

Corporate Commercial | Funds and Investment Management

ACRA Consults on Legislative Changes for Enhancing Transparency of Beneficial Ownership, Addressing Data Privacy & Digitalisation

The Accounting and Corporate Regulatory Authority ("**ACRA**") is conducting a public consultation to seek comments on changes to the legislation governing the business entities regulated by ACRA to achieve the following broad objectives:

- Provide ACRA with greater flexibility in the collection, sharing and usage of personal data;
- Strike a balance between corporate transparency and personal data privacy;
- Make filing with ACRA more convenient;
- Facilitate Government-to-Business digital correspondence;
- Enhance transparency of beneficial ownership of companies and limited liability partnerships ("**LLPs**") in order to reduce the chances of Singapore business entities being used for illicit purposes;
- Standardise and consolidate service of summons and other civil originating process under the Acts administered by ACRA;
- Streamline and clarify the striking-off regime for companies, foreign companies, variable capital companies ("**VCCs**") and LLPs.

The Acts which are administered by ACRA in respect of these business entities include the Companies Act 1967 ("**CA**") (for companies), the Variable Capital Companies Act 2018 ("**VCC Act**") (for VCCs), the Limited Liability Partnerships Act 2005 ("**LLP Act**") (for LLPs) and the Limited Partnerships Act ("**LP Act**") (for limited partnerships), (collectively the "**ACRA-Administered Acts**").

We set out below the key proposals highlighted in the ACRA "[Public Consultation on Proposed Legislative Amendments Relating to Data, Digitalisation and Corporate Transparency for a Trusted and Vibrant Business Environment in Singapore](#)". The consultation exercise ends on **28 January 2022**.

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Collection, Sharing and Usage of Personal Data

Current Requirements	Proposed Changes
Providing ACRA Greater Flexibility to Collect and Control Disclosure of Personal Data	
<ul style="list-style-type: none"> The ACRA-Administered Acts provide that information and/or documents that are required to be filed with ACRA may be inspected and extracted by the public, unless explicitly specified. Information that is available to the public includes personal data collected pursuant to the filing requirements in the ACRA-Administered Acts. Some of the personal data is collected by ACRA for regulatory purposes and need not be disclosed to the public. 	<p>To introduce a tiered disclosure framework to give ACRA greater flexibility to:</p> <ul style="list-style-type: none"> Dictate what personal data should be made available to the public; Share certain personal data, which is not available to the public, with other Government agencies or selected external organisations for specific purposes, such as to counter illicit business activities and protect public or national interests; and Require the collection of additional personal data relating to owners of business entities by way of subsidiary legislation.
Masking ID Numbers Partially	
<ul style="list-style-type: none"> The identification numbers ("ID numbers") of directors, officers, managers, and other position holders of business entities that are filed with ACRA are accessible to the public. 	<ul style="list-style-type: none"> To mask partially the ID numbers of all individuals in ACRA's register which are accessible to the public to address concerns with personal data privacy. The last four alphanumeric characters of the ID number will be shown. To explore using technology to mask lodged documents in PDF/image format.
Replacing "Alternate Address" with "Contact Address"	
<ul style="list-style-type: none"> The directors, officers, managers, and other position holders of business entities are required to provide their residential address to ACRA. The ACRA Administered Acts allow these position holders to register an alternate address with ACRA for a fee. Once registered, the alternate address will be displayed in ACRA public records, instead of their residential address. 	<ul style="list-style-type: none"> To require the directors, officers, managers, and other position holders of business entities to file their residential address together with a "contact address" with ACRA. The "contact address" will be used as the default address in ACRA public records. There is no additional cost for registering the "contact address".

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Current Requirements	Proposed Changes
<ul style="list-style-type: none"> The alternate address must be: (1) one where the position holders can be contacted; (2) in the same jurisdiction as the residential address; and (3) not a P.O. Box address. 	<ul style="list-style-type: none"> The residential address of a position holder will not be made public but will be disclosed to Government agencies or the public if the position holder is not contactable at his/her "contact address".

Making Filing More Convenient

Current Requirements	Proposed Changes
Drawing Personal Data from Other Government Agencies at Filing	
<ul style="list-style-type: none"> ACRA has powers to rectify or update the data in its registers if, for example, there is a conflict between the particulars of an entity or a person and other information in the register, or other information from other Government agencies. However, ACRA cannot: <ul style="list-style-type: none"> draw data from other sources at the stage of filing; and rely on information from Government agencies or body corporates for the purposes of enforcement or regulatory functions. 	<ul style="list-style-type: none"> To empower ACRA to draw an individual's personal data from other specified Government agencies during the filing of a transaction with ACRA under the ACRA-Administered Acts (e.g. at registration or updating of changes in particulars or shareholdings). This is to reduce the number of times a filer has to provide or report changes of an individual's personal data to Government agencies in Singapore. To enable ACRA to use information (e.g. business addresses) from other specified entities (e.g. banks, power and telecommunications utilities companies) to verify information on the ACRA's registers for regulatory or enforcement purposes.
Drawing Personal Information of Individuals from MHA and MOM	
<ul style="list-style-type: none"> The ACRA-Administered Acts require business entities governed by the Acts to notify ACRA of any changes to the particulars of the directors, officers, managers, and other position holders of such business entities within a prescribed period. 	<ul style="list-style-type: none"> To empower ACRA to obtain information regarding any changes to personal information (e.g. full name, gender, date of birth, residential address and nationality) directly from the Ministry of Home Affairs ("MHA") or the Ministry of Manpower ("MOM") so as to streamline the process for updating personal information of the position holders of business entities regulated by ACRA.

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	<ul style="list-style-type: none"> • Business entities and such individuals would no longer be required to notify ACRA of such changes. • The proposed new power of ACRA would apply to personal information of a Singapore citizen, permanent resident or a FIN holder who holds the following positions and whose particulars are recorded on the ACRA's registers: <ul style="list-style-type: none"> - Director, CEO, secretary or auditor of a company; - Director, manager, secretary or auditor of a VCC; - Director or authorised representative of a foreign company; - Individual under the Business Names Registration Act, LP Act, LLP Act and Accountants Act; - Registered Filing Agent or Registered Qualified Individual registered under the ACRA Act.

Facilitating Digital Correspondence

Current Requirements	Proposed Changes
Mandating Business Entities and Position Holders to Provide and Update Email Address and Mobile Numbers	
<ul style="list-style-type: none"> • At present, ACRA collects the registered office address of business entities and the residential address (or alternate address, if provide) of the position holders of business entities regulated by ACRA. • ACRA has no power to collect and require updating of email addresses and mobile numbers of such position holders and/or business entities. 	<ul style="list-style-type: none"> • To amend the ACRA-Administered Acts to require business entities regulated by ACRA to provide and update business email addresses. • To amend the ACRA-Administered Acts to require, among other things, the following position holders of business entities regulated by ACRA to provide and update email addresses and mobile numbers: <ul style="list-style-type: none"> - Director, alternate director, managing director, CEO or secretary of a company;

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Current Requirements	Proposed Changes
	<ul style="list-style-type: none"> - Director or authorised representative of a foreign company; - Partner or manager of a LLP; - General partner, general partner as nominee/trustee, limited partner or manager of a LP; - Owner, nominee/trustee, authorised representative of a business; - Registered Qualified Individual and employee of a corporate service provider; - Liquidator; and - Group secretary and employee of a group secretary.
Introducing ACRA Dashboard for Statutory Correspondence and Notices by ACRA	
<ul style="list-style-type: none"> • The ACRA-Administered Acts provide for the service of correspondence and notices by ACRA by way of hard copy sent to the registered address of a business entity or the residential / alternate address of an individual, as the case may be. 	<ul style="list-style-type: none"> • To amend the ACRA-Administered Acts to provide for the service of correspondence and notices (other than summonses) by posting on the recipient's dashboard in the BizFile+ portal, a secure platform which may only be accessed by the business entities and their respective owners, partners, officers and other authorised persons. The recipient will also be notified of any correspondence or notice by email or SMS. • Delivery of such correspondence and notices via the dashboard will be deemed to constitute valid delivery under the ACRA-Administered Acts. • Summonses will continue to be served by ACRA by way of hard copy sent to the registered address of a business entity or the residential / alternate address of an individual, as the case may be.

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Enhancing Transparency of Beneficial Ownership of Companies and LLPs

Current Requirements	Proposed Changes
Register of Nominee Directors - Removing Exemption from Maintaining Registers of Nominee Directors for Singapore Companies	
<p>Currently, the Singapore-incorporated companies which are exempted from maintaining a register of nominee directors include:</p> <ul style="list-style-type: none"> • Public company listed on SGX-ST; • Singapore financial institution; • Company wholly-owned by the Government; • Company wholly-owned by the companies mentioned above; • Company wholly-owned by a statutory body established by or under a public Act for a public purpose; and • Company listed on an overseas securities exchange and which is subject to regulatory disclosure requirements and requirements relating to adequate transparency in respect of its beneficial owners, imposed through stock exchange rules, law or other enforcement means. 	<ul style="list-style-type: none"> • To remove the exemption from the requirement to maintain a register of nominee directors for the companies which are listed in the left column of this table. • This is to ensure there is greater transparency of the ownership and control of local companies and to better align Singapore's regime on nominee directors with the standards of the Financial Action Task Force (FATF).
Register of Controllers – Enhancing Disclosures Requirements on Controllers / Beneficial Owners	
<ul style="list-style-type: none"> • The CA and LLP Act require a company or an LLP to give notice to a controller if the entity knows or has reasonable grounds to believe that (i) there is a change in the particulars of a controller that are stated in the entity's register of controllers; or (ii) any of the particulars is incorrect. 	<ul style="list-style-type: none"> • To introduce an additional requirement in the CA and LLP Act for companies and LLPs to give notice annually to every controller whose particulars are stated in their registers of controllers to check whether: (i) there are any changes to the particulars; or (ii) any of the particulars is incorrect. • Failure to do so is an offence punishable with a fine.

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Current Requirements	Proposed Changes
<ul style="list-style-type: none"> • Singapore-incorporated companies are required to declare in their annual returns: <ul style="list-style-type: none"> - whether they are exempted from maintaining the registers of controllers; and - if no, the location of their registers. • Foreign companies are not subject to similar disclosure requirements. 	<ul style="list-style-type: none"> • To require Singapore-incorporated companies which are exempted from maintaining the registers of controllers to declare in their annual returns the category of exemption that they fall under. • To align the disclosure requirements applicable to companies and foreign companies by requiring foreign companies to declare in their annual filings: <ul style="list-style-type: none"> - whether they are exempted from maintaining the registers of controllers; - if no, the location of their registers; and - if yes, the category of exemption they fall under.
<ul style="list-style-type: none"> • The CA and LLP Act require a company/ LLP to enter or update the particulars of its controllers in its register of controllers when: <ul style="list-style-type: none"> - 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 - a person has notified the company/LLP that he/she is a controller and has provided the prescribed particulars. 	<ul style="list-style-type: none"> • To require a person to (1) confirm that he/she is a controller; and (2) verify his/her particulars, by providing his/her dated signature accompanied by a statement stating that the information provided in his/her confirmation or notification is true and accurate. • This aims to enhance the accuracy of the controllers' particulars in the registers of controllers by requiring the controllers to personally endorse the veracity of the particulars.
<ul style="list-style-type: none"> • A company/LLP is required to enter or update the particulars of a controller in its register of controllers within two business days: <ul style="list-style-type: none"> - After the date on which the particulars of a controller are confirmed by the controller; or - If the particulars are not confirmed by a controller, after the end of 30 days after the date on which a notice is given by the company/ LLP to a controller to ask him/her to confirm that he/she is a controller or provide his/her particulars. 	<ul style="list-style-type: none"> • To increase the prescribed time for a company/LLP to enter or update the particulars of a controller in its register of controllers from two business days to seven calendar days.

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The other changes which are proposed to the disclosure regimes relating to the controllers and nominee directors of companies and LLPs include:

- Requiring companies and/or LLPs to collect the email address and telephone contact number of a controller of a company and LLP as well as a nominator of the nominee director of a company and keep such particulars in their registers of controllers or registers of nominee directors, as the case may be;
- Empowering ACRA to impose a financial penalty of up to S\$10,000 on any person who inadvertently, or without intent to mislead or defraud, makes any inaccurate or erroneous statement or information relating to the register of controllers of a company and LLP, or the register of nominee directors of a company; and
- Increasing the maximum fine for various offences pertaining to the register of controllers of a company and LLP and the register of nominee directors of a company from S\$5,000 to S\$20,000.

Standardising Service of Summons & Civil Originating Process

Current Requirements	Proposed Changes
<ul style="list-style-type: none"> • The provisions relating to the service of summonses and other originating civil process that are provided in the ACRA-Administered Acts are not consistent. 	<ul style="list-style-type: none"> • To introduce a new provision in the ACRA Act to standardise and consolidate the provisions in the ACRA-Administered Acts relating to the service of summonses and other originating civil process, with the following features: <ul style="list-style-type: none"> - Service on an individual may be effected by: (1) personal service on the individual; or (2) leaving it at, or sending it by registered post to, the usual or last known address of the place of residence or business of the individual. - Service on a firm, business, partnership or other unincorporated association ("Firm") may be effected by: (1) delivering it to one of the partners, or secretary or other like officer of the Firm; or (2) leaving it at, or by sending it by registered post to, the principal or last known place of business of the Firm in Singapore. - Service on a body corporate may be effected by: (1) delivering it to the secretary or other like officer of the body corporate, or the manager of a LLP; or (2) leaving it at, or by sending it by registered

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Current Requirements	Proposed Changes
	post to, the registered office or a principal office of the body corporate in Singapore.

Streamlining Striking-off Regime

Current Requirements	Proposed Changes
Allowing ACRA to Seek Input from Other Government Agencies in Striking-off Process	
<ul style="list-style-type: none"> When the Registrar initiates a striking-off process for a company, foreign company, LLP, VCC or sub-fund of a VCC ("ACRA-initiated striking-off"), after the Registrar has initiated the striking-off process: <ul style="list-style-type: none"> the Registrar is required to send the particulars of the entity to the Inland Revenue Authority of Singapore ("IRAS") and the Central Provident Fund Board ("CPF"); and IRAS and CPF may then lodge an objection to the striking-off with the Registrar. 	<ul style="list-style-type: none"> To empower the Registrar to request inputs from Government agencies that are prescribed in the subsidiary legislation under the ACRA-Administered Acts before the Registrar initiates the striking-off process. To allow the prescribed Government agencies to request the Registrar not to initiate the striking-off of a company, foreign company, LLP, VCC or sub-fund of a VCC at any point in time. This aims to support a Whole-of-Government approach in the discharge of ACRA's functions, and increase efficiency in the striking-off process for both ACRA and other Government agencies, and the relevant members of public.
<ul style="list-style-type: none"> When a company, foreign company, LLP or a VCC initiates a striking-off process ("voluntary striking-off"), after the Registrar has received the application for the striking-off: <ul style="list-style-type: none"> The Registrar is required to send the particulars of the company, foreign company, LLP, VCC or sub-fund of a VCC to IRAS and CPF; and IRAS and CPF may then lodge an objection to the striking-off with the Registrar. 	<ul style="list-style-type: none"> To provide expressly that a company, foreign company, LLP, VCC or sub-fund of a VCC, which have unresolved matters with the Government agencies that are prescribed in subsidiary legislation under the ACRA-Administered Acts, will not be able to proceed with its application for voluntary striking-off until such matters have been resolved.

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Simplifying Striking-off Process	
<ul style="list-style-type: none"> For both ACRA-initiated striking-off and voluntary striking-off of a company, foreign company, LLP or VCC, the Registrar may only publish a notice in the Gazette with a view to striking the name of the entity off the register ("Notice") after 30 days of the date of the letter that is sent by the Registrar to the entity or its related individuals/position holders informing them of the publication of the Notice in the Gazette and to show cause why the name of the entity should not be struck off the ACRA's register ("Letter"). 	<ul style="list-style-type: none"> To remove the requirement that the Notice in Gazette can only be published after 30 days of the Letter. This means that the Registrar is allowed to publish the Notice in the Gazette as early as the next day after the Letter is sent (regardless of the mode of delivery). This proposal will shorten the timeline of the striking-off process from 90 days (assuming that there is no objection to the striking-off) to 61 days.
<ul style="list-style-type: none"> In a voluntary striking-off process, a company, foreign company, LLP or VCC may withdraw its striking-off application by a written notice to the Registrar at any time before the company, foreign company, LLP, VCC or sub-fund of a VCC has been struck off the register. 	<ul style="list-style-type: none"> To remove the requirement that an withdrawal from the application to voluntarily strike off an entity must be made by a written notice to the Registrar. To provide that such a withdrawal notice may instead be given to the Registrar via ACRA's BizFile+ system.

Concluding Remarks

Parties concerned about the proposed amendments or who wish to seek clarification or provide feedback on the same may contact our Contact Partners below, who are well-placed to assist with any queries.

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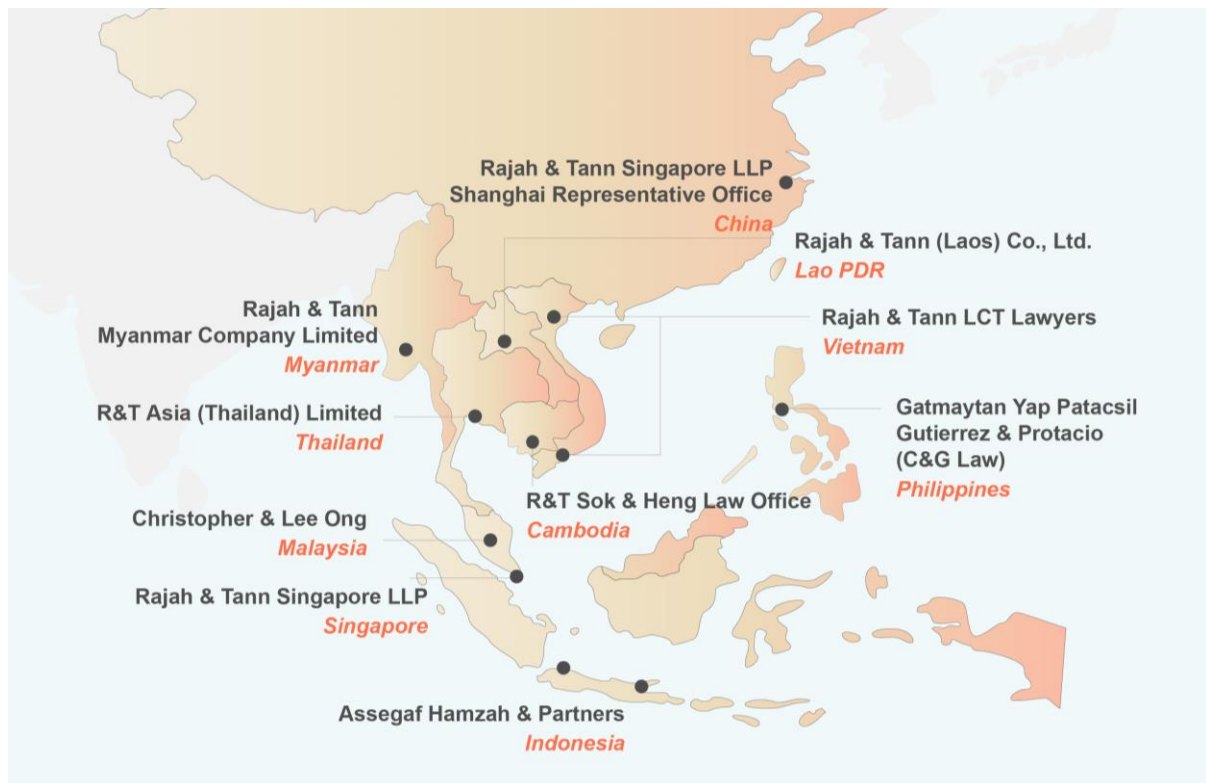
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