

Amendments Passed for the Companies Act and Limited Liability Partnerships Act

On 10 March 2017, the Singapore Parliament passed the Companies (Amendment) Act 2017 and Limited Liability Partnerships (Amendment) Act 2017.

The key changes include the following:

- a. Singapore-incorporated companies, Singapore-registered limited liability partnerships (LLPs) and Singapore-registered branches of foreign corporations will be required to maintain a register of controllers;
- b. Nominee directors will be required to disclose their nominee status and nominators to their companies; and
- c. Foreign corporate entities will be permitted to transfer their registration from their original jurisdiction to Singapore (i.e. inward re-domiciliation).

Register of Controllers

Inspection of register - Not available for general public inspection

The register of controllers must not be disclosed or made available for inspection, except upon request by Accounting and Corporate Regulatory Authority (ACRA) or other public agencies.

Exempted entities

Exempted entities include public companies listed in Singapore, Singapore financial institutions, and companies listed outside Singapore and which are subject to regulatory disclosure requirements and adequate transparency requirements in respect of their beneficial owners.

Duties on officers and controllers

A reporting entity will have certain duties, including

- Duty to investigate and obtain information (new section 386AG)
- Duty to keep information up-to-date (new section 386AH)
- Duty to correct information (new section 386AI)
- Individuals and corporations who know or believe that they are registrable controllers are also under the duty to provide information and change of information (see new sections 386AJ and 386AK).

In prosecuting a corporation or partnership for a breach of any of these duties, ACRA will consider the state of mind of any officer, employee or agent of that corporation or partnership as evidence that the corporation or partnership had that state of mind (new section 386AD).

Effective date - 31 March 2017

Requirement of nominee directors to disclose nominee status

Duty to disclose

The new section 386AL requires a nominee director of a Singapore-incorporated company to:

- Inform the company of that fact;
- Provide prescribed particulars of the person for whom the director is a nominee; and
- Inform the company of changes in the director's particulars or status as nominee.
- Meaning of nominee director

For the purposes of these reporting requirements, a nominee director is a director accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of any other person.

Register of nominee directors - Not available for general public inspection

A Singapore-incorporated company will also be required to keep a register of its directors who are nominees. The register of nominee directors or any particulars contained in the register of nominee directors must not be disclosed or made available for inspection, except upon request by ACRA or other public agencies.

Effective date - 31 March 2017

Inward re-domiciliation for foreign entities

An inward re-domiciliation regime will be introduced in Singapore to allow foreign corporate entities to transfer their registration to Singapore instead of setting up subsidiaries (e.g. foreign corporate entities that may want to relocate their regional and worldwide headquarters to Singapore and still retain their corporate history and branding).

Such foreign corporate entities must meet certain requirements, including the requirement to be bodies corporate that can adapt their legal structure to the companies limited by shares structure under the CA and other qualifying criteria.

A foreign corporate entity that is re-domiciled to Singapore will be required to comply with the CA like any other Singapore-incorporated company. Re-domiciliation will not affect the obligations, liabilities, properties or rights of the foreign corporate entities.

Effective date - first half of 2017