

THE BUSINESS NAMES REGISTRATION BILL

Fact Sheet

Background

1. The Business Names Registration (BNR) Bill will repeal the Business Registration Act¹ and re-enact it with amendments as the BNR Act. The proposed amendments will simplify the process for the registration of persons and their business names, and reduce regulatory burden on business owners. The change of name from “Business Registration Act” to “Business Names Registration Act” will also better reflect the objective of the Act².

Summary of key policy changes

(A) Exempt individuals who conduct businesses in Singapore under only their full names from registering with the Accounting and Corporate Regulatory Authority (ACRA)

2. Individuals who conduct businesses under only their full names³ are already identifiable and thus will not be required to register with ACRA. However, such individuals can still register voluntarily. The proposed change will reduce the regulatory burden on such individuals, without affecting the underlying objective of the Act. It is also consistent with the approach in Australia, Canada and the United Kingdom.

(B) Give certain registrants the option to register or renew business names for one year or three years

3. Currently, all business registrations and renewals are valid for one year. In future, registrants who have fully paid their Medisave or stay on a regular instalment plan with good Medisave contributions records will have the option to register or renew their registrations for either one year or three years. This flexibility is to acknowledge and recognise individuals who keep up their Medisave contribution, and to help reduce their regulatory burden. The option will also be made available to first-time registrants⁴. However, they can enjoy the flexibility only if they maintain good Medisave contribution records subsequently.

¹ Enacted in 1974, the Business Registration Act provides for the registration of persons carrying on business in Singapore so as to allow easy identification of the person(s) acting behind a business name.

² The main objective of the Act is to require persons carrying on business under a business name (which is not their own name) to register. Registration enables third parties to identify the persons acting behind a business name.

³ Examples of individuals acting under only their own names include music and tuition teachers. The Bill will provide clarity that an individual who carries on business in Singapore under only his full name (e.g. Tan Ah Bee) will be exempted from registering with ACRA. However, he has to register with ACRA if the business name contains words in addition to his full name (e.g. Tan Ah Bee Tuition Centre).

⁴ For those who are already registered as self-employed persons with the CPF Board, they must have fully paid their Medisave or be on a regular instalment plan with good Medisave contribution records.

(C) Extend civil and criminal consequences for conducting businesses without registration to other situations

4. Currently, it is a criminal offence to conduct businesses without registration or if a business owner fails to update ACRA on certain changes in particulars. Offenders can be fined up to S\$5,000 or jailed up to twelve months or both. In addition, an offender can only enforce contractual rights arising from his business if he gets relief from the court. The proposed change will see similar civil and criminal consequences extended to those who carry on business after their registrations have been cancelled or have ceased and have not been restored. This will enhance ACRA's efforts to maintain an accurate and comprehensive public register of persons and their business names.

(D) Revise maximum penalties

5. The maximum penalties for some criminal offences committed under the BNR Bill will be increased from “a \$5,000 fine or jail-term of up to 12 months or both” to “a \$10,000 fine or jail-term of up to two years or both”. This will ensure consistency with the penalties imposed for comparable offences in other ACRA-administered Acts, such as the ACRA Act and Companies Act. The following table shows the current and revised maximum penalties for various offences under the BR Act and the BNR Bill, respectively:

S/N	Offence	Current Maximum Penalty	Revised Maximum Penalty
1	Carrying on business: (i) without registration; or (ii) after ACRA has cancelled the registration. (New offence) Carrying on business: (i) under a business name different from the registered business name ; or (ii) after the registrant has notified ACRA that he has ceased business.	\$5,000 fine or jail-term of up to 12 months or both	\$10,000 fine or jail-term of up to 2 years or both
2	Not complying with the Registrar's summons		
3	Not complying with the Registrar's request for information		
4	Resisting or obstructing the Registrar or an inspector in performing his duty		
5	Knowingly giving false information to the Registrar		
6	Not complying with any regulations made under		

S/N	Offence	Current Maximum Penalty	Revised Maximum Penalty
	the Act		
7	Not submitting change of particulars within 14 days	or jail-term of up to 12 months or both	
8	<p>Foreign registrants not appointing a new local manager⁵ within 30 days after the sole local manager has ceased to be the local manager or failure to notify the Registrar within 14 days of the local manager’s appointment or cessation.</p> <p>(New) The penalty regime will also be extended to failure to:</p> <ul style="list-style-type: none"> (i) appoint at least one authorised representative when required under the BNR Bill; and (ii) lodge notices with the Registrar on the appointment of the authorised representative within 14 days after the appointment. 	\$1,000 fine	
9	An undischarged bankrupt carrying on business or managing a registrant’s business without permission from the High Court or Official Assignee	\$10,000 fine or jail-term of up to 2 years or both	
10	Not informing the Registrar within 14 days after the registrant’s cessation of business	\$5,000 fine	

⁵ The term “local manager will be changed to “authorised representative” in the BNR Bill.