



## **MEDIA RELEASE**

### **DATA REGISTER PTE LTD AND SINGAPORE DATA REGISTER PTE LTD CONVICTED FOR BREACHES UNDER THE COMPANIES ACT**

**Singapore, 16 June 2020** – The Accounting and Corporate Regulatory Authority (“ACRA”) brought charges against Data Register Pte Ltd (“DRPL”) and Singapore Data Register Pte Ltd (“SDRPL”) for breaches under the Companies Act (“CA”). Both companies were convicted and fined a total of \$5,000 by the State Courts on 4 June 2020.

2. DRPL had pleaded guilty to one charge for failing to hold the annual general meeting (AGM) in 2017 under s175 CA; one charge for failing to file annual returns (AR) under s197 CA; and three charges for failing to have its registered office open to the public under s142(2) CA, on three days in late July 2018 and early August 2018. A further six charges for the same breaches were taken into consideration by the State Courts for sentencing. DRPL was fined a total of \$3,500 by the State Courts.

3. SDRPL, an associated company of DRPL which shares the same registered office, pleaded guilty to three charges for failing to have its registered office open to the public under s142(2) CA, on the same three days in July and August 2018. A further four charges for the same breach were taken into consideration by State Courts for the purpose of sentencing. SDRPL was fined \$1,500 by the State Courts.

4. Previously, ACRA had brought a total of 1,104 charges against DRPL for failing to display the company name and registration number in the 139,833 business letters mailed out in October and November 2013. The letters had led to public disquiet with many members of the public mistakenly assuming that DRPL was linked to ACRA, and that they were obliged to provide the requested information. In May 2016, DRPL pleaded guilty to a total of 500 charges and was subsequently fined a total of \$200,000 for breaching section 144(1)(b) and section 144(1A) of the Companies Act. Please refer to [Annex A](#) for action taken by ACRA against DRPL.

5. Investigations revealed that since 2014, DRPL had pursued those businesses that had subscribed to its services to demand that these subscribers make payment to SDRPL for outstanding fees between August and October 2018. By failing to keep its office open to the public, DRPL and SDRPL would have denied these subscribers the means to visit the companies’ office to make enquiries, settle payments in person, or serve legal process.

#### **Statutory requirements under the Companies Act**

6. Under the Companies Act, all companies must ensure that their registered office is open and accessible to the public for not less than three hours during ordinary business hours

on each business day. A business day is any day excluding Saturday, Sunday and Public Holidays. The purpose of keeping the registered office open is to permit members of the public to visit the company's office to communicate directly with the company, and to facilitate the service of legal process. If companies fail to comply with this requirement, they may be fined up to \$5,000 if found guilty and convicted by the Courts.

7. The holding of AGM and filing of AR are important statutory requirements. The AGM provides a forum for shareholders to be informed of the financial position of the company and to engage the directors of the company on any matter concerning the company. Filing AR on time enables timely public disclosure of key information such as the health and status of the company. If companies fail to hold their AGM and file the AR, they may be fined up to \$5,000 if found guilty and convicted by the Courts.

8. ACRA takes a serious view of such offences and will not hesitate to take action against any individuals or parties involved. The public can come forward and alert ACRA if they have reason to suspect that breaches to the Companies Act have been committed.

For media's background reference:

### **Section 175 – Failure to hold the AGM**

Section 175(1) states that subject to this section and section 175A, a general meeting of every company to be called the “annual general meeting” must, in addition to any other meeting, be held after the end of each financial year within -

- (a) 4 months in the case of a public company that is listed; or
- (b) 6 months in the case of any other company.

175 (4) states if default is made in holding an annual general meeting -

- (a) the company and every officer of the company who is in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 and also to a default penalty; and
- (b) the Court may on the application of any member order a general meeting to be called.

### **Section 197 – Failure to file the AR**

197(1) states every company, other than a company mentioned in subsection (1A), must lodge a return with the Registrar after its annual general meeting -

- (a) in the case of a listed company, within 5 months after the end of its financial year; and
- (b) in any other case, within 7 months after the end of its financial year.

197(6) states if a company fails to comply with this section, the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding \$5,000 and also to a default penalty.

### **Section 142 – Failure to open registered office**

142(1) states a company shall as from the date of its incorporation have a registered office within Singapore to which all communications and notices may be addressed and which shall be open and accessible to the public for not less than 3 hours during ordinary business hours on each business day.

142(2) states if default is made in complying with subsection (1), the company and every officer of the company who is in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 and also to a default penalty.

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### **About ACRA**

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. We promote a trusted and vibrant environment for businesses to thrive and flourish, and contribute towards making Singapore the best place for business.

For more information, please visit: [www.acra.gov.sg](http://www.acra.gov.sg).

## **ANNEX A**

### **Actions taken by Accounting and Corporate Regulatory Authority against Data Register Pte Ltd and Singapore Data Register Pte Ltd**

1. In November 2013, Data Register Pte Ltd ("DRPL") formerly known as "Company Register Pte Ltd ("Company Register") sent 139,833 business letters to invite companies and businesses to register at its website for web directory services. The letters failed to state its company name and its registration number as required under the Companies Act ("CA").
2. From November 2013 to January 2014, ACRA received over 2,000 queries from companies and businesses in relation to the letters. Many members of the public informed ACRA that they had mistakenly assumed that DRPL was linked to ACRA and that they were obliged to act on the information provided in the letters.
3. On 22 November 2013, ACRA notified Company Register Pte Ltd that the business letters it issued did not state its company name and registration number which had caused confusion among some of its recipients. Following ACRA's request, Company Register Pte Ltd subsequently changed its name to "Data Register Pte Ltd" on 18 December 2013.
4. Between 18 November 2013 to 19 November 2014, ACRA issued 5 Public Alerts to highlight to members of the public that ACRA is not associated with DRPL and the statutory duty to file and provide business information under the Companies Act is owed only to ACRA, the national regulator of business entities
5. By February 2015, ACRA had brought a total of 1,104 charges against DRPL for failing to display the company name and registration number in its correspondences in October and November 2013.
6. On 25 February 2016, at ACRA's initiation, DRPL wrote to 21,780 recipients of the 139,833 business letters to offer these companies and businesses an opportunity to terminate their accounts with DRPL if they had not used any of DRPL's services. The recipients were given 10 working days from 29 February 2016 to 11 March 2016 to terminate their accounts online at DRPL's website or its registered office. Subscribers who terminated their accounts also received a refund of any subscription fees that they have already paid to DRPL, or a waiver of any existing obligations to pay outstanding subscription fees.
7. ACRA also worked with local media to report on DRPL's offer to eligible subscribers to terminate their accounts. ACRA issued several public announcements to remind eligible subscribers to terminate their accounts during the offer period. As at 16 March 2016, a total of 3,828 companies and business entities terminated their accounts with DRPL.
8. On 3 June 2016, DRPL pleaded guilty to a total of 500 charges and 604 charges were taken into consideration for sentencing. DRPL was fined a total of \$200,000 in the State Courts for issuing business correspondences in October and November 2013 which did not state its company number and registration number in breach of section 144(1)(b) and section 144(1A) of the Companies Act.