

**ACRA’S PROPOSALS TO ENHANCE TRANSPARENCY OF BENEFICIAL OWNERSHIP OF COMPANIES AND LIMITED LIABILITY PARTNERSHIPS**

	<b>Statutory provision</b>	<b>Current requirement</b>	<b>Proposed amendment</b>	<b>Reason for amendment</b>
1.	Section 386AA and Fourteenth Schedule of the Companies Act (“CA”)	<p>The following local companies are exempted from maintaining registers of nominee directors:</p> <p>(a) a public company which shares are listed for quotation on an approved exchange in Singapore;</p> <p>(b) a company that is a Singapore financial institution;</p> <p>(c) a company that is wholly-owned by the Government;</p> <p>(d) a company that is wholly-owned by a statutory body established by or under a public Act for a public purpose;</p> <p>(e) a company that is a wholly-owned subsidiary of a company mentioned in (a), (b) or (c); and</p> <p>(f) a company which shares are listed on an overseas securities exchange and which is subject to regulatory disclosure requirements and</p>	To remove the exemption of the local companies listed in the preceding column from the requirement to maintain registers of nominee directors.	This proposal will enhance the transparency of the ownership and control of local companies and better align Singapore’s regime on nominee directors with the standards of the Financial Action Task Force (“FATF”).

	<b>Statutory provision</b>	<b>Current requirement</b>	<b>Proposed amendment</b>	<b>Reason for amendment</b>
		requirements relating to adequate transparency in respect of its beneficial owners, imposed through stock exchange rules, law or other enforcement means.		
2.	Sections 386AH and 386AI of the CA  Sections 32H and 32I of the Liability Partnerships Act (“LLP Act”)	Companies and LLPs are required to give notice to a controller if the entity knows or has reasonable grounds to believe that (i) a change has occurred in the particulars of a controller that are stated in the entity’s register of controllers <sup>1</sup> ; or (ii) any of the particulars is incorrect: sections 386AH and 386AI of the CA, and sections 32H and 32I of the LLP Act respectively.	To amend sections 386AH and 386AI of the CA and sections 32H and 32I of the LLP Act, to introduce an additional requirement for entities to check annually with every controller whose particulars are stated in the entity’s register of controllers on whether any change has occurred in the particulars or any of the particulars is incorrect, by giving notice to every such controller annually. An entity that fails to do so should be liable to a maximum fine of \$20,000.	The proposed amendment is intended to ensure that entities regularly update the particulars contained in their register of controllers and correct any incorrect particulars. This enhances Singapore’s ability to provide accurate and up-to-date ownership and control information to authorised competent authorities where necessary.
3.	New section in Part XIA of the CA  New section in Part VIA of the LLP Act	The Registrar and officers of ACRA may exercise powers of enforcement in respect of the register of controllers and the register of nominee directors: section 386AM(1)-(2) of the CA and section 32L(1)-(2) of the LLP Act. Amongst other things, the Registrar or an officer of ACRA may require a company to produce its register of	To empower the Registrar to impose a financial penalty of up to \$10,000 on any person who inadvertently, or without intent to mislead or defraud, makes any inaccurate or erroneous statement or information to the Registrar, in complying with section 386AM(1)-(2) of the CA and section 32L(1)-(2) of the LLP Act.	The proposed amendment addresses cases where a person provides inaccurate particulars in its register of controllers or its register of nominee directors to the Registrar or an officer of ACRA.

<sup>1</sup> Including where a person ceases to be a controller of the company.

	Statutory provision	Current requirement	Proposed amendment	Reason for amendment
		<p>controllers or its register of nominee directors, and/or make such inquiry as may be necessary to ascertain whether the provisions of Part XIA are complied with.</p> <p>Any person who fails to comply with any requirement imposed under section 386AM(1)-(2) of the CA or section 32L(1)-(2) of the LLP Act shall be guilty of an offence, but a person who provides incorrect particulars in its register of controllers or its register of nominee directors to the Registrar or an officer of ACRA in order to comply with any requirement imposed under section 386AM(1)-(2) of the CA and section 32L(1)-(2) of the LLP Act is not subject to a specific sanction.</p>		
4.	<p>Sections 386AF(12)-(13); 386AG(5); 386AG(7); 386AH(5)-(6); 386AI(5)-(6); 386AJ(4); 386AK(4); 386AL(6)-(7);</p>	<p><b><u>For companies</u></b> The offences pertaining to the register of controllers and the register of nominee directors are punishable with a maximum fine of \$5,000.</p> <p><b><u>For LLPs</u></b> The punishment stipulated in sections 32F(9), 32G(5), 32H(5), 32I(5) and 32M(4) of the LLP Act is that the LLP</p>	<p>To increase the maximum fine for the offences in the third column to \$20,000.</p>	<p>The proposed amendment ensures that the maximum fine for the offences is commensurate with the importance of keeping accurate and up-to-date beneficial ownership information, and aligns Singapore's beneficial ownership regime with the standards of the FATF and the Global Forum on Transparency and Exchange of Information for Tax Purposes, which</p>

	<b>Statutory provision</b>	<b>Current requirement</b>	<b>Proposed amendment</b>	<b>Reason for amendment</b>
	386AM(4); and 386AN(4) of the CA  Sections 32F(9), 32G(5), 32H(5)-(6), 32I(5)-(6), 32J(4), 32K(4), 32L(4) and 32M(4) of the LLP Act	and every officer of the LLP who fails to comply with the requirements under the said provisions in relation to the beneficial ownership regime is liable on conviction to a fine not exceeding \$5,000.  The punishment stipulated in sections 32H(6), 32I(6), 32J(4), 32K(4) and 32L(4) of the LLP Act is that a person who fails to comply with the requirements under the said provisions in relation to the beneficial ownership regime is liable on conviction to a fine not exceeding \$5,000.		recommend that failures to comply with the beneficial ownership requirements be subjected to effective, proportionate and dissuasive sanctions.
5.	Regulation 36 of the Companies (Filing of Documents) Regulations.	Local companies must declare the following to the Registrar as part of their annual return filing:  (a) whether they are exempted from maintaining registers of controllers; and  (b) if no, the location where their registers are maintained.  There are no equivalent requirements for foreign companies.	(a) To require local companies that are exempted from maintaining registers of controllers to declare the category of exemption that they fall under, during their annual return filing.  (b) To align the treatment for foreign companies by requiring them to declare the following to the Registrar during their annual filing:  (i) whether they are exempted from maintaining registers of controllers;	This proposal will facilitate ACRA's monitoring of local and foreign companies' compliance with the requirements pertaining to registers of controllers under Part XIA of the CA. – "Register of Controllers and Nominee Directors of Companies".

	Statutory provision	Current requirement	Proposed amendment	Reason for amendment
			<p>(ii) if no, the location where their registers are maintained; and</p> <p>(iii) if yes, the category of exemption that they fall under.</p>	
6.	<p>Regulation 5 and Third, Fourth, Fifth and Sixth Schedules to the Companies (Register of Controllers and Nominee Directors) Regulations 2017</p> <p>Regulation 5 and Third, Fourth, Fifth and Sixth Schedules to the Limited Liability Partnerships (Register of Controllers) Regulations 2017</p>	<p>Companies and LLPs must enter or update the particulars of their controllers in their registers, after the particulars of the controller are confirmed by the controller: sections 386AF(9)(a) and 386AF(10) CA; and sections 32F(6)(a) and (7) LLP Act.</p> <p>The particulars of a controller may be treated as confirmed where (a) in response to a notice given by the company/LLP, a person or a registered filing agent confirms on behalf of the person, that the person is a controller and has provided those particulars; or (b) the person has notified the company/LLP that he or she is a controller and has provided those particulars: regulation 5 of the Companies (Register of Controllers and Nominee Directors) Regulations 2017; and regulation 5 of the Limited Liability Partnerships (Register of Controllers) Regulations 2017.</p>	<p>To:</p> <p>(a) require the controller to provide his or her dated signature accompanied by a statement stating that the information provided in his or her confirmation or notification is true and accurate, in the controller's confirmation or notification; and</p> <p>(b) amend the forms of notices accordingly to provide for this requirement.</p>	<p>To enhance the accuracy of the particulars kept in companies' and LLPs' registers of controllers and help ACRA verify the particulars when conducting inspections, by requiring controllers to personally endorse the veracity of the particulars provided by them or on their behalf by their registered filing agents.</p>

	<b>Statutory provision</b>	<b>Current requirement</b>	<b>Proposed amendment</b>	<b>Reason for amendment</b>
		<p>In the controller's confirmation or notification, he or she is not required to provide his or her dated signature accompanied by a statement stating that the information provided in his or her confirmation or notification is true and accurate.</p> <p>The prescribed forms of the notices in the Third, Fourth, Fifth and Sixth Schedules to the Companies (Register of Controllers and Nominee Directors) Regulations 2017 and Limited Liability Partnerships (Register of Controllers) Regulations 2017 that companies and LLPs must use to obtain information from the controller also do not provide for such a requirement.</p>		
7.	<p>First Schedule of the Companies (Register of Controllers and Nominee Directors) Regulations 2017</p> <p>First Schedule of the Limited Liability Partnerships (Register of</p>	<p>The prescribed form of the register of controllers does not contain a column for remarks.</p>	<p>To include a column in the prescribed form for remarks.</p>	<p>The proposed amendment promotes the accuracy of information contained in entities' registers of controllers and facilitates inspections of the registers by the Registrar and other officers. This column is useful for stating additional information that entities would seek to disclose to the Registrar such as when notices were sent and confirmed by the controllers and when the particulars in the register has been</p>

	<b>Statutory provision</b>	<b>Current requirement</b>	<b>Proposed amendment</b>	<b>Reason for amendment</b>
	Controllers) Regulations			updated, as well as for containing explanations in cases where the particulars of controllers are not kept in the register.
8.	Regulations 3 and 9 of the Companies (Register of Controllers and Nominee Directors) Regulations 2017  Regulation 3 of the Limited Liability Partnerships (Register of Controllers) Regulations	The prescribed particulars of an entity's controllers and the nominators of a local company's nominee directors that should be kept in the entity's register of controllers and a local company's register of nominee directors respectively are:  (a) full name;  (b) alias, if any;  (c) residential address;  (d) nationality;  (e) identification card number or passport number;  (f) date of birth;  (g) date of being a controller (for register of controllers only);  (h) date of ceasing to be a controller, if applicable (for	To prescribe two additional particulars, namely (a) e-mail address(es) and (b) telephone contact number(s).	The proposed amendment enhances the ease and speed of contact with controllers and nominators of nominee directors by the Registrar and public agencies through more efficient mediums of communication.

	<b>Statutory provision</b>	<b>Current requirement</b>	<b>Proposed amendment</b>	<b>Reason for amendment</b>
		<p>register of controllers only); and</p> <p>date on which the director became the nominator's nominee (for register of nominee directors only).</p>		
9.	<p>Items 1 and 2 of Second Schedule of the Companies (Register of Controllers and Nominee Directors) Regulations 2017</p> <p>Items 1 and 2 of first column of Second Schedule of the Limited Liability Partnerships (Register of Controllers) Regulations</p>	<p>The prescribed time for entities to enter or update the particulars of a controller in their registers of controllers is 2 business days after each date on which the particulars of the controller are confirmed by the controller: item 1 of Second Schedule of the Companies (Register of Controllers and Nominee Directors) Regulations 2017 and item 1 of Second Schedule of the Limited Liability Partnerships (Register of Controllers) Regulations.</p> <p>If an entity does not receive the controller's confirmation, the entity must enter or update the particulars of the controller in its register of controllers within 2 business days after the end of 30 days after the date on which a notice mentioned in sections 386AG(2), 386AH(1) or 386AI(1) CA and sections 32G(2), 32H(1) or 32I(1) LLP Act (as the case may be) is sent</p>	<p>To increase the prescribed time, for items 1 and 2 of Second Schedule of the Companies (Register of Controllers and Nominee Directors) Regulations 2017 and items 1 and 2 of Second Schedule of the Limited Liability Partnerships (Register of Controllers) Regulations, to 7 calendar days.</p>	<p>The proposed amendment gives entities more time to enter or update the particulars of controllers into their registers of controllers and addresses feedback that the current prescribed time of 2 business days is insufficient, particularly where the controllers are based overseas.</p>

	Statutory provision	Current requirement	Proposed amendment	Reason for amendment
		by the entity: item 2 of Second Schedule of the Companies (Register of Controllers and Nominee Directors) Regulations 2017 and item 2 of Second Schedule of the Limited Liability Partnerships (Register of Controllers) Regulations.		