

HIGHLIGHTS OF KEY PROPOSED CHANGES

I. Individuals carrying on business in their own names¹ are not required to register.

1. Currently, individuals carrying on businesses in their own names must register with ACRA under the Business Registration (BR) Act, unless they are otherwise exempted². Registration of business names and persons carrying on business under a business name in Singapore allows for identification of the persons acting behind a business name.

2. Under the new regulatory framework, individuals who carry on business in their own names, and are thus already identifiable as the persons carrying on the business, will not be required to register. However, such individuals can still opt to voluntarily register.

3. ACRA will also grandfather existing businesses exempted under the First Schedule of the BR Act so that they can continue to be exempted under the new framework. However, persons registering new businesses covered under the currently exempted categories, unless they carry on business in their own names, will need to register in the future.

4. The proposed change will reduce the regulatory burden on persons carrying on business in their own names, without affecting the underlying objective of the Act. It is also consistent with legislations in Australia, Canada and the United Kingdom (UK).

II. Individuals with good Medisave contribution records can opt to register or renew their business name registration for either one year or three years.

5. Currently, sole proprietors/business partners need to renew their business name registrations annually, and the renewal is subject to Medisave compliance. The proposed three-year term registration option will reduce regulatory burden on individuals with good Medisave contribution records. Applicants³ who are registering a business for the first time will also have the option to register their business for one or three years. All business owners will still be required to notify ACRA of any changes to their particulars within fourteen days of that change.

¹ “Names” mean the full name in the person’s identity card. If the person is not issued with an identity card, “names” means his full name in his passport or such other similar evidence of his identity as is available.

² The exempted individuals are listed in the First Schedule of the BR Act. They are: a) licensed hawkers; b) craftsmen working from home; c) taxi drivers; d) trishaw riders; e) sampan man plying his sampan for hire; and f) farmers and prawn/fish pond keepers.

³ This group of applicants could have Medisave records from when they were employees. However, they would not have prior Medisave records as self-employed persons (SEP) if they are registering with ACRA to start a business for the first time.

6. Individuals opting for the three-year term registration must have fully paid their Medisave, or stay on a regular instalment plan with good Medisave contribution records. Since Medisave compliance is a condition for business name registrations, ACRA can cancel business name registrations on grounds of Medisave non-compliance. However, before ACRA cancels a business for failure to pay Medisave, the registrant will be duly informed and given sufficient time to remedy the situation.

III. Civil and criminal consequences for carrying on business without registration will be extended to other situations.

7. Currently, it is a criminal offence under the BR Act to carry on business without registration or filing changes of 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 the Court's approval. It is proposed that the same civil and criminal consequences be extended to those who carry on business after (i) ACRA has cancelled their registration, or (ii) the registrant has notified ACRA that he has ceased business. This will improve the accuracy of the register as it encourages business owners to register and renew their registration promptly.

IV. The maximum penalties for certain criminal offences under the BR Act will be revised.

8. The maximum penalties for the criminal offences committed under the BR Act are proposed to be revised to be a fine of up to S\$10,000 or a jail-term of up to two years, or both. This will ensure consistency with the penalties imposed for equivalent offences in other ACRA-administered Acts, such as the ACRA Act and Companies Act. A summary of the current and proposed revised penalties for various offences under the BR Act is listed in Annex D.