

PRACTICE DIRECTION NO. 2 OF 2006

COMPANIES (AMENDMENT) ACT 2005 – SUBSIDIARY LEGISLATION

1. This Practice Direction highlights the following amendments to the subsidiary legislation mentioned below with effect from 30 Jan 2006:
 - A. introduction of new fees payable to the Registrar of Companies under the Second Schedule of the Companies Act by the Companies (Amendment of Second Schedule) Notification 2006;
 - B. introduction of new regulations in the Companies (Filing of Documents) Regulations and an amendment to clarify when a company is an exempt private company by the Companies (Filing of Documents) (Amendment) Regulations 2006;
 - C. introduction of the publicity requirements for proposed reduction of share capital by the Companies (Amendment) Regulations 2006;
 - D. amendments of the Eighth Schedule of the Companies Act by the Companies Act (Amendment of Eighth Schedule) Notification 2006.

A. New Fees

2. The fees payable under the Second Schedule for the following lodgments will be as follows :

Item	Section	Transaction	Fee
<i>Financial Assistance</i>			
25.	76(9A)(g) and (9B)(f) and 76(10)(c) and (e)	Lodgment of notice of resolution, or notice of intention to propose special resolution, to give financial assistance for the acquisition of shares or units of shares in company	\$10
<i>Treasury shares</i>			
35A.	76K(5)	Lodgment of notice of cancellation or disposal of treasury shares	\$10
<i>Reduction of share capital</i>			
35B.	78C(3)(c)	Lodgment of copy of solvency statement together with special resolution	\$10

Item	Section	Transaction	Fee
35C	78D(4)(b)	Notice of creditor's application to the Court for cancellation of special resolution	\$10
35D	78E(1)(ii)	Lodgment of copy of solvency statement, directors' statement and notice containing reduction information	\$30
35E.	78E(2)(i) and (ii)	Lodgment of directors' statement and notice containing reduction information	\$30
35F.	78E(3)(iii)	Lodgment of directors' statement, copy of order of Court and notice containing reduction information	\$30
35G	78E(4)(iii)	Lodgment of directors' statement, copy of order of Court and notice containing reduction information	\$30
35H.	78F(4)	Lodgment of notice of order of Court canceling special resolution	\$10
35I.	78I(3)	Lodgment of copy of order of Court and notice containing reduction information	\$30
35J.	78I(3)	Application for extension of time to lodge copy of order of Court and notice containing reduction information	\$30
35K.	78B(1)(c) and 78C(1)(c) and regulation 6 of the Companies Regulations (Rg 1)	Lodgment of documents for purposes of publicity requirements	\$500
<i>Amalgamation</i>			
35L.	215E(1)	Registration of amalgamation — (a) where the amalgamated company is the same as one of the amalgamating companies; or	\$400
		(b) where the amalgamated company is a new company	\$700

Item	Section	Transaction	Fee
<i>Miscellaneous transactions</i>			
91	Regulation 41D of the Companies (Filing of Documents) Regulations (Rg 7)	Lodgment of order of Court (dismissing the application for reduction)	\$10

B. New Regulations

3. The amendments to the regulations, inter alia, provide for the following:
 - a) The notice of an application to Court for the resolution to be cancelled to be given by a company is to be lodged in the applicable form. The form in Bizfile is called the “Notice of Creditor’s Application to Court for Cancellation of Special Resolution under Section 78D” and can be found under the heading Changes to Local Company in the BizFile main menu for Local Company Transactions;
 - b) The notice of the order of Court canceling the resolution under section 78F (4) is to be lodged in the applicable form. The form in Bizfile is called the “Notice of Court Order for cancellation of special resolution” and can be found under the heading Changes to Local Company in the BizFile main menu for Local Company Transactions;
 - c) The application for an extension of time to lodge the order of Court approving reduction and the notice of reduction information under section 78(l) (3) is to be made in the applicable form. The form in Bizfile is called the “Application for extension of time under section 78l” and can be found under the heading Changes to Local Company in the BizFile main menu for Local Company Transactions ;
 - d) Application for Registration of amalgamation (via Bizfile) shall not be made earlier than 2 months before the intended date if the date is specified in the amalgamation proposal.

4. Regulation 3 of the amendment regulations amends the Schedule to the Companies (Filing of Documents) Regulations to clarify that the certificate by an exempt private company under section 197 (1) can only be certified if the company is and has **at all relevant times** been an exempt private company.

C. Publicity requirements

5. The amendments provide for the publicity requirement under sections 78B (1) (c) and 78C (1) (c) of the Act. A company meets the publicity requirements if it lodges with the Registrar within 8 days beginning with the resolution date —
 - (i) a notice containing the text of the special resolution for reducing share capital;
 - (ii) the resolution date; and
 - (iii) the reduction information.

6. Upon lodgment of the notice (called “Notice of proposed reduction of share capital under section 78B/C”), information submitted in the notice will be available for viewing by any person via Bizfile free of charge.

D. Eighth Schedule

7. The amendments to the Eighth Schedule which sets out the Summary and Main Returns, inter alia, relate to the following matters:
 - a) The following items (in the Summary of Returns) will not be required:
 - i the number of shares, if any, issued at a discount and the total amount of discount on the issue which has not been written off at the date of the summary of returns;
 - ii the number of shares bought back.
 - b) The following items will be required:
 - i in relation to shares issued as partly paid up otherwise than in cash, the total amount, if any, agreed to be considered as unpaid on those shares;
 - ii the total number of shares held as treasury shares

8. The amendments also clarify that the particulars to be provided in the Financial Highlights section of the Main Return should be those derived from the financial statements prepared in accordance with section 201 of the Companies Act (Please see Practice Direction No 1 of 2006 dated 12 Jan 2006, paragraph 6.2.2 c).

Related Practice Direction

9. Practice Direction 1 of 2006- Companies (Amendment) Act 2005.

Further assistance

10. If you have any enquiries, please visit our interactive web service at www.acra.gov.sg/askacra.

Issued this 26th day of January 2006.

Miss Juthika Ramanathan
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Accounting and Corporate Regulatory Authority
Singapore