

OTHER AMENDMENTS

Current provision	Proposed amendments	Reasons/ Consultation questions
Require LLPs to maintain registers of controllers at their registered offices		
<p>LLPs are required to file particulars of and/ or changes to partners or managers with ACRA. There is no requirement for LLPs to maintain register of controllers.</p>	<p><u>For locally-registered LLPs</u> Require them to:</p> <ul style="list-style-type: none"> (a) take reasonable steps to identify their controllers and obtain information on their controllers, including sending out notices to anyone whom they know or have reasonable cause to believe to be controllers, knows the identity of the controllers or is likely to have that knowledge; (b) maintain registers of controllers at prescribed places (e.g. their registered offices or their registered filing agent's registered offices); (c) ensure that the registers of controllers are up to date by updating the registers within 2 days of receiving information on the controllers; (d) declare in their annual declaration filed with ACRA that their registers of controllers are kept up to date; and (e) make registers of controllers available to the Registrar and law enforcement authorities upon request and not to the public. <p><u>Definition of controller of LLP</u> A person is a controller of an LLP if he:</p>	<p>To ensure Singapore's transparency levels are in line with international standards set by the Financial Action Task Force (FATF) and the Global Forum on Transparency and Exchange of Information for Tax Purposes (GF). Proposal is similar to that for companies (see Annex 3).</p>

Current provision	Proposed amendments	Reasons/ Consultation questions
	<p>(a) holds, directly or indirectly, the right to share more than the prescribed percentage of any surplus assets of an LLP on a winding up;</p> <p>(b) holds, directly or indirectly, more than the prescribed percentage of the rights to vote on those matters which are to be decided upon by a vote of the members of an LLP;</p> <p>(c) holds, directly or indirectly, the right to appoint or remove the majority of the persons who are entitled to take part in the management of an LLP; and/ or</p> <p>(d) exercises or has the right to exercise significant influence or control over an LLP.</p> <p><u>For any person who receives a notice from the LLP</u> Require the person to:</p> <p>(a) provide his particulars to the LLP if he is a controller; or</p> <p>(b) provide any information that he is aware of to the LLP.</p> <p><u>For controllers of LLPs</u> Require them to provide information and change of information to LLP</p> <p><u>Proposed penalties</u> Similar to those for companies (see <u>Annex 3</u>)</p>	

Current provision	Proposed amendments	Reasons/ Consultation questions
Require foreign companies registered in Singapore to maintain registers of controllers and public registers of shareholders		
<p><u>On legal ownership information.</u> Section 379 of the Companies Act requires foreign companies registered in Singapore to include shareholder (legal owner) information in a branch register in Singapore, if the shareholder is resident in Singapore and upon the shareholder's application.</p> <p><u>On beneficial ownership (BO) information.</u> There is no requirement for foreign companies registered in Singapore to maintain registers containing BO information. In practice, all foreign companies registered in Singapore engage company service providers (CSPs) for registration and CSPs are required to obtain BO information of their clients.</p>	<p>Require foreign companies registered in Singapore to maintain public registers containing information on their shareholders (similar to the current requirement for locally-incorporated public companies) and registers of controllers (similar to the proposed requirement for non-listed locally incorporated companies, see <u>Annex 3</u>).</p> <p>If a foreign company registered in Singapore is required by its home jurisdiction to maintain the register of shareholders and the register of controllers, it will suffice for the foreign company to maintain a copy of the same registers in Singapore.</p> <p>Non-compliance with the requirement to maintain the register of controllers will be an offence committed by the foreign companies, its directors and authorised representatives.</p>	<p>To improve the transparency of foreign companies registered in Singapore and meet international standards set by FATF and GF.</p>
Require a liquidator to retain records of wound up companies and LLPs for five years instead of two		
<p>Section 320(2) of the Companies Act requires a liquidator to retain records of wound up companies for two years from the date of dissolution. This retention period was reduced from five years to two years in 2003 to cut costs.</p> <p>Similarly, paragraph 67(2) of the Fifth Schedule to the LLP Act requires a liquidator to retain records of wound up</p>	<p>Extend the retention period for records of wound up companies and LLPs from two years to five years.</p>	<p>To enable timely response to international requests for information, and comply with FATF and GF standards.</p> <p>Retention period in other jurisdictions is minimally five years.</p>

Current provision	Proposed amendments	Reasons/ Consultation questions
LLPs for two years from the date of dissolution.		
Remove the options for companies and LLPs to destroy records early if they are wound up by members, partners or creditors		
<p>Section 320(3) of the Companies Act and paragraph 67(3) of the LLP Act respectively allow records of wound up companies and LLPs to be destroyed before the end of the current two-year retention period if directed by:</p> <p>(a) the Court for winding up by the Court; (b) members/ partners for voluntary winding up by members/ partners; or (c) creditors of the company/ LLP.</p>	Remove the option for companies and LLPs to destroy records early for winding up by members, partners or creditors i.e. remove options (b) and (c). Option (a) will be retained.	To prevent companies and LLPs that conduct illicit transactions from destroying records early for winding up by members, partners or creditors, and to comply with FATF and GF standards.
Require officers/ partners/ managers of struck off companies and LLPs to retain accounting and BO records for five years		
Companies and LLPs are required to retain accounting and other records that will sufficiently explain their transactions and financial position for at least five years. The record keeping requirements apply to live companies and LLPs. There is no requirement for struck off companies and LLPs to keep records.	Require officers/ partners/ managers of struck off companies and LLPs to retain accounting and BO records for five years. Non-compliance with the record keeping requirements constitutes an offence, with a fine of \$2,000 ¹ .	To meet international standards set by FATF and GF. Australia, Hong Kong and UK also impose similar obligations.

¹ The proposed penalty is similar to those under section 320(5) of the Companies Act and rule 67(5) of the Fifth Schedule to the LLP Act.

Current provision	Proposed amendments	Reasons/ Consultation questions
Void the issuance and transfer of bearer shares and share warrants by foreign companies registered in Singapore		
<p>Section 66 of the Companies Act prohibits locally-incorporated companies from issuing bearer shares and share warrants. There is no such express provision for foreign companies registered in Singapore from issuing bearer shares and share warrants.</p>	<p>Void the issuance and transfers of bearer shares and share warrants by foreign companies registered in Singapore. Such issuances and transfers will not be recognised legally.</p>	<p>To mitigate the risks of money laundering and terrorist financing posed by bearer shares and share warrants.</p> <p><i>Consultation question 1</i> We would like to seek comments on whether there are other ways to mitigate the risks of money laundering and terrorist financing posed by bearer shares and share warrants of foreign companies registered in Singapore.</p>
Require nominee directors and managers to disclose their nominators, and companies and LLPs to maintain such information		
<p>Section 165 of the Companies Act imposes a general duty on directors to make certain disclosures. There is no requirement for nominee directors² to disclose their nominators to their companies or law enforcement authorities.</p> <p>Similarly, section 28A of the LLP Act requires managers to provide certain information to their respective LLPs. There is no requirement for nominee managers to disclose their nominators to their LLPs or law enforcement authorities.</p>	<p><u>For nominee directors and managers</u> Require them to disclose their nominee status and nominators to their companies/ LLPs.</p> <p><u>For companies and LLPs</u> Require them to maintain the information received from nominee directors/ managers indefinitely, and to provide the information to the Registrar and law enforcement authorities upon request.</p>	<p>To mitigate the risk of money laundering and terrorist financing, and to meet international standards set by FATF and GF</p>

² Section 158 of the Companies Act defines a nominee director as a director who is appointed to represent the interests of another person or is required or accustomed to act in accordance to a person's directions or instructions.

Current provision	Proposed amendments	Reasons/ Consultation questions
FATF related amendment to the Accountants Act		
<p>Ethics Pronouncement 200 (EP 200) sets out anti-money laundering and countering the financing of terrorism requirements for professional accountants in Singapore.</p>	<p>To clarify that a breach of EP 200 will be subject to existing sanctions under the Accountants Act.</p> <p>Under sections 52(2)(d) and 53(2)(d) of the Accountants Act, a penalty of up to \$10,000 or \$100,000 may be imposed on a public accountant or a public accounting entity respectively for breaches.</p>	<p>To address key findings from Singapore's fourth mutual evaluation by FATF. The amendment is to clarify the enforceability of EP 200.</p>