

TECHNICAL AMENDMENTS IN THE DRAFT COMPANIES (AMENDMENT) BILL 2013

S/n	Clause in Draft Bill and Description of Amendment	Remarks
1	<p><u>Clause 89</u></p> <p>New subsections 154(2)(c) and 154(2A) and consequential amendments to section 154(3), (4) and (5).</p>	<p>Section 154 deals with disqualification of directors on conviction of certain offences. It stipulates two types of disqualification:</p> <ul style="list-style-type: none"> • automatic disqualification for offences involving fraud or dishonesty; and • disqualification by court order for management offences. <p>The new subsections 154(2)(c) and 154(2A) provide that the Court may make a disqualification order following the conviction of certain offences or the imposition of certain civil penalties under the Securities and Futures Act. This is to provide clarity on the inclusion of such offences for the purposes of disqualification.</p>
2	<p><u>Clauses 3, 8 and 145</u></p> <p>New definition of “accounting entity” and related definitions in section 4(1).</p> <p>Amendments to sections 10 and 205.</p>	<p>The amendments:</p> <ul style="list-style-type: none"> • streamline the reference to persons who may be appointed as a company auditor; and • include reference to “accounting limited liability partnerships”, to address inadvertent omission.
3	<p><u>Clauses 7, 132 and 194</u></p> <p>Amendments to sections 8(7) and 197, and repeal of the Eighth Schedule.</p>	<p>The provision relating to the Eighth Schedule in section 8(7), the reference to the Eighth Schedule in section 197, and the Eighth Schedule itself, are deleted. The particulars required in the annual return of a company having share capital will be set out in a prescribed form instead of the Eighth Schedule. This is to allow for greater flexibility for revision and updates in the annual return requirements.</p>
4	<p><u>Clause 5</u></p>	<p>Currently, section 7(4A) provides that where a body corporate has or is deemed to have an interest in a share, a person who with his associates</p>

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	Amendment to section 7(4A).	<p>is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the body corporate is deemed to have an interest in that share. The deeming provision in section 7(4A) applies to the substantial shareholding provisions in the Act.</p> <p>The amendment replaces the reference to “voting shares” with “voting power”. This is to address an anomaly whereby partners in a limited partnership which holds shares in a company are currently not deemed to have an interest in the shares of the company as there are no voting shares in a limited partnership.</p>
5	<p><u>Clause 79</u></p> <p>Amendment to section 145(6).</p>	<p>Currently, section 145(5) provides that a director cannot resign if his resignation will leave the company without any directors or without any director ordinarily resident in Singapore, unless he is disqualified under provisions cited in section 145(6).</p> <p>The amendment includes a reference to section 155A for completeness. Section 155A prohibits a person from acting as a director or taking part in the management of a corporation if he is disqualified under the Limited Liability Partnership Act.</p>
6	<p><u>Clause 162</u></p> <p>Amendment to section 215D(5).</p>	<p>The amendment clarifies that it is sufficient for the solvency statement in relation to a company and one or more of its wholly owned subsidiaries to be made <i>before the commencement of the general meeting</i> and that it need not be made <i>before the date of the general meeting</i>.</p>
7	<p><u>Clause 163(a)</u></p> <p>New section 215E(1)(aa).</p>	<p>The amendment clarifies that any solvency statement made under section 215C(2) and 215D(5) must be filed with the Registrar.</p>