

## **JOINT MOF-ACRA PRESS RELEASE**

### **MOF AND ACRA INVITE PUBLIC FEEDBACK ON PROPOSED CHANGES TO THE ACRA ACT**

1. The Ministry of Finance (MOF) and the Accounting and Corporate Regulatory Authority (ACRA) invite the public to provide feedback on the draft ACRA (Amendment) Bill and key policies in the new Regulations that will enhance the regulatory framework for corporate service providers (CSPs). The public consultation exercise will run from 7 November to 6 December 2013.

#### **Background**

2. Singapore has established its reputation as a trusted international financial and business centre with robust regulatory frameworks against money laundering and terrorist financing. As a member of the Financial Action Task Force (FATF<sup>1</sup>), Singapore announced its commitment to the revised FATF Recommendations<sup>2</sup> in February 2012. Some of these recommendations apply to CSPs, which are individuals or business entities that provide any of the following services to third parties as a business:

- (a) acting as a formation agent of legal persons;
- (b) acting as or arranging for another person to act as a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
- (c) providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement; or
- (d) acting as or arranging for another person to act as a nominee shareholder for another person other than the exceptions which are provided.

#### **Draft ACRA (Amendment) Bill**

3. To enable Singapore to comply with the revised FATF Recommendations relating to CSPs, MOF and ACRA propose to amend the ACRA Act to enhance the regulatory framework for CSPs. The amendments also provide a transition framework to ease the transition of existing CSPs to the enhanced regulatory regime. In this review of the ACRA

---

<sup>1</sup> FATF is an intergovernmental body that sets global standards to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction, and carries out mutual evaluations of jurisdictions to assess their adherence to these standards.

<sup>2</sup> In 2012, FATF revised its Recommendations which require all countries to have effective systems for preventing and addressing money laundering, terrorist financing and the financing of proliferation. The revisions, made with inputs from governments, the private sector and civil society, provide authorities with a stronger framework to act against criminals and address new threats to the international financial system. Details of the FATF Recommendations are at [www.fatf-gafi.org/recommendations](http://www.fatf-gafi.org/recommendations).

Act, proposals are also made to enhance ACRA's general enforcement powers in administering the various ACRA administered legislation.

#### Legislative amendments to enhance the regulatory framework for CSPs

4. The draft Bill introduces provisions that:
  - (a) require CSPs (referred to as filing agents and qualified individuals in the draft Bill) to register or renew their registration with ACRA before they can carry out filing transactions with ACRA;
  - (b) empower the Minister to make regulations including the terms and conditions that registered filing agents and qualified individuals have to comply with. These terms and conditions include requirements that are in line with the revised FATF Recommendations;
  - (c) empower ACRA to take action against registered filing agents and qualified individuals that breach the terms and conditions. ACRA may either cancel or suspend their registration, restrict their use of ACRA's electronic transaction system or impose a financial penalty on them;
  - (d) allow registered filing agents and qualified individuals to appeal to the Minister if they are aggrieved by ACRA's decision; and
  - (e) empower the Minister to make transitional regulations for existing CSPs to be registered as registered filing agents and qualified individuals under the enhanced regulatory framework.

#### Legislative amendments to other aspects of ACRA Act

5. MOF and ACRA also propose other legislative amendments to:
  - (a) better protect ACRA's name and acronym against possible infringement;
  - (b) enhance the enforcement powers of ACRA officers and employees;
  - (c) increase the maximum composition sum that ACRA may impose for certain offences;
  - (d) clarify that penalties for late payment or late filing, financial penalties and composition sums which are collected by ACRA will be paid into the Government Consolidated Fund; and

- (e) consolidate provisions on ACRA's electronic transaction system from the various ACRA administered legislation in the ACRA Act.
6. A table setting out the proposed amendments in the draft Bill is at Annex A. The draft Bill is at Annex B.

### **Key policies in the new Regulations**

7. New Regulations will be drafted to set out details of the CSP-related provisions that are in the ACRA Act. These Regulations will elaborate on the obligations that registered filing agents and qualified individuals have to comply with in order to meet the revised FATF Recommendations as well as other regulatory requirements. Highlights of the key policies in the draft Regulations are at Annex C.

### **Public consultation details**

8. MOF and ACRA would like to seek public feedback on the draft ACRA (Amendment) Bill, which primarily covers legislative amendments relating to these enhancements and other aspects of the ACRA Act, as well as key policies in the new Regulations.
9. The public can access the consultation documents on MOF's website ([www.mof.gov.sg](http://www.mof.gov.sg)), ACRA's website ([www.acra.gov.sg](http://www.acra.gov.sg)) and the REACH consultation portal ([www.reach.gov.sg](http://www.reach.gov.sg)). Written comments can be submitted to:

Ministry of Finance  
Economic Programmes Directorate  
100 High Street  
#10-01, The Treasury  
Singapore 179464

Fax: 6337 4134  
Email: [pc\\_acraact@mof.gov.sg](mailto:pc_acraact@mof.gov.sg) (preferred mode)

10. MOF and ACRA will publish a summary of the comments received together with our responses by early 2014. The summary will not disclose the identity of respondents, and will not separately address or acknowledge every comment received.

MINISTRY OF FINANCE  
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY  
7 November 2013

.....

Attachments:

- [Annex A: Table of proposed amendments in the draft ACRA \(Amendment\) Bill](#)
- [Annex B: Draft ACRA \(Amendment\) Bill](#)
- [Annex C: Key policies in the ACRA \(Service Providers\) Regulations](#)

Contact for media queries

<b>MOF</b>	<b>ACRA</b>
Ms Stellina Seng Associate (Corporate Communications) Email: stellina_seng@mof.gov.sg	Ms Kate Hia Assistant Director (Corporate Communications) Email: kate_hia@acra.gov.sg