



Enhancements to Corporate Governance and Regulatory Framework in 2025

*Note by Second Minister for Finance, Indranee Rajah SC,
on the Corporate and Accounting Laws (Amendment) Bill*

On 5 November 2025, Parliament passed the Corporate and Accounting Laws (Amendment) Bill ("Bill"), as part of our ongoing commitment to enhance corporate governance.

These amendments would be of relevance to those providing legal, accounting and corporate secretarial services.

The Bill amends three main pieces of legislation:

- Companies Act 1967
- Limited Liability Partnerships Act 2005
- Accountants Act 2004.

The date when the amendments come into effect will be notified in the Government Gazette.

This Note provides a summary of the key amendments. My full Second Reading speech can be read [here](#).



1. Safeguarding Shareholders' Interests

Enhanced Approval Process for Selective Off-Market Share Purchases

Currently...

- **A company can purchase its own shares through a selective off-market purchase** with a special resolution passed by shareholders representing at least 75% of the total voting rights, excluding votes of shareholders whose shares are being acquired.
- **When a company has different classes of shares, this may insufficiently account for the interests of shareholders in the affected class** who are not part of the selective off-market purchase.

What will change?

The Bill's amendments:

- **Introduce a two-tier approval process:**

Tier 1 (existing)	Requires approval by 75% of shareholders through a special resolution*
Tier 2 (new)	Requires the consent of 75% of shareholders within the affected class of shares *

**Excluding those whose shares are being acquired*

- Tier 2 will not be applicable if the entire class of shares is being acquired.
- The amendments allow shareholders within the affected class of shares to have a larger say in the approval process.

How do I apply these changes?

- When advising on selective off-market purchases, **ensure both approval tiers (where applicable) are satisfied**.
- To simplify the Tier 2 approval process, companies can obtain **written consent** from affected shareholders instead of through a separate class meeting.

2. Strengthening Regulatory Framework for Companies

Increased Penalties for Breaches of Directors' Duties



Currently...

- **Directors are required by law to act honestly and use reasonable diligence** when discharging their duties.
- Any breach is an offence punishable by **a fine not exceeding \$5,000 or imprisonment for up to 12 months.**

What will change?

- The Bill's amendments **increase the maximum fine to \$20,000** or imprisonment for up to 12 months, or **both.**

How do I apply these changes?

- When advising directors on their duties and potential liabilities, **highlight the increased penalty levels and importance of compliance with corporate governance duties.**

3. Enhancing Accountability in Auditing

Public Accountant Identification in Audit Reports

Currently...

- Audit reports are usually signed off by accounting entities.
- The **identity of the public accountant responsible for the audit is not disclosed in the audit report**, though this information is available on ACRA's Bizfile.

What will change?

The Bill's amendments:

- Require the public accountant who is primarily responsible for an audit engagement to be **identified in the audit report itself**.
- Promote greater personal accountability for public accountants and transparency in the auditing profession.

How do I apply these changes?

- If you are a public accountant conducting audits, ensure your name is **properly disclosed in audit reports**.
- Accounting entities should **update their audit report templates** accordingly.

Working with Professionals to Uphold Singapore's Reputation

These amendments reflect our commitment to maintaining Singapore's reputation as a trusted business hub whilst ensuring our regulatory framework keeps pace with evolving business practices and international standards.

The Government looks forward to working with professionals to implement these amendments and thereby strengthen our corporate governance and uphold Singapore's reputation as a trusted business venue.

Best Regards,

Indranee Rajah
Second Minister for Finance