

FMG CORPORATE SERVICES PTE LTD

Registration No. 199301311W
(Incorporated in Singapore)
8 Wilkie Road #03-01 Wilkie Edge
Singapore 228095

Subsequent to the Companies Bill that was passed in Parliament on 8 October 2014, alterations to the Companies (Amendment) Act 2014 was made, with an exception of sections 94(e) and 121. The changes were implemented principally in two phases on 1 July 2015 and 3 January 2016 respectively.

SELECTED KEY CHANGES TO THE COMPANIES ACT CAP. 50 & OTHERS (2015/2016)

AUDIT EXEMPTION

A new concept of “small company” / “small group” was introduced. Private companies (including all entities within the group) that meet any 2 of the following 3 criteria for the immediate past 2 consecutive financial years (“FY”) may qualify for audit exemption:

- a) Total revenue for each FY does not exceed S\$10 million;
- b) Total assets at the end of each FY does not exceed S\$10 million; or
- c) Total employees at the end of each FY is not more than 50

AUDITORS

An auditor of a non-public interest company (other than a subsidiary of a public interest company) may resign before the end of the term of his appointment by giving written notice to the Company.

An auditor of a public-interest company & subsidiaries may resign before his term of office provided that:

- a) Notice in writing is given to the company; and
- b) Consent from the Registrar is obtained following the provision of a written statement of his reasons for resignation to the Registrar.

The company is required to call a general meeting to appoint a new auditor in place of the auditor who intends to resign or has resigned as soon as possible and in any case, not more than three months from the date of the auditor's resignation. The appointment of the new auditor must be lodged with the Registrar within 14 days from the date of appointment.

DIRECTORS

- 1) Removal of the requirement for shareholders' approval to appoint/re-appoint directors aged 70 years and above for a public company or subsidiary of a public company.
- 2) A private company may by ordinary resolution remove a director before the expiration of his period of office.
- 3) A person will be disqualified from acting as director of any company or a foreign company for a period of 5 years if he was a director in at least 3 companies, which were struck off the register under Section 344 of the Companies Act within a period of 5 years.

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DIRECTORS *(Continued)*

- 4) A director will be disqualified on conviction of at least 3 offences related to filing requirements charges in Court within a period of 5 years.
- 5) ACRA will be able to debar any director or the company secretary who has failed to lodge any documents with ACRA for a continuous period of at least 3 months after the prescribed timeline. A debarred person will not be able to take on new appointment as a director or company secretary.
- 6) Prohibition of loans to directors and connected companies under section 162 and section 163 of the Companies Act is now extended to include quasi-loans, credit transactions and related arrangements.

CHIEF EXECUTIVE OFFICER (“CEO”)

CEO (who is not also a director) is now required to disclose:

- (a) Any conflict of interests in transactions with the company
- (b) Interest in the securities in the company

The CEO's disclosure of interests shall extend to his immediate family members pursuant to Section 156 and Section 164 of the Companies Act, cap. 50.

DORMANT COMPANIES

A dormant non-listed company (other than a subsidiary of a listed company) is exempted from requirement to prepare financial statements if:

- a) The company fulfils a substantial assets test (i.e. Total assets does not exceed S\$500,000); and
- b) The company has been dormant from the time of formation or since the end of the previous financial year

FINANCIAL STATEMENTS

- 1) Financial Statements and Auditors' Report may be sent less than 14 days from the date of Annual General Meeting if ALL who are entitled to receive the notice of Annual General Meeting agree.
- 2) Every company shall cause to be kept at the company's registered office, or such other place as the directors think fit, a copy of each of the documents that was laid before the company at its annual general meeting for a period of not less than 5 years after the date of the annual general meeting.

SHARES AND SHARE CAPITAL

- 1) A company may issue shares for no consideration.
- 2) A company may use its share capital to pay any expenses incurred directly in the issue of new shares or acquisition of its own shares.
- 3) A company may by ordinary resolution redenominate its share capital or

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ELECTRONIC REGISTER OF MEMBERS (“EROM”)

any class of its shares from one currency to another at an appropriate exchange rate.

- 4) A company of which share capital is divided into different classes of shares may now authorize in its constitution the conversion of one class of shares into another class of shares.
- 5) Public companies may issue shares with different voting rights.
- 6) A new multiple proxies regime has been introduced which allow indirect investors who hold shares through nominees to appoint more than two proxies to attend and vote at shareholder meetings.

The Registrar shall, in respect of every private company, keep and maintain an electronic register of members of that company. In line with this new change, every private company shall lodge with the Registrar the information necessary to be included in the company’s electronic register of members within the earlier of the following dates :

- a) 6 months after the date of commencement of Section 110 of the Companies (Amendment) Act 2014 (i.e. 3 January 2016); or
- b) the date on which the Annual Return of the company is required to be lodged with the Registrar; or
- c) the date on which the company is required to lodge information concerning share ownership or changes in share ownership with the Registrar.

The date of filing of that information will be taken as the effective date of entry of a person into the register as a member or the date of cessation of a person as a member.

A private company shall continue to keep its register of members for a period of 7 years after the last member in the register ceases to be a member of the company.

FILING OF APPOINTMENT/ RESIGNATION OF OFFICERS AND CHANGES TO PARTICULARS OF OFFICERS

The filing deadline for the appointment/resignation of officers and changes to particulars of officers has been changed from 30 days to 14 days from the date of the appointment/resignation, as the case may be.

The Registrar now allow the officer of the company to reflect an alternate address at which he can be located, instead of his residential address, in ACRA’s public records. An address must satisfy certain legal conditions in order to be an alternate address. For example, it must be an address where the individual can be located and must be in the same jurisdiction as his residential address.

MEMORANDUM AND ARTICLES OF ASSOCIATION

With effect from 3 January 2016, the memorandum of association and articles of associates are merged into a single document called the constitution. Companies do not need to take any steps or incur any costs to merge their current memorandum and articles. The law will deem these to be merged to

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| form the constitution of the company.

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OTHERS : REVISED FEE STRUCTURES & PENALTIES

CHANGE IN PENALTY AMOUNT FOR LATE FILING OF ANNUAL RETURNS (EFFECTIVE 1 DECEMBER 2015)

ACRA has revised the penalties imposed for late filing of annual returns as follows:

- (a) a flat penalty of **S\$300** for the late filing of Annual Returns ("**AR**") regardless of the length of default;
- (b) a composition sum of S\$300 for late holding the Annual General Meeting ("**AGM**") (section 175 of the Companies Act)
- (c) a composition sum of \$300 for layout out-of-date financial statements at the Annual General Meeting (section 201 of the Companies Act)

Prior to these revisions, the penalty for late filing of AR and the composition sums for each breach of section 175 and section 201 range from S\$60 to S\$350, depending on the length of default.

SIMPLIFIED FEE STRUCTURE (EFFECTIVE 3 JANUARY 2016)

BizFile* which was launched by ACRA on 3 January 2016 incorporates the new filing requirements linked to the legislative changes in the Companies (Amendment) Act 2014.

A list of the revised regulatory fee structure is annexed as Appendix A for reference.

The above information is meant for your reference and is not intended to be exhaustive. Should you require assistance or clarification, please do not hesitate to contact us:

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ACRA STREAMLINED REGULATORY FEE STRUCTURE

New Fees introduced due to legislation changes

Type / Category of Fee	New Fee Item	Relevant Legislation
1. Application for registration or annual renewal as a Qualified Individual (QI) for Corporate Service Providers	\$100	ACRA Act
2. Application for registration or annual renewal as a Filing Agent (FA) for Corporate Service Providers	\$200	ACRA Act
3. Access to the authoritative register of members for private companies, and of directors, secretaries, auditors, chief executive officers for all companies in Singapore to be set up and maintained by ACRA (F.O.C. access to the company and its members)	\$20 per register	Companies Act
4. Registration by persons wishing to reflect alternate addresses instead of their residential address in ACRA's records	\$40	Companies Act, Business Names Registration Act, Limited Liability Partnerships Act, Limited Partnerships Act
5. Application for ACRA's consent for auditor resignation	\$200	Companies Act
6. Application to file revised financial statements	\$200	Companies Act

Revised Regulatory Fee Structure – General Transactions

Type / Category of Fee	Companies
1. Registration fee	\$300 (previously: \$300, \$600, \$1,200)
2. Annual filing/renewal fee	\$60 (previously: \$20)
3. Application for entity conversion	
a. Conversion within Company types	\$40 (previously: \$30)
b. Conversion from Business/Company to LLP	N.A.
4. Filing of changes of particulars/appointments	F.O.C.* (previously: \$10)
5. Filing of changes of office location/office hours	F.O.C. (previously: \$10)
6. Lodgment of shares and shareholders etc.	F.O.C. (previously: \$10)
7. Lodgment of resolution matters, court orders	F.O.C. (previously: \$10)
8. Application for de-registration	F.O.C. (previously: \$35)

*F.O.C. denotes free of charge

Revised Regulatory Fee Structure – Ad-hoc Applications related to Compliance with Statutory Requirements

Type / Category of Fee	Companies
1. Lodgment of Notice of Error (NOE)	\$60 (previously: \$30)
2. Application for Extension of Time (EOT) to file accounts or to hold Annual General Meeting (AGM)	\$200 (previously: up to \$150)
3. Application for EOT for reservation of name, registering charges, change of particulars, declaration of solvency etc.	F.O.C. (previously: \$10, \$30)
4. Application for appeals to the Registrar or Minister	F.O.C. (previously: \$15, \$50, \$100)
5. Other applications (see below)	\$200 (previously: \$30, \$50, \$100)
a. Application for exemptions from Singapore Financial Reporting Standards requirements b. Application for waiver to lodge annual filing of forms and documents relating to the operations of a foreign company in Singapore c. Application for relief from requirements as to form and content of accounts and reports d. Application for license to hold land under S23(2) e. Application for omission of the word "Limited" or Berhad" f. Application to the Registrar to direct a change of name	

Revised Regulatory Fee Structure – Transactions with no change in fees

Type / Category of Fee	Companies
1. Name application	\$15
2. Registration of particulars relating to charges	\$60
3. Registration for amalgamation	\$400 (separate company registration fee of \$300 applies where the amalgamated company is a new company)
4. Request for Certificates	\$50
5. Request for forms (without attachments) lodged with the Registrar ⁴	\$11
6. Request for forms (with attachment) lodged with the Registrar ⁴	\$26
7. Application for certification of forms filed with the Registrar	
a. Manual Certification	\$2 per page or part thereof
b. Electronic Certification (new option)	\$1 per page or part thereof

⁴ Streamlined fees will also apply to non-electronic forms which are currently charged at \$2 per page