

# **Companies (Amendment) Bill**

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**Bill No. 16/2002.**

*Read the first time on 23rd May 2002.*

A BILL

*intituled*

An Act to amend the Companies Act (Chapter 50 of the 1994 Revised Edition) and to make consequential amendments to certain other Acts.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

### **Short title and commencement**

1. This Act may be cited as the Companies (Amendment) Act 2002 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### 5 **Amendment of section 4**

2. Section 4(1) of the Companies Act is amended —

(a) by inserting, immediately after the definition of “accounting records”, the following definition:

10 “ “Accounting Standards” means the Accounting Standards prescribed under section 200A(1)(a);” and

(b) by inserting, immediately after the definition of “prescribed”, the following definition:

“ “prescribed person” means a person, or a person within a class of persons, prescribed by the Minister;”.

### 15 **Amendment of section 8**

3. Section 8(7) of the Companies Act is amended by deleting the words “and form”.

### **Amendment of section 12**

20 4. Section 12 of the Companies Act is amended by inserting, immediately after subsection (2A), the following subsection:

25 “(2B) Notwithstanding the cancellation of any notification referred to in subsection (2A) in respect of a company, subsection (2) shall not apply to any document or certificate relating to that company that is filed or lodged with the Registrar, or issued under the Act, before the date of such cancellation, whether or not that company remains an exempt private company wholly owned by the Government, and whether or not it has been wound up.”.

### **Amendment of section 12A**

5. Section 12A of the Companies Act is amended —

30 (a) by deleting the words “, whether before or after 15th May 1987, for the use of subscribers, whereby documents required under

this Act may be filed electronically with the Registry” in the 2nd, 3rd and 4th lines of subsection (1) and substituting the words “whereby documents under this Act may be filed or lodged with or submitted to the Registrar electronically”;

5 (b) by inserting, immediately after subsection (1), the following subsections:

“(1A) The Minister may by regulations permit or require any document —

10 (a) to be filed or lodged with or submitted to the Registrar under this Act; or

(b) to be issued by the Registrar under this Act,

to be filed, lodged, submitted or issued using the service referred to in subsection (1).

(1B) The regulations under subsection (1A) may —

15 (a) permit or require such document to be lodged, filed or submitted by a prescribed person on behalf of the person concerned under specified circumstances; and

20 (b) contain such transitional and other supplementary and incidental provisions as appear to the Minister to be appropriate.”;

(c) by deleting the words “with the Registry of Companies” in the 2nd line of subsection (2) and substituting the words “or lodged with or submitted to the Registrar”; and

25 (d) by deleting subsection (3) and substituting the following subsections:

30 “(3) Any information supplied by the Registrar that is certified by the Registrar under his hand and seal to be a true extract from any document filed or lodged with or submitted to the Registrar using the service referred to in subsection (1) shall in any proceedings be admissible in evidence and be presumed, unless evidence to the contrary is adduced, to be a true extract from such document.

(4) Subsections (2) and (3) have effect notwithstanding the provisions of any other written law.

(5) In this section, “document” means any application, form, report, certification, notice, confirmation, declaration or other document to be filed or lodged with or submitted to the Registrar or, as the case may be, any certificate, notice or other document to be issued by the Registrar.”

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### **Amendment of section 12B**

6. Section 12B(2) of the Companies Act is amended —

(a) by deleting the word “shall” in the 2nd line and substituting the word “may”; and

10 (b) by deleting the words “a copy of the Court application and the affidavits in support thereof” in the penultimate and last lines and substituting the words “and a copy of the Court application”.

### **Amendment of section 17**

7. Section 17 of the Companies Act is amended —

15 (a) by deleting the words “certificate of incorporation” in the 2nd line of subsection (8) and substituting the words “notice of incorporation”; and

(b) by inserting, immediately after subsection (8), the following subsection:

20 “(9) Upon the application of a company and payment of the prescribed fee, the Registrar shall issue to the company a certificate of confirmation of incorporation under his hand and seal.”.

### **Amendment of section 19**

25 8. Section 19 of the Companies Act is amended —

(a) by deleting subsections (1), (2) and (3) and substituting the following subsections:

“(1) A person desiring the incorporation of a company shall —

30 (a) submit to the Registrar the memorandum and articles of the proposed company and such other documents as may be prescribed;

(b) furnish the Registrar with such information as may be prescribed; and

(c) pay the Registrar the prescribed fee.

(2) Either —

5 (a) an advocate and solicitor, accountant or prescribed person, engaged in the formation of the proposed company; or

(b) a person named in the articles as a director or the secretary of the proposed company,

10 shall make a declaration to the Registrar that —

(i) all of the requirements of this Act relating to the formation of the company have been complied with; and

15 (ii) he has verified the identities of the subscribers to the memorandum, and of the persons named in the memorandum or articles as officers of the proposed company,

and the Registrar may accept such declaration as sufficient evidence of those matters.

20 (3) Upon receipt of the documents, information and payment referred to in subsection (1) and declaration referred to in subsection (2), the Registrar shall, subject to this Act, register the company by registering its memorandum and articles.”;

25 (b) by deleting the words “certify under his hand and seal that the company is on and from the date specified in the certificate incorporated” in the 2nd and 3rd lines of subsection (4) and substituting the words “issue in the prescribed manner a notice of incorporation in the prescribed form stating that the company is, on and from the date specified in the notice, incorporated”;

30 (c) by deleting the words “certificate of incorporation” in the 2nd line of subsection (5) and substituting the words “notice issued under subsection (4)”;

(d) by deleting subsection (7) and substituting the following subsection:

“(7) Upon the application of a company and payment of the prescribed fee, the Registrar shall issue to the company a certificate of confirmation of incorporation under his hand and seal.”.

5 **Amendment of section 22**

**9.** Section 22 of the Companies Act is amended —

(a) by deleting the words “printed and divided into numbered paragraphs and” in the 2nd line of subsection (1);

10 (b) by deleting subsection (2) and substituting the following subsection:

“ (2) Each subscriber to the memorandum shall, if the company is to have a share capital, make a declaration to the Registrar, either by himself or through a prescribed person authorised by him, as to the number of shares (not being less than one) that he agrees to take.”; and

(c) by inserting, immediately after subsection (3), the following subsection:

20 “(4) A copy of the memorandum, duly signed by the subscribers and stating, if the company is to have a share capital, the number of shares that each subscriber has agreed to take, shall be kept at the registered office of the company.”.

**Amendment of section 23**

**10.** Section 23 of the Companies Act is amended —

25 (a) by deleting the word “licence” in the 4th line of subsection (1)(c) and in the 5th line of subsection (2) and substituting in each case the word “approval”;

(b) by deleting the words “in writing” in the penultimate line of subsection (1)(c);

30 (c) by deleting the words “by licence” in the 6th line of subsection (2);

(d) by deleting subsection (3) and substituting the following subsection:

“(3) Notice of a decision of the Minister under subsection (2) shall be given by the Registrar on behalf of the Minister to the company.”;

(e) by deleting the words “this section” in subsection (4) and substituting the words “subsection (2)”; and

(f) by inserting, immediately after subsection (4), the following subsection:

“(5) Upon the application of a company and payment of the prescribed fee, the Registrar shall issue to the company a certificate confirming the decision under subsection (2).”.

### **Amendment of section 26**

**11.** Section 26 of the Companies Act is amended —

(a) by deleting the word “certify” in subsection (3) and substituting the words “issue to the company a notice of”;

(b) by deleting subsection (4);

(c) by deleting the words “certificate of incorporation” in subsection (6) and substituting the words “notice of incorporation”; and

(d) by inserting, immediately after subsection (6), the following subsection:

“(7) Upon the application of a company and payment of the prescribed fee, the Registrar shall issue to the company a certificate, under his hand and seal, confirming the incorporation in accordance with the alteration made to the memorandum.”.

### **Amendment of section 27**

**12.** Section 27 of the Companies Act is amended —

(a) by inserting, at the end of subsection (1)(b), the word “or”;

(b) by deleting paragraph (c) of subsection (1);

(c) by deleting subsection (2) and substituting the following subsections:

“(2) Notwithstanding anything in this section and section 28 (other than section 28(4)), where the Registrar is satisfied that

the company has been registered (whether through inadvertence or otherwise) by a name which —

- (a) is a name referred to in subsection (1)(a), (b) or (d); or
- (b) so nearly resembles the name of another company or corporation or a business name as to be likely to be mistaken for it,

the Registrar may direct the first-mentioned company to change its name, and the company shall comply with the direction within 6 weeks after the date of the direction or such longer period as the Registrar may allow, unless the direction is annulled by the Minister.

(2A) Any person may apply, in writing, to the Registrar to give a direction to a company under subsection (2) on a ground referred to in that subsection; but the Registrar shall not consider any application to give a direction to a company on the ground referred to in subsection (2)(b) unless the Registrar receives the application within 12 months from the date of incorporation of the company.

(2B) If the company fails to comply with subsection (2), the company and its officers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000 and also to a default penalty.

(2C) The Registrar may, if he is satisfied that the company to which the direction under subsection (2) was given had applied for registration under that name in bad faith, require the company to pay the Registrar such fees as may be prescribed by the Minister, and such fees shall be recoverable as a debt due to the Government.

(2D) The Registrar may, by publication in the *Gazette*, make such rules as he considers appropriate for the purposes of determining the matters referred to in subsections (1) and (2).”;

- (d) by deleting the words “subsection (1)” in subsection (3) and substituting the words “this section and section 28”;
- (e) by inserting, immediately after the words “subsection (2)” in subsection (5), the words “or (2C)”;

- (f) by deleting the word “A” in subsection (7) and substituting the words “Subject to section 29, a”;
- (g) by deleting the words “section 19(1)” in the 1st and 2nd lines of subsection (11) and substituting the words “section 19(3)”; and
- 5 (h) by deleting the words “or under any other name that, in the opinion of the Registrar, so closely resembles the reserved name as to be likely to be mistaken for that name” in the 5th, penultimate and last lines of subsection (14).

### **Amendment of section 28**

10 **13.** Section 28 of the Companies Act is amended —

- (a) by deleting subsections (2) and (3) and substituting the following subsections:

15 “(2) If the Registrar approves the name which the company has resolved should be its new name, he shall register the company under the new name and issue to the company a notice of incorporation of the company under the new name and, upon the issue of such notice, the change of name shall become effective.

20 (3) If the name of a company is, whether through inadvertence or otherwise or whether originally or by a change of name —

- (a) a name by which the company could not be registered without contravention of section 27(1); or
- 25 (b) a name that so nearly resembles the name of another company or corporation or a business name as to be likely to be mistaken for it,

30 the company may by special resolution change its name to a name that is not a name referred to in paragraph (a) or (b) and, if the Registrar so directs, shall so change it within 6 weeks after the date of the direction or such longer period as the Registrar may allow, unless the direction is annulled by the Minister.

(3A) Any person may apply in writing to the Registrar to give a direction to a company under subsection (3) on a ground

referred to in that subsection; but the Registrar shall not consider any application to give a direction to a company on the ground referred to in subsection (3)(b) unless the Registrar receives the application within 12 months from the date of change of name of the company.

(3B) If the company fails to comply with subsection (3), the company and its officers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000 and also to a default penalty.

(3C) Subsections (2C) and (5) of section 27 shall, with the necessary modifications, apply in relation to a company directed under subsection (3) to change its name as they apply in relation to a company directed under section 27(2) to change its name.”; and

(b) by deleting subsection (5) and substituting the following subsection:

“(5) Upon the application of a company and payment of the prescribed fee, the Registrar shall issue to the company a certificate, under his hand and seal, confirming the incorporation of the company under the new name.”.

#### **Amendment of section 29**

**14.** Section 29 of the Companies Act is amended —

- (a) by deleting the words “by licence direct” in the 13th and 14th lines of subsection (1) and substituting the word “approve”;
- (b) by deleting the words “by licence authorise” in the 14th line of subsection (2) and substituting the words “grant his approval to”;
- (c) by deleting the words “A licence under this section may be issued” in the 1st line of subsection (3) and substituting the words “The Minister may grant his approval”;
- (d) by deleting the words “a licence granted by the Minister under this or under any corresponding previous enactment” in the 1st, 2nd and 3rd lines of subsection (5) and substituting the words “an approval granted under this section to it”;

- (e) by deleting the words “A licence under this section or under any corresponding previous written law” in the 1st and 2nd lines of subsection (6) and substituting the words “Any approval granted under this section”;
- 5 (f) by deleting the words “the licence” and “a licence” in the 7th line of subsection (6) and substituting in each case the words “the approval”;
- (g) by deleting the words “a licence under this section or under any corresponding previous written law” in the 1st and 2nd lines of subsection (7) and substituting the words “the approval of the Minister under this section”;
- 10 (h) by deleting the words “a licence” in the penultimate line of subsection (7) and substituting the words “such approval”; and
- (i) by inserting, immediately after subsection (7), the following subsections:
- 15 “(8) Notice of any approval under this section shall be given by the Registrar on behalf of the Minister to the company or proposed limited company.
- “ (9) Upon the application of the company or proposed limited company and payment of the prescribed fee, the Registrar shall issue to the company or proposed limited company a certificate confirming the approval under this section.”.
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### **Amendment of section 30**

- 25 **15.** Section 30 of the Companies Act is amended —
- (a) by deleting the words “in writing” in the 1st line of subsection (2);
- (b) by deleting the words “certificate of incorporation” in the 7th and 8th lines, in the 11th and in the 14th lines of subsection (2) and in subsection (6) and substituting in each case the words “notice of incorporation”;
- 30 (c) by deleting the word “certificate” in the 12th line of subsection (2) and substituting the word “notice”;

(d) by inserting, immediately after subsection (3), the following subsection:

“(3A) Upon the application of the company and payment of the prescribed fee, the Registrar shall issue to the company a certificate, under his hand and seal, confirming the incorporation of the company with the new status.”;

(e) by deleting the words “statutory declaration by a director or secretary of the company” in the 1st and 2nd lines of subsection (4)(c)(ii) and substituting the words “declaration by or on behalf of a director or the secretary of the company, or a prescribed person authorised by the company,”; and

(f) by deleting the words “or the secretary” in the 8th line of subsection (4)(c)(ii) and substituting the words “, secretary or prescribed person”.

### Amendment of section 31

16. Section 31 of the Companies Act is amended —

(a) by deleting the words “statutory declaration” in subsection (2)(c) and substituting the word “declaration”;

(b) by deleting the words “certificate of incorporation of the company” in subsection (3) and substituting the words “notice of incorporation”;

(c) by inserting, immediately after subsection (3), the following subsection:

“(3A) The company shall, within one month of the issue of the notice of incorporation referred to in subsection (3), lodge with the Registrar in the prescribed form a list of persons holding shares in the company.”; and

(d) by inserting, immediately after subsection (4), the following subsection:

“(5) Upon the application of the company and payment of the prescribed fee, the Registrar shall issue to the company a certificate, under his hand and seal, confirming the incorporation of the company with the new status.”.

**Amendment of section 32**

17. Section 32(3) of the Companies Act is amended by deleting the words “statutory declaration” in paragraph (c)(ii) and substituting the word “declaration”.

5 **Amendment of section 35**

18. Section 35 of the Companies Act is amended —

(a) by deleting subsection (2) and substituting the following subsection:

10 “(2) Articles shall comply with such requirements as may be prescribed.”; and

(b) by deleting subsection (5) and substituting the following subsection:

15 “(5) Where a company to which subsection (4) applies changes the number of its members so that it is different from the registered number, the company shall, within 14 days after the date on which the change was resolved or took place, lodge with the Registrar notice of the change in the prescribed form.”.

**Amendment of section 61**

20 19. Section 61 of the Companies Act is amended —

(a) by deleting sub-paragraph (iii) of subsection (1)(b) and substituting the following sub-paragraph:

“(iii) there has been lodged with the Registrar a declaration in the prescribed form by —

25 (A) the secretary or one of the directors of the company; or

(B) an advocate and solicitor, accountant or prescribed person, authorised by the company,

30 verifying that sub-paragraphs (i) and (ii) have been complied with.”;

(b) by deleting paragraph (c) of subsection (2) and substituting the following paragraph:

“(c) there has been lodged with the Registrar a declaration in the prescribed form by —

(i) the secretary or one of the directors of the company; or

(ii) an advocate and solicitor, accountant or prescribed person, authorised by the company,

verifying that paragraph (b) has been complied with.”;

(c) by deleting subsection (3) and substituting the following subsection:

“(3) The Registrar shall, on the lodgment of the declaration under subsection (1)(b)(iii) or (2)(c), as the case may be, issue a notice in the prescribed form that the company is entitled to commence business and to exercise its borrowing powers; and that notice shall be conclusive evidence of the matters stated in it.”; and

(d) by inserting, immediately after subsection (6), the following subsection:

“(7) Upon the application of a company which has received a notice under subsection (3) and payment of the prescribed fee, the Registrar shall issue to the company a certificate, under his hand and seal, confirming that the company is entitled to commence business and to exercise its borrowing powers, and that certificate shall be conclusive evidence of the matters stated in it.”.

### **Amendment of section 63**

**20.** Section 63 of the Companies Act is amended —

(a) by deleting the words “or any of its shares are deemed to have been allotted under subsection (7)” in the 2nd and 3rd lines of subsection (1) and substituting the words “, other than a deemed allotment,”;

(b) by deleting the words “one month” in the 3rd line of subsection (1) and substituting the words “14 days”;

(c) by deleting paragraph (d) of subsection (1) and substituting the following paragraph:

“(d) the full name, identification, nationality (if such identification or nationality, as the case may be, is required by the Registrar) and address of, and the number and class of shares held by —

- 5 (i) each of its members; or
- (ii) if it has more than 50 members as a result of the allotment, each of the 50 members who, following the allotment, hold the most number of shares in the company.”;

10 (d) by inserting, immediately after subsection (1), the following subsection:

“(1A) A return of allotments referred to in subsection (1) by a company the shares of which are listed on a stock exchange in Singapore need not state the particulars referred to in  
15 subsection (1)(d).”;

(e) by deleting subsection (3);

(f) by deleting the words “or deemed to have been allotted” in the 1st and 2nd lines of subsection (4);

20 (g) by deleting the words “or are deemed to have been allotted” in the 1st and 2nd lines of subsection (6); and

(h) by deleting subsection (7) and substituting the following subsection:

“(7) In this section, “deemed allotment” means an issue of shares without formal allotment to subscribers to the memorandum.”.  
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### **Amendment of section 71**

**21.** Section 71 of the Companies Act is amended by inserting, immediately after subsection (1), the following subsection:

30 “(1A) The company may lodge with the Registrar notice of any alteration referred to in subsection (1)(b), (c), (d) or (e) in the prescribed form.”.

### **Amendment of section 73**

22. Section 73 of the Companies Act is amended by deleting the words “The certificate of the Registrar” in the 1st line of subsection (7) and substituting the words “A notice of the Registrar confirming lodgment of the order under subsection (6)”.  
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### **New section 128A**

23. The Companies Act is amended by inserting, immediately after section 128, the following section:

#### **“Notice of transfer of shares**

10 **128A.**—(1) Where there has been a transfer of shares, a company may lodge with the Registrar notice of that transfer of shares in the prescribed form.

(2) The notice must state —

15 (a) every other transfer of shares effected prior to the date of the notice, other than a transfer that has been previously notified to the Registrar; or

20 (b) if it has more than 50 members after the transfer, the prescribed information in relation to the shares held by each of the 50 members who hold the most number of shares in the company after the transfer.”.

### **Amendment of section 131**

24. Section 131 of the Companies Act is amended —

25 (a) by deleting the words “of the prescribed particulars and an affidavit verifying the execution of the charge and also verifying the correctness of the statement” in the 4th to 7th lines of subsection (1) and substituting the words “containing the prescribed particulars of the charge”;

30 (b) by inserting, immediately after the word “Registrar” in the 3rd line of subsection (1A), the words “, upon the Registrar’s request and”;

- (c) by inserting, immediately after the word “inspection” in the penultimate line of subsection (1A), the words “, at no cost to the Registrar,”;
- 5 (d) by deleting the words “of the prescribed particulars accompanied by the verifying affidavit” in the 2nd and 3rd lines of subsection (4) and substituting the words “containing the prescribed particulars of the charge”;
- (e) by deleting the comma at the end of subsection (5)(d) and substituting a full-stop; and
- 10 (f) by deleting the words “together with the verifying affidavit.” in the last line of subsection (5).

### **Amendment of section 133**

25. Section 133(1) of the Companies Act is amended by deleting the words “and the verifying affidavit” in the 16th line.

### **Amendment of section 134**

26. Section 134 of the Companies Act is amended —

- (a) by deleting the words “certificate of every registration of a charge and the certificate” in subsection (2) and substituting the words “notice to the company concerned of the registration of a charge and the notice”; and
- 20 (b) by inserting, immediately after subsection (2), the following subsection:

25 “(3) Upon the application of the company and payment of the prescribed fee, the Registrar shall issue to the company a certificate, under his hand and seal, confirming the registration of the charge and the certificate shall be conclusive evidence that the requirements as to registration have been complied with.”.

### **Amendment of section 135**

30 27. Section 135(1) of the Companies Act is amended by deleting the words “certificate of registration” in paragraph (a) and substituting the words “notice of registration”.

**Amendment of section 136**

**28.** Section 136 of the Companies Act is amended —

- 5 (a) by deleting the words “memorandum of satisfaction” in the 10th line of subsection (1) and substituting the words “statement of satisfaction”;
- (b) by deleting the word “memorandum” in the last line of subsection (1) and substituting the word “statement”;
- (c) by deleting the word “memorandum” in the 1st line of subsection (2) and substituting the word “statement”; and
- 10 (d) by deleting the words “that statement” in the penultimate line of subsection (2) and substituting the words “the second-mentioned statement”.

**Amendment of section 137**

15 **29.** Section 137 of the Companies Act is amended by deleting the words “memorandum of satisfaction” in the 5th line and substituting the words “statement of satisfaction”.

**Amendment of section 145**

**30.** Section 145 of the Companies Act is amended —

- (a) by deleting subsection (3); and
- 20 (b) by inserting, immediately after “149,” in the 5th line of subsection (6), “149A,”.

**Amendment of section 146**

**31.** Section 146 of the Companies Act is amended —

- 25 (a) by deleting subsection (1) and substituting the following subsections:
  - “(1) A person shall not be named as a director or proposed director in —
  - (a) any document filed or lodged with or submitted to the Registrar for the purposes of the incorporation of a
  - 30 company; or

- (b) the register of directors, managers and secretaries of a company,

unless, before —

- (i) the incorporation of the company; or

- (ii) the filing of any return in the prescribed form containing the particulars required to be specified in the register of directors, managers and secretaries,

as the case may be, the person has complied with the conditions set out in subsection (1A).

(1A) The conditions to be complied with by a person referred to in subsection (1) are the following:

- (a) he has, by himself or through an advocate and solicitor, accountant or a prescribed person authorised by him, filed with the Registrar —

- (i) a declaration that he has consented to act as a director; and

- (ii) a statement in the prescribed form that he is not disqualified from acting as a director under this Act; and

- (b) he has, by himself or through an advocate and solicitor, accountant or a prescribed person authorised by him —

- (i) filed with the Registrar a declaration that he has agreed to take a number of shares of the company that is not less than his qualification, if any;

- (ii) filed with the Registrar an undertaking that he will take from the company and pay for his qualification shares, if any;

- (iii) filed with the Registrar a declaration that a specified number of shares, not less than his qualification, if any, has been registered in his name; or

- (iv) in the case of a company formed or intended to be formed by way of reconstruction of another

corporation or group of corporations or to acquire the shares in another corporation or group of corporations, filed with the Registrar a declaration that —

5 (A) he was a shareholder in that other corporation or in one or more of the corporations of that group; and

10 (B) as a shareholder he will be entitled to receive and have registered in his name a number of shares not less than his qualification, by virtue of the terms of an agreement relating to the reconstruction.”; and

15 (b) by deleting the words “signed and lodged an undertaking” in subsection (2) and substituting the words “undertaken to the Registrar under subsection (1A)(b)(ii)”.

### **Amendment of section 171**

**32.** Section 171 of the Companies Act is amended by deleting subsection (1B) and substituting the following subsection:

20 “(1B) Any person who is appointed by the directors of a company as a secretary by virtue of his qualification under subsection (1A) shall, at the time of his appointment, by himself or through an advocate and solicitor, accountant or a prescribed person authorised by him, file with the Registrar a declaration in the prescribed form that he consents to act as secretary and providing the prescribed  
25 particulars.”.

### **Amendment of section 173**

**33.** Section 173 of the Companies Act is amended —

(a) by deleting subsection (2) and substituting the following subsection:

30 “(2) The register shall —

(a) contain, with respect to each director, a signed copy of his consent to act as director under this Act together with a prescribed statement that he is not disqualified to act as a director;

- (b) specify his present full name, any former name, his usual residential address, his nationality and his business occupation (if any) and identification (if any); and
- 5 (c) contain documentary evidence (if any) of any change in his name.”;
- (b) by deleting the words “and other occupation, if any” in subsection (4);
- (c) by inserting, immediately after subsection (4), the following
- 10 subsection:
- “(4A) The register shall contain a signed copy of the consent of the secretary of the company to act as the secretary.”;
- (d) by inserting, immediately after the words “inspection of” in subsection (5), the words “the Registrar and”;
- 15 (e) by deleting paragraphs (a) and (b) of subsection (6) and substituting the following paragraph:
- “(a) within one month after —
- (i) a person becomes, or ceases to be, a director of the company; or
- 20 (ii) a person who is a director of the company becomes disqualified from acting as such by virtue of this Act or any other written law,
- a return in the prescribed form notifying the Registrar of that fact and containing, with respect to that person, the
- 25 particulars required to be specified in the register;”;
- (f) by deleting the words “, address and other occupation, if any,” in the penultimate line of subsection (6)(c) and substituting the words “and address”;
- (g) by inserting, immediately before the word “identification” in the
- 30 1st and 2nd lines and in the penultimate line of subsection (6)(f), the word “name,”;
- (h) by inserting, immediately after subsection (6), the following subsections:

“(6A) Any director of a company who becomes disqualified from acting as such by virtue of section 148 or 155 or who resigns from office may himself lodge with the Registrar the return referred to in subsection (6)(a) if he has reasonable cause to believe that the company will not lodge the return with the Registrar.

(6B) Where the Registrar has reasonable cause to believe that a director of a company is no longer qualified to act as such by virtue of section 148 or 155, he may, either upon lodgment of a return referred to in subsection (6)(a) or on his own initiative, remove the name and other particulars of the director from any register kept by the Registrar under section 12.”; and

- (i) by inserting, immediately after the words “ceased to be” in the penultimate line of subsection (8), the words “or becomes disqualified to act as”.

#### **Amendment of section 197**

**34.** Section 197 of the Companies Act is amended —

- (a) by deleting subsections (1) and (2) and substituting the following subsections:

“(1) Every company having a share capital shall lodge a return with the Registrar containing the particulars referred to in the Eighth Schedule and accompanied by such copies of documents as may be prescribed.

(2) The return under subsection (1) shall be in accordance with the prescribed form or as near thereto as the circumstances admit.”;

- (b) by deleting the words “signed by a director or by the manager or secretary of the company” in the 1st and 2nd lines of subsection (4); and

- (c) by deleting subsections (5) and (6) and substituting the following subsection:

“(5) A company not having a share capital shall, within one month after each annual general meeting of the company, lodge with the Registrar a return which shall be in accordance with

the prescribed form or as near thereto as the circumstances admit.”.

### **Repeal of section 198**

35. Section 198 of the Companies Act is repealed.

### 5 **New section 200A**

36. The Companies Act is amended by inserting, immediately after section 200, the following section:

#### **“Accounting Standards**

10 **200A.**—(1) There shall be established a body (referred to in this section as the Accounting Standards Committee) which shall be responsible for —

15 (a) prescribing by way of regulations and with the Minister’s approval, statements of standard accounting practice applicable to companies to be referred to as the Accounting Standards; and

(b) carrying out such duties as the Minister may prescribe from time to time.

20 (2) The Accounting Standards Committee shall consist of such persons as the Minister may appoint and may be known by such other name as the Minister may determine.

(3) The Accounting Standards Committee may from time to time issue practice directions on the interpretation of the Accounting Standards and on matters relating to them and their use in Singapore.

25 (4) Regulations made under this section may contain such transitional and other supplementary and incidental provisions as appear to the Accounting Standards Committee to be appropriate.

30 (5) The Minister may, from time to time, give such directions to the Accounting Standards Committee as he considers fit on any matter within the purview of the Committee, and the Committee shall comply with such direction.”.

### **Amendment of section 201**

37. Section 201 of the Companies Act is amended —

- (a) by deleting the word “The” in the 1st line of subsections (1A) and (3) and substituting in each case the words “Subject to subsections (14) to (14C), the”;
- 5 (b) by inserting, immediately after the word “shall” in the 2nd line of subsection (1A), the words “comply with the requirements of the Accounting Standards, and”;
- (c) by inserting, immediately after the word “that” in the 5th line of subsection (3), the words “complies with the requirements of the Accounting Standards, and”;
- 10 (d) by deleting subsections (3A) and (3B) and substituting the following subsections:

“*(3A)* Subject to subsections (14) to (14C), the directors of a company that is a holding company at the end of its financial year need not comply with subsections (1) and (3) but must cause to be made out and laid before the company at its annual general meeting —

(a) consolidated accounts dealing with the profit or loss and the state of affairs of the company and its subsidiaries for the period beginning from the date the preceding accounts were made up to (or, in the case of first accounts, since the incorporation of the company) and ending on a date —

(i) in a case where the holding company is a public company listed or quoted on a stock exchange in Singapore, not more than 5 months before the date of the meeting; or

(ii) in any other case, not more than 6 months before the date of the meeting; and

(b) a balance-sheet dealing with the state of affairs of the holding company at the end of its financial year,

each of which complies with the requirements of the Accounting Standards and gives a true and fair view of the matters referred to in paragraph (a) or (b), as the case may be, so far as it concerns members of the holding company.

(3B) Subsections (1B) and (2) shall, with the necessary modifications, apply to the periods referred to in subsection (3A)(a)(i) and (ii) as they apply to the periods referred to in subsection (1)(a) and (b).

5 (3BA) Subsection (3A) does not apply to a company which at the end of its financial year is a wholly owned subsidiary of another corporation incorporated in Singapore and, for the avoidance of doubt, subsections (1) and (3) shall apply to that company.”;

10 (e) by deleting the words “subsections (1) and (3)” in the 2nd and 3rd lines of subsection (3C) and substituting the words “subsections (1), (3) and (3A)(b)”;

(f) by deleting the words “(other than a holding company for which consolidated accounts are required)” in the 1st and 2nd lines of  
15 subsection (5);

(g) by inserting, immediately after the words “subsection (3)” in the 4th line of subsection (5), the words “or (3A)(b)”;

(h) by deleting paragraphs (b) to (e) and (h) to (q) of subsection (6);

(i) by inserting, at the end of subsection (6)(f), the word “and”;

20 (j) by deleting the semi-colon at the end of subsection (6)(g) and substituting a full-stop;

(k) by deleting paragraphs (b) to (f) and (i) to (r) of subsection (6A);

(l) by inserting, at the end of subsection (6A)(g), the word “and”;

(m) by deleting the semi-colon at the end of subsection (6A)(h) and  
25 substituting a full-stop;

(n) by deleting subsection (7);

(o) by deleting the words “Ninth Schedule” in the 8th line of subsection (8) and substituting the words “Accounting Standards”;

30 (p) by deleting subsection (14) and substituting the following subsections:

“(14) The accounts or consolidated accounts of a company need not comply with any requirement of the Accounting

Standards for the purposes of subsection (1), (3) or (3A), if the company has obtained the approval of the Registrar to such non-compliance.

5 (14A) Where accounts or consolidated accounts prepared in accordance with any requirement of the Accounting Standards for the purposes of subsection (1), (3) or (3A) would not give a true and fair view of any matter required by this section to be dealt with in the accounts or consolidated accounts, the accounts or consolidated accounts need not comply with that  
10 requirement to the extent that this is necessary for them to give a true and fair view of the matter.

(14B) In the event of any non-compliance with a requirement of the Accounting Standards referred to in subsection (14A), there shall be included in the accounts or consolidated  
15 accounts, as the case may be —

- (a) a statement by the auditor of the company that he agrees that such non-compliance is necessary for the accounts or consolidated accounts, as the case may be, to give a true and fair view of the matter concerned;
- 20 (b) particulars of the departure, the reason therefor and its effect, if any; and
- (c) such further information and explanations as will give a true and fair view of that matter.

(14C) The Minister may, by order published in the *Gazette*,  
25 in respect of companies of a specified class or description, substitute other accounting standards for the Accounting Standards, and the provisions of this section and sections 207 and 209A shall apply accordingly in respect of such companies.”;

- 30 (q) by deleting the words “and profit and loss account” in the 4th and 5th lines of subsection (15); and
- (r) by deleting subsection (18) and substituting the following subsection:

35 “(18) To the extent that any company registered under the Insurance Act (Cap. 142) is required to prepare balance-sheets,

revenue accounts and profit and loss accounts in the form prescribed by that Act, the company shall be deemed to have complied with the requirements of this section (other than subsections (1) to (3C)) if its —

- 5                   (a) balance-sheet; and
- (b) profit and loss account or (if it is a holding company) consolidated accounts,
- are prepared in accordance with that Act.”.

### **Amendment of section 202**

- 10    **38.** Section 202 of the Companies Act is amended by inserting, immediately after the words “consolidated accounts” in the 4th line of subsection (1) and in the 5th and 6th lines of subsection (2), the words “(other than a requirement of the Accounting Standards)”.

### **Amendment of section 203**

- 15    **39.** Section 203 of the Companies Act is amended —
- (a) by deleting the words “and if it is a holding company, consolidated accounts” in the 2nd and 3rd lines of subsection (1) and substituting the words “or, if it is a holding company, a copy of the consolidated accounts and balance-sheet”;
- 20           (b) by deleting the words “or consolidated accounts” in the 3rd line of subsection (2) and substituting the words “, or consolidated accounts and balance-sheet”; and
- (c) by deleting the words “and consolidated accounts (if any)” in the 8th line of subsection (2) and substituting the words “, or a copy
- 25           of the consolidated accounts and balance-sheet, as the case may be”.

### **Amendment of section 207**

- 40.** Section 207 of the Companies Act is amended —
- (a) by deleting the words “properly drawn up” in the 4th line of subsection (2)(a);
- 30           (b) by deleting sub-paragraph (i) of subsection (2)(a) and substituting the following sub-paragraph:

“(i) in compliance with the requirements of the Accounting Standards and give a true and fair view of the matters required by section 201 to be dealt with in the accounts and, as the case may be, the consolidated accounts; and”;

5

(c) by inserting, immediately after paragraph (a) of subsection (2), the following paragraph:

“(aa) if the accounts or consolidated accounts do not comply with any requirement of the Accounting Standards and the approval of the Registrar under section 201(14) to such non-compliance has not been obtained, whether such non-compliance is, in the opinion of the auditor, necessary for the accounts or consolidated accounts to give a true and fair view of any matter required by section 201 to be dealt with in them;”;

10

15

(d) by deleting the words “and the registers” in the 1st and 2nd lines of subsection (2)(b);

(e) by deleting the words “(b) or (c)” in subsection (2)(e) and substituting the words “(aa), (b) or (c)”; and

20

(f) by deleting the word “including” in subsection (3)(b) and substituting the word “excluding”.

#### **Amendment of section 209A**

**41.** Section 209A of the Companies Act is amended —

25

(a) by deleting the words “and the Ninth Schedule” in the 1st line; and

(b) by deleting the words “Ninth Schedule” in paragraph (b) of the definition of “consolidated accounts” and substituting the words “Accounting Standards”.

#### **Amendment of section 262**

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**42.** Section 262(2) of the Companies Act is amended by deleting paragraph (a) and substituting the following paragraph:

“(a) lodge an office copy of the order with the Official Receiver and a copy of the order with the Registrar;”.

**Amendment of section 276**

43. Section 276(6) of the Companies Act is amended —

(a) by inserting, immediately before the words “an office copy of the order” in the 5th line, the words “a copy of the order and”; and

5 (b) by inserting, immediately after the words “Official Receiver,” in the 7th line, the word “respectively,”.

**Amendment of section 279**

44. Section 279 of the Companies Act is amended by deleting subsection (3) and substituting the following subsection:

10 “(3) A copy of an order made under this section and an office copy of such an order shall be lodged by the company with the Registrar and the Official Receiver, respectively, within 14 days after the making of the order.”.

**Amendment of section 291**

15 45. Section 291 of the Companies Act is amended —

(a) by deleting the words “Registrar and with the Official Receiver” in the 3rd line of subsection (1) and substituting the words “Official Receiver and have lodged a declaration in the prescribed form with the Registrar”; and

20 (b) by deleting the word “Registrar” in the 3rd line of subsection (4) and substituting the words “Official Receiver”.

**Amendment of section 293**

25 46. Section 293(1) of the Companies Act is amended by deleting the words “statutory declaration” in the 7th and 8th lines and substituting the word “declaration”.

**Amendment of section 308**

47. Section 308(7) of the Companies Act is amended by deleting the words “an office copy of the order” in the 4th line and substituting the words “a copy of the order and an office copy of the order, respectively,”.

**Amendment of section 317**

48. Section 317 of the Companies Act is amended —

(a) by deleting the words “the Registrar and” in the 6th line of subsection (1); and

5 (b) by inserting, immediately after subsection (1), the following subsection:

10 “(1A) The liquidator referred to in subsection (1) shall also lodge with the Registrar a notice in the prescribed form of the matters referred to in that subsection and, if he fails to do so, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000 and also to a default penalty.”.

**Amendment of section 332**

49. Section 332(6) of the Companies Act is amended by deleting the words “an office copy thereof being lodged with the Registrar and with the Official Receiver” in the 11th and 12th lines and substituting the words “a copy thereof and an office copy thereof being lodged with the Registrar and the Official Receiver, respectively,”.

**Amendment of section 343**

50. Section 343(2) of the Companies Act is amended by deleting the words “an office copy of the order” in the 4th line and substituting the words “a copy of the order and an office copy of the order, respectively,”.

**Amendment of section 368**

51. Section 368(1) of the Companies Act is amended —

25 (a) by deleting the semi-colon at the end of paragraph (f) and substituting a comma; and

(b) by deleting paragraph (g).

**Amendment of section 370**

52. Section 370 of the Companies Act is amended —

30 (a) by deleting the words “in writing” in subsection (3) and substituting the words “in the prescribed form”; and

- (b) by deleting the words “and a statutory declaration” in the 2nd and 3rd lines of subsection (6) and substituting the words “or power of attorney”.

### **Repeal and re-enactment of section 371**

- 5 **53.** Section 371 of the Companies Act is repealed and the following section substituted therefor:

#### **“Transitory provisions**

10 **371.**—(1) On the registration of a foreign company under this Division, the Registrar shall issue a notice in the prescribed form and the notice shall be prima facie evidence in all courts of the particulars mentioned in the notice.

15 (2) Upon the application of the foreign company that has been duly registered and payment of the prescribed fee, the Registrar shall issue to the foreign company a certificate, under his hand and seal, confirming the particulars mentioned in the notice, and the certificate shall be prima facie evidence in all courts of those particulars.”.

### **Amendment of section 372**

- 54.** Section 372 of the Companies Act is amended by deleting subsection (3) and substituting the following subsection:

20 “(3) If a foreign company not having a share capital changes the number of its members so that it is different from the registered number, the company shall, within one month after the date on which the change was resolved or took place, lodge with the Registrar notice of the change in the prescribed form.”.

### **Amendment of section 373**

- 55.** Section 373 of the Companies Act is amended —

- (a) by deleting the words “statutory declaration” in the 9th line of subsection (1) and substituting the word “declaration”;
- 30 (b) by deleting the words “Ninth Schedule” in the 9th line of subsection (5) and substituting the words “Accounting Standards”; and

(c) by inserting, immediately after subsection (9), the following subsection:

“(10) Without prejudice to paragraph (b) of the proviso to subsection (5) and subsection (7), the Minister may, by order published in the *Gazette*, in respect of foreign companies of a specified class or description, substitute other accounting standards for the Accounting Standards, and the provisions of this section shall apply accordingly in respect of such foreign companies.”.

10 **Repeal of section 374**

**56.** Section 374 of the Companies Act is repealed.

**Amendment of section 398**

15 **57.** Section 398 of the Companies Act is amended by deleting the words “shall be” in the 2nd line and substituting the words “issued under this Act in force before the date of commencement of section 8 of the Companies (Amendment) Act 2002, a notice of incorporation issued by the Registrar under this Act, and a certificate of confirmation of incorporation under the hand and seal of the Registrar issued under this Act, shall each be”.

**Amendment of section 401**

20 **58.** Section 401 of the Companies Act is amended by inserting, immediately after subsection (2), the following subsection:

“(2A) Any person who, for any purpose under this Act —

(a) lodges or files with or submits to the Registrar any document; or

25 (b) authorises another person to lodge or file with or submit to the Registrar any document,

knowing that document to be false or misleading in a material respect, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.”.

30

### **Amendment of section 409**

**59.** Section 409 of the Companies Act is amended by deleting subsection (6) and substituting the following subsection:

5 “(6) The power of the Registrar referred to in subsection (4) shall only be exercised where the person agrees, either by himself or an agent duly authorised by him, to the offence being dealt with under that subsection.”.

### **Amendment of Eighth Schedule**

**60.** The Eighth Schedule to the Companies Act is amended —

- 10 (a) by deleting the words “PART I” in the 3rd line; and  
 (b) by deleting Part II.

### **Repeal of Ninth Schedule**

**61.** The Ninth Schedule to the Companies Act is repealed.

### **Miscellaneous amendments**

15 **62.** The Companies Act is amended —

(a) by deleting the words “an office copy” in the following provisions and substituting in each case the words “a copy”:

20 sections 26(2) (8th line), 32(3)(c)(iii), 33(9) (6th line), 63(6) (penultimate line), 72 (13th line), 73(6), 74(5) (2nd and 3rd lines), 76(14), 210(5) (2nd line), 212(3)(a), 269(3)(a), 344(5) (9th line) and 372(4) (last line);

(b) by deleting the words “An office copy” in sections 216(5) and 227H(7)(a) and substituting in each case the words “A copy”; and

25 (c) by deleting the word “printed” in the following provisions:

sections 26(2) (9th line), 30(4)(a) (1st line) and (b) (5th line), 186(1) (1st line) and 290(2)(a).

### **Consequential amendments to other Acts**

30 **63.** The following Acts are amended by deleting the words “in accordance with Part II of the Eight Schedule to that Act” appearing in the

provisions set out against them, and substituting in each case the words “in accordance with the prescribed form referred to in section 197(2) of that Act”:

- 5 (a) section 23(2)(b) (penultimate and last lines) of the Architects Act (Cap. 12);
- (b) section 20(1)(b) (6th and penultimate lines) of the Land Surveyors Act (Cap. 156);
- (c) section 23(1)(b) (6th and penultimate lines) of the Professional Engineers Act (Cap. 253);

### 10 **Transitional provisions**

**64.**—(1) Section 22(2) and (4) of the Companies Act inserted by section 9 of this Act shall not apply to a company incorporated before the date of commencement of section 9 of this Act.

15 (2) Section 27(2A) of the Companies Act inserted by section 12 of this Act shall apply in relation to a company incorporated at any time before the date of commencement of section 12 of this Act as if the reference in that subsection to the date of incorporation were a reference to the date of commencement of section 12 of this Act.

20 (3) A reference under section 29 of the Companies Act as amended by section 14 of this Act to an approval of the Minister and to conditions subject to which such approval is granted shall be deemed to include a licence granted under section 29 of the Companies Act in force immediately before the date of the commencement of section 14 of this Act or under any corresponding previous written law, and to the conditions subject to which such a licence was granted, respectively.

30 (4) A reference to a direction of the Minister under subsection (3) of section 29 of the Companies Act as amended by section 14 of this Act shall be deemed to include a direction of the Minister made under that subsection in force immediately before the date of commencement of section 14 of this Act or under any corresponding previous written law.

35 (5) The amendments made to section 61 of the Companies Act by section 19 of this Act shall not apply to an allotment of shares by a company at any time before the date of commencement of section 19 of this Act; and section 61 of the Companies Act in force immediately before that date shall continue to apply to that allotment.

(6) A reference in section 137 of the Companies Act as amended by section 29 of this Act to a statement of satisfaction includes a reference to a memorandum of satisfaction referred to in section 136 of the Companies Act in force immediately before the date of commencement of section 28 of this Act.

(7) Section 173(4A) of the Companies Act inserted by section 33 of this Act shall not apply where the secretary of the company concerned is appointed before the date of commencement of section 33 of this Act.

(8) The Minister may by regulations prescribe such other transitional and savings provisions as he considers appropriate.

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## EXPLANATORY STATEMENT

This Bill seeks to amend the Companies Act (Cap. 50) for 2 main purposes:

- (a) to make the filing of documents with the Registrar of Companies and the issue of documents by him medium neutral, so as to facilitate the filing and issue of such documents using the electronic filing system known as Bizfile;
- (b) to give effect to the recommendations of the Disclosure and Accounting Standards Committee which was set up by the Government to review the regulation of accounting standards in Singapore.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 4(1) by inserting definitions of “Accounting Standards” (as used in sections 200A, 201, 207, 209A and 373, as amended or inserted by the Bill) and “prescribed person” (as used in sections 19, 22, 30, 61, 146 and 171, as amended or inserted by the Bill).

Clause 3 makes a consequential amendment to section 8(7) in light of the deletion of Part II of the Eighth Schedule (Form of Annual Return) under clause 60.

Clause 4 amends section 12 by inserting new subsection (2B), which provides that notwithstanding the cancellation of a notification under subsection (2A) (applying the prohibition against inspection of, and provision of copies or extracts of, documents filed with or issued by the Registrar in respect of a specified exempt private company), such prohibition shall continue to apply to documents filed or issued before the cancellation.

Clause 5 amends section 12A —

- (a) to enable the Minister to make regulations to require or permit filing or issue of specified documents with or by the Registrar to be done using the electronic filing service provided by the Registry of Companies; and

- (b) to provide for the admission in evidence in any proceedings of an extract of information from any document filed with the Registrar, that is certified by the Registrar to be a true extract from that document, and to provide that such extract is presumed to be a true extract from that document; and for this to have effect notwithstanding any other written law (for example, section 35 of the Evidence Act (Cap. 97)).

Clause 6 amends section 12B(2) to give the court a discretion as to whether or not to require a company, which has applied to it for a rectification of a register, to file with the Registrar a fresh document showing the rectification and to remove the requirement to file affidavits of the court application.

Clause 7 amends section 17 to replace the issue of a certificate of incorporation with the issue of a notice of incorporation, and to provide for a right to apply for a certificate of confirmation of incorporation.

Clause 8 amends section 19 —

- (a) to require persons desiring the incorporation of a company to submit prescribed information in addition to the memorandum and articles, prescribed documents and prescribed fee;
- (b) to require certain persons engaged in the formation of a company, or a person named as a secretary or director of the proposed company to forward, in place of the statutory declaration under the existing subsection (2) and the notary public's certificate under the existing subsection (3), a declaration as to compliance with the requirements of the Act and verifying the identities of the subscribers and officers of the company;
- (c) to remove the requirement for the memorandum or articles to contain the names of at least 2 directors of the proposed company; and
- (d) to replace the issue of a certificate of incorporation under the hand and seal of the Registrar with the issue of a notice of incorporation in the prescribed form and, upon application of the company, a certificate of confirmation of incorporation under the hand and seal of the Registrar.

Clause 9 amends section 22 to remove the requirement that the memorandum of a company must be printed and divided into numbered paragraphs, and to replace the handwritten statement as to the number of shares a subscriber agrees to take with a declaration of the same. The clause also inserts new subsection (4) requiring a signed copy of the memorandum to be kept by the company.

Clause 10 amends section 23 to replace the issue by the Minister of a licence to a company empowering it to hold land with an approval by the Minister of the same. New subsection (5) provides that a certificate confirming such approval shall be issued by the Registrar on application and payment of a fee.

Clause 11 amends section 26 to replace the certificate of the Registrar as to registration of a court order affecting the memorandum of the company with a notice of such registration.

Clause 12 amends section 27 to remove, as a ground for refusal of registration of a company by a certain name, the ground that the name so nearly resembles that of another company or a business as to be likely to be mistaken for it. The Registrar may, upon application made within 12 months from the date of incorporation, direct the company with such a name or a name which cannot be registered by virtue of subsection (1) to change it, and may require it to pay a fee if the application for the registration of the company by that name was made in bad faith. The section is also amended to remove, as a ground for refusal of registration of a company by a certain name, the ground that the name so closely resembles a reserved name as to be likely to be mistaken for that name.

Clause 13 amends section 28 —

- (a) to replace, in the case of an approval by the Registrar of a change of name of a company, the issue of a certificate of incorporation under the new name with the issue of a notice of the same;
- (b) to empower the Registrar to direct a company to change its name if the name is a name prohibited under section 27(1) or is one that so nearly resembles that of another company or corporation or a business name as to be likely to be mistaken for it; and
- (c) to provide for a right to apply for a certificate confirming incorporation of the company under the new name.

Clause 14 amends section 29 to replace the issue by the Minister of a licence to a company directing or authorising it to be registered under, or to have its name changed to, a name without the word “Limited” or “Berhad”, with an approval by the Minister of the same. New subsection (9) provides that a certificate confirming such approval shall be issued by the Registrar on application and payment of a fee.

Clause 15 amends section 30 —

- (a) to remove the requirement for an application for a change of status of a company to be made in writing;
- (b) to replace the certificate of incorporation bearing the new status with a notice of the same; and
- (c) to replace the statutory declaration as to assent by members to the change of status with a declaration of the same, and to allow a prescribed person authorised by the company to make such declaration.

Clause 16 amends section 31 —

- (a) to replace the statutory declaration of compliance with section 61(2)(b), to be given in support of an application to convert a private company to a public company, with a declaration of the same;
- (b) to replace the certificate of incorporation bearing the new status with a notice of the same; and

- (c) to require a company which has been issued such a notice to lodge with the Registrar a list of shareholders of the company.

Clause 17 amends section 32(3)(c)(ii) to replace the statutory declaration of compliance with section 61(2)(b), to be lodged by a company with the Registrar after a court or the Registrar has determined that the company has ceased to be a private company, with a declaration of the same.

Clause 18 amends section 35 to enable requirements as to articles of a company to be prescribed in regulations, and to require a company to lodge a notice of any change to the registered number of its members.

Clause 19 amends section 61 to replace the statutory declaration by an officer of the company to be lodged before a company may commence business or exercise its borrowing powers, with a declaration of the same; and the certificate by the Registrar as to entitlement of a company to commence business and exercise its borrowing powers, with a notice by the Registrar of the same.

Clause 20 amends section 63 —

- (a) to exclude the application of subsection (1), which requires the lodgment of a return of allotments when a company allots shares, in a case where shares are issued without formal allotment to subscribers;
- (b) to shorten the period within which a company may lodge a return of allotments of shares to 14 days after an allotment;
- (c) to limit the number of members, the particulars of whom are to be included in the return of allotments, to 50 in a case where there are more than 50 members following the allotment; and
- (d) to provide that particulars of members need not be provided in the return of allotments where the company is listed on a stock exchange.

Clause 21 amends section 71 by inserting new subsection (1A) to give a company the right to lodge with the Registrar a notice of certain alterations made to its memorandum as to its share capital.

Clause 22 amends section 73(7) to replace the certificate of the Registrar confirming lodgment of a court order confirming the reduction of share capital with a notice of the same.

Clause 23 inserts new section 128A which enables a company to lodge with the Registrar a notice of a transfer of shares.

Clause 24 amends section 131 —

- (a) to replace the statement and affidavit to be lodged with the Registrar for the registration of a charge with a statement containing prescribed particulars of the charge; and
- (b) to limit the duty to produce the instrument creating the charge for the Registrar's inspection to a case where the Registrar requests for it.

Clause 25 makes an amendment to section 133(1), which is consequential upon the amendments to section 131.

Clause 26 amends section 134 to replace the certificate of registration of a charge with a notice of the same; and to provide for the right to apply for a certificate confirming such registration.

Clause 27 makes an amendment to section 135(1) which is consequential upon the amendments to section 134.

Clause 28 amends section 136 to replace the memorandum of satisfaction of debt or the release of property from a charge, with a statement of the same.

Clause 29 makes an amendment to section 137 that is consequential upon the amendment to section 136.

Clause 30 amends section 145 —

- (a) to delete subsection (3) which requires the first directors of a company to be named in the memorandum or articles of the company; and
- (b) to insert in subsection (6), which sets out exceptions to the rule under subsection (5) prohibiting a director of a company from resigning unless there are at least 2 directors remaining in the company one of whom is resident in Singapore, a reference to section 149A (disqualification of directors of companies wound up on grounds of national security or interest).

Clause 31 amends section 146 to replace the written consent under subsection (1) to act as director with a declaration of consent, and sets out certain persons who may make the declaration on behalf of the director. The clause also amends paragraphs (a) to (d) of subsection (1) to replace the statutory declarations and signed undertakings in those paragraphs with declarations and undertakings of the same.

Clause 32 amends section 171(1B) to replace the consent to act as a secretary with a declaration of such consent, and sets out certain persons who may make the declaration on behalf of the secretary.

Clause 33 amends section 173 —

- (a) to remove the requirement to state in the register of officers of a company information concerning other occupations of the directors and their directorships of public companies;
- (b) to require the register to contain the signed consent of the secretary to act as such and any documentary evidence of any change in name of a director;
- (c) to provide that the register may be inspected by the Registrar;
- (d) to remove the requirement to lodge with the Registrar a return with the particulars of the register within a month after incorporation;

- (e) to clarify that a company is required, when a person becomes disqualified from being a director, to lodge a return with the Registrar notifying him of this;
- (f) to give a director who resigns from office or who becomes disqualified from acting as such under section 148 (Restriction on undischarged bankrupt being director or manager) or 155 (Disqualification for persistent default in relation to delivery of documents to Registrar) the right to lodge the return with the Registrar; and
- (g) to give the Registrar the right to remove the name and particulars of the director from any register kept by him if he reasonably believes that the director has become disqualified from acting as such by virtue of section 148 or 155.

Clause 34 amends section 197 —

- (a) to provide that the annual return by a company with a share capital is to be made in the prescribed form instead of in the form set out in Part II of the Eighth Schedule which is to be deleted;
- (b) to remove the requirement that the annual return by such a company is to be signed by a director or by the manager or secretary of the company; and
- (c) to provide that the annual return by a company without a share capital is to be made in the prescribed form.

Clause 35 repeals section 198 (Exemption from filing list of members with annual return for certain public companies) which is no longer necessary in view of the amendments to section 63.

Clause 36 inserts new section 200A which establishes an Accounting Standards Committee which is responsible for prescribing corporate accounting standards (referred to as the Accounting Standards). The Accounting Standards so prescribed will replace the Ninth Schedule.

Clause 37 amends section 201 —

- (a) to require accounts and consolidated accounts to be prepared by a company to be in compliance with the Accounting Standards;
- (b) to provide that a company that is a holding company need not provide its profit and loss statement but must provide consolidated accounts of the group and a balance-sheet of itself;
- (c) to give a company the right to apply to the Registrar to waive a requirement of the Accounting Standards; and the Minister the power to make an order substituting other accounting standards for the Accounting Standards for specified companies; and
- (d) to provide that where compliance with any requirement of the Accounting Standards will result in the accounts or consolidated accounts not giving a

true and fair view of certain specified matters, that requirement may be departed from subject to the agreement of the auditor of the company.

Clause 38 amends section 202 to provide that that provision (application to Registrar for relief from requirements as to form and content of accounts and report) does not extend to a requirement of the Accounting Standards.

Clause 39 makes amendments to section 203 which are consequential upon the amendments to section 201.

Clause 40 amends section 207 to remove the requirement for auditors to certify that the statutory registers of a company have been kept in accordance with the Act, and makes certain other amendments to that section which are consequential upon the amendments to section 201.

Clause 41 amends section 209A to replace references to the Ninth Schedule with the Accounting Standards.

Clauses 42, 43, 44, 47, 49 and 50 amend sections 262(2), 276(6), 279(3), 308(7), 332(6) and 343(2), respectively, to replace the requirement to lodge an office copy of a court order with the Registrar with a requirement to lodge a copy of the same with him.

Clause 45 amends section 291 to replace the statutory declaration which is to be lodged with the Registrar before the appointment of a provisional liquidator, with a declaration in the prescribed form.

Clause 46 amends section 293(1) to replace the statutory declaration of solvency, which is to be lodged with the Registrar before a company is voluntarily wound up, with a declaration of the same.

Clause 48 amends section 317 to provide that a liquidator is to lodge with the Registrar a notice setting out an account of his receipts and payments and the position in the winding up, in place of an account and statement verified by a statutory declaration of those matters.

Clause 51 amends section 368(1) to remove the requirement to lodge with the Registrar a statutory declaration by agents for the registration of a foreign company to commence business in Singapore.

Clause 52 amends section 370 to replace the written notice by a foreign company of its agent ceasing to be such with a notice in the prescribed form.

Clause 53 repeals and re-enacts section 371 to replace the certificate of registration of a foreign company by the Registrar with a notice of such registration.

Clause 54 amends section 372(3) to require a foreign company without a share capital to lodge a notice with the Registrar if there is a change to the number of members registered with him.

Clause 55 amends section 373 —

- (a) to replace the statutory declaration required to be lodged with the Registrar and verifying that copies of balance-sheet and other documents lodged with the Registrar are true copies, with a declaration of the same;
- (b) to require a foreign company to lodge a profit and loss statement that is in compliance with the Accounting Standards; and
- (c) to give the Minister the power to make an order to substitute other accounting standards for the Accounting Standards for specified foreign companies.

Clause 56 repeals section 374 (As to fee payable on registration of foreign company because of establishment of a share register in Singapore) as the requirement to pay fees on increase of share capital will be removed.

Clause 57 amends section 398 to provide that a notice of incorporation or certificate of confirmation of incorporation issued under the Act is conclusive evidence that the company concerned is duly incorporated under the Act.

Clause 58 amends section 401 by inserting new subsection (2A) which makes it an offence for anyone to lodge with the Registrar any document which he knows is false or misleading in a material respect.

Clause 59 amends section 409(6) to allow a person or an agent duly authorised by him to agree, other than by writing, to the commission of an offence allegedly committed by him.

Clause 60 deletes Part II of the Eighth Schedule as the form of the annual return is to be prescribed by regulations.

Clause 61 repeals the Ninth Schedule which is to be replaced by Accounting Standards prescribed by the Accounting Standards Committee.

Clause 62 makes miscellaneous amendments to various other provisions of the Act to render them medium neutral.

Clause 63 makes amendments to various Acts which are consequential upon the deletion of Part II of the Eighth Schedule.

Clause 64 is a transitional provision.

## EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

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