2)(*c*) so that it is a requirement for the directors of every amalgamating company, which intends to amalgamate under subsection (2), to be satisfied that the amalgamated company will be able to pay its debts as they fall due as at the date on which the amalgamation is to be effective, instead of within a 12-month period after this date. The solvency requirement of each amalgamating company in the new subsection (1)(*c*) and the solvency requirement in the amended subsection (2)(*c*) are also aligned. These amendments give effect to modified Recommendation 3.60 of the RSC; and

(*c*) to make other consequential amendments.

Clause 142 amends section 215E(1) by inserting a new paragraph (*aa*) to require a solvency statement, if made under section 215C(2) or 215D(5), to be filed with the Registrar for the purpose of effecting an amalgamation, and by making other consequential amendments.

Clause 143 amends section 215I(2) so that a solvency statement issued for the purpose of an amalgamation need not be in the form of a statutory declaration. A declaration in writing will suffice. This amendment gives effect to Recommendation 3.20 of the RSC. A consequential amendment is also made to section 215I(4)(*a*)(i).

Clause 144 amends section 215J to replace subsection (1) so that —

(*a*) the solvency statement to be made by the board of directors of each amalgamating company must state that the directors are of the opinion that the amalgamated company will be able to pay its debts as they fall due as at the date on which the amalgamation is to be effective, instead of within a 12-month period after this date. This amendment gives effect to modified Recommendation 3.60 of the RSC; and

(*b*) the solvency statement need not be in the form of a statutory declaration. A declaration in writing will suffice. This amendment gives effect to Recommendation 3.20 of the RSC.

A consequential amendment is also made to section 215J(3)(*a*)(i).

Clause 145 inserts a new section 215K so that all forms of consideration, which are paid under an amalgamation and held by or on behalf of any party to the amalgamation in trust for any person, may or shall (as the case may be) be transferred to the Official Receiver within the specified period. This amendment gives effect to Recommendation 3.55 of the RSC.

Clause 146 amends section 216A —

(*a*) to delete the definition of "company" in subsection (1), which defines the term to exclude a company listed on the securities exchange in Singapore, so that derivative or representative actions referred to in the section may also be brought in respect of companies listed on a security exchange in Singapore. This amendment gives effect to Recommendations 2.29 and 2.30 of the RSC; and

(*b*) to expand the scope of section 216A to allow a complainant to bring an arbitration in the name and on behalf of a company, or intervene in an arbitration to which a company is party for the purpose of prosecuting, defending or discontinuing the arbitration on behalf of the company. This amendment gives effect to Recommendation 2.28 of the RSC.

Clause 147 makes a technical amendment to section 223(1)(*c*).

Clause 148 makes technical amendments to section 225(1)(*a*).

Clause 149 amends section 227X to make consequential amendments in relation to the amendments to section 210 made by clause 135.

Clause 150 amends section 254 to insert a new subsection (2A) to empower the Court, in relation to certain applications for winding up a company, to order that interest in shares held by one or more members of the company be purchased by the company or other members of the company, instead of winding up the company. This amendment gives effect to Recommendations 2.26 and 2.27 of the RSC.

Clause 151 amends section 328 to delete subsections (2) and (2A) and substitute a new subsection (2) to enable the Minister to publish the maximum amounts of wages or salary, and the amount due to an employee as a retrenchment benefit or ex gratia payment, which are conferred priority to other unsecured debts in a winding up.

Clause 152 amends section 344 —

(*a*) to provide in subsection (1) that the letter stating the Registrar's belief that a company is not carrying on business or is not in operation, must also be sent to the company's directors, secretaries and members. This amendment gives effect to modified Recommendation 5.21 of the RSC;

(*b*) to insert a new subsection (1A) to provide that the Registrar may have regard to prescribed circumstances in determining whether there is reasonable ground to believe that a company is not carrying on business;

(*c*) to shorten the period under subsection (2) within which cause may be shown as to why the name of a company should not be struck off, failing which the name of the company will be struck off the register and the company will be dissolved. This amendment gives effect to Recommendation 5.20 of the RSC;

(*d*) to shorten the period under subsection (5) within which an aggrieved person may apply to the Court to restore the name of a company which has been struck off the register. This amendment gives effect to Recommendation 5.24 of the RSC; and

(*e*) to insert a new subsection (7) to require the Registrar to send the particulars of a company, which the Registrar believes is not carrying on business or is not in operation, to the Inland Revenue Authority of Singapore and the Central Provident Fund Board, and to publish the substance of certain notices on the Authority's website. This amendment gives effect to modified Recommendation 5.21 and Recommendation 5.22 of the RSC.

Clause 153 inserts new sections 344A to 344G to give effect to modified Recommendations 5.21 and 5.25 and Recommendations 5.22, 5.23, 5.24, 5.26, 5.27, 5.28, 5.29 and 5.30 of the RSC.

The new section 344A sets out the manner in which a company may apply for its name to be struck off the register (striking off) and the procedure to be followed (including the notices to be published and the public authorities to be notified).

The new section 344B allows the applicant for striking off to withdraw the application.

The new section 344C sets out the grounds and manner for an objection to an application for striking off.

The new section 344D allows a former director or a former member of a company which name has been struck off, to apply to the Registrar to restore the name of the company to the register.

The new section 344E sets out the consequences of the Registrar's decision to restore the name of a company that had been struck off. A person aggrieved by the Registrar's decision not to restore the name of a company that was struck off may appeal to the Court.

The new section 344F empowers the Registrar to, at his own initiative, restore the name of a company which was struck off the register as a result of the Registrar's mistake.

The new section 344G sets out the effect of a restoration of the name of a company that had been struck off.

Clause 154 repeals and re-enacts section 365 to clarify that Division 2 of Part XI applies to all foreign companies which establish a place of business or carry on business in Singapore, or intend to do so.

Clause 155 amends section 366 —

(*a*) to insert a definition of the term "authorised representative" which replaces the term "agent" in the provisions in Division 2 of Part XI to better reflect the accountability and responsibility expected of the person;

(*b*) to clarify that the definition of "carrying on business" does not exclude activities carried on without a view to any profit. This makes clear that the activities of non-profit organisations in Singapore are not excluded from the definition by reason only that the activities in question are not carried on with a view to making a profit;

(*c*) to clarify that the word "Authority" in subsection (2)(*k*) refers to "the Monetary Authority of Singapore"; and

(*d*) to empower the Minister to prescribe other activities that are not to be regarded as carrying on business for the purposes of Division 2 of Part XI.

Clause 156 repeals and re-enacts section 368 and inserts new sections 368A and 368B.

The new section 368 seeks to give effect to the following:

(*a*) to require a foreign company to lodge the specified particulars and documents of the foreign company with the Registrar;

(*b*) to reduce the minimum number of authorised representatives to be appointed by a foreign company from 2 to one;

(*c*) to require a foreign company to lodge specified particulars of each of its authorised representatives, and to document the consent of the authorised representative;

(*d*) to require a foreign company to make available for inspection the evidence of appointment of each of its authorised representatives at its registered office in Singapore; and

(*e*) to require a foreign company to provide the residential address of each of its directors and authorised representatives.

The new section 368A imposes a duty on a director and an authorised representative of a foreign company to furnish such information to the company so as to enable the company to comply with sections 370(4) and 372(1). The director and authorised representative must also furnish such information to the foreign company, as may be required to confirm the company's record of such information or reinstate its record of the information where the original record of the information has been destroyed or lost.

The new section 368B provides saving and transitional provisions pursuant to the re-enactment of section 368.

Clause 157 amends section 369(1) to align the provision with existing section 20(2).

Clause 158 amends section 370 to delete subsections (4), (5) and (6) and substitute new subsections (4) to (7):

(*a*) to replace the word "agent" with "authorised representative";

(*b*) to require the lodgment of a consent statement in respect of the appointment of any new authorised representative; and

(*c*) to require a foreign company to appoint a replacement authorised representative before the existing sole authorised representative is permitted to resign, and to appoint a replacement authorised representative within 21 days after the death of the existing sole authorised representative.

Clause 159 inserts a new section 370A to set out the conditions and circumstances in which an alternate address may be disclosed or made available on the register instead of a director's or an authorised representative's residential address and also the circumstances in which the privilege of having an alternate address disclosed or made available may be lost or restricted.

Clause 160 amends section 372 —

(*a*) to require in subsection (1) that a foreign company must lodge particulars of any change of the following with the Registrar:

(i) its constitution;

(ii) particulars of its directors and authorised representatives;

(iii) the description of its business; and

(iv) the type of legal form or legal entity of the foreign company;

(*b*) to remove the existing requirement in subsection (1)(*g*) to lodge the particulars of any change in the powers of any directors resident in Singapore who are members of its local board of directors and to make a technical amendment;

(*c*) to replace subsections (1A), (1B) and (1C) to require a director and an authorised representative of a foreign company to inform the Registrar of changes of his residential address;

(*d*) to delete subsection (2) to remove the requirement on a foreign company to report any change in its authorised share capital;

(*e*) to delete subsection (3) to remove the requirement on a foreign company to report any change in its number of members; and

(*f*) to make other technical amendments.

Clause 161 repeals and re-enacts section 373 —

(*a*) to require in subsection (1) that a foreign company must lodge (depending on the circumstances) financial statements which are prepared in accordance with any applicable accounting standards which are similar to the Accounting Standards or which are acceptable to the Registrar; or financial statements which the directors of the company would be required to prepare or obtain under the Act if the foreign company were a public company;

(*b*) to specify in subsection (3) the period within which a foreign company must lodge its financial statements with the Registrar;

(*c*) to require the foreign company to lodge a statement of the name of the auditor who audited the documents specified in subsection (7);

(*d*) to exempt a foreign company's accounts relating to their operations in Singapore (Singapore branch accounts) from audit requirements under subsection (9), if the foreign company is dormant in Singapore;

(*e*) to allow, under subsection (10), a foreign company to apply for an extension of time to prepare and file their Singapore branch accounts upon payment of a fee;

(*f*) to empower the Registrar under subsection (12) to waive the requirement of a foreign company to file any document specified in subsection (7), relating to its Singapore branch accounts;

(*g*) to empower the Registrar under subsection (13) to grant relief to a foreign company from any requirement relating to the audit or form and contents of its Singapore branch accounts and, where the head office financial statements are required to be prepared as if the foreign company were a public company incorporated in Singapore, its head office financial statements;

(*h*) to empower the Minister, under subsection (17)(*b*), to exempt foreign companies of a specified class or description from the requirement to file their Singapore branch accounts; and

(*i*) to provide in subsection (18) that if a foreign company fails to comply with the section, the company, every director or equivalent person, and every authorised representative of the company who knowingly and wilfully authorises or permits the default will be guilty of an offence. The penalties imposed are consistent with that imposed on a director of a Singapore-incorporated company for similar offences under section 204.

Clause 162 amends section 375 —

(*a*) to remove the requirement for a foreign company to exhibit its name and place of formation outside its registered office and every place of business it establishes in Singapore;

(*b*) to require under new subsection (3) that a foreign company must state its unique entity number issued by the Registrar in its documents; and

(*c*) to provide under new subsection (4) a transitional period for existing companies to comply with the amendments to section 375.

Clause 163 amends section 377 —

(*a*) to delete subsection (1) and substitute subsections (1), (1A) and (1B) to shorten the period from the time of lodgment of a notice of cessation of business within which the Registrar must record in the register the fact that the company has ceased to have a place of business in Singapore or ceased to carry on business in Singapore;

(*b*) to shorten the timeframe in subsection (2) for lodging the notice of liquidation and dissolution of a foreign company which goes into liquidation or is dissolved;

(*c*) to substitute the reference to "agent" with "authorised representative";

(*d*) to delete subsection (6); and

(*e*) to delete subsections (8) and (9) and substitute new subsections (8) to (13). In particular —

(i) to empower the Registrar to strike the name of foreign company off the register if the company ceases to carry on business or to have a place of business in Singapore;

(ii) to empower the Registrar to strike the name of foreign company off the register upon the application of the sole authorised representative of the company if the company fails to appoint an authorised representative after the death of its sole authorised representative, or the company has failed to respond to a written request by its sole authorised representative to appoint a replacement authorised representative for the purpose of his resignation or to a written request for instructions as to whether the company wishes to cancel or continue its registration under the Act;

(iii) to provide that the Registrar may have regard to such prescribed circumstances in determining whether there is reasonable ground to believe that the company is not carrying on business; and

(iv) to give a person who is aggrieved by the Registrar's decision under subsection (8), (9) or (10) a right of appeal to the Minister.

Clause 164 inserts new sections 377A to 377D relating to administrative restoration of foreign companies which names have been struck off the register (struck-off), which are similar to the new sections 344D to 344G, which are inserted by clause 153 and are applicable to Singapore-incorporated companies.

The new section 377A allows a former director or a member of a foreign company which name has been struck off to apply to the Registrar to restore the name of the company to the register within 6 years of the company being struck-off.

The new section 377B sets out the consequences of the Registrar's decision to restore the name of a foreign company that had been struck-off. A person aggrieved by the Registrar's decision not to restore a foreign company that was struck off may appeal to the Court.

The new section 377C empowers the Registrar to, at his own initiative, restore the name of a foreign company which was struck off the register as a result of the Registrar's mistake.

The new section 377D sets out the effect of a restoration of a foreign company that had been struck off.

Clause 165 repeals and re-enacts section 378 —

(*a*) to expand the Registrar's powers to refuse the registration of a foreign company by a name which is identical to a name of a company, limited liability partnership, limited partnership or corporation or to a business name which is registered or reserved by the Registrar;

(*b*) to prevent the Registrar from registering a foreign company by a name which is identical to certain business names and the names of certain companies, foreign companies, limited liability partnerships and limited partnerships, within the moratorium period specified in subsection (2), unless consent of the Minister is obtained;

(*c*) to set out the exceptions, which relate to certain foreign companies and limited partnerships, to subsection (1);

(*d*) to empower the Registrar to direct a foreign company to change its name under the circumstances set out in subsection (5);

(*e*) to empower a person to apply to the Registrar to direct a foreign company to change its name, and to confer a right of appeal, on a person who is aggrieved by the Registrar's refusal to do so, to the Minister;

(*f*) to provide that the Registrar must not reserve any name in respect of a foreign company where he is satisfied that the foreign company is likely to

be used for certain undesirable purposes specified in subsection (15). A person who is aggrieved by the Registrar's decision may appeal to the Minister; and

(*g*) to allow an application to be made to extend the period during which a name of a foreign company may be reserved. A person who is aggrieved by the Registrar's refusal of the application may appeal to the Minister.

Clause 166 amends section 379 to align for consistency the periods within which a foreign company must notify the Registrar of the address at which it is keeping its branch register, of any change to that address or of the fact that the branch register is discontinued, to 30 days.

Clause 167 inserts a new section 386A to define the terms "consolidated financial statements", "parent company" and "financial statements" which are used in the amended section 387B, new section 387C and amended sections 397 and 401.

Clause 168 amends section 387B —

(*a*) to provide that the financial statements may be sent, etc., to a member, an officer or an auditor of the company using electronic communications; and

(*b*) to substitute the references to "memorandum or articles" with "constitution" arising from Recommendation 5.6 of the RSC.

Clause 169 inserts a new section 387C to clarify that certain documents may be given, sent or served by a company using electronic communications in accordance with the constitution of the company. This amendment gives effect to Recommendations 2.18, 2.19, 2.20 and 2.21 of the RSC.

Clause 170 repeals and re-enacts sections 395 and 396 and inserts new section 396A to give effect to Recommendations 5.15 and 5.16 of the RSC.

The new section 395 requires a company to keep adequate records of the information required to be contained in any company records for future reference. Such records may be kept in hard copy form or in electronic form.

The new section 396 requires the company to take reasonable precautions to ensure the proper maintenance and authenticity of company records which are not kept in hard copy form.

The new section 396A sets out the company's duties where the Act requires its company's records to be available for inspection.

Clause 171 amends section 397 to replace subsection (3) to provide that if financial statements of a company required to be kept by the Act are not kept in English, the directors of the corporation are required to provide an English translation of the financial statements.

Clause 172 amends section 401 to replace subsection (2) to make clear that the offence of making or authorising the making of a false or misleading document, etc., applies such that every person who wilfully makes or authorises the making of a false and misleading statement in any financial statement, or causes any of the documents specified in the subsection to be misleading in a material respect, will be guilty of an offence.

Clause 173 amends section 405 —

(*a*) to make it an offence for any person, other than a foreign company, to have the word "Limited" or "Berhad" as the final word in its name or title, or to hold out that he is carrying on a business incorporated under the Act, if the business was not so incorporated under the Act at the time; and

(*b*) to insert a new subsection (3) to make it an offence for any person, his agent or a person acting on his behalf, to hold out that a business is registered as a foreign company when at the material time the business was not so registered.

Clause 174 makes a technical amendment to section 408(1).

Clause 175 amends section 409 to delete subsections (4), (5) and (6) as they are covered by the new section 409B inserted by clause 176.

Clause 176 inserts a new section 409B to empower the Registrar to compound any offence under the Act which is prescribed as a compoundable offence by collecting a sum of money from a person reasonably suspected of having committed the offence.

Clause 177 inserts a new section 409C which gives any party aggrieved by an act or a decision of the Registrar under the Act a right to appeal to the Court against the act or decision. This reproduces the content of section 12(6) which is deleted by clause 10.

Clause 178 amends section 410 to clarify that the Rules Committee is constituted under section 80 of the Supreme Court of Judicature Act (Cap. 322).

Clause 179 amends section 411 to empower the Minister to —

(*a*) prescribe fees payable under the Act and in respect of certain other matters;

(*b*) prescribe penalties payable for the late lodgment of documents;

(*c*) prescribe the manner in which prescribed fees and penalties are to be paid;

(*d*) make regulations relating to the waiver, refund or remission of any fee or penalty chargeable under the Act;

(*e*) to prescribe all matters connected with or arising from the restrictions as to the reservation or registration of names of companies and foreign companies; and

(*f*) to insert a new subsection (2) to expressly provide that regulations may provide that a contravention of a specified provision of the regulations is an offence.

Clause 180 repeals the Second Schedule.

Clause 181 repeals the Fourth Schedule to give effect to modified Recommendation 5.10 of the RSC.

Clause 182 makes consequential amendments to the Sixth Schedule which relate to the amendments to section 173 made by clause 90.

Clause 183 repeals the Eighth Schedule as the contents of an annual return will be prescribed under the new section 197 inserted by clause 111.

Clause 184 inserts new Twelfth and Thirteenth Schedules.

The new Twelfth Schedule sets out the contents of directors' statement referred to in the new section 201(16) inserted by clause 116. This is a consequential amendment arising from the abolition of a separate directors' report. It also consolidates the disclosure requirements in a directors' statement to give effect to Recommendations 4.13, 4.15 and 4.16 of the RSC.

The new Thirteenth Schedule sets out the criteria for a small company and for a small group, which are referred to in the new section 205C inserted by clause 128.

Clause 185 provides that the miscellaneous amendments to the Companies Act as set out in the First Schedule will apply.

Clause 186 provides savings and transitional provisions in relation to the deletion of the references to "prescribed person" and empowers the Minister to prescribe savings and transitional provisions arising from the enactment of the Bill.

Clause 187 inserts new sections 81SF to 81SV in the Securities and Futures Act (Cap. 289). These provisions substantially replicate the existing provisions contained in Division 7A of Part IV of the Companies Act, which are repealed by clause 62. This amendment gives effect to modified Recommendation 3.16 of the RSC.

Clause 188 provides for the consequential amendments to other written laws.

The First Schedule contains the miscellaneous amendments to the Companies Act.

The Second Schedule contains the consequential amendments to the other written laws.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.