

**Second Reading Speech by Senior Minister of State for Finance and Transport,
Mrs Josephine Teo, On the Business Names Registration Bill
on 8 October 2014 at the Parliament**

1. Mdm Speaker, I beg to move, “That the Business Names Registration Bill be now read a second time.”

Introduction

2. To ensure that Singapore’s economy remains business-friendly and globally competitive, the laws governing the registration of business entities have to be updated periodically to minimise the regulatory burden on business owners, while keeping pace with Singapore’s development as an international business and financial centre. It is also necessary to strengthen the law to ensure that accurate and up-to-date information on businesses is readily available.

3. Enacted in 1974, the Business Registration Act provides for the registration of persons carrying on business in Singapore as sole proprietors or partners, so as to allow easy identification of the person(s) acting behind a business name. The Accounting and Corporate Regulatory Authority (“ACRA”) has conducted a thorough review to ensure that the Act remains relevant in the current business environment. It has also consulted stakeholders and the public on its recommendations.

4. This Bill seeks to repeal the Business Registration Act and re-enact it with amendments as the Business Names Registration Act 2014, which will allow ACRA to implement its recommendations to simplify the process for the registration of persons and their business names. The change of name from “Business Registration Act” to “Business Names Registration Act” will also better reflect the objective of the Act.

5. I will now elaborate on the key policy changes to the regulatory framework on registering business names.

Exemption from registration of individuals carrying on business in Singapore under only their full names

6. First, the Bill provides that all persons intending to carry on business in Singapore have to register with ACRA. However, individuals who carry on business in Singapore under only their full names will be exempt from this requirement. This is because they are already identifiable as the persons carrying on the business. The proposed change will reduce the regulatory burden on individuals carrying on business under only their full names, without affecting the underlying objective of the Act.

7. Currently, there are individuals carrying on certain businesses, specified under the First Schedule of the Business Registration Act, who are exempted from registration. They include licensed hawkers, certain craftsmen, and taxi drivers. Our aim is not to impose additional regulation on these individuals. The Bill therefore states that they will continue to be exempt from registering with ACRA, so long as they are carrying on the same businesses.

8. However, the exemption for businesses listed under the First Schedule of the old Business Registration Act will not apply to individuals who commence such businesses after the Bill comes into force. Like any other business owner, they will be exempted from registration if they carry on these businesses in Singapore under only their full names.

Option to register or renew business names for either one year or three years

9. The second key change concerns the registration and renewal of business names. Under the current law, all registrations and renewals are valid for only one year. When this Bill is passed, individuals who have fully paid their Central Provident Fund Medisave, or stay on a regular instalment plan with good Medisave contribution records, will be given the option to register or renew their business name registration for either one year or three years. This change improves convenience to business owners and serves the broader objective of encouraging them to make their Medisave contributions promptly.

Extending civil and criminal consequences for conducting businesses without registration to other situations

10. Let me turn now to the third key change. Under the current Business Registration Act, it is a criminal offence to conduct business without registration or to fail to submit certain changes of particulars. Offenders can face criminal consequences and be fined up to S\$5,000 or jailed up to twelve months or both. In addition, an offender can face civil consequences and therefore is only able to enforce contractual rights arising from his business if he is granted relief from the Court. The Bill now extends the same civil and criminal consequences to those who carry on business even after their registrations have ceased or have been cancelled.

11. In the event of a dispute between contracting parties, ACRA's records are often relied upon to accurately identify the parties involved as well as to ascertain their particulars. This will not be possible if one of the contracting parties has not registered with ACRA, or carries on business after his registration is cancelled or has ceased. The proposed change will therefore enhance ACRA's efforts to maintain an up-to-date and comprehensive public register of persons and their business names. This will enhance protection for members of the public who may unknowingly have business dealings with individuals trying to hide their real identity.

New maximum penalties

12. Finally, the maximum penalties for certain criminal offences committed under the Bill will be increased to a fine of up to S\$10,000 or a jail-term of up to two years, or both, from the current maximum penalty of S\$5,000 or jail-term of up to twelve months or both. This aligns the penalties with those imposed for similar offences in other ACRA-administered legislation, such as the ACRA Act and Companies Act.

Conclusion

13. Mdm Speaker, I beg to move.