

## Information for CSPs

In March 2017, Parliament passed the Companies (Amendment) Bill 2017. Some of these amendments which aim to reduce the regulatory burden for companies took effect on 31 August 2018. As Corporate Service Providers will be involved in helping their corporate clients comply with these legislative requirements, the following information is meant to provide more details on the upcoming changes.

### **Key Legislative Amendments that took effect on 31 Aug 2018 for companies with FYEs ending on or after 31 Aug 2018**

#### Exemption from Holding Annual General Meetings (AGMs)

Private companies need not hold annual general meetings (AGMs) if they send their financial statements to members within five months of the financial year end (FYE): Private companies must still hold:

- an AGM if any shareholder requests for it not later than 14 days before the end of the 6th month after FYE;
- 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.

#### Aligning timelines for AGM and Annual Returns (ARs) to Financial Year End (FYE)

Requirements on holding AGMs and filing annual returns have been simplified and deadlines are now tied to a company's FYE as follows:

- Listed companies must hold an AGM within 4 months after FYE and file an AR within 5 months after FYE
- Other companies must hold an AGM within 6 months after FYE and file an AR within 7 months after FYE

The Annual Return can be filed only: (i) after an AGM has been held; (ii) after financial statements are sent if company need not hold AGM; or (iii) after the FYE for a private dormant relevant company that is exempted from preparing financial statements. To prevent companies from arbitrarily changing their FYE, there are safeguards:

- Companies must notify the Registrar of their FYE upon incorporation and of any subsequent change;

- Unless otherwise approved by the Registrar, the duration of a company's financial year must not be more than 18 months in the year of incorporation; and
- Companies must apply to the Registrar for approval to change their FYE if:
- the change in FYE results in a financial year longer than 18 months; or
- the FYE was changed within the last 5 years.

Companies incorporated before 31 August 2018 have their FYE deemed by law to be the anniversary of the date previously notified (via an annual return/change of FYE transaction) to the Registrar as their FYE date. In the absence of such notification before 31 August 2018, the anniversary of the date of incorporation is deemed by law to be their FYE.

### **Simplified AR filing process for Solvent EPCs and Dormant Private Relevant Companies**

In addition, the process for Solvent EPCs and dormant private relevant companies to file Annual Returns has also been simplified. They will be eligible to file Simplified Annual Returns if they fulfil the following requirements:

- the company is not preparing audited financial statements; and
- the company is not required to file financial statements with ACRA.

Similar to the current process of filing annual returns, the Simplified Annual Returns can be filed only:

- after an AGM has been held if the company needs to hold an AGM; or
- after financial statements are sent to members if the company need not hold AGM; or
- after FYE for a private dormant relevant company that is exempted from preparing financial statements.

Companies may choose to file Simplified Annual Returns in BizFile+ portal from 31 August 2018. Please note that only appointed company officers can file the simplified Annual Returns using the ACRA on the Go mobile app. The fees for filing simplified Annual Returns is \$60.

Please click [here](#) for detailed information of these amendments and the related FAQs.

## **Legislative amendments which took effect in 2017**

- **Maintain Register of Registrable controllers and Register of Nominee Directors**

To make the ownership and control of corporate entities more transparent, all companies, foreign companies and LLPs (unless exempted by legislation) will be required to maintain a register of registrable controllers. Companies will also be required to maintain a register of nominee directors. The registers and the information therein must be made available to the Registrar and public agencies upon request.

### **Scope of Obligations**

If you are appointed as the secretary of a company or a company's, foreign company's or LLP's corporate service provider ("CSP") for the purpose of the register, you should ensure that the company complies with the relevant duties, including sending notices querying about the existence and particulars of controllers, and to record the responses received in the register of controllers. The company, foreign company or LLP is not liable should recipients fail to respond or respond inaccurately.

Notices need not be sent out if the required particulars of the relevant controllers have already been provided to the company, foreign company or LLP by a RFA on behalf of the controllers. For example, RFAs are required to collect beneficial ownership information of their clients as part of customer due diligence , so the information collected may, with the consent of the beneficial owner of the client, be provided by the RFA to the relevant company, foreign company or LLP and entered into the register.

- **Maintain Public Register of Members for Foreign Companies**

Foreign companies will be required to keep a public register of members. This is similar to the current requirement for public companies to maintain their registers of members. For example, the public register of members for foreign companies should by default be kept at the foreign company's registered office and contain the names and addresses of the members of the foreign company. A similar transitional grace period of 30/60 days would apply.

If you are appointed as a foreign company's corporate service provider ("CSP") for the purpose of the register, you should ensure that the foreign company complies with the requirement to keep a public register of members.

- **Removal of requirement for companies and LLPs to use the common seals**

We would like to highlight that this legislative change gives companies the option not to use the common seal. Companies can choose to retain the use of a common seal based on business needs.

Companies will have the option to execute documents by having them signed by:

1. a director and a secretary of a company,
2. two directors of a company; or
3. a director of the company in the presence of a witness who attests the signature.

Likewise, for LLPs, the authorised persons are limited to:

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