AMENDMENTS TO ENHANCE TRANSPARENCY OF BENEFICIAL OWNERSHIP OF COMPANIES AND LLPS TO COME INTO EFFECT ON 16 JUNE 2025

The Companies and Limited Partnership (Miscellaneous Amendment) Act 2024 ("CLLPMA Act") introduces new requirements aimed at enhancing transparency to beneficial ownership and nominee arrangements for companies and LLPs registered in Singapore. It was passed in Parliament as part of a series of legislative amendments to the corporate compliance regime, aimed at strengthening Singapore's anti-money laundering framework. These changes will come into force from 16 June 2025.

KEY AMENDMENTS EFFECTIVE 16 JUNE 2025

1. Change in definition of "nominee shareholders":

- The definition of nominee shareholders under the Companies Act 1967 will be expanded to refer to a shareholder who fulfils either or both of the following criteria:

  a. The shareholder is accustomed or under an obligation whether formal or informal to vote, in respect of shares in the company or foreign company of which the shareholder is the registered holder, in accordance with the directions, instructions or wishes of any other person; and

  b. The shareholder receives dividends, in respect of shares in the company or foreign company of which the shareholder is the registered holder, on behalf of any other person.

  This is a shift from the previous definition of "nominee shareholders", which requires fulfilling both criteria.

2. Requiring companies to file a register of nominee directors and nominee shareholders with ACRA:

- Currently companies are already required to keep information on their nominee shareholders and nominee directors respectively. Under the CLLPMA amendments, companies and foreign companies will now be required to file all information kept in their register to ACRA, which will maintain such information in a central register. The nominee status of a nominee director/ shareholder will be publicly available via business profile extractions, but only public agencies may access the full information maintained by ACRA for law administration or enforcement.

- Existing companies, including foreign companies, will have until 31 December 2025 to submit information about their nominee directors/ shareholders to ACRA.

- For new companies and foreign companies incorporated from 16 June 2025, immediate compliance is required.

3. Enhancing the requirements for companies and LLPs in keeping a register of registrable controllers:

- Previously, companies and LLPs were only required to give notice to a registrable controller if they are aware that a change had occurred in the controller's particulars or that any of the particulars was incorrect.

- Under the CLLPMA amendments, companies and LLPs will be required to check annually with every registrable controller or beneficial owner, if there has been a change in their particulars or if their particulars are correct. This has to be done annually via a formal outreach to each controller on a yearly basis. The template for which is provided in the new Ninth Schedule of the Companies (Register of Controllers and Nominee Directors) Regulations 2017. Noncompliance fines for failing to maintain the required registers or file information with ACRA will be increase significantly from $5,000 to $25,000 per breach.

- Update to the register of registrable controllers must be recorded within the following timeline:

  a. Seven calendar days after each date on which the particulars of any controller are confirmed by the controller (extended from the earlier timeline of two business days); or

  b. If the controller does not respond within 30 days of the notice sent by the company/ LLP, seven days after the aforementioned 30 days.

4. Immediate Obligations to Maintain Registers

- Companies including foreign companies and LLPs must now maintain registers of registrable controllers and beneficial owners from the date of incorporation or registration.

5. New Nominee Disclosure Requirements:

- Companies and foreign companies must now:

  a. Maintain a register of nominee directors and nominee shareholders;

  b. Disclose the identities of nominator (i.e. the person on whose behalf the nominee is acting).;

  c. Report nominee status and nominator to ACRA;

  d. Ensure nominee status is publicly disclosed on ACRA's business profile while nominator's identity remains restricted to regulatory authorities.

6. Clarification of Exemption Conditions:

- Entities that claim exemption from maintaining the above registers (e.g. public companies, financial institutions) must explicitly declare this to ACRA and state the basis for exemption.

7. Substantial Increase in Penalties:

- Non-compliance fines for failing to maintain the required registers or file information with ACRA will increase significantly from S$5,000 to S$25,000 per breach.

- We strongly advise client to take the following steps:

  a. Ensure that the register of nominee director and shareholders are maintained, before filing the registers with ACRA.

  b. Implementing the process of sending annual notices to the controllers and updating the register within the prescribe timeline.

  c. Identify nominee relationship if the directors and shareholders are acting as nominees, ensure nominators are identified and recorded.

  d. Foreign companies should be aware that they are now required to comply with the same requirements as local companies regarding the maintenance of a register of nominee directors.

For further queries, please feel free to contact our team below:

If you wish to understand more on the above, please feel free to approach:

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