

KEY CHANGES TO COMPANIES ACT & LIMITED LIABILITY PARTNERSHIPS ACT

The Companies (Amendment) Act 2017 and the Limited Liability Partnerships (Amendment) Act 2017 were passed in Parliament on 10 March 2017 and parts of these two Amendment Acts came into force on 31 March 2017.

The objective of the amendments to the Companies Act (CA) is to reduce the regulatory burden on companies and enhance their transparency at the same time.

Similar revisions are also made to the Limited Liability Partnerships Act (LLP Act) to achieve the same objective for limited liability partnerships (LLPs).

The key amendments and the applicable implementation dates are summarised below:

KEY LEGISLATIVE AMENDMENTS TO TAKE EFFECT FROM 31 MAR 2017

Improving the transparency of companies, foreign companies and LLPs

- ❖ Requirement for companies and LLPs incorporated/registered in Singapore to maintain and keep up-to-date registers of controllers unless exempted.
- ❖ Requirement for foreign companies registered in Singapore to maintain and keep up-to-date registers of controllers unless exempted and to keep registers of shareholders in Singapore.
- ❖ Requirement for a liquidator to retain records of wound up companies and LLPs for five years instead of two.
- ❖ Remove the options for companies and LLPs to destroy records earlier if they are wound up by their members, partners or creditors.
- ❖ Requirement on former officers/partners/managers of struck off companies and LLPs to retain all accounting records and registers of controllers for five years.
- ❖ Void the issuance and transfer of bearer shares and share warrants by foreign companies registered in Singapore.
- ❖ Requirement for nominee directors to disclose their nominee status and nominators to their companies unless exempted. Companies must keep registers of nominee directors.

Remove the requirement for a common seal

- ❖ Remove the legal requirement for companies and LLPs to use common seals.

KEY LEGISLATIVE AMENDMENT TO TAKE EFFECT IN FIRST HALF OF 2017

Introduction of an inward re-domiciliation regime in Singapore

- ❖ Foreign corporate entities which meet to-be-prescribed criteria may transfer their registration to Singapore instead of setting up subsidiaries.

KEY LEGISLATIVE AMENDMENTS TARGETED FOR IMPLEMENTATION IN EARLY 2018

Amendments relating to annual general meetings (AGMs) and annual returns

- ❖ Align the timelines for holding AGMs and filing annual returns with the financial year end;
- ❖ Exempt all private companies from holding AGMs subject to specified safeguards.

ACRA will notify all companies closer to the implementation date of these legislative changes. The commencement notification and subsidiary legislation will be published at a later date.

TRANSITIONAL ARRANGEMENTS FOR NEW AND EXISTING COMPANIES AND LLPS ON IMPLEMENTING THE REQUIRED REGISTERS

To help companies and LLPs comply with the new requirement, existing companies and LLPs will be given a transitional period of 60 days from the date of commencement of the new law (31 March 2017) to set up the required registers and continue to maintain the required registers.

New entities will have a transitional period of 30 days from incorporation to comply.

If you wish to understand more on this topic, please feel free to approach:

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