

## Spotlight On: Regulatory Changes



### **ACRA Announces Implementation Date for Phase 2 of the Companies Act Amendments**

Following the amendments of phase 1 of the legislative amendments to the Companies (Amendment) Act 2014 on 1 July 2015, the Accounting and Corporate Regulatory Authority of Singapore (ACRA) has announced that the 2nd phase of legislative amendments to the Companies Act (CA) will be implemented on 3 January 2016.

1. **Phase 2 of Legislative Amendments: 3 January 2016**

A list of the key Companies Act amendments that will come into effect in the second phase on 31 January 2016 can be found on Annex A.

2. **New Business Names Registration Act**

The new Business Names Registration Act (BNRA) will also come into effect on 3 January 2016. The BNRA repeals and re-enacts the Business Registration Act.

The provisions of the BNRA will simplify the process for the registration of persons and their business names and reduces regulatory burden on business owners.

The list of key legislative provisions of the BNRA can be found on Annex B.

### 3. System Migration of Bizfile

In tandem with the above, ACRA will also launch the enhance business filing and information platform – “ Bizfile “ which will take effect on 3 January 2016. The new features shall include a customised dashboard for each user, streamline processes and mobile options that allows users to perform some transactions on the move.

Under the enhanced regulatory fee structure, some businesses can expect a slight increase in their annual fees while over a hundred ad hoc transactions previously charged under the pay-use model, will be made free-of-charge.

In the week prior to its launch (26 December 2015 to 2 January 2016), ACRA’s current online business filing and information portal will be undergoing system migration and will therefore not be available. The public is advised to complete all Bizfile related transactions before 25 December 2015 by 2330 hrs. This includes the necessary endorsements from business partners and making payments, if required. Any incomplete transactions may require reapplication when the system is launch on 3 January 2016

If you wish to understand more on the topics of the above amendments,  
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**List of key amendments to be implemented in Phase 2 of the Companies (Amendment) Act 2014 – effective 3 Jan 2016**

<b>S/N</b>	<b>Key Amendments</b>
(a)	Removing the requirement for shareholders' approval to re-appoint directors aged 70 and above.
(b)	Extension of the types of loans permitted to directors to include quasi-loans, credit transactions and related arrangements.
(c)	Extension of directors' disclosures requirements to Chief Executive Officers.
(d)	Allowing a company to provide indemnity against liability incurred by directors to third parties.
(e)	Power of Registrar to debar directors and secretaries.
(f)	Lowering the threshold of 10% of total voting rights for the eligibility of shareholders to demand a poll to 5%.
(g)	Introduction of multiple proxies regime to enfranchise indirect investors.
(h)	Liberalising rules on electronic transaction of documents by companies.
(i)	Extension of procedures for passing written resolutions by written means to unlisted public companies.
(j)	Removal of one-share-one-vote for public companies.
(k)	Introduction of statutory mechanism for redenomination of shares.
(l)	Refinements to the amalgamation process.
(m)	Clarification that shares redeemed out of proceeds of a fresh issue of shares are not treated as having been redeemed out of capital.
(n)	Transfer of the provisions relating to the Central Depository System to the Securities and Futures Act.
(o)	New exemption from preparation of financial statements for dormant non-listed companies.
(p)	Provisions relating to the revision of defective accounts.
(q)	Extension of summary financial statements to all companies.
(r)	Electronic registers of members of private companies to be kept by ACRA.
(s)	Electronic registers of directors and other officers of all companies to be kept by ACRA.
(t)	Memorandum and articles will be merged into a single constitution.
(u)	Removal of requirement for charities registered under the Charities Act to apply to omit the word "limited" from their names.
(v)	Allowing directors and other persons to report an alternate address.
(w)	Updating of striking-off provisions for local companies (except the prescription of circumstances under which the Registrar may consider a company to not be carrying on business or not in operation).
(x)	Amendments relating to reservation/ protection of company names.
(y)	All amendments relating to foreign companies.

**List of key legislative provisions in the Business Names Registration Act – effective 3 Jan 2016****S/N Key Amendments**

- (a) Requirement to register business names. Individuals who conduct business in Singapore under only their full names need not register with the Registrar.
- (b) Certain registrants allowed the option to register or renew business names for one year or three years.
- (c) Registrar empowered to cancel a person's registration under certain situations.
- (d) Registrar permitted to change particulars of deceased registrants in the register under certain situations.
- (e) Registrar empowered to restore cancelled registration or registration which has ceased within 12 months of cancellation/ cessation.
- (f) Registrar empowered to amend the register under certain situations.
- (g) Allow registered individuals to report alternate addresses.