

Strengthening Compliance, Fostering Trust

ACRA-CSIS-ISCA CSP Outreach 2022

Edna Tay

Enforcement Department, Compliance Division

25 Feb 2022

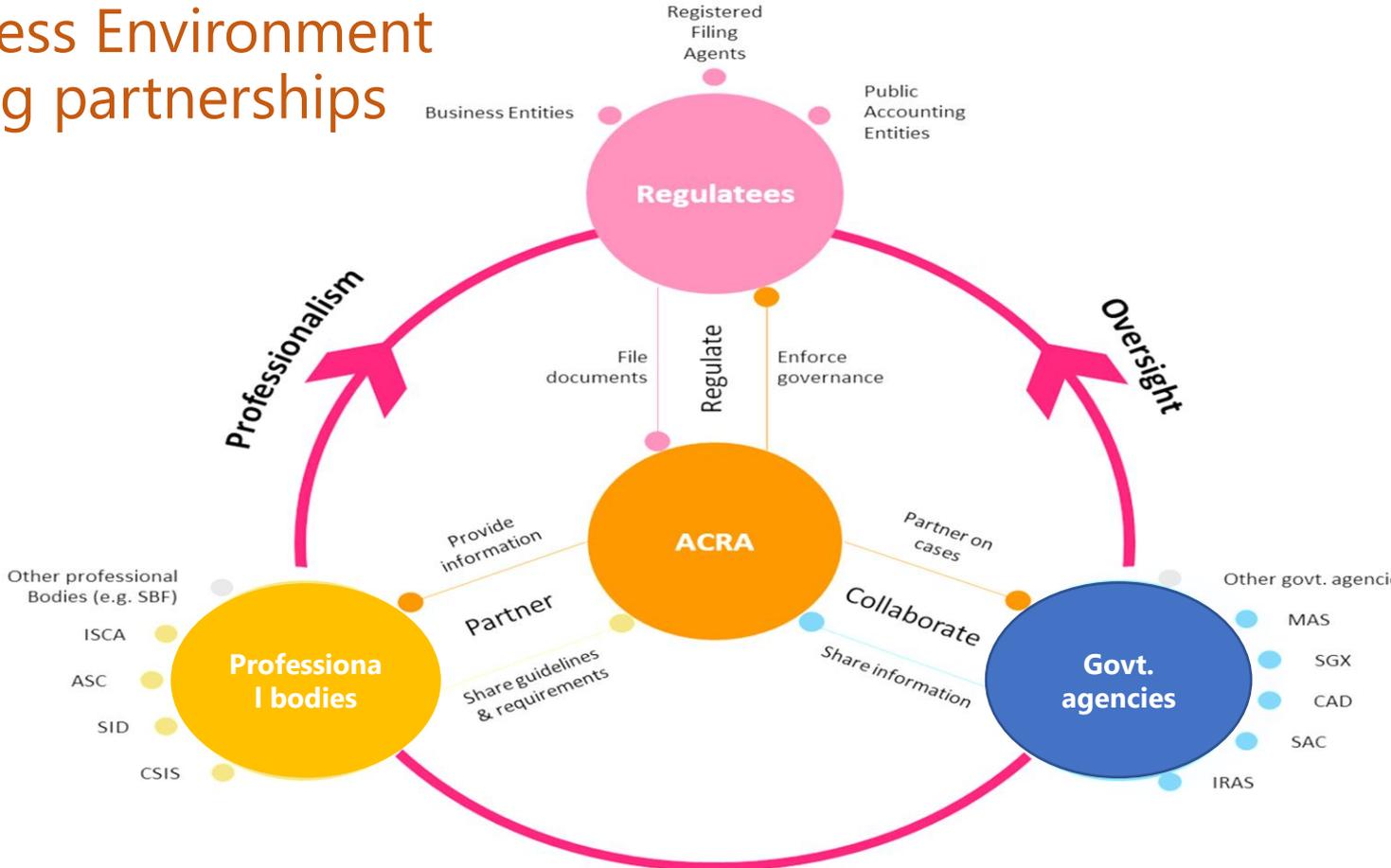
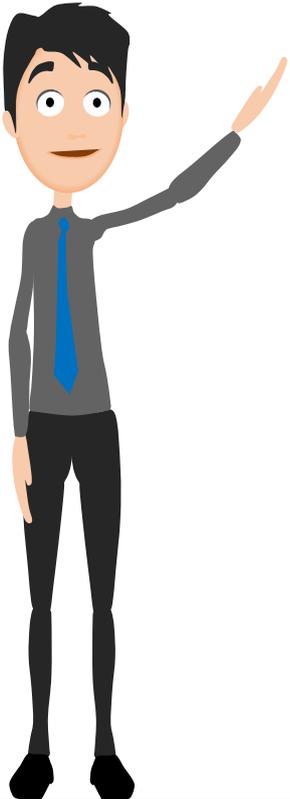
AGENDA

- 1) Forging a Trusted Business Environment
- 2) Overview of Key Compliance Areas
- 3) Legislative Changes to Streamline Penalty Frameworks
- 4) Looking Ahead – Stronger Partnerships

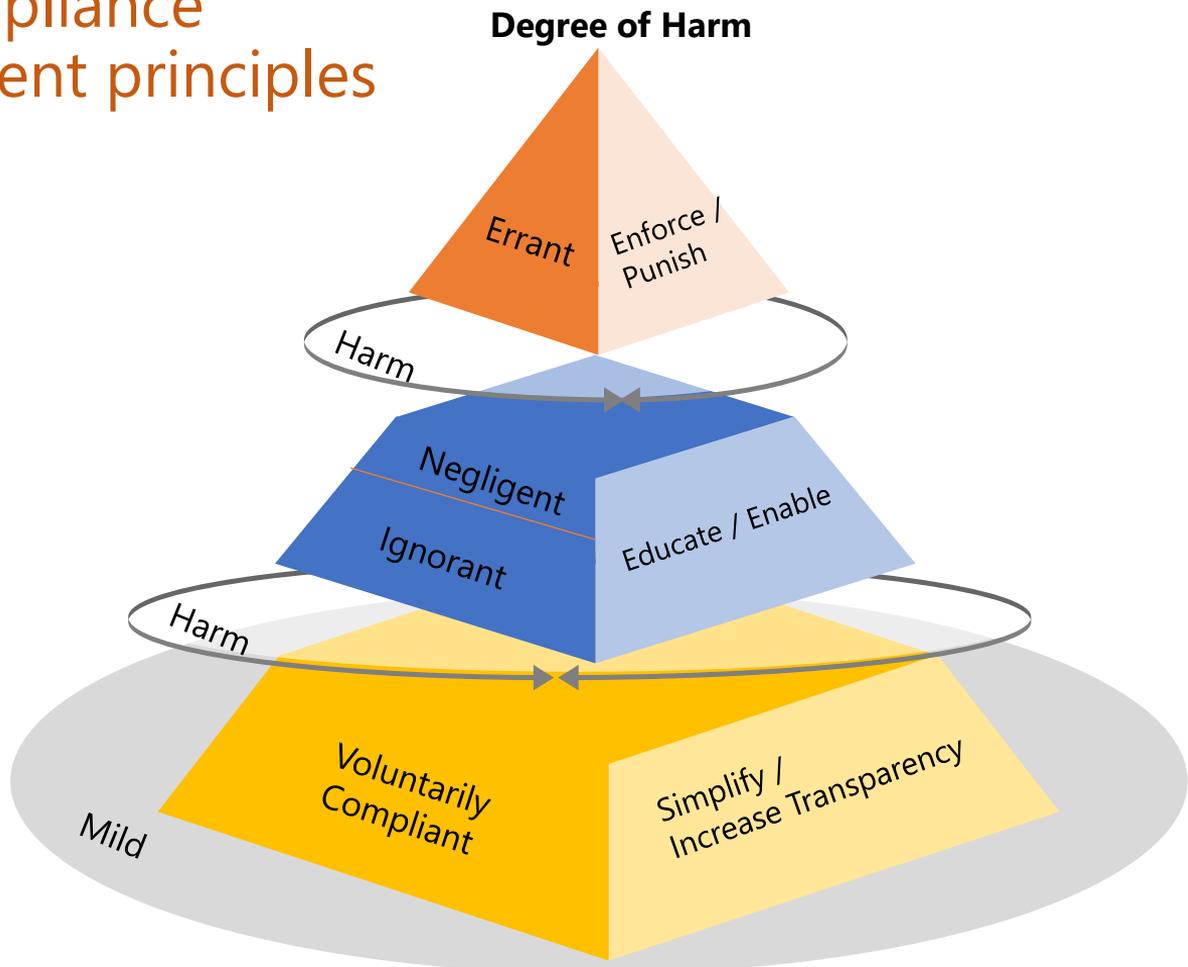
1

Forging a Trusted Business Environment

A Trusted Business Environment is built on strong partnerships



ACRA's Compliance & Enforcement principles



ACRA's Compliance & Enforcement principles (con't)

1 Proactive monitoring, risk-based intervention, and targeted enforcement action

2 Continuously streamline regulatory requirements

3 Facilitate regulatees' understanding of the law

4 Take swift and effective enforcement actions

5 Take an integrated approach across ACRA and WOG



2

Overview of Key Compliance Areas

ACRA's Key Compliance Areas



Adherence to Requirements for Entity Setup & Closure



Legitimacy of Business Conduct



Accuracy & Timeliness of Entity Information



Anti-Money Laundering & Countering the Financing of Terrorism



Adherence to Accounting Standards



Professionalism of Service Providers



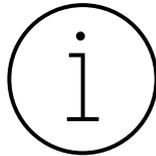
Robustness of Corporate Governance



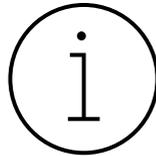
Abidance By Enforcement Actions



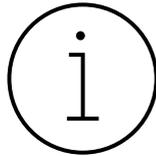
Accuracy & Timeliness of Entity Information



Information filed on an Annual Basis



Information filed on an Ad-Hoc Basis



Information inspected on Company/RFA Premises

Key Statistics



Annual

70% of ~320,000 companies filed their AR on time and **6%** filed after the deadline



Ad-Hoc

77% of ~410,000 companies had filed RORC information



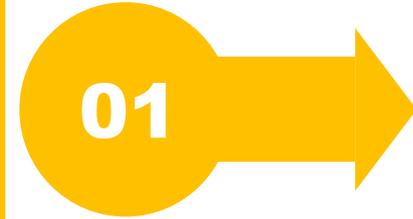
Tallied

100% of risk-based company inspections conducted were found to be compliant

Statistics presented were tabulated as at Jan 2022

Insights & Observations

- Companies are less compliant in their formative years
- Companies with CSP have higher AR compliance (75%) than companies without CSP (45%)
- ~ **84%** of CSPs have at least 70% of their clients who are AR compliant



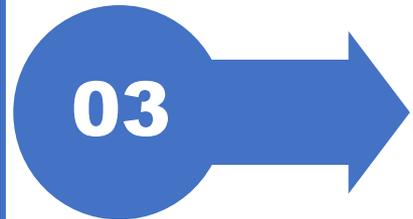
Annual

- ~ **40%** of entities that do not file RORC, do not file AR as well
- ~ **3000** non-RORC filing entities have common directors/ partners



Ad-Hoc

- Companies with CSPs maintain their registers well with prescribed formats, processes and in a timely fashion
- A small % of entities continue to hold invalid registered office address



Inspected



Common misconceptions we have observed

 Dormant companies do not need to file Annual Returns with ACRA

 Striking off a company prevents any further prosecutorial action

 Companies that have filed their RORCs with ACRA will not be selected for inspection

 Sole directors/ shareholders of the company do not need to maintain a RORC

 Dormant/inactive companies do not need to update their Registered Office Address

3

Legislative Changes to Streamline Penalty Frameworks

2 -Tier Penalty Framework

- Revised 2-tier penalty took effect on **14 Jan 2022**.

- The penalty for late filing of annual lodgments by Singapore-incorporated companies, VCCs and LLPs will be :-
 - \$300 if filed within 3 months of due date
 - \$600 if filed more than 3 months of due date

The following types of entities have annual statutory obligations:-

- Annual Returns by local companies under s197 of the Companies Act
- Annual Filing of Financial statement by foreign companies under s373 of the Companies Act
- Annual Declaration by Limited Liability Partnerships (LLP) under s24 of the LLP Act
- Annual Returns by Variable Capital Companies (VCC) under s97 of the VCC Act

Overview of late lodgment penalty framework

Annual Lodgment

Entity Type	Old Penalty Regime
Local Companies and VCC	Flat rate of \$300
Foreign Companies	8-tier ranging from \$50 to \$350
LLPs	8-tier ranging from \$60 to \$350

New Penalty Regime

2-tier penalty of \$300 or \$600

\$300 up to three months
\$600 more than three months.

Ad-hoc Lodgment (For VCCs Only)

Entity Type	Old Penalty Regime
VCC	8-tier ranging from \$50 to \$350

New Penalty Regime

2-tier penalty of \$50 or \$200

\$50 up to three months
\$200 more than three months.

Ad-hoc Lodgment (No changes)

Entity Type	Existing Penalty Regime
Local Companies	
Foreign Companies	8-tier ranging from \$50 to \$350
LLPs	

New Penalty Regime

Will be reviewed in subsequent
years

Outreach Channels

Letters to Companies, VCCs, LLPs and
Foreign Companies

ACRA's website

ACRA's Facebook

Email to Corporate Service Providers and
Professional Bodies

New Alert to ACRA's website subscribers

ACRAConnect



4

Looking Ahead – Stronger Partnerships

Stronger partnerships to support effective regulation



Drive outreach, industry engagement and awareness to streamline laws and simplify compliance



Strengthen risk-based analytics and monitoring to take calibrated and targeted action



Step-up active enforcement and penalize recalcitrant actors who harm the wider ecosystem



Partner PBs to take in feedback and enhance compliance frameworks and systems

Thank you

www.acra.gov.sg



www.facebook.com/SG.ACRA



[Twitter.com/ACRA_SG](https://twitter.com/ACRA_SG)



www.youtube.com
Search: Acra