Improving Corporate Transparency in Singapore

Update on Business Registry and Regulatory Developments by ACRA

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ACRA
ACCOUNTING AND CORPORATE
REGULATORY AUTHORITY

Corporate Transparency

TRANSPARENT PRACTICES	NON-TRANSPARENT PRACTICES
Public trust	Unethical behavior
Investors' confidence	Loss of market integrity

The Financial Action Task Force (FATF) recommended standards in addressing the transparency and beneficial ownership of legal persons. Being a member of FATF, Singapore follows such recommendations closely.

AGENDA

1) What CSPs need to know about : Obligations of Locally Resident Directors

2) Updates on the Relaunch of the Central Register of Registrable Controllers (RORC) transaction

1

What CSPs need to know about :
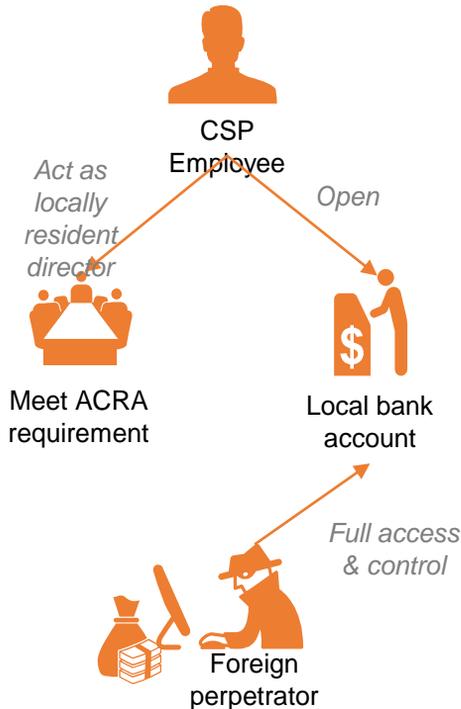Obligations of Locally Resident
Directors

CSP Services

Bundled CSP services to help clients:

- Incorporate a company

- Get a local resident to act as a director and corporate secretary

- Provide a Singapore registered office address

If no adequate checks and balances in place, the provision of such services can provide an easy avenue for illicit actors to open shell companies in Singapore to conduct money laundering.

How companies and the provision of locally resident directorship services are typically misused

Act as locally resident director

CSP Employee

Open

Meet ACRA requirement

Local bank account

Full access & control

Foreign perpetrator

- CSP's employee asked to act as a locally resident director in exchange for a token sum

- With CSP's help, the foreign perpetrator was able to incorporate a Singapore company and open a local corporate bank account in which he controlled

- Corporate bank account used to receive proceeds of crime from victims overseas, and proceeds of crime were shortly transferred out

Directors' fiduciary duties and statutory obligations

All directors need to have oversight of their companies to meet their statutory obligations:
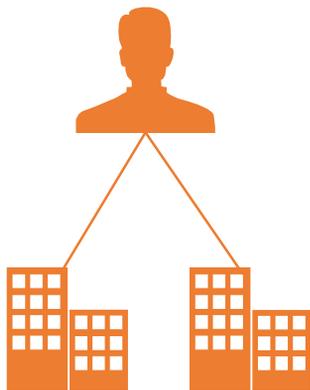
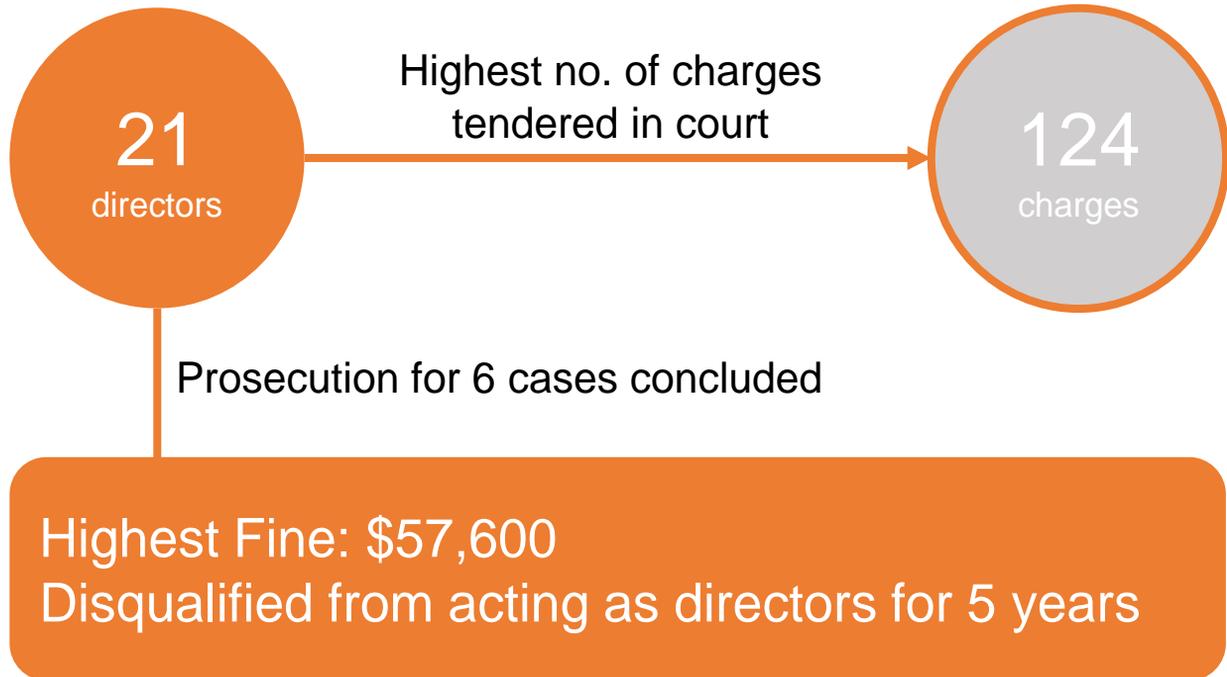| Offence	Consequence
Company misused for criminal purposes due to the locally resident director's neglect or consent	Criminal investigations and possible prosecution
Failure to file company's Annual Return	If convicted of 3 or more Annual Return filing offences, or have had 3 companies struck-off by ACRA within 5 years (amongst other offences), disqualified from acting as a director

Case of Corporate Money Mule

- Incorporated 4 local companies for foreign nationals

- Executive directors based overseas, Abdul Ghani acted as the locally resident director of these companies and opened bank accounts for them

- Surrounding facts and circumstances ought to have made him aware of the money laundering activities

- Convicted and imprisoned for his neglect as a company director which contributed to the use of the company bank accounts for money laundering activities.

Actions undertaken by ACRA

Failure to hold AGM and file AR:

21 directors

Highest no. of charges tendered in court

124 charges

Prosecution for 6 cases concluded

Highest Fine: $57,600
Disqualified from acting as directors for 5 years

5 Things You can Do as a CSP

Know your clients

Know your clients' businesses

Robust risk assessment framework for clients

Safeguard your own interests

Proactively report suspicious activity

2

Updates on the relaunch of RORC transaction

Implementation of Central RORC

- With effect from 30 July 2020, in addition to keeping a RORC at the companies/LLPs' end, entities were required to lodge the <u>same information</u> in their RORC with ACRA's central RORC.

- On 15 Sep 2020, ACRA suspended the e-Service to file RORC information in BizFile$^+$ due to system slowness and intermittent disruption issues.

- On 1 Feb 2021, the e-Service to file RORC information in BizFile$^+$ portal has been made available again with refinements.

- Companies and LLPs are now required to lodge RORC information with ACRA by <u>30 Jun 2021</u>.

Lodging RORC information with ACRA

- Who can file?

    - Directors, secretaries of companies

    - Partners and managers of LLPs

    - Appointed RFAs of companies and LLPs

- Where to file?

    - Via BizFile$^+$ under "e-Services" > "Others" > "**Update Register of Registrable Controllers**"

- Making changes to RORC information (including cessation/amendments):

    - Via the same e-Service option under "**Update Register of Registrable Controllers**"

Lodging RORC information with ACRA – Individual Upload

- At the checklist page, select "**Individual Upload**" option and enter the UEN of the entity that is updating RORC information with ACRA. Then click "Next".

INSTRUCTIONS:

If you are uploading RORC information in bulk using the prescribed template available in the instructions above, please select "Bulk upload" in the option below, and click "Next" to proceed.

If you are uploading RORC information for a single entity, please select "individual upload", and enter the UEN of the entity before clicking "Next" to proceed.

○ Bulk Upload   ● Individual Upload

UEN   T20LL1234A

‹ **Exit to eService List**   **Next**

Individual Upload - Exemption

- For entities that are exempted from RORC requirements, they may select "**Yes**" and click on "**Submit**" to complete transaction. Lodgers may click on the hyperlink to see the list of exempted entities.

- For entities that are not exempted, they may select "**No**" to proceed.

Entity Information

UEN
T20LL1234A

Entity Name
BEEZEE II LIMITED LIABILITY PARTNERSHIP

Is the entity exempted from Register of Registrable Controllers (RORC) requirements?

○ Yes ● No

Please refer to the list of exempted entities here

Individual Upload – No Controller

- After "**No**" is selected, the controller information table below will be shown.

- If an entity is not exempted from RORC requirements but is <u>unable to identify any controller</u>, lodgers can click on the "**No controller identified**" button and the message in yellow will appear.

- Lodgers should then click on the "**checkbox**" circled in red before submitting the transaction.

Individual Upload – Add Controller

- For entities that are able to identify controllers, they can click on the "**Add Registrable Controller**" button.

- The "**Corporate/Individual**" controller options will then be made available for selection.

Registrable Controller

Name	Date appointed as registrable controller	Date ceased as registrable controller	Cease Controller/ Update Controller's information	Remove erroneously appointed Controller ⓘ
No data to display.				

Add Registrable Controller   **No Controller Identified**

Category*
○ Corporate ○ Individual

Add   **Cancel**

Individual Upload – Add Controller

- For individual controllers

Category*
○ Corporate ● Individual

Full Name*

[   ]

Nationality*

[▾]

Aliases (if any)

[   ]

Residential Address

Address Type*
○ Local Address ○ Foreign Address

Date of becoming a controller*

[DD/MM/YYYY 📅]

Identity card Number or Passport Number*

[   ]

Date of Birth*

[DD/MM/YYYY 📅]

Date of cessation as a controller

[DD/MM/YYYY 📅]

Confirmation by Registrable Controller*
○ Yes ○ No

Supporting Document (if any) ⓘ

[Choose File] No file chosen

[Add] [Cancel]

Individual Upload – Add Corporate Controller

- For corporate controllers

Category*
◉ Corporate ○ Individual

Entity Name*
[   ]

ACRA issued UEN (if any)   Non ACRA issued UEN (if any) ⓘ
[E.G. 200712345Z]   [   ]

Address Type*
○ Local Address ○ Foreign Address

Legal form of the registrable corporate controllers* ⓘ
[   ]

Jurisdiction which the registrable corporate controller is formed*
[▾]

Statute which the registrable corporate controller is formed or incorporated* ⓘ
[   ]

Name of the corporate entity register of the jurisdiction in which the registrable corporate controller is   ⓘ
formed or incorporated, (if any)
[   ]

Date of becoming a controller *   Date of cessation as a controller
[DD/MM/YYYY   📅]   [DD/MM/YYYY   📅]

Confirmation by Registrable Controller*
○ Yes ○ No

Supporting Document (if any) ⓘ
[Choose File] No file chosen

[Add] [Cancel]

Individual Upload – Making Changes

- For changes to RORC information, including <u>cessation of controller</u>, lodger may click on the "**Edit**" button to make the amendments.

- To remove an <u>erroneously added controller</u>, lodgers may click on the "**X**" icon. (*Do note that this will remove the entry from the entity's RORC record permanently.)*

Registrable Controller

Name	Date appointed as registrable controller	Date ceased as registrable controller	Cease Controller/ Update Controller's information	Remove erroneously appointed Controller ⓘ
JOHNNY ENGLISH LIMITED	07/01/2021	12/01/2021		❌
JOHN LIM BENG KIAT	12/01/2021	13/01/2021		❌
JOHN SMITH	02/01/2021	13/01/2021		❌
PAUL THOMAS DESIGN	06/01/2021		Edit	❌

Add Registrable Controller

Individual Upload – Submission

- Upon submission, all controllers' details (including current and ceased controllers) will be shown for lodgers' confirmation.

Entity Information

UEN	**Entity Name**
T20LL0096A	BEEZEE II LIMITED LIABILITY PARTNERSHIP

Is the entity exempted from Register of Registrable Controllers (RORC) requirements?
NO

Registrable Controller [1 / 5]

Category
Individual

Full Name	
MAX LIM	**Nationality**
	BHUTAN
Identity card number or passport number	**Address Type**
4545454545454	Local Address
Aliases	**Local Address**
Date of Birth	133 WESTWOOD CRESCENT #11-11
06/01/1994	WESTVILLE
	Singapore 648500
Date appointed as registrable controller	**Date ceased as registrable controller**
01/01/2021	
Confirmation by Registrable Controller	**Supporting Document (if any)**
YES	

Registrable Controller [2 / 5]

Category
Individual

Full Name	
JOHN LIM BENG KIAT	**Nationality**
	SINGAPORE CITIZEN
Identity card number or passport number	**Address Type**
S88112233A	Local Address
Aliases	**Local Address**
JOHNNY	20 JURONG WEST STREET 61 #12-12
Date of Birth	FRONTIER PRIMARY SCHOOL
01/01/2001	Singapore 648200
Date appointed as registrable controller	**Date ceased as registrable controller**
12/01/2021	13/01/2021
Confirmation by Registrable Controller	**Supporting Document (if any)**
YES	Test PDF.pdf

Lodging RORC information with ACRA – Bulk Upload

Steps to perform bulk upload

- Step 1 – Download and fill in controllers' information in the "**Bulk Upload Template**"

- Step 2 – Upload completed "**Bulk Upload Template**" in the RORC transaction

- Step 3 – BizFile⁺ will process controllers' information that is uploaded at the end of the day, and lodger will be notified of the processing results via email on the following day

- Step 4 – After receiving email, lodgers to verify if controllers' information has been processed successfully

Lodging RORC information with ACRA – Bulk Upload

- At the checklist page, download and fill in the controllers' information in the "**Bulk Upload Template**".

- Select "**Bulk Upload**" option without entering any UEN, then click "**Next**".

Lodging RORC information with ACRA – Bulk Upload

- Ensure that all required fields in the bulk upload template are filled in.

- Upload the completed "**bulk upload template**" with the controllers' information.

Bulk Upload

Upload the Registrable Controller Details *

Choose File | No file chosen

Bulk Uploaded Record Details

UEN	Registrable Controller Name	Date appointed as Registrable Controller	Date ceased as Registrable Controller
No data to display.			

Submit

Lodging RORC information with ACRA – Bulk Upload

- Once uploaded, the controllers' information will be displayed for lodgers' verification before submission:

Bulk Upload

Upload the Registrable Controller Details *
Bulk Upload Template.xlsx ❌
Bulk Uploaded Record Details

UEN	Registrable Controller Name	Date appointed as Registrable Controller	Date ceased as Registrable Controller
202000262R	BOMB PTE. LIMITED	03/03/2019	
T19FC0020C	KGGJK PRIVATE	03/08/2018	
T20LL0042C	JFFJFJ PRIVATE	06/03/2019	
T20LL0030F	FC TST	03/03/2019	
T20FC0021A	UTSXJ	03/12/2019	
T20LL0097H	ASDCFETJRYNHT	07/01/2018	03/02/2019
202000259Z	FZUS EH	01/01/2016	03/03/2019
T19FC0008E	SNOOPY B PTE. LTD	03/01/2017	07/03/2018
202000266Z	ABCD LLC	02/01/2018	02/03/2019
T20LL0036D	Li Yawen	01/01/2017	03/06/2018

Page 1 of 2 (1-10 of 11 items) ◄ ◄ 1 2 ► ►

Submit

Lodging RORC information with ACRA – Bulk Upload

- All bulk uploaded data will only be processed by system at the end of the day, and lodgers will receive an email notification on the results of the upload on the following day.

- A transaction number will be generated if the bulk upload has been submitted successfully.
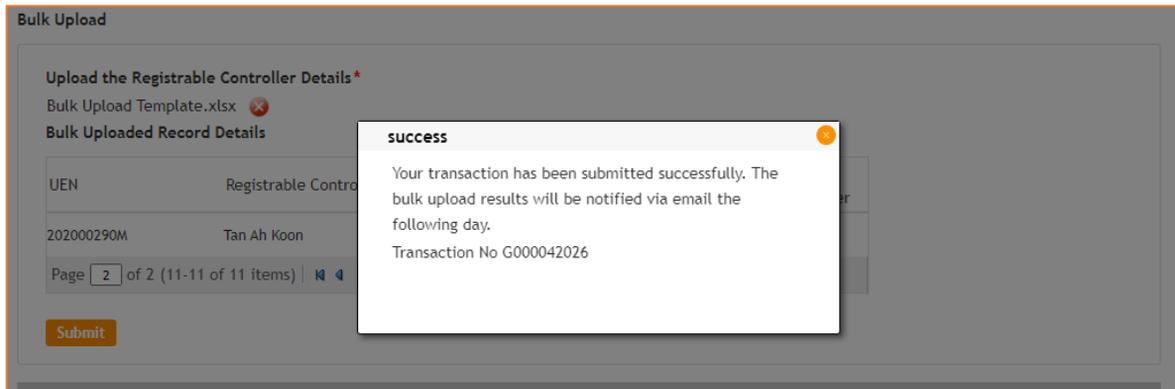
Bulk Upload

Upload the Registrable Controller Details*

Bulk Upload Template.xlsx ⊗

Bulk Uploaded Record Details

UEN	Registrable Contro...
202000290M	Tan Ah Koon

Page [2] of 2 (11-11 of 11 items) ◄

success ⊗

Your transaction has been submitted successfully. The bulk upload results will be notified via email the following day.

Transaction No G000042026

Submit

Lodging RORC information with ACRA – Bulk Upload

- Lodgers will receive a notification email on the next day on the status of the upload.

---------- Forwarded message ---------

From:

Date: Wed, Jan 20, 2021 at 4:47 PM

Subject: RORC Bulk Upload Result Notification for G000041845

To:

Transaction No. : G000041845

Transaction Date : 20/01/2021

Dear Sir/Mdm,

The bulk upload results are provided below.

1. No. of Records upload : 4

2. No. of Records submitted successfully : 2

3. No. of Records rejected : 2

Please login to Bizfile+ and navigate to Messages Widget to view the details of the rejected records.Please click here (https://www.bizfile.gov.sg).

Thank you.

Accounting and Corporate Regulatory Authority of Singapore

Lodging RORC information with ACRA – Bulk Upload

- Lodgers may login to BizFile⁺ under "**Messages**" widget to view the processing results as well as the reasons for rejected records in the downloadable Excel file.

Click here to download → Attachments

Top Frequently Asked Questions

Q. My company is dormant. Can I be exempted from maintaining the RORC?

A: Dormant entities are still required to maintain the RORC and file this information with ACRA.

Q. Am I required to file RORC information with ACRA for my entities that have been struck off?

A: Entities that are struck off before 30 Jun 2021 need not file their RORC information with ACRA. Entities that are undergoing winding up, striking off, receivership, or judicial management before the RORC filing deadline are still required to maintain the RORC and file this information with ACRA.

Top Frequently Asked Questions

Q. Is there a need to update information of past controllers who have ceased to be controllers of the entity?

A: Particulars of previous controllers, including the date they had ceased to be controllers, must be filed with ACRA if you had previously identified them and included their particulars in the RORC maintained by the entity.

Q. I have previously lodged my RORC information with ACRA before Sep 2020. Do I still need to lodge the information again?

A: You do not need to lodge the information again if there are no changes to the RORC information. Should ACRA require any additional information from what was filed previously, ACRA will contact the entity directly.

Top Frequently Asked Questions

Q. I am an RFA that has been appointed by my client to maintain their RORC. But my client did not authorise me to file their RORC information with ACRA on their behalf. Should I still file their RORC information on behalf of my client?

A: RFAs who are not authorised by their clients to file the RORC information with ACRA should not access or file the RORC information on behalf of their client. They should remind their clients on the obligations to file the RORC information with ACRA before the filing deadline and take instructions from their clients.

The company, foreign company, and LLP will be liable for any enforcement actions taken by ACRA for breaches of the RORC requirements.

Useful Resources

Website information: https://www.acra.gov.sg/compliance/register-of-registrable-controllers

Frequently Asked Questions: https://www.acra.gov.sg/compliance/register-of-registrable-controllers/frequently-asked-questions

Guidance and Forms: https://www.acra.gov.sg/compliance/register-of-registrable-controllers/help-resources

Progress of RORC Filings

	30 Jul to 7 Sep 2020	1 Feb to 23 Feb 2021
Number of RORC filings submitted to ACRA	70,000	18,000
Average filings submitted per day	1,800	780

- ACRA projects an average of 50,000 filings to be submitted monthly from Feb to Jun 2021.

- RFAs are encouraged to remind clients that have yet to file RORC information to do so at the soonest.

Thank you

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