

**Companies (Amendment) Act 2014 - Sections coming into force on 1 Jul 2015**

S/n	Section in Companies (Amendment) Act 2014	Section in Companies Act	Description of Amendments
1.	3(a), (e), (f) (l), (n), (p), (w), (x) and (z)	4	Introduction of new definitions and consequential amendment of definitions used in the Companies Act.
2.	4(a) and (b)	5	Clarification that the fact that directors act on a person's advice given in a professional capacity does not make him a person in accordance with whom the directors are accustomed to act.
3.	5(b)	7	Amendment of the criteria for a company to be a subsidiary (by deleting sub - paragraph (iii) of subsection (1)(a), which deems a company S to be a subsidiary of another company H if company H holds more than half of the issued share capital of company S).
	5(c)	7(2)	Introduction of the criteria deeming a person who has an interest in shares as one who has the authority to dispose of, or to exercise control over the disposal of, the shares.
	5(d)	7(4A)	Technical amendment.
	5(e)	7(5)	Replacement of the words "voting shares" with "voting power" to address the anomaly whereby partners, in a limited partnership which hold shares in a company, are currently not deemed to have an interest in those shares.
	5(g) and (h)	7(9)(b), (c) and (ca)	Narrowing of the situations where a person is considered to be an associate of another person.
4.	6(a), (b), (c) and (d)	7A(1)	Technical amendments.
	6(e)	7(A)(2)	Technical amendments.
	6(f)	7(A)(4)(a)(i)	The solvency statement referred to in subsection (1) no longer needs to be in the form of a statutory declaration. A declaration in writing is sufficient.
5.	8(b)	9(5)	Consequential amendment made due to the changes made to section 201.
			Allows the Minister to delegate his power, to any person who is in charge of the registration or control of Public Accountants, to approve a person under subsection (2) and to revoke any approval granted under subsection (3).

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6.	9	10	Removal of provisions relating to auditor independence to be consolidated under the Accountants Act instead.
7.	11	12A	Empowers the Registrar to require or permit any person to carry out any transaction or to issue any approval, certificate, notice, determination or other document pursuant or connected to such transaction using the electronic transaction system established under Part VIA of the Accounting and Corporate Regulatory Act.
8.	15	16 and 16A	Repeal of obsolete sections.
9.	18(a)	21	Clarification that the restriction in subsection (1), preventing a corporation from being a member of its holding company, is generally not applicable to a disposition of book-entry securities. This is unless the Court, on application of the Registrar or any other person, being satisfied that the disposition of book-entry securities would be void anyway, orders the disposition of the book-entry securities to be in contravention of the restriction in subsection (1).
	18(b) and (c)	21(4)	Allows a company to either dispose the shares which it holds in its holding company within 12 months or such longer period as the Court may allow, after the company becomes a subsidiary of its holding company, or retain such shares, subject to the restrictions specified in new subsection (4C) and new subsection (6E).
	18(d)	21(5)	Consequential amendments made due to the changes made to section 21.
	18(e)	21	Allows the transfer of shares in a holding company to a subsidiary by way of a distribution in specie, amalgamation or scheme of arrangement. The subsidiary may either dispose the shares in its holding company within 12 months or such longer period as the Court may allow, after the transfer of shares, or retain such shares subject to the restrictions specified in new subsections (6D) and (6E).
	18(f)	21	Requires a company to notify the Registrar where a shareholder of the company, that is, a corporation, becomes its subsidiary or where there is any change in the number of shares of the company that are held by a subsidiary.
10.	22(h)	27(13)	Technical amendment.
11.	28(b)	33(5A)	Technical amendment.

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12.	34	66	Abolition of transitional arrangements for share warrants and providing that a bearer of a share warrant issued by a company before 29 December 1967 has a period of 2 years to surrender the warrant to the company for cancellation and have his name entered in the register of members.
13.	35	New section 67	Allows a company to use its share capital to pay any expenses incurred directly in the issue of new shares. The payment will not be taken as a reduction of the company's share capital.
14.	36(a)	New section 68	Allows a company to issue shares for no consideration.
15.	41(a)	70(2)	Consequential amendment due to the changes made to section 78A .
	41(b), (c), (h), (l)	76(1)	Removal of the prohibition against a private company giving financial assistance. Only a public company, or a company whose holding company or ultimate holding company is a public company, is prohibited from giving financial assistance.
	41(d), (i), (j)	76(3), (4), (5), (8), (9), (9)(A), (9B), (9D), (10)	Consequential amendment due to the changes made to section 76(1).
		76(8) and (9)	Expansion of the list of transactions and circumstances which are not prohibited for a public company, or a company whose holding company or ultimate holding company is a public company.
16.	41(k)	76(9D)(a)	Consequential amendment due to the introduction of new section 76(9BA).
	42(a)	76A(1)(a), (b) and (6)	Clarification that references to “holding company” also include an ultimate holding company.
	42(c), (d)	76A(6), (7), (11), (12) and (14)	Consequential amendments due to the change made to section 76.
17.	43(a)	76B(3)	Provides that the total number of ordinary shares and stocks in any class of a company that may be acquired by the company must not exceed 20% (or such percentage as the Minister may by notification prescribe) of the total number of ordinary shares and stocks in that class determined at the date on which the resolution authorising such acquisition was passed, except for certain circumstances.
	43(b)	76B(3B)	Provides that the total number of non-redeemable preference shares in any class of a

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			company that may be acquired by the company must not exceed 20% (or such percentage as the Minister may by notification prescribe) of the total number of ordinary shares and stocks in that class ascertained at the date on which the resolution authorising such acquisition was passed, except for certain circumstances.
	43(c)	76B(4)	Introduction of a new definition of “relevant period”.
18.	44	76C	Clarification that an acquisition of shares by a company in itself under an equal access scheme authorised by the company must not entail acquisitions made on a securities exchange, whether it is a securities exchange in Singapore or outside Singapore.
			Technical amendment made to subsection (2).
19.	45	76D	Allows a listed company to make selective off-market acquisition of shares in itself in accordance with an agreement authorised by the company.
20.	46	76DA(1)	Clarification that a company, whether or not listed on a securities exchange in Singapore or any securities exchange outside Singapore, may acquire shares in itself under a contingent purchase contract authorised by the company.
21.	47	76E(2)(a)	Technical amendment.
22.	48(a)	76F	Clarification that capital or profits used by the company to acquire shares in itself under subsection (1)(a) may also be used to pay for any expenses (including brokerage and commission) incurred directly in such acquisition.
	48(b)	76F(4)	Alignment of solvency test for consistency.
23.	49	76G	Clarification that the reference to the total amount of the purchase price includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the relevant shares.
24.	51	76J(5)(b)	Technical amendment.
25.	53(a)	78A(4)	Deletion of definition of “Comptroller” as a consequential amendment due to the changes made to sections 78B(1)(a), 78(C)(1)(a) and 78G(2).
	53(b)	78A	Clarification that Division 3A (Reduction of share capital) will not apply to any redemption of preference shares issued by a company under section 70(1) of the Companies Act that

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26.	54(a)	78B(1)(a)	results in a reduction in the company's share capital.
	54(b)	78B(2)	Removal of requirement for a private company to notify the Comptroller of Income Tax of its intention to reduce its share capital.
	54(c)	78B(3)(b)(ii)	List of circumstances under which the company need not satisfy the solvency requirements required under subsection (1).
27.	55(a)	78C(1)(a)	Increase the longest period permissible between the date of the making of the solvency statement by the directors of the company and the date on which the company passes a resolution to authorise the reduction of its share capital from 15 to 20 days.
	55(b)	78C(2)	Removal of requirement for a public company to notify the Comptroller of Income Tax of its intention to reduce its share capital.
	55(c)	78C(3)(b)(ii)	List of circumstances under which the company need not satisfy the solvency requirements required under subsection (1).
28.	56	78E	Increase the longest period permissible between the date of the making of the solvency statement by the directors of the company and the date on which the company passes a resolution to authorise the reduction of its share capital from 22 to 30 days.
29.	57	78G(2)	Consequential amendments due to changes made to sections 78B and 78C.
30.	59	123(2)(c)	Removal of requirement for a company limited by shares to notify the Comptroller of its intention to reduce its share capital by a special resolution approved by an order of the Court.
31.	75(a)	154(1)	Removal of requirement to disclose amount paid on the shares in the share certificate.
		154(2)	Expansion of circumstances under which a person is subject to the disqualification from acting as director, etc. under subsection (3).
		154(3)	Allows a court to make a disqualification order against a person who is convicted of any of the offences specified in the subsection, in addition to any sentence given by the court in relation to any of those offences.
			Provides that, subject to leave of Court granted under the new subsection (6), any person who is disqualified under subsection (1) or has a disqualification order made against him under subsection (2) is prohibited from acting as director, etc., of a company or foreign

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		154(4)	companies during the periods stipulated in the new subsection (4). Sets out the periods of disqualification from acting as director, etc., referred to in new subsection (3).
	75(b)	154(5)	Consequential amendment due to changes made to section 154(1)-(4).
	75(c)	154(6)	Allows a person disqualified under subsection (1), or who has a disqualification order made against him under subsection (2), from acting as director, etc., to apply to Court for leave to act as director, etc.
32.	78	157(2)	Prohibits an officer or agent of the company from making improper use of his position as an officer or agent of the company to gain an advantage for himself or for any other person, or to cause detriment to the company.
33.	79	157A(1)	Provides that the business of a company must be managed by, or under the direction or supervision of, the directors. This is not intended to reduce the duty of care expected of directors.
34.	80(a)	158(1)	Allows a director to disclose information which he has only in his capacity as a director or an employee of the company, if such disclosure is not likely to prejudice the company and is made with the authorisation of the board of directors.
	80(b)	158(3) and (4)	Provides that authorisation of the board of directors may be conferred in respect of disclosure of all or any class of information, or only such information which is specified in the authorisation.
35.	86	168	Provides that approval from a company is not required in respect of any payment to a director holding a salaried employment or office in the company by way of compensation for termination of employment pursuant to a legal obligation arising from an agreement made between the company and the director if certain conditions are met.
36.	87	170	Repealed as the section is obsolete.
37.	88(b)	171(1AA)	Provides that directors of a public company have a duty to take all reasonable steps to ensure that each secretary of the company meets certain prescribed requirements.
	88(c) and (d)	171(1AB) and (1C) respectively	Consequential amendments made to subsections (1AB) and (1C) following the changes made to section 171.

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	88(f)	171	Provides that a secretary of a private company, or his agent or clerk need not be physically present at the registered office if any one of these persons is readily contactable by a person at the registered office.
38.	91	175(2)	Allows the Registrar to extend the period for a company to hold its annual general meeting, upon an application by the company, or if the company falls within a prescribed class of companies.
39.	92(a)	176(1)	Replaces the word “articles” with the word “constitution”, in light of the fact that the memorandum and articles are to be merged together to form one document known as the constitution.
	92(b)	176(1A)	Technical amendment.
40.	95(b)	179(4)(b)	Clarification that a corporation will be taken to be present at a meeting of a company if its corporate representative is present at the meeting and that representative is not otherwise entitled to be present at the meeting as a member or a proxy, or as a corporate representative of another.
41.	112	Part VI	Replaces heading of Part VI as a consequence of the replacement of the references to “accounts” with “financial statements”.
42.	113	Division 1 of Part VI	Replaces heading of Division 1 of Part VI for clarity.
43.	114(a)	199(1)	Provides that the obligation to keep accounting and other records to explain the transactions and financial position of the company is imposed on the company, for consistency with subsection (2A).
	114(b), (c)	199(1), (2A) and (4)	Consequential amendments due to changes made to section 201.
44.	115	200	Repealed as the alignment of the financial year between a parent company and its subsidiaries will be governed by the Accounting Standards.
45.	116	201	Clarification of the components of financial statements.
			Provides that the determination of whether a company should prepare consolidated

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			<p>accounts should be set only by the Accounting Standards and not the Companies Act</p> <p>Allows financial statements of a company to be audited less than 14 days before the AGM if all the persons who are entitled to receive notice of general meetings of the company agree.</p> <p>Removes requirement for directors to issue a report to be attached to the financial statements.</p> <p>Provides for information to be contained in the directors' statements to be as set out in the new Twelfth Schedule.</p>
46.	118(a) and (b)	201B(5)(a)(vi) and (9)	Consequential amendments due to changes made to section 201.
	118(c)	201B(10)	Repealed as the term "listed company" will be defined in accordance with the new definition of "listed".
47.	119	201C	Consequential amendments due to changes made to section 201.
48.	120	202	Consequential amendments due to changes made to section 201.
49.	122	203	Consequential amendments due to changes made to section 201.
			<p>Allows a company to send the financial statements, or consolidated financial statements, balance-sheet and related documents, less than 14 days before the date of the general meeting if all the persons entitled to receive notice of general meetings consent.</p> <p>Shortens the period in subsection (4) within which a member or an auditor of the company, which has dispensed with the holding of its AGM, may require the company to hold a general meeting for the purpose of laying the financial statements and related documents before the company.</p>



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50.	123(b) and (c)	203A(5), (6)(a) and (b)	Shortens the period in subsection (6) within which the directors of the company have to hold a general meeting after receiving a notice from a member or an auditor under subsection (4).
	123(d), (e)	203A	Consequential amendments due to changes made to section 201.
51.	124(a), (b) and (c)	204(1), (1A)(a) and (2)	Clarification that directors of a company are responsible for ensuring that the summary financial statements comply with the requirements specified in subsections (5) and (6). Consequential amendments due to the changes made to section 201.
52.	125	205	Clarification that directors of a company may only appoint an accounting entity to be the auditor or auditors of the company.
			Subsection (8) is amended to provide that the Registrar has the discretion, but is not required, to appoint an auditor for a company if the company does not appoint another auditor where an auditor of the company is removed from office at a general meeting of the company.
53.	126	New section 205AA	Consequential amendments due to the introduction of new sections 205AA to 205AF. Provides that an auditor of a non-public interest company may resign prematurely by giving a written notice of resignation.
		New section 205AB	Provides that an auditor of a public interest company or a subsidiary company of a public interest company may resign prematurely by obtaining consent from the Registrar to the resignation and notifying the company of his application to resign.
		New section 205AC	Provides that a company which receives a notice of resignation from its auditor and a written statement of the auditor's reasons for his resignation (under the new Section 205AB) is to send a copy of the written statement to every member of the company, unless an application is made to the Court to determine whether the auditor has abused the use of the written statement or is trying to secure unnecessary publicity for defamatory matter.

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		New section 205AD	Sets out procedure and the Court's powers following an application to not send out the written statement of the auditor's reasons for resignation.
		New section 205AE	Provides that a person will not be liable for defamation in respect of the publication of the written statement of an auditor's reasons for resignation if there is no malice or if the publication is made upon the Court's refusal of the application.
		New section 205AF	Provides that if a company's financial statements are required to be audited under the Act, or where the resigning auditor is the sole auditor of the company, then the directors of the company are to appoint a replacement auditor. Should they fail to do so, the Registrar may, on the application of any member of the company, make the appointment.
54.	127(b)	205B(4)(a)	Consequential amendments due to changes made to section 201.
55.	128	205C	Introduction of audit exemption for small companies.
56.	129	205D	Consequential amendments due to changes made to section 201.
57.	130	206(1)	Consequential amendments due to changes made to section 201.
58.	131	207	Consequential amendments due to changes made to section 201.
			Clarification that the reference to proper accounting and other records in subsection (3) refers to the records which have to be kept under section 199(1).
			Removal of requirement for an auditor to form an opinion on the procedures and methods used by a holding company or a subsidiary in arriving at the amounts taken into any consolidated financial statement.
			Revision of the definition of "a serious offence involving fraud or dishonesty" by increasing the value of the property obtained or likely to be obtained from the commission of the offence from \$20,000 to \$100,000.
59.	133	209(1)	Consequential amendments due to changes made to section 201.
60.	134	209A	Amendments to the definitions of terms that are used in Part VI of the Companies Act.
61.	135(f)	210	Provides that all forms of consideration paid under any compromise or arrangement may be

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62.	137	212(6)	transferred to the Official Receiver if the rightful owner cannot be located. Extends the definition of “company” for section 212 to include foreign companies.
63.	138(i)	215(6) and (7)	Provides that all forms of consideration paid under an offer to acquire shares in a transferor company which are held in trust by a company for any person, may or shall (as the case may be) transferred to the Official Receiver within the specified period.
64.	138(j) 141(d) 141(e)	215(8) 215D(2)(d) 215D(5)	Technical amendment. Technical amendment. Technical amendment.
65.	142(a)	215E(1)	Provides that a solvency statement, if made under section 215C(2) or 215D(5), is to be filed with the Registrar for the purpose of effecting an amalgamation.
66.	142(b) 143(a)	215E(b) 215I(2)(a) and (b)	Consequential amendments made due to the amendments made to sections 215C and 215D. Provides that a solvency statement issued for the purpose of an amalgamation need not be in the form of a statutory declaration. A declaration in writing will suffice.
67.	143(b) 144(a)	215I(4)(a)(i) 215J(1)	Consequential amendment made due to changes made to section 201. Provides that the solvency statement to be made by the board of directors of each amalgamating company must state that the directors are of the opinion that the amalgamated company will be able to pay its debts as they fall due as at the date on which the amalgamation is to be effective, instead of within a 12-month period after this date. The solvency statement also need not be in the form of a statutory declaration; a declaration in writing is sufficient.
68.	144(b) 145	215(3)(a)(i) New section 215K	Consequential amendments due to changes to section 201. Provides that all forms of consideration paid under an amalgamation and held by or on behalf of any party to the amalgamation in trust for any person, may or shall (as the case may be) transferred to the Official Receiver within the specified period.
69.	146(a)	216A(1)	Allows statutory derivative or representative actions to be brought against companies listed on a security exchange in Singapore and Singapore-incorporated companies that are listed for quotation or quoted on a securities market, whether in Singapore or overseas.
	146(b), (c) and (d)	216A(2), (3),	Expands the scope of the statutory derivative action in section 216A to allow a complainant

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70.	147	(5)(a), (b) and (c)	to apply to the court for leave to commence/intervene in arbitration.
71.	148	223(1)(c)	Technical amendment.
72.	150	225(1)(a)	Technical amendment.
73.	151	254	Allows the Court, in certain winding up applications, to order a buy-out instead of ordering that the company be wound up.
74.	152(b)	328(2) and (2A)	Empowers the Minister to publish the maximum amounts of wages or salary and the amount due to an employee as a retrenchment benefit or ex gratia payment, which are conferred priority to other unsecured debts upon winding up.
75.	167	344	Provides that the Registrar may consider certain circumstances set out in regulations when determining whether it is reasonable to believe that a company is not carrying on business.
76.	170	New section 386A	Introduce definitions of the terms “consolidated financial statements”, “parent company” and “financial statements” used in amended sections 397 and 401.
		395	Provides that a company is to keep adequate records of the information required to be contained in any company records for future reference, whether in hardcopy or electronic form.
		396	Provides that a company is to take reasonable precautions to ensure the proper maintenance and authenticity of company records not kept as hard copies.
		New section 396A	Sets out the company’s duties where the Act requires the company’s records to be available for inspection.
77.	171	397(3)	Provides that if the financial statements of a company which are required to be kept by the Companies Act are not in English, the directors are required to provide an English translation.
78.	172	401(2)	Provides that every person who wilfully makes or authorises the making of a false or misleading statement, or causes any of the documents specified in subsection (2) to be misleading in a material respect, will be guilty of the offence of making or authorising the making of a false or misleading document.
79.	173(a)	405(1)	Provides that it is an offence for any person, other than a foreign company, to have the word “Limited” or “Berhad” as the final word in its name or title, or to hold out that he is

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80.	173(b)	405	carrying on a business incorporated under the Act, if the business was not so incorporated under the Act at the time.
81.	177	New section 409C	Provides that it is an offence for any person, his agent or a person acting on his behalf, to hold out that a business is registered as a foreign company when at the material time the business was not so registered.
82.	178	410	Provides that any party aggrieved by an act or a decision of the Registrar under the Companies Act has the right to appeal to the Court against the act or decision.
83.	179(b)	411	Clarification that the Rules Committee is constituted under section 80 of the Supreme Court of Judicature Act.
84.	184	Twelfth Schedule	Provides that regulations may provide that the contravention of a specified provision of the regulations is an offence.
85.	186(2)	Thirteenth Schedule	Sets out the contents of directors' statement referred to in the new section 201(16) and consolidates the disclosure requirements in a directors' statement.
		-	Sets out the criteria for a small company and for a small group, which are referred to in the new section 205C.
			Allows the Minister to prescribe savings and transitional provisions for 2 years after the implementation of any provision of the Companies (Amendment) Act.