

List of key legislative amendments to be implemented in phase 1

Phase 1 - List of key amendments to be implemented in July 2015

S/N	Key Amendments	Section number in Companies (Amendment) Act 2014
(a)	Shareholders' approval not required for payment of compensation up to a year's emoluments to executive director for termination of his employment.	Section 86
(b)	Relaxing conditions for nominee directors to disclose information to nominating shareholders.	Section 80
(c)	Empowering the Court hearing a winding-up application to order a buy-out instead of ordering winding-up.	Section 150
(d)	Expanding the scope of the statutory derivative action in section 216A to allow a complainant to apply to the court for leave to commence/intervene in arbitration.	Section 146
(e)	Extending application of section 216A such that the statutory derivative action is applicable to Singapore-incorporated companies that are listed for quotation or quoted on a securities market, whether in Singapore or overseas.	Section 146
(f)	Allowing listed companies to make selected off-market acquisition of shares in itself in accordance with an agreement authorised by the company.	Section 45
(g)	Removal of prohibition against financial assistance by private companies and introducing new exceptions to financial assistance.	Section 41
(h)	Permitting use of capital to pay for share issues and buybacks for brokerage or commissions.	Section 35
(i)	Allowing companies to issue shares for no consideration.	Section 35

(j)	Consolidating provisions relating to auditor independence under the Accountants Act.	Section 9
(k)	Introduction of small company audit exemption.	Section 128, 184
(l)	Auditors of non-public interest company may resign upon giving notice to the company. Auditors of public interest companies and their subsidiaries to obtain ACRA's consent for premature resignation.	Section 126
(m)	Determination of requirement to prepare consolidated financial statements to be determined by financial reporting standards and not the Companies Act.	Section 112, 113, 116 (and other related amendments)
(n)	Repeal of Companies Act requirement relating to alignment of financial year between parent and subsidiary.	Section 115
(o)	Company secretaries of private companies need not be physically present at the company's registered office.	Section 88
(p)	Prescribing the requirements of a company secretary of a public company in regulations.	Section 88
(q)	Abolition of transitional arrangements for share warrants.	Section 34
(r)	Update limit on preferential payments to employees of insolvent companies.	Section 151

Click [here](#) for details of selected key amendments to be implemented in Phase 1.