

## Removal of requirement for common seal

With effect from 31 Mar 2017, companies and limited liability partnerships (LLPs) are no longer required to use the common seal in the execution of documents as a deed, or other documents such as share certificates. Companies and LLPs can execute documents by having them signed by authorised persons.

<b>Authorised persons for companies</b>	<b>Authorised persons for LLPs</b>
<ul style="list-style-type: none"> <li>• A director and the secretary of a company;</li> <li>• Two directors of a company; or</li> <li>• A director of a company in the presence of a witness who attests the signature</li> </ul>	<ul style="list-style-type: none"> <li>• Two partners of an LLP; or</li> <li>• A partner of an LLP in the presence of a witness who attests the signature.</li> </ul>

## Frequently Asked Questions

### **Q: Can companies and LLPs choose to retain the use of a common seal?**

A: Yes, companies and LLPs can choose to retain the use of a common seal based on business needs.

### **Q: What are the safeguards for ensuring authenticity and authority of documents executed by companies and LLPs after the requirement for a common seal is removed?**

A: Companies should execute documents by having documents signed by:

- a director and the secretary of a company;
- two directors of a company; or
- the director of the company in the presence of a witness who attests the signature.

LLPs should execute documents by having them signed by:

- two partners of an LLP; or
- a partner of the LLP in the presence of a witness who attests the signature.

### **Q: If a company's constitution has specific provisions on how a deed or document should be executed, can it still execute a deed or document by way of the new "authorised persons" option as listed above?**

A: Yes, a company can still choose to execute the deed or document by way of the new “authorised persons” option, subject to it obtaining legal advice in cases of doubt.

**Q: For an existing company, if it wishes to remove the provisions of the common seal from its constitution, how should this be done?**

A: This can be done by amending its constitution, upon obtaining legal advice, where necessary.

**Q: For a newly incorporated company, what should a company do if it chooses not to have a common seal?**

A: The newly incorporated company should ensure that its constitution does not contain any provision for a common seal. Note that if the company intends to adopt the Model Constitution, it should take steps to opt out from the provisions referring to the common seal.