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Companies (Amendment) Act 2017

Companies (Amendment) Act 2017 Limited Liability Partnerships (Amendment) Act 2017

Background

To ensure that our corporate regulatory regime continues to stay robust and supports Singapore's growth as a global hub for businesses and investors, the Ministry of Finance (MOF) and ACRA conducted a review of the Companies Act in 2016. This review culminated in the Companies (Amendment) Bill 2017 and Limited Liability Partnerships (Amendment) Bill which were passed in Parliament on 10 Mar 2017.

What are the changes and Why the change

Aim: Reduce Compliance Costs and Administrative Burden

- Private companies need not hold AGMs subject to specified safeguards
- Simplify the requirements for holding AGMs and filing annual returns
- Remove the mandatory requirement to use a common seal

Aim: Make the ownership and control of business entities more transparent

- All companies and LLPs, unless exempted, are required to obtain and maintain beneficial ownership information

Aim: Boost Singapore's Competitiveness as a Business Hub

- Introduce an inward re-domiciliation regime which allows foreign corporate entities to transfer their registration to Singapore.

Who will benefit

Companies including small-and-medium enterprises (SMEs), will benefit from some of the changes. In particular, the compliance cost will be reduced for private companies which will be exempted from holding annual general meetings (AGMs), subject to specified safeguards. To reduce the administrative burden, the timelines for companies to hold AGMs and file annual returns will also be simplified.

To further boost Singapore's competitiveness as a business hub, an inward re-domiciliation regime, which allows foreign corporate entities to transfer their registration to Singapore, will be introduced.

To uphold Singapore's reputation as a trusted and clean financial hub, the ownership and control of business entities will be made more transparent with all companies and LLPs, unless exempted, required to obtain and maintain beneficial ownership information.

There are also changes to Singapore's corporate rescue and restructuring processes to position Singapore as a choice venue to conduct international debt restructuring. Please refer to the [Ministry of Law's website](#) for details.

Key Legislative Amendments and Implementation Timeline

The key legislative changes from the approved Bills will be implemented from the following dates:

Key legislative amendments to take effect from 31 Mar 2017

(ii) Improving the transparency of Companies and LLPs

- Requirement for companies and LLPs incorporated/registered in Singapore to maintain registers of registrable

Key legislative amendment to take effect within first half of 2017

Introduction of an inward re-domiciliation regime in Singapore

This is to allow foreign corporate entities to transfer their registration to Singapore instead of setting up subsidiaries.

Key legislative amendments targeted for implementation in Early 2018

Amendments to annual general meetings (AGMs) and annual returns

- Align the timelines for holding AGMs and filing annual returns

controllers at prescribed places

- Requirement for foreign companies registered in Singapore to maintain registers of registrable controllers and public register of shareholders
- 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 early if they are wound up by their members, partners or creditors
- Requirement for officers/partners/managers of struck off companies and LLPs to retain accounting records and registers of beneficial owners for five years
- Void the issuance and transfer of bearer shares and share warrants by foreign companies registered in Singapore
- Require nominee directors to disclose their nominee status and nominators to their companies

Click [here](#) for more information and related FAQs on this amendment.

with the Financial year end (FYE) for listed and non-listed companies;

- Exempt all private companies from holding AGMs subject to specified safeguards

Click [here](#) for more information and related FAQs on this amendment.

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

Click [here](#) for more information on Register of Registrable Controllers, help resources and related FAQs.

(i) Remove the requirement for a common seal

Remove the legal requirement for companies and limited liability partnerships (LLPs) to use common seals.

Click [here](#) for more information and related FAQs on this amendment.

Transitional Arrangements for New and Existing Companies and LLPs on maintaining Registers of Registrable Controllers

To help companies and LLPs' prepare to comply with this 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 Mar 2017) to set up the register of controllers, after which they must have and continue to maintain the required registers.

Companies incorporated on or after 31 Mar 2017 and LLPs registered on or after 31 Mar 2017 will have a transitional period of 30 days to set up the register.

Click [here](#) for more information on Register of Registrable Controllers, help resources and related FAQs.

Important Information for Corporate Service Providers

Corporate service providers (CSPs) will be involved in helping their corporate clients comply with these requirements. It is important to understand the requirements and timelines, especially scope of obligations for RFAs, qualifiers and safeguards of the exemption from holding AGMs and the determination of FYE. Please click [here](#) for more information specific to CSPs.

Important Information for Shareholders – Exemption for all private companies from holding AGMs subject to specified safeguards

A key legislative change will see private companies being exempted from holding annual general meetings (AGMs), subject to specified safeguards. Currently, private companies need not hold AGMs if all members have approved a resolution to dispense with holding AGMs. Under the Companies (Amendment) Bill 2017, private companies will be exempted from holding AGMs if they send their financial statements to members within 5 months of the financial year end (FYE). Shareholders should note that safeguards have been put in place so that companies must still hold an AGM/ general meeting if requested by shareholder or auditor. The details are as follows:

Safeguards to be put in place so that private companies will still need to hold:

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

(b) 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.

Click [here](#) for more information on the amendments to AGM and AR.

Documents related to the passage through Parliament

Please access the following links for more information on:

- [Second Reading speech on the Companies \(Amendment\) Bill 2017](#)
- [Second Reading speech on the Limited Liability Partnerships \(Amendment\) Bill 2017](#)
- Response by Senior Minister of State for Law and Finance, Ms Indranee Rajah during Second Reading speech on the Companies (Amendment) Bill 2017 and Limited Liability Partnerships (Amendment) Bill 2017 (*coming soon*)
- [Fact sheet on Companies \(Amendment\) Bill 2017 and Limited Liability Partnerships \(Amendment\) Bill 2017](#)
- [MOF and ACRA's responses to public feedback from two public consultations held on proposed changes to the Companies Act, LLP Act and Accountants Act](#)

Note: The Companies (Amendment) Bill 2017 also contains amendments proposed by the Ministry of Law (MinLaw) to implement some of the recommendations of the Insolvency Law Review Committee (ILRC) and the Committee to Strengthen Singapore as an International Centre for Debt Restructuring (Restructuring Committee). Please refer to MinLaw's website for more details on these amendments at www.mlaw.gov.sg.