

## **Companies (Amendment) Act 2017**

***Companies (Amendment) Act 2017***

***Limited Liability Partnerships (Amendment) Act 2017***

### **Background**

To ensure that our corporate regulatory regime continues to stay robust and supports Singapore's growth as a global hub for businesses and investors, the Ministry of Finance (MOF) and ACRA conducted a review of the Companies Act in 2016. This review culminated in the Companies (Amendment) Bill 2017 and Limited Liability Partnerships (Amendment) Bill which were passed in Parliament on 10 Mar 2017.

### **What are the changes and Why the change**

#### **Aim: Reduce Compliance Costs and Administrative Burden**

- Private companies need not hold AGMs subject to specified safeguards
- Simplify the requirements for holding AGMs and filing annual returns
- Remove the mandatory requirement to use a common seal

#### **Aim: Make the ownership and control of business entities more transparent**

- All companies and LLPs, unless exempted, are required to obtain and maintain beneficial ownership information

#### **Aim: Boost Singapore's Competitiveness as a Business Hub**

- Introduce an inward re-domiciliation regime which allows foreign corporate entities to transfer their registration to Singapore.

### **Who will benefit**

Companies including small-and-medium enterprises (SMEs), will benefit from some of the changes. In particular, the compliance cost will be reduced for private companies which are exempted from holding annual general meetings (AGMs), subject to specified safeguards. To reduce the administrative burden, the timelines for companies to hold AGMs and file annual returns are also simplified.

To further boost Singapore's competitiveness as a business hub, an inward re-domiciliation regime, which allows foreign corporate entities to transfer their registration to Singapore, has been introduced.

To uphold Singapore's reputation as a trusted and clean financial hub, the ownership and control of business entities are made more transparent with all companies and LLPs, unless exempted, required to obtain and maintain beneficial ownership information.

There are also changes to Singapore's corporate rescue and restructuring processes to position Singapore as a choice venue to conduct international debt restructuring. Please refer to the Ministry of Law's website for details.

### **Key Legislative Amendments and Implementation Timeline**

Key legislative amendments that took effect on 31 Aug 2018 for companies with FYE ending on or after 31 Aug 2018

#### **Amendments to annual general meetings (AGMs) and annual returns timelines**

- Align the timelines for holding AGMs and filing annual returns with the Financial year end (FYE) for listed and non-listed companies;
- Exempt all private companies from holding AGMs subject to specified safeguards

The process for Solvent Exempt Private Companies and Dormant Private Relevant Companies to file Annual Returns has also been simplified.

Click [here](#) for more information and related FAQs on this amendment.

Key legislative amendments that took effect on 11 Oct 2017

#### **Introduction of an inward re-domiciliation regime in Singapore**

This is to allow foreign corporate entities to transfer their registration to Singapore.

Click [here](#) for more information and related FAQs on this amendment.

Key legislative amendments that took effect on 31 Mar 2017

#### **(i) Improving the transparency of Companies and LLPs**

- Requirement for companies and LLPs incorporated/registered in Singapore to maintain registers of registrable controllers at prescribed places
- Requirement for foreign companies registered in Singapore to maintain registers of registrable controllers and public register of shareholders

(Click [here](#) for FAQs on public registers of members for foreign companies)

- Requirement for a liquidator to retain records of wound up companies and LLPs for five years instead of two
- Remove the options for companies and LLPs to destroy records early if they are wound up by their members, partners or creditors
- Requirement for officers/partners/managers of struck off companies and LLPs to retain all books and papers of the companies or LLPs for five years
- Void the issuance and transfer of bearer shares and share warrants by foreign companies registered in Singapore
- Require nominee directors to disclose their nominee status and nominators to their companies

Click [here](#) for more information on Register of Registrable Controllers, help resources and related FAQs.

#### **(ii) Remove the requirement for a common seal**

Remove the legal requirement for companies and limited liability partnerships (LLPs) to use common seals.

Click [here](#) for more information and related FAQs on this amendment.

#### **Important Information for Corporate Service Providers**

**Corporate service providers (CSPs) will be involved in helping their corporate clients comply with these requirements. It is important to understand the requirements and timelines, especially scope of obligations for RFAs, qualifiers and safeguards of the exemption from holding AGMs and the determination of FYE. Please click [here](#) for more information specific to CSPs.**

Important Information for Shareholders – Exemption for all private companies from holding AGMs subject to specified safeguards

A key legislative change sees private companies being exempted from holding annual general meetings (AGMs), subject to specified safeguards. Under the Companies (Amendment) Act 2017, private companies are exempted from holding AGMs if they send their financial statements to members within 5 months of the financial year end (FYE). Shareholders should note that safeguards have been put in place so that companies must still hold an AGM/ general meeting if requested by shareholder or auditor. The details are as follows:

Safeguards are put in place so that private companies will still need to hold:

1. an AGM if any shareholder requests for it not later than 14 days before the end of the 6th month after FYE;
2. a general meeting to lay financial statements if any shareholder or auditor requests for it not later than 14 days after the financial statements are sent out.

The option for private companies to dispense with the holding of AGMs remains. Click [here](#) for more information on the amendments to holding AGM and filing annual return.

### **Commencement Notification & Subsidiary Legislation**

- [Companies \(Amendment\) Act 2017 \(Commencement\) Notification 2018](#)
- [Companies \(Amendment\) Act 2017 \(Saving and Transitional\) Regulations 2018](#)
- [Companies \(Amendment\) Regulations 2018](#)
- [Companies \(Fees and Late Lodgment Penalties\) \(Amendment No. 3\) Regulations 2018](#)
- [Companies \(Filing of Documents\) \(Amendment\) Regulations 2018](#)
- [Companies \(Revocation\) Regulations 2018](#)
- [Companies \(Summary Financial Statement\) \(Amendment\) Regulations 2018](#)
- [Companies \(Transfer of Registration\) \(Amendment\) Regulations 2018](#)

### **Documents related to the passage through Parliament**

Please access the following links for more information on:

1. [Accountants \(Public Accountants\)\(Amendment\) Rules 2017 \(PDF,37KB\)](#)

2. [Companies \(Amendment\) Act 2017 \(PDF,910KB\)](#)
3. [Companies \(Amendment\) Act 2017 \(Commencement\) Notification 2017 \(PDF,27KB\)](#)
4. [Companies \(Filing of Documents\) \(Amendment\) Regulations 2017 \(PDF,34KB\)](#)
5. [Companies \(Register of Controllers and Nominee Directors\) Regulations 2017 \(PDF,95KB\)](#)
6. [Companies \(Amendment\) Act 2017 \(Commencement\)\(No. 3\) Notification 2017\(PDF,26KB\)](#)
7. [Companies \(Transfer of Registration\) Regulations 2017 \(PDF,69KB\)](#)
8. [Companies \(Fees and Late Lodgement Penalties\) \(Amendment\) Regulations 2017 \(PDF,32KB\)](#)
9. [Limited Liability Partnerships \(Amendment\) Act 2017 \(PDF,219KB\)](#)
10. [Limited Liability Partnerships \(Amendment\) Act 2017 \(Commencement\) Notification 2017\(PDF,27KB\)](#)
11. [Limited Liability Partnerships \(Amendment\) Regulations 2017 \(PDF,34KB\)](#)
12. [Limited Liability Partnerships \(Register of Controllers\) Regulations 2017 \(PDF,86KB\)](#)
13. [Second Reading speech on the Companies \(Amendment\) Bill 2017 \(PDF,297KB\)](#)
14. [Second Reading speech on the Limited Liability Partnerships \(Amendment\) Bill 2017 \(PDF,81KB\)](#)
15. [Fact sheet on Companies \(Amendment\) Bill 2017 and Limited Liability Partnerships \(Amendment\) Bill 2017 \(PDF,271KB\)](#)
16. [MOF and ACRA's responses to public feedback from two public consultations held on proposed changes to the Companies Act, LLP Act and Accountants Act](#)

*Note: The Companies (Amendment) Bill 2017 also contains amendments proposed by the Ministry of Law (MinLaw) to implement some of the recommendations of the Insolvency Law Review Committee (ILRC) and the Committee to Strengthen Singapore as an International Centre for Debt Restructuring (Restructuring Committee). Please refer to MinLaw's website for more details on these amendments at [www.mlaw.gov.sg](http://www.mlaw.gov.sg).*