

MEDIA RELEASE

COMPANY DIRECTOR AND HIS COMPANIES TAKEN TO TASK FOR COMPANIES ACT AND INCOME TAX ACT OFFENCES

Singapore, 1 Oct 2018 – The Accounting and Corporate Regulatory Authority (ACRA) and the Inland Revenue Authority of Singapore (IRAS) recently brought charges against a company director, Eddie Teoh Siah Hai, for offences under the Companies Act and in respect of four of his companies' offences under the Income Tax Act respectively.

Breaches to the Companies Act

On 27 Aug 2018, Teoh was convicted and fined \$16,800 for 14 charges at \$1,200 per charge in the State Courts. Teoh pleaded guilty to the charges for offences under sections 175 and 197 of the Companies Act for failing to hold the annual general meeting (AGM), and failing to file annual returns (AR) in relation to 16 companies. A further 32 charges were taken into consideration for sentencing. Teoh will also be disqualified as director of all companies that he has been appointed to and from taking on new appointments.

The holding of AGM and filing of AR are important statutory requirements. The AGM provides a forum for shareholders to be informed of the financial position of the company, and to engage the directors of the company on the matter. Filing annual returns on time enable timely public disclosure of key information such as the health and status of the company. Company directors who fail to hold AGM and/or file Annual Returns may be fined up to \$5,000 per charge. In addition, directors who have been convicted of three or more filing related offences under the Companies Act within a period of five years, can be disqualified by ACRA and will not be allowed to be a company director or take part in the management of any local or foreign companies for five years, effective from the date of conviction.

Breaches to the Income Tax Act

Teoh was company director for four companies namely, Britt Worldwide Pte Ltd, BPE-Clyde Pte Ltd, Good Technology Software Pte Ltd and Palmali International Singapore Pte Ltd, which had failed to file their Corporate Income Tax returns for the Year of Assessment (YA) 2017. Good Technology Software Pte Ltd, Palmali International Singapore Pte Ltd and BPE-Clyde Pte Ltd were fined \$400 each, while Britt Worldwide Pte Ltd was fined \$500.

All companies are required to file their Corporate Income Tax returns by 30 Nov or 15 Dec (if e-filing) each year. This includes companies in a loss position or with no chargeable income. Companies that fail to file their Corporate Tax Income returns may be fined up to \$1,000. In addition to the fine, companies that fail to comply for two years or more shall be liable on conviction to a penalty that is twice the tax amount assessed. Company directors may be required to provide information on the company's income, assets and liabilities. Directors who fail to furnish the requested information face a fine of up to \$10,000 and/or imprisonment of up to 12 months.

Companies and company directors are reminded to comply with statutory requirements set out in the Companies Act and the Income Tax Act. The public can come forward and alert ACRA or IRAS if they have reason to suspect that breaches to the Companies Act or Income Tax Act have taken place.

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About ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. We promote a trusted and vibrant environment for businesses to thrive and flourish, and contribute towards making Singapore the best place for business.

For more information, please visit: www.acra.gov.sg.

About IRAS

The Inland Revenue Authority of Singapore (IRAS) is the largest revenue agency in Singapore responsible for the administration of taxes. We are a partner of the community in nation-building and inclusive growth. We support Singapore's sustainable economic growth by fostering a competitive tax environment and administering Government schemes.

Visit IRAS' website at www.iras.gov.sg.