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## News

### **Rajah & Tann Asia Wins Multiple Awards, Including Indonesia Law Firm of the Year and Tech Innovation Specialist Award at IFLR Asia-Pacific Awards 2024**

Rajah & Tann Asia ("RTA") has picked up four awards at the International Financial Law Review (IFLR) Asia Pacific Awards 2024, which honour the most innovative and complex legal transactions in the region.

[Assegaf Hamzah & Partners](#), RTA's Indonesia member firm, has secured its fourth consecutive title of "Indonesia Law Firm of the Year", and also brought home the "High Yield Deal of the Year" award for its role in PT Medco Energi Internasional's high yield bond offering.

[Rajah & Tann LCT Lawyers](#) in Vietnam has clinched the "Equity Deal of the Year" award for its role in the initial public offering (IPO) of J&T Express, the leading e-commerce delivery company in Vietnam.

[Rajah & Tann Technologies](#), the legaltech arm of RTA, was recognised with the "Tech Innovation Specialist" award for its automated anti-money laundering ("AML") screening platform for property developers. The platform enables property developers to conduct AML checks on prospective buyers in a fast, secure and cost-effective manner to comply with Singapore's new AML rules.

Click [here](#) to read our Press Release.

### **Rajah & Tann Wins FinTech & Digital Assets Law Firm of the Year at Asia Legal Awards**

Rajah & Tann Singapore has been named FinTech and Digital Assets Law Firm of the Year by ALM at the Asia Legal Awards, reaffirming its leadership position in this rapidly growing industry.

Our Fintech practice comprises leading cross-sector specialists who are known for tackling novel financial products and service offerings by seamlessly blending legal and technical knowhow to comprehensively address the new and rising demands for Fintech-related matters. This award is a testament of our undisputed position in the market, making us the firm of choice for both established players as well as start-ups seeking bespoke solutions for their innovative products and technologies.

Organised by Law.com International, the annual Asia Legal Awards honour the most outstanding firms and legal practitioners in Asia.

Click [here](#) to read our Press Release.

## LegisBytes

### Capital Markets

#### Large SGX-Listed Issuers to Take Lead to Reduce AGM Crunch, "Guide on Best Practices for Shareholder Meetings of Listed Companies" Updated

Many Singapore Exchange Securities Trading Limited ("SGX-ST") listed issuers have their financial year-end in December, and the peak period in which issuers schedule their annual general meeting ("AGMs") typically is the second half of April (two weeks preceding the deadline in April for holding of AGMs). The ability of investors holding shares in multiple issuers to attend AGMs may be curtailed during this period.

On 26 March 2024, the Singapore Exchange Regulation ("SGX RegCo") published the Regulator's Column requiring SGX-ST issuers with a larger shareholder base and market capitalisation, such as those that are constituents in the Straits Times Index ("large issuers") to take the lead to coordinate and avoid having their AGMs clash with another large issuer, to address the issue of AGM clustering.

Issuers must provide shareholders with the opportunity to participate effectively in, and vote at, general meetings. This is a principle under the Code of Corporate Governance. Issuers must also use their best endeavours to avoid scheduling general meetings during peak periods. This is provided under the accompanying Practice Guidance to the Code of Corporate Governance.

In line with this, SGX RegCo, together with the Securities Investors Association (Singapore) and the Singapore Institute of Directors, have also published the second edition of the Guide on Best Practices for Shareholder Meetings of Listed Companies.

SGX RegCo hopes to address the issue of AGM clustering during peak periods and sets out its expectations as follows.

#### Next Steps

- (a) SGX RegCo will maintain a calendar of AGMs of large issuers. **Large issuers will be requested to submit their proposed date and time period of their upcoming AGMs to SGX RegCo.** If a large issuer (first issuer) has already scheduled an AGM on the same date and time period, and earlier notified SGX RegCo, then the second issuer has to select another date or time period. SGX RegCo states that this scheduling exercise will be done with ample notice to issuers so that they have sufficient time to make plans, such as ensuring directors' availability for the AGM as well as procuring meeting venues.
- (b) SGX RegCo will separately reach out to identified issuers to provide more details on the arrangement. **All identified issuers, in particular their board chairpersons, are expected to make early preparations for AGMs and work with SGX RegCo to avoid AGM clustering.**

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- (c) SGX RegCo will periodically review the implementation of these arrangements. If AGM clustering of large issuers persists, SGX RegCo may implement more prescriptive requirements.

Click on the following links for more information (available on the SGX Group website at [www.sgxgroup.com](http://www.sgxgroup.com)):

- [Regulator's Column: SGX RegCo requires large issuers to take lead to reduce AGM crunch](#)
- [SGX RegCo-SIAS-SID Guide on Best Practices for Shareholder Meetings of Listed Companies](#)

### Key Legislative Changes to Align Regulatory Regimes for BTs with Companies and REITs from 12 March 2024

The Business Trusts (Amendment) Act 2022 ("**Amendment Act**") contains changes to the Business Trusts Act 2004 ("**BTA**") which governs the registration and regulation of registered business trusts ("**BTs**"). The Amendment Act introduces changes to amend the BTA to align with certain corresponding provisions in the Companies Act 1967 to improve the regulatory regime for BTs, namely: (i) boost transparency and corporate governance; (ii) enhance the rights of unitholders; and (iii) facilitate the conduct of business and ease compliance. In addition, there are also amendments to strengthen regulatory safeguards for registered BTs, as well as those to streamline and clarify regulatory requirements.

The Monetary Authority of Singapore ("**MAS**") stated that changes under the Amendment Act will be implemented in two phases. Phase 1 amendments came into effect on 12 March 2024, while phase 2 amendments will be implemented concurrently with supporting subsidiary legislation. MAS intends to consult on supporting legislation for phase 2 amendments in Q2 2024, targeting implementation in Q4 2024.

Below is a snapshot of key amendments to the BTA that came into force on 12 March 2024.

- (a) **Requiring, in addition to the director of the trustee-manager ("TM") of a registered BT, the chief executive officer ("CEO") to disclose his or her interests in transactions or proposed transactions.**
- (b) **Rights of unitholders and general meetings.** Changes include: (i) expanding the scope of statutory derivative actions to include arbitration; (ii) providing the court, in relation to certain applications for winding up a registered BT, with the ability to order a buy-out of the registered BT in lieu of winding up; and (iii) lowering the threshold requirement for demanding a poll from 10% to 5% of the total voting rights of all the unitholders having the right to vote at the meeting.
- (c) **Governance and right of compulsory acquisitions.** Changes include: (i) prohibiting the improper use of position by an officer or an agent of the TM of a registered BT; and (ii) clarifying that, in the event of a takeover, individuals may exercise their right to compulsorily acquire units held by dissenting unitholders.
- (d) **Lower threshold to remove TM of a registered BT** from approval by unitholders holding no less than three-fourths of the voting rights to a

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simple majority (similar to the removal of a real estate investment trusts (REIT) manager).

For more information, click [here](#) to read our Legal Update.

### **Mandatory Climate Reporting for Listed Issuers from FY 2025, and Large Non-Listed Companies to Follow from FY 2027**

On 28 February 2024, the Accounting and Corporate Regulatory Authority ("ACRA") and the Singapore Exchange Regulation ("SGX RegCo") announced details of mandatory climate-related disclosure ("CRD") for: (i) issuers listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") ("listed issuers") from financial year ("FY") 2025; and (ii) large non-listed companies limited by shares with annual revenue of at least S\$1 billion and total assets of at least S\$500 million ("Large NLCos") (unless exempted) from FY 2027, as part of a finalised climate reporting and assurance implementation roadmap set out in the Response paper (available [here](#)). This follows from consultations on the recommendations from the Sustainability Reporting Advisory Committee. SGX RegCo separately conducted a public consultation on its proposals on the amendments to the listing rules of the SGX-ST ("Listing Rules") to implement the above recommendations, as set out in its Consultation Paper on "[Sustainability Reporting: Enhancing Consistency and Comparability](#)" issued on 7 March 2024. The consultation closed on 5 April 2024.

#### Listed Issuers

- (a) From financial year FY 2025: Report International Sustainability Standards Board ("ISSB")-aligned CRD aligned with the ISSB standards as applicable, including Scope 1 & 2 greenhouse gas ("GHG") emissions and reliefs given.
- (b) From FY 2026: Report on applicable categories of Scope 3 GHG emissions.
- (c) From FY 2027: Obtain external limited assurance for Scope 1 & 2 GHG emissions.

#### Large NLCos

- (a) From FY 2025: Subject to exemptions, report ISSB-aligned CRD, including Scope 1 & 2 GHG emissions and reliefs given.
- (b) From FY 2029: Obtain external limited assurance for Scope 1 & 2 GHG emissions (unless the Large NLCo is already exempted from reporting).
- (c) No earlier than FY 2029: Report Scope 3 GHG emissions. ACRA will determine the exact timing after reviewing the reporting experience of listed issuers and will provide at least two years' notice for preparation.

ACRA and SGX RegCo will conduct a review around 2027 to consider whether the mandatory climate reporting should be expanded to other NLCos by around FY 2030.

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The reporting and circulation of CRD will follow existing reporting and filing timelines for financial statements in the Companies Act 1967 (including the mechanism for extension of time).

The existing legal requirements related to financial reporting will be imposed on climate reporting, except for internal controls that should be encouraged.

For more information, click [here](#) to read our Legal Update.

### SGX RegCo Seeks Feedback on Enhancing Listing Rules on Restructuring and Trading Resumption Processes for SGX ListCos

From 23 February 2024 to 22 March 2024, the Singapore Exchange Regulation ("**SGX RegCo**") sought comments on its proposed changes to the SGX-ST Listing Rules (Mainboard) and SGX-ST Listing Rules (Catalist) (collectively, "**Listing Rules**"). The proposed changes are to (i) clarify the obligations of issuers listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**issuers**") undergoing the corporate restructuring process under the Insolvency, Restructuring and Dissolution Act 2018 of Singapore ("**IRDA**"), and (ii) streamline the application process for trading resumption by suspended issuers. Key proposed changes include:

- (a) An issuer facing financial pressures ("**Financially Distressed Issuer**") must make an immediate announcement if it (or any of its subsidiaries) is undergoing a court-supervised moratorium proceeding involving a compromise or arrangement between the issuer (or any of its subsidiaries) and its creditors ("**Moratorium**").
- (b) Subject to the overriding obligation to disclose material updates, that in certain specified instances, a Financially Distressed Issuer is to make quarterly updates instead of monthly updates on its financial situation.
- (c) Not requiring a Financially Distressed Issuer under Moratorium pursuant to the IRDA or the Companies Act 1967 to announce its quarterly financial statements, and instead only announce its first half financial statements.
- (d) Shareholders' approval for a disposal of assets by the issuer or its significant subsidiary under Chapter 10 of the SGX-ST Listing Rules will not apply, where it is undertaken as part of judicial management or liquidation of the issuer (or its significant subsidiary) under the IRDA.
- (e) The trading of the listed securities of an issuer may be suspended if (i) the issuer or its significant subsidiary is seeking judicial management by way of a creditors' resolution under the IRDA, or (ii) the issuer is a Financially Distressed Issuer under Moratorium.
- (f) The Financially Distressed Issuer may, ahead of filing its application with the court, write in to SGX RegCo to seek exemption from trading suspension in certain exceptional circumstances, for instance, where the issuer has worked out a compromise or an arrangement with its creditors or any class of those creditors in a short span of time.

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- (g) Apply the trading resumption process under Rule 1304 of the Listing Rules to suspensions for all reasons (other than insufficient public float or lack of a continuing sponsor).

For more information, click [here](#) to read our Legal Update.

### **Competition & Antitrust**

#### **Business Collaborations for the Greener Good: CCCS Issues Environmental Sustainability Collaboration Guidance Note**

Competition benefits consumers. However, there may be instances where business competitors need to collaborate for the greater, or greener, good. Seeking to achieve net-zero emissions by 2050 under the Singapore Green Plan 2030, Singapore has embarked on a whole-of-nation sustainability movement. The Competition and Consumer Commission of Singapore ("**CCCS**") recognises that the sustainability movement may involve business competitors engaging in various forms of collaborations in existing, emerging or new markets in pursuit of environmental sustainability objectives.

On 1 March 2024, CCCS issued its Guidance Note on Business Collaborations Pursuing Environmental Sustainability Objectives, otherwise known as the Environmental Sustainability Collaboration Guidance Note ("**ESCGN**"), which provides additional guidance on the application of Section 34 of the Competition Act 2004 ("**Competition Act**") to business collaborations in the context of environmental sustainability initiatives. The ESCGN should be read together with CCCS's [Guidelines on the Section 34 Prohibition](#) and [Business Collaboration Guidance Note](#).

In the context of the ESCGN, the phrase "environmental sustainability objectives" encompasses objectives related to reducing negative environmental externalities such as climate change mitigation measures, improving air and water quality, efficient use of natural resources and biodiversity preservation. However, CCCS warns that environmental sustainability goals must not be used as a facade for anti-competitive conduct.

The ESCGN provides guidance as to:

- (a) **Collaborations pursuing environmental sustainability objectives that are unlikely to raise competition concerns.** These are collaborations, among others, that do not affect how businesses compete with each other or where businesses are unable to carry out the activities independently.
- (b) **Conditions under which competition concerns are less likely to arise.** The ESCGN details specific examples of common types of business collaborations and the conditions under which competition concerns are less likely to arise.
- (c) **Collaborations with a higher risk of competition concerns arising.** Such collaborations include collaborations that restrict competition by object.
- (d) **The applicability of the Net Economic Benefit exclusion** under the Third Schedule of the Competition Act.

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Should CCCS take any enforcement action in connection with a collaboration pursuing environmental sustainability objectives, CCCS will take into consideration the extent that the businesses incorporated the ESCGN's guidance in the design and implementation of their collaboration.

For more information, click [here](#) to read our Legal Update.

### **Corporate Commercial**

## **Significant Investments Review Act 2024 Takes Effect on 28 March 2024**

On 28 March 2024, the Significant Investments Review Act 2024 ("**Act**") and subsidiary legislation under the Act, the Significant Investments Review Regulations 2024 and Significant Investments Review (Reviewing Tribunal) Rules 2024, came into force.

The Act sets out a new investment management regime that applies to both local and foreign investors, for entities that are critical to Singapore's national security interests.

The term "national security" is not defined within the Act; however, Minister for Trade and Industry Gan Kim Yong clarified in Parliament that national security will cover areas critical to Singapore's sovereignty and security, including its economic security and the continued delivery of essential services.

Salient aspects of the Act are briefly summarised below.

### Provisions which Apply Only to Designated Entities

Entities that are critical to the national security interests of Singapore but are not caught by the existing sectoral legislation may be designated under the Act ("**Designated Entities**").

Designated Entities will be subject to, among others, the following ownership and control requirements:

- (a) A person who becomes a 5% controller of the Designated Entity must notify the Minister for Trade and Industry ("**Minister**").
- (b) A person must seek the Minister's approval before becoming a 12%, 25%, or 50% controller, an indirect controller, or acquiring as a going concern (parts of) the business or undertaking of the Designated Entity.
- (c) A person who intends to sell his/her stakes in the Designated Entity which would result in him/her ceasing to be a 50% or 75% controller of the Designated Entity must seek the Minister's approval before doing so.
- (d) Designated Entities must seek approval for the appointment of key personnel.
- (e) Designated Entities must not, among others, be voluntarily wound up or dissolved without the Minister's consent.

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The requirements do not apply retrospectively, but to new transactions or control changes after designation of the entity. Transactions that occur without the necessary approvals will be rendered void.

Approvals Practice, and [here](#) for our Partners in Competition & Antitrust and Trade Practice.

Entities that are being considered for designation have been contacted by the Ministry of Trade and Industry ("MTI"). Entities that are to be designated will be issued a Designation Order and their designation status will be notified in the Government Gazette and listed on the [Office of Significant Investments Review website](#). Designated Entities will remain designated until the designation is cancelled.

### Entities that have Acted Against Singapore's National Security Interests

The Act also allows for "call-in" powers. The Minister can review ownership or control transactions involving an entity, even if the entity has not been designated, when two conditions are satisfied: (i) the entity has acted against Singapore's national security interests; and (ii) the ownership or control transaction occurred within the two-year period prior to the act against national security.

### Reconsideration, Appeals and Assistance

Parties may submit a reconsideration application against decisions by the Minister. The reconsideration application must be submitted within 14 calendar days of the decision.

If parties wish to appeal against the Minister's reconsideration decision, they may submit an appeal to an independent Reviewing Tribunal. The appeal must be submitted within 30 calendar days of the reconsideration decision.

An [Office of Significant Investments Review](#) has been set up under MTI as a dedicated one-stop touchpoint to engage affected stakeholders and provide them with guidance and clarifications.

Click on the following links for more information:

Available on the Singapore Statutes Online website at [www.sso.agc.gov.sg](http://www.sso.agc.gov.sg):

- [Significant Investments Review Act 2024](#)
- [Significant Investments Review Regulations 2024](#)
- [Significant Investments Review \(Reviewing Tribunal\) Rules 2024](#)

Available on the MTI website at [www.mti.gov.sg](http://www.mti.gov.sg):

- [Speech by Minister Gan Kim Yong during the Round-Up Speech for the Significant Investments Review Bill](#)

Rajah & Tann publications:

- [November 2023 Rajah & Tann Legal Update titled "Significant Investments Review Bill Tabled in Parliament - New Investment Management Regime for Entities Critical to Singapore"](#)
- [December 2022-January 2024 Rajah & Tann NewsBytes article titled "Passing of Significant Investments Review Bill – Updating of Singapore's Investment Management Tool Kit" \(page 14\)](#)

### Consultation on Amendments to Enhance Beneficial Ownership Transparency and Regulatory Regime for Corporate Service Providers

From 12 March 2024 to 25 March 2024, the Ministry of Finance ("MOF") and the Accounting and Corporate Regulatory Authority ("ACRA") jointly issued a consultation on the following draft bills:

- (a) The draft Companies and Limited Liability Partnerships (Miscellaneous Amendments) Bill ("**Draft CLLPMA Bill**"), which seeks to enhance the transparency of beneficial ownership of companies and limited liability partnerships ("**LLPs**"); and
- (b) The new draft Corporate Service Providers Bill ("**Draft CSP Bill**"), which seeks to enhance the regulatory regime for the Corporate Service Providers ("**CSPs**") sector.

The key proposed changes in the Draft CLLPMA Bill are as follows:

- (a) **Change in definition of "Nominee Shareholders"**. The definition of "nominee shareholders" under the Companies Act will be broadened to align with the Financial Action Task Force's updated definition of "nominee shareholders".
- (b) **Register of nominee directors/shareholders**. Companies and foreign companies will be required to file all information kept in their register of nominee directors and register of nominee shareholders with ACRA. The nominee status of a nominee director/shareholder will be made publicly available.
- (c) **Breaches relating to company registers**. The proposed amendments will introduce new obligations and increase fines for existing breaches relating to company registers.
- (d) **Foreign companies**. Foreign companies will also be subject to the requirement to maintain a register of nominee directors.
- (e) **Change in timeline**. Companies and LLPs will be required to keep a register of registrable controllers starting on the date of incorporation or registration.

The key proposed changes in the Draft CSP Bill are as follows:

- (a) **Registration of CSPs**. All business entities that carry on a business in Singapore of providing any corporate service must be registered with ACRA as a registered CSP even if they do not file transactions on behalf of their customers with ACRA.
- (b) **Extension of risk obligations**. All registered CSPs will be required to comply with requirements for detecting and preventing the financing of proliferation of weapons of mass destruction, in addition to requirements for detecting and preventing money laundering and terrorism financing (collectively, "**AML/CFT/PF requirements**").
- (c) **Criminal liability for CSPs and senior management**. Registered CSPs will be subject to criminal liability for breaches of their AML/CFT/PF requirements, as will their senior management for failure

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to ensure that the registered CSP complies with its AML/CFT/PF requirements.

- (d) **Requirements for nominee directors.** A person will only be able to act as a nominee director of a company if the appointment is arranged by a registered CSP. Further, a registered CSP must not arrange for a person to act as a nominee director of a company unless he is satisfied that the person is fit and proper.

For more information, click [here](#) to read our Legal Update.

### **ACRA Consults on Draft Bill to Enhance Data Privacy, Facilitate Digital Communications with ACRA, Streamline Foreign Companies' Financial Reporting Requirements**

On 5 March 2024, the Ministry of Finance and the Accounting and Corporate Regulatory Authority ("ACRA") jointly issued the Consultation Paper on "Proposed Legislative Amendments Relating to Digital Communications and Regulatory Enhancements" to seek comments on the draft ACRA (Registry and Regulatory Enhancements) Bill ("Bill"). The Bill aims to enhance data privacy and digitalisation, and streamline the corporate regulatory regime. The consultation ended on 18 March 2024.

The Bill will amend the Companies Act 1967 ("CA") and the Accounting and Corporate Regulatory Authority Act 2004 to introduce the following key changes:

- (a) Digitalisation of communications, for instance, enabling ACRA to send correspondences and notice (other than summonses) to a secure digital mailbox in BizFile+;
- (b) Data collection to facilitate Government-to-Business digital correspondence, for instance empowering ACRA to draw data from specified government agencies for the purpose of filing a transaction;
- (c) Enhancing data privacy by introducing a tiered disclosure framework to calibrate the disclosure of data that is filed with or collected by ACRA; and
- (d) Streamlining financial reporting requirements for foreign companies.

Additionally, ACRA has also indicated it will proceed with its proposal to exempt non-listed companies from the requirement to disclose directors' interests in securities by providing a class exemption order under section 202(2) of the CA.

For more information, click [here](#) to read our Legal Update.

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### Employment

#### Updates to Foreign Workforce Policies: Changes to EP Qualifying Salary, Local Qualifying Salary, and Marine Shipyard Sector Policies

On 4 March 2024, the Ministry of Manpower ("MOM") announced updates to its foreign workforce policies as set out below:

- (a) Increase in the Employment Pass ("EP") qualifying salary;
- (b) Raising of the Local Qualifying Salary ("LQS"); and
- (c) For the Marine Shipyard sector:
  - Reducing the Dependency Ratio Ceiling ("DRC"); and
  - Increasing the levy payable for each Work Permit Holder ("WPH").

##### Increase in EP Qualifying Salary

The EP qualifying salary is benchmarked to the wages of the top one-third of local PMETs (Professionals, Managers, Executives, Technicians). As local PMET wages have increased, the EP qualifying salary is likewise being increased to ensure a level playing field for local employees.

Accordingly, the qualifying salary will be updated as follows:

- (a) All sectors except the financial services sector: increased from S\$5,000 to S\$5,600 per month, up to S\$10,700 for a candidate in his mid-40s.
- (b) Financial services sector: increased from S\$5,500 to S\$6,200 per month, going up to S\$11,800 for a candidate in his mid-40s. This is in light of the higher wage norms for this sector.

The above will take effect from 1 January 2025 for new EP applications and 1 January 2026 for renewal EP applications.

##### Raising of LQS

Firms hiring foreign workers must pay all local workers at least the LQS or the Progressive Wage Model wages, where applicable.

As first outlined in the Budget Statement 2024, the LQS will be raised as follows:

- (a) For full-time local workers: at least S\$1,600 per month.
- (b) For part-time local workers: at least S\$10.50 per hour.

The computation of a firm's foreign worker quota will correspondingly be adjusted as follows:

- (a) One local workforce count per local worker paid at least S\$1,600 a month; or
- (b) 0.5 local workforce count per local worker paid at least S\$800 but less than S\$1,600 a month.

The above will take effect on 1 July 2024.

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Marine Shipyard Sector

To encourage the marine and offshore engineering sector to pivot to higher-skilled, higher-value activities and reduce its reliance on foreign manpower, MOM will implement the following changes.

*Reduction of DRC from 77.8% to 75%*

The DRC will be reduced from 77.8% to 75%. In other words, a firm must have a ratio of one local employee to three WPHs, instead of 3.5 WPHs.

Firms exceeding the new DRC will be allowed to retain their existing WPHs and S Pass holders until their work passes expire. However, they will not be able to renew or apply for new WPHs and S Pass holders until they are within the new DRC.

*Increase of levy payable for each WPH*

- (a) For "Basic Skilled" R2 WPHs: increased from S\$400 to S\$500.
- (b) For "Higher Skilled" R1 WPHs: increased from S\$300 to S\$350.

Both the above changes will take effect on 1 January 2026 for all WPHs, including existing WPHs.

Click on the following links for more information (first two sources available on the MOM website at [www.mom.gov.sg](http://www.mom.gov.sg)):

- [MOM Press Release titled "Committee of Supply 2024: Foreign Workforce Policy Announcements"](#)
- [Speech by Minister for Manpower Dr Tan See Leng at Committee of Supply 2024](#)
- [Speech by Minister Gan Kim Yong at MTI's Committee of Supply Debate 2024](#) (available on the Ministry of Trade and Industry website at [www.mti.gov.sg](http://www.mti.gov.sg))

**Raising of Retirement and Re-employment Ages in 2026**

On 4 March 2024, the Ministry of Manpower ("MOM") announced the next increment in the retirement and re-employment ages effective in 2026.

As background, the Retirement and Re-employment Act 1993 provides certain protections for eligible senior workers who are Singapore citizens and permanent residents. To better support senior workers, the Government is implementing a progressive increase of the retirement and re-employment ages, as set out below.

	Retirement Age	Re-employment Age
<b>Impact</b>	Eligible senior workers are protected from age-related dismissal up until the retirement age.	Employers are required to offer re-employment to eligible senior workers up until the re-employment age.
<b>As of 2022</b>	63 years of age	68 years of age
<b>To be implemented in 2026</b>	64 years of age	69 years of age

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<b>Target goal by 2030</b>	65 years of age	70 years of age
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The increase in retirement and re-employment ages is announced ahead of time to allow employers to pivot effectively, such as making adjustments to their manpower and upskilling plans to retain their senior workers. Various grants are also available, such as the:

- (a) Part-Time Re-employment Grant, which provides support for flexible work options for senior workers; and
- (b) Senior Employment Credit, which provides wage offsets to employers of Singaporean workers aged 60 and above.

Click on the following link for more information:

- [Speech by Minister of State for Manpower Ms Gan Siow Huang at Committee of Supply 2024](#) (available on the MOM website at [www.mom.gov.sg](http://www.mom.gov.sg))

### Family Law

#### Validation of Electronic Record of Lasting Power of Attorney

The Mental Capacity (Amendment) Bill ("**Bill**") was introduced in Parliament on 6 March 2024, and had its second reading on 2 April 2024. The Bill seeks to amend the Mental Capacity Act 2008 ("**MCA**") to provide that a lasting power of attorney ("**LPA**") in the form of an electronic record is not invalid as a deed by reason only that it does not clearly state on its face that it is intended to be a deed by the donor. This is provided that the instrument was made using the electronic transaction system of the Office of the Public Guardian in compliance with the other applicable requirements, and was made between 14 November 2022 and 4 January 2024.

The Bill also provides that no legal proceedings may be instituted on or after 6 March 2024 in any court on the basis that the missing statement affects the validity of the electronic LPA in question.

The proposed amendment is intended to address the fact that about 87,000 electronic LPAs were found to be lacking an explicit statement that they are deeds, which is currently a requirement under Section 12(1)(a) of the MCA. The Ministry of Social and Family Development ("**MSF**") has stated that these LPAs are still legally valid. The Bill has, however, been introduced to retroactively validate the LPAs and avoid the possibility of any legal challenges due to the omission of the statement of deed. There is no impact to LPAs made through the hard copy process as that bears the statement that the LPA is signed, sealed and delivered as a deed.

Click on the following link for more information:

- [MSF Press Release titled "Amendments to the Mental Capacity Act to Ensure Validity of Lasting Powers of Attorney Made Electronically"](#) (available on the MSF website at [www.msf.gov.sg](http://www.msf.gov.sg))

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### *Financial Institutions*

#### **AML/CFT Industry Partnership Publishes Industry Perspectives on Best Practices – Leveraging on Data Analytics and Machine Learning Methods for AML/CFT**

The AML/CFT Industry Partnership, led by the Association of Banks in Singapore ("**ABS**"), has published the Industry Perspectives on Best Practices - Leveraging on Data Analytics and Machine Learning Methods for AML/CFT ("**Paper**"). The Paper is a follow-up to the 2018 Data Analytics Industry Perspectives Paper, which provided an industry overview of the data analytics solutions adopted by Financial Institutions ("**FIs**"). This new Paper updates the industry on the successful implementations of data analytics solutions and aims to inspire FIs into expanding their usage of such solutions.

The Paper discusses how FIs based in Singapore have adopted data analytics to improve their control effectiveness and operational efficiency in detecting and preventing financial crime. It reviews enhancements since the publication of the first paper and discusses emerging techniques and capabilities that are being developed. The Paper shares insights and experiences of member banks, seeking to help FIs gain a broader perspective of the future directions in fighting financial crime. The Paper does not seek to set recommended minimum standards, but to provide awareness and possible directions for FIs to consider in the adoption of data analytics.

The key features of the Paper are as follows:

- (a) **Current landscape.** The Paper covers the current landscape of financial crime and shares insights on the core foundational pillars supporting the successful implementation of data analytics solutions. This is followed by a section on how FIs have leveraged data analytics at a macro and network level, converging into the outcomes of customer and transaction multi-level risk surveillance. The Paper then delves into the use of technology and data analytics to combat six different prioritised financial crime risk types identified for Singapore.
- (b) **Looking ahead.** The Paper discusses upcoming trends and the considerations for the next generation's data infrastructure, exploring the advanced analytics deployed by member banks in different areas to stay ahead of financial crime. Finally, the Paper discusses Collaborative Sharing of Money Laundering/Terrorism Financing Information and Cases (COSMIC), a digital information-sharing platform for anti-money laundering and countering the financing of terrorism (AML/CFT) which is being developed by the Monetary Authority of Singapore.

Click on the following link for more information:

- [Industry Perspectives on Best Practices - Leveraging on Data Analytics and Machine Learning Methods for AML/CFT](#) (available on the ABS website at [www.abs.org.sg](http://www.abs.org.sg))

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### SGX RegCo Seeks Feedback on Revising Limits on Clearing Members' Liability for Multiple Defaults

On 22 March 2024, the Singapore Exchange Regulation Pte. Ltd. ("SGX RegCo") issued a Consultation Paper on its proposals to revise existing limits on the liability of clearing members to meet default losses, particularly where losses arise from multiple events of default ("**multiple defaults**"). The proposed changes aim to provide certainty to clearing members on their potential exposures when multiple defaults occur, and maintain systemic stability in periods of extreme market stress. The consultation period ends 24 April 2024.

#### Background and Current Rules

The clearing members of the Central Depository (Pte) Limited ("CDP") and the Singapore Exchange Derivatives Clearing Limited ("SGX-DC") (each a "SGX CCP") contribute to a clearing fund maintained by the SGX CCP. When losses arise from default, the clearing fund will be applied to mutualise losses among the SGX CCP and its non-defaulting members.

Currently, a non-defaulting clearing member has to meet losses arising from an event of default so long as it remains a clearing member of CDP and SGX-DC, respectively. This is provided under the CDP Clearing Rules and the SGX-DC Clearing Rules. This obligation is subject to two limits which apply in different conditions: (i) to a single event of default; and (ii) multiple defaults and is conditional upon a clearing member's resignation. If multiple defaults happen in quick succession, a non-defaulting clearing member may be at risk of exposure to significant default losses. This may prompt the non-defaulting member to resign to limit its exposure to such losses.

#### Key Proposals

SGX RegCo proposed to revise the limit for a clearing member to be: (i) independent of the clearing member's resignation; and (ii) capped, for all defaults occurring within a 30-day period, at three times the aggregate of that clearing member's funded and unfunded clearing fund contribution amounts (Prescribed Contributions) as determined at the start of the 30-day period.

Consequential amendments to effect these changes are proposed to be made to the CDP Clearing Rules and the SGX-DC Clearing Rules.

Click on the following links for details of the proposals and changes to the Rules (available on the SGX Group website at [www.sgxgroup.com](http://www.sgxgroup.com)):

- [Consultation Paper on Revised Limit on Clearing Members' Liability for Multiple Defaults](#)
- [Appendix A - Proposed amendments to the CDP Clearing Rules](#)
- [Appendix B - Proposed amendments to the SGX-DC Clearing Rules](#)

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### *Insurance & Reinsurance*

#### **MAS Issues Response to its Proposed Changes to Enhance Regulation of Insurers and Insurance Intermediaries**

On 20 March 2024, the Monetary Authority of Singapore ("MAS") issued Circular No. ID 05/24 on its Response to feedback ("**Response**") received on the Consultation Paper on Amendments to the Insurance Act 1966 ("**IA**") and the Insurance (Intermediaries) Regulations ("**IIR**") ("**Consultation Paper**"). The Consultation Paper contains MAS' proposals to amend the IA and IIR to: (i) enhance MAS' supervisory powers by, among other things, introducing an anti-commingling policy for licensed insurers and registered insurance brokers; (ii) clarify MAS' existing policy intent; (iii) align with other IA provisions or other MAS-administered Acts; and (iv) reflect changes in policy intent. MAS also proposed amending the IIR to align the regulations governing insurance brokers with other MAS-administered regulations, namely to require registered insurance brokers to: (i) notify MAS of material adverse developments, and (ii) put in place the appropriate compliance, risk management and internal controls.

Key proposed changes include:

- (a) **Anti-commingling policy on permissible businesses.** MAS clarified that the proposed anti-commingling policy will apply to all licensed insurers. MAS will consult on the types of non-insurance businesses to be included in the proposed list of prescribed businesses, and examples on what business is "incidental to insurance business" in its next consultation paper. Anti-commingling requirements proposed for licensed insurers will not be imposed on registered insurance brokers.
- (b) **Circumstances where the sharing of name, logo or trademark of licensed insurer requires MAS approval.** MAS explained the treatment for locally-owned insurers and foreign-owner insurers. Insurers will have a one year transition period from the effective date of the IA amendments to seek MAS' approval where required.
- (c) **Strengthening MAS' oversight of insurers' outsourcing arrangement.** MAS proposed issuing an Outsourcing Notice to define a set of minimum standards for outsourcing management and provide for specific requirements. Outsourcing requirements will also apply to material intra-group arrangements of the insurer in Singapore.
- (d) **MAS' powers to require insurers to restate their insurance funds for participating ("Par") and investment-linked ("IL") policies** will be confined to circumstances where there had been a breach of MAS' requirements.
- (e) **Requirement for reinsurers to establish and maintain separate insurance funds for IL Policies, Par Policies and Non-Par Policies, where appropriate.**
- (f) **Revision to the definition of marine mutual insurance business.**
- (g) **Revisions to align with other provisions in the IA or other MAS-administered Acts** on the penalty amount for contravening

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submission of return requirements, the scope of penalty provisions to apply to all documents lodged or information submitted to MAS, and requiring insurers and registered insurance brokers to notify MAS if any of their chairpersons, directors and key executive persons are no longer fit and proper.

- (h) **Limit on term of a key executive person's appointment.** MAS will consult on subsidiary legislation to implement this.
- (i) **Giving MAS power to remove an executive officer who is not fit and proper, and including additional considerations for the removal of a chairperson, director, key executive person and executive officer.**
- (j) **Expanding the scope of circumstances under which statements made by insurance intermediaries would be deemed false and misleading.**
- (k) **Updating provisions to reflect changes in MAS' policy intent on reinsurance deposit requirement and the nomination of beneficiaries (NOB) framework.**

MAS will hold another public consultation on the amendments in the proposed Insurance (Amendment) Bill and proposed amendments to the IIR. To read more, refer to the Consultation Paper ([here](#)) and Response ([here](#)). Read more about the proposals in the Consultation Paper in our earlier Legal Update [here](#).

### Shipping & International Trade

#### Launch of Singapore Geospatial Masterplan (2024-2033)

The Singapore Geospatial Masterplan (2024-2033) ("**Masterplan**") was launched on 6 March 2024 at the Geo Connect Asia 2024 opening ceremony by Mr Edwin Tong, Minister for Culture, Community and Youth, and Second Minister for Law. The Masterplan will enable geospatial-enabled innovations to benefit more segments of society, while addressing the complex challenges Singapore faces as an island-nation. Building on the first masterplan, this second iteration integrates land and marine spatial data development and charts the trajectory of national geospatial development for the next decade across terrestrial and maritime domains, towards the vision of Singapore as "A Leading Global Geospatial Hub".

Spearheaded by the Singapore Land Authority ("**SLA**") and Maritime and Port Authority of Singapore ("**MPA**"), the Master Plan outlines three key strategies for geospatial development over the next decade – Mainstreaming, Deepening Capabilities and Going Global. Under these key pillars, several new strategic partnerships and key initiatives were unveiled.

#### Mainstreaming

- (a) **Pioneering Preventive Healthcare for a Healthier Future.** At the event, two SLA collaborations were signed: (i) with SingHealth Community Hospitals to co-develop a living asset map portal tailored for social prescribing; and (ii) with the Ministry of Health Office for Healthcare Transformation to expand the Digital Local Connect initiative to benefit more neighbourhoods.

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- (b) **Barrier-Free Access Routing Function to Promote Inclusivity.** SLA launched the barrier-free access routing function on OneMap, as an additional mode of wayfinding, in support of the Enabling Master Plan 2030.

### Deepening Capabilities

- (a) **Leveraging Synergies Between Geospatial and Generative AI.** Following the successful launch of the SLA OneMap GPT Challenge in October 2023 to explore ways to incorporate AI technologies for innovative solutions on OneMap, two winning teams revealed their prototypes at the opening event.
- (b) **Using Marine Data to Support Climate Change Protection and Adaptation Planning.** GeoSpace-Sea is an initiative by MPA to integrate and provide access to authoritative and consolidated marine and coastal geospatial data.
- (c) **Driving Geospatial Innovations Across Maritime Domains.** MPA is building capabilities across various domains to establish comprehensive situational awareness of its operating environment to support operations planning and incident management.
- (d) **Education and Training.** SLA is working with key partners to provide more opportunities for mid-career professionals to make the shift into the geospatial technologies and industries.

### Going Global

Singapore has and will continue to exercise thought leadership and participate actively in various international forums and initiatives.

Click on the following links for more information:

- [Opening Address by Minister for Culture, Community and Youth and Second Minister for Law Edwin Tong SC at Geo Connect Asia 2024](#) (available on the Ministry of Law website at [www.mlaw.gov.sg](http://www.mlaw.gov.sg))
- [10-year Singapore Geospatial Master Plan outlines key land and maritime initiatives for geospatial enabled outcomes to improve lives and enable solutions to complex urban challenges](#) (available on the MPA website at [www.mpa.gov.sg](http://www.mpa.gov.sg))

## **Sustainability**

### **NCSS Seeks Feedback on Sustainable Philanthropy Framework**

The National Council of Social Service ("NCSS") has launched a public consultation to seek feedback on the Sustainable Philanthropy Framework ("Framework"). The Framework aims to encourage businesses to adopt a longer-term approach in giving back to society. Developed to articulate the "Social" aspect in the Environmental, Social and Governance ("ESG") goals of businesses, the Framework outlines three ways on how businesses can contribute back to the community:

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- (a) **Giving** – to determine businesses' financial commitment and impact towards philanthropic initiatives;
- (b) **Volunteering** – to aid businesses in evaluating the overall engagement of employee volunteerism; and
- (c) **Socially responsible business practices** – to encourage businesses to go beyond maximising profit and adopt a longer-term approach to drive social impact on the ecosystem.

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The Framework comprises a set of metrics that will help businesses measure and report their contributions to the social service sector and foster sustainable philanthropy. There are two types of metrics: (i) core metrics, which are applicable to all businesses regardless of where they are on their philanthropic journey; and (ii) expanded metrics, which aim to encourage a mindset transformation towards a sustained philanthropic culture. For more details on the core and expanded metrics, as well as the Framework as a whole, please click [here](#).

The Framework is supported by a Playbook, which is designed to guide businesses to deepen their commitment in their corporate philanthropic journey.

The consultation period ended on 5 April 2024.

Click on the following links for more information (available on the NCSS website at [www.ncss.gov.sg](http://www.ncss.gov.sg)):

- [Consultation on the Sustainable Philanthropy Framework](#)
- [NCSS Press Release titled "NCSS Rallies Social Service Agencies and Corporates to Strengthen Partnerships and Fister Sustainable Philanthropy" \(18 July 2023\)](#)

## Tax

### Tax Liability Insurance in Singapore: Benefits, Trends, and Challenges

Tax liability insurance products fully or partially indemnify the insured's tax risks, offering coverage for scenarios such as tax liabilities imposed by tax authorities, defence costs against tax claims, and gross-up taxes on proceeds. This coverage effectively transfers tax liability to the insurance company, providing businesses with financial protection against unexpected tax liabilities.

Compared to America and Europe, the tax liability insurance market in Asia is still nascent, presenting significant growth opportunities. Notable players in the region include India, Singapore, and Australia, where tax liability insurance is readily available.

In this Update, we discuss the benefits and coverage of tax liability insurance, global market trends, and the tax challenges that businesses may face in Singapore. Our Tax team possesses extensive experience in tax insurance, and are well-equipped to advise on any tax challenges you may face.

For more information, click [here](#) to read our Legal Update.

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### Passing of Bill to Clarify Imposition of GST on Government Services

On 2 April 2024, the Goods and Services Tax (Amendment) Bill ("**Bill**") was passed in Parliament. The Bill will amend the Goods and Services Act 1993 to improve clarity on the applicability of goods and services tax ("**GST**") to fees charged by the Government, as well as fees charged by public agencies (collectively, "**Government Fees**").

By way of background, these legislative amendments arose from the discovery of wrongful charging of GST by six agencies, as reported in the Straits Times article titled "[Govt to refund \\$7.5m in GST wrongly collected by 6 agencies over 5 years](#)". To avoid such issues in future, the Government will centralise the assessment of whether GST should be charged, rather than leaving public agencies to perform their own assessments.

The key amendments introduced by the Bill are:

- (a) Clarifying that GST will be charged for all Government Fees, excepting the fees prescribed in a list that will be published end-April 2024 ("**Non-taxable List**"). In essence, fees that are regulatory in nature will not be subject to GST, whereas fees for the provision of services will be subject to GST.
- (b) As fees charged by public agencies are now explicitly subject to GST: Inserting a definition of "public agency", namely any ministry, department or Organ of State of the Government (or public officer thereof), as well as body corporates established by a public Act for public functions. Town Councils are excluded from this definition.
- (c) Deeming all GST imposed previously on Government Fees to have been validly imposed, save for those set out in the Schedule to the Bill.

In practice, more than 100 Government Fees will be newly charged with GST moving forward. These include examination and inspection-related fees. To cushion the impact, the Government will absorb the GST on these fees in the first instance, and impose a freeze on these fees until end-2025.

Click on the following links for more information:

- [Second Reading Speech by Second Minister for Finance, Mr Chee Hong Tat, on the Goods and Services Tax \(Amendment\) Bill, in Parliament, 2 April 2024](#) (available on the Ministry of Finance website at [www.mof.gov.sg](http://www.mof.gov.sg))
- [Full text of the Bill](#) (available on the Singapore Statutes Online website at [sso.agc.gov.sg](http://sso.agc.gov.sg))

### *Technology, Media & Telecommunications*

### PDPC Issues Advisory Guidelines on Use of Personal Data in AI Recommendation and Decision Systems

On 1 March 2024, the Singapore Personal Data Protection Commission ("**PDPC**") published the Advisory Guidelines on the Use of Personal Data in

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AI Recommendation and Decision Systems ("**Guidelines**"). The Guidelines provide:

- (a) Clarity on the use of personal data to train or develop artificial intelligence ("**AI**");
- (b) Guidance on information to be provided to consumers when seeking consent;
- (c) Guidance to third-party developers of bespoke systems that embed machine learning models ("**AI Systems**") who may occupy the role of data intermediaries on their obligations under the Personal Data Protection Act ("**PDPA**"); and
- (d) Guidance on best practices to support businesses in their compliance with the PDPA.

The Guidelines were initially released for public consultation from 18 July 2023 to 31 August 2023. Along with the publication of the finalised Guidelines, PDPA has also issued a response to feedback received at the public consultation, available [here](#).

The Guidelines are organised according to the stages of AI System implementation as follows:

Stage of AI System Implementation	Topics
<b>Development, testing and monitoring:</b> Using personal data for training and testing the AI System, as well as monitoring the performance of AI Systems post deployment.	<ul style="list-style-type: none"> <li>• Consent Obligation</li> <li>• Business Improvement and Research Exceptions</li> <li>• Implementing data protection measures</li> <li>• Anonymisation</li> </ul>
<b>Deployment:</b> Collecting and using personal data in deployed AI Systems (business to consumer or B2C).	<ul style="list-style-type: none"> <li>• Notification and Consent Obligations</li> <li>• Accountability Obligation</li> </ul>
<b>Procurement:</b> AI System or solution provider providing support to organisations implementing the AI System (business to business or B2B).	<ul style="list-style-type: none"> <li>• Notification and Consent Obligations</li> <li>• Accountability Obligation</li> </ul>

Please click on the following link for more information:

- [Advisory Guidelines on the Use of Personal Data in AI Recommendation and Decision Systems](#) (available on the PDPC website at [www.pdpc.gov.sg](http://www.pdpc.gov.sg))

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### Trade

## MSE and SFA Consult on Draft Provisions in Food Safety and Security Bill Concerning (i) Defined Food and Pre-market Approval; and (ii) Provision of Non-packaged Drinking Water

The Ministry of Sustainability and the Environment ("MSE") and the Singapore Food Agency ("SFA") will be introducing the Food Safety and Security Bill ("Bill") which aims to enhance Singapore's food safety and security regime and safeguard food supply resilience. The Bill consolidates food-related legislation from eight existing Acts into a single Act to provide an overarching framework to ensure consistency across the entire food supply chain. These eight existing Acts are the following (i) Animals and Birds Act, (ii) Control of Plants Act, (iii) Environmental Public Health Act; (iv) Feeding Stuffs Act; (v) Fisheries Act; (vi) Sale of Food Act; (vii) Wholesale Meat and Fish Act, and (viii) Price Control Act.

To gather feedback on the proposed provisions in the Bill, MSE and SFA have launched a series of public consultations on the following aspects of the Bill:

- (a) Defined food and pre-market approval;
- (b) Provision of non-packaged drinking water;
- (c) Strengthening resilience of the food supply;
- (d) Certain agri-food production inputs (animal feed and pesticides);
- (e) Import, export and transshipment; and
- (f) Food businesses.

The public consultations covering the first two aspects of the Bill began in March 2024 through the issuance of the consultation papers on (i) [Draft Provisions in the Food Safety and Security Bill – Defined Food and Pre-Market Approval](#); and (ii) [Draft Provisions in the Food Safety and Security Bill – Provision of Non-packaged Drinking Water](#)

#### "Defined food" and Pre-market Approval

The Bill identifies "defined foods" for which SFA has enhanced regulatory interest in, and which requires compliance with prescribed regulatory requirements before their importation into or sale in Singapore. There are three categories of defined foods: (i) novel food; (ii) genetically modified ("GM") food; and (iii) insect-like species as food. Under the Bill, insect-like species that are edible are defined foods until they are declared as "catalogued insect-like species". The catalogued insect-like species are listed in [Annex 1](#) of the consultation paper on Defined Food and Pre-Market Approval.

The Bill stipulates that before making the novel food or GM food available for consumption in Singapore, food companies must seek SFA's pre-market approval. The Bill formalises this requirement to submit an application for pre-market approval. SFA may grant pre-market approval after taking into account several factors including (i) the potential for adverse effects in humans; (ii) the composition or structure of the novel food or GM food; (iii) the process by which the novel food or GM food has been prepared; and (iv) the source from which the novel food or GM food is derived.

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The consultation in relation to these proposed provisions in the Bill closes on 14 May 2024.

### Provision of Non-packaged Drinking Water

The second instalment of the series of public consultations deals with non-packaged drinking water. Packaged drinking water such as bottled water will be regulated as food and will be covered in a separate consultation exercise.

Currently, pursuant to Part 9 of the Environmental Public Health Act ("**EPHA**"), SFA regulates the quality of non-packaged drinking water (e.g. piped drinking water) supplied by Public Utilities Board ("**PUB**"), which is Singapore's National Water Agency, and other water providers. Part 9 of EPHA mandates water providers to ensure that non-packaged drinking water provided in the course of business is wholesome and suitable for drinking. To minimise the likelihood of non-packaged drinking water being unwholesome, water providers must also comply with prescribed duties.

#### *Definition of "drinking water"*

The proposed provisions in the Bill relating to the provision of non-packaged drinking water aims to ensure the safety of drinking water supply in Singapore. They will apply to drinking water producers who carries on drinking water production in the course of business, such as PUB. The provisions incorporate with some modifications the framework set out in Part 9 of the EPHA, which will be repealed.

The Bill defines "drinking water" as that which is intended for human consumption or for purposes connected with human consumption (such as the washing, preparation or cooking of food), but does not include water intended for consumption solely by animals.

#### *Directions to address unwholesome drinking water incidents*

Under the Bill, drinking water is unwholesome unless it (i) conforms with the prescribed requirements concerning the quality, purity and general appearance of drinking water, and (ii) does not, based on a prescribed methodology or assessment, contain "any contaminant, substance or organism, at a concentration or value that constitutes a potential danger to human health".

If SFA is of the view that the drinking water is unwholesome, it may give written directions to the relevant persons/entities to discontinue providing services or take remedial actions to, among others, minimise or control the risks brought about by the drinking water being unwholesome. The relevant person/entities include the (i) proprietor of a food business; (ii) drinking water producer providing drinking water service; (iii) person who supplies drinking water that is obtained from PUB or another drinking water producer; and (iv) person who has a duty to manage common property comprising network infrastructure for the distribution of drinking water. Failure to comply with the directions constitutes an offence.

### What Businesses in the Food and Beverage Business Need to be Thinking About

Whilst the MSE and SFA, in conjunction with other regulatory agencies, may have reached out to several businesses in the industry to privately gather feedback over the months leading up to the issuance of these consultation

papers, it remains important to review the papers carefully and to respond to the submissions. As you do this, whilst these set of consultation papers may not address packaging and the movement of the food and beverage products, it is a no-brainer that the current review must have the full value chain in mind so as not to have gaps which could create unnecessary complexities for businesses.

Our [Trade practice](#) has deep knowledge into the entire life cycle of the food and beverage business from growth to import to sale to consumption, just to highlight some aspects. Do reach out to us for a one-on-one discussion on how the changes here will impact you. Do also proactively respond to the consultation. The consultation for the first set of proposals in the Bill ends on 20 May 2024.

## CaseBytes

### Court of Appeal Determines Complex Questions on Ratification of Contracts

In *Alternative Advisors Investment Pte Ltd v Asidokona Mining Resources Pte Ltd & Anor* [2024] SGCA 3, the Singapore Court of Appeal (comprising Sundaresh Menon CJ, Steven Chong JCA and Belinda Ang JCA) considered an "unusual" and "unique" case with "several layers of complexity" in relation to the doctrine of ratification. The Court of Appeal delved into anterior factual and legal questions on ratification such as: (i) whether a principal can ratify a contract when the alleged agent did not purport to act on its behalf; and (ii) whether the principal has to show that it performed the contract in order to ratify it.

The factual dispute involved a loan agreement with the 1<sup>st</sup> Respondent as the borrower and the putative principal ("SSI") as the lender, purportedly executed by one Mr Wong. The broad questions in this case were (i) whether Mr Wong was authorised by SSI to enter into the agreement; and if not, (ii) whether SSI could validly ratify the agreement.

On the evidence, the Court of Appeal found that SSI had not authorised Mr Wong to enter into the agreement at the time it was executed. The Court of Appeal further held that the agreement could not be validly ratified by SSI as Mr Wong did not purport to be acting on SSI's behalf in entering into the agreement.

In its analysis, the apex court also considered whether SSI needed to provide the loan funds for it to be able to ratify the loan agreement. The Court instructively clarified that a party need not show that it had provided funds for a loan as a precondition to ratify a loan contract. Nevertheless, based on a fact-specific analysis of this case, the purported ratification of the loan agreement here was found invalid as key conditions for ratification (i.e. Mr Wong purporting to act on SSI's behalf) had not been fulfilled. The Court of Appeal held that for the ratification to be valid, there must be some form of nexus between the principal and the act or contract which the principal seeks to ratify. Such nexus is made out by an act of an agent who purported to act on its principal's behalf.

The Court below (i.e. the Appellate Division) ("AD") analysed an especially difficult question of law on whether ratification after litigation was permissible. On appeal, the apex court did not consider this issue and the related question of whether there was a valid cause of action at the start of litigation as it opined

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that the AD did not have the benefit of full arguments on this issue. Nor did the Court of Appeal elucidate on the question of whether ratification could retrospectively validate a cause of action that was void *ab initio* as it was unnecessary and, in any case, not pleaded.

[Gregory Vijayendran, SC](#), assisted by [Lester Chua](#) and Tomoyuki Ban, from the [Commercial Litigation Practice](#), was instructed Counsel for the successful respondents in this appeal.

For more information, click [here](#) to read our Legal Update.

### All that Glitters is Not Gold: Singapore High Court Upholds Arbitral Award, Dismissing Allegations of Bias and Prejudgment

The facts of *DDI v DDJ* [2024] SGHC 68 ("**DDI**") are eye-catching, with a mix of drama-worthy elements – jewellery of uncertain origins, celebrities of uncertain bankability, and a billionaire uncle of uncertain existence. Against this sparkling backdrop, *DDI* poses a serious question: Under what circumstances will an arbitrator's conduct in the arbitration be in breach of the rules of natural justice, such that a court may set aside the arbitral award? Does a robust challenge of an expert's views demonstrate that the arbitrator has usurped the expert's role? Does the arbitrator's asking of leading questions prove that they descended into the arena to elicit evidence to validate their views?

The Singapore High Court ("**Court**") answered these questions in the negative, dismissing the applicant's application to set aside the arbitral award. In doing so, the Court considered the high threshold to be met, emphasising that any breach, even if proven, must have caused actual prejudice to the applicant to sustain a setting-aside application.

The respondents were successfully represented by [Devathas Satianathan](#), Walter Yeo and Sandi Tun of Rajah & Tann Singapore.

For more information, click [here](#) to read the full article on [Arbitration Asia](#), which contains insights from our thought leaders across Asia concerning arbitration and other alternative dispute resolution mechanisms, ranging from legal and case law developments to market updates and many more.

### Conflict in Business Relationships – Determining Oppressive Acts and Breach of Director's Duties

In *Farzin Ratan Karma v Helen Campos & 2 Ors* [2024] SGHC 41, which centred on issues of conflict in business relationships, the Singapore High Court had to determine a claim for commercially unfair and oppressive acts, as well as a counterclaim for breach of fiduciary duties owed as director.

The Plaintiff and the 1<sup>st</sup> Defendant were shareholders in the 2<sup>nd</sup> and 3<sup>rd</sup> Defendant companies. The Plaintiff claimed that the 1<sup>st</sup> Defendant had perpetrated various commercially unfair and oppressive acts against him with regard to the companies. The Court dismissed the Plaintiff's claim, rejecting the following acts as being forms of oppression, and finding that they were not unreasonable or commercially unfair to the Plaintiff:

- (a) The 1<sup>st</sup> Defendant's drawing of salaries;

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- (b) The alleged diversion of business by the 1<sup>st</sup> Defendant to a third-party company; and
- (c) Rights issues that had been conducted in relation to the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants.

The Defendants counterclaimed against the Plaintiff for breach of his fiduciary duties as director of the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants. The Court allowed part of the counterclaim, finding as follows:

- (a) The Plaintiff had breached the no-conflict rule by causing the 2<sup>nd</sup> Defendant to enter into an agreement with his personal company for an employee of the 2<sup>nd</sup> Defendant to do his personal company's work in exchange for a monthly sum, which in fact was not paid for a number of months; and
- (b) The Plaintiff had used his position as the 2<sup>nd</sup> Defendant's bank signatory to incur substantial personal expenses.

The Defendants were successfully represented by [Vikram Nair](#) and Ashwin Kumar Menon from the [Commercial Litigation Practice](#).

### Judicial Management Applications – Determining Who is a Creditor and Their Standing to Oppose a Nomination

In *Logistics Construction Pte Ltd* [2024] SGHC 58, the Singapore High Court considered whether a company should be placed under judicial management and whether the judicial manager nominated by the company should be appointed. In particular, the Court examined the standing of a contingent creditor to object to the nomination of a judicial manager, and the operation of the provision allowing a majority of creditors to make such opposition.

The applicant applied to be placed under judicial management pursuant to a court order made under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) ("IRDA"). The applicant also nominated one Ms Tan to be appointed as the judicial manager. However, Buildforms, which the applicant claimed to be a disputed creditor, opposed the nomination of Ms Tan. The Court allowed the applicant's application to be placed under judicial management, and for Ms Tan to be its judicial manager.

Notably, the Court considered section 91(3) of the IRDA, which provides the specific procedure for the appointment of a judicial manager. It provides that the Court may reject the nomination of the applicant and appoint another person in place of the applicant's nominee, and that a majority in number and value of the creditors (including contingent or prospective creditors) may be heard in opposition to the nomination (section 91(3)(d)).

The Court considered two interpretations of "the majority" in the requirement in section 91(3)(d), and was of the view that "the majority" must be determined by reference to all of the applicant's creditors, as opposed to all of the applicant's creditors *who expressed their positions on the applicant's nominations*.

On the facts, the Court found that Buildforms did not have standing to be heard in opposition to the applicant's nomination of a judicial manager. While Buildforms was a contingent creditor, it was not part of the majority in number and value of such creditors, as it had gathered the support of only five other

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creditors whose total debts amounted to less than half of the total value of claims that the applicant faced.

[Timothy Ang](#) from the [Commercial Litigation Practice](#) and Lye Yu Min from the [Restructuring & Insolvency Practice](#) represented two non-opposing creditor banks in this application.

## Deals

### Placement of 40 Million Ordinary Shares by UMS Holdings

[Raymond Tong](#) and [Jasselyn Seet](#) from the [Capital Markets/Mergers & Acquisitions Practice](#) acted for CGS International Securities Singapore Pte. Ltd in its capacity as placement agent in relation to the placement by UMS Holdings Limited of 40 million ordinary shares. UMS Holdings Limited, a provider of equipment manufacturing and engineering services headquartered in Singapore, has announced that the placement proceeds will position the company well in its pursuit of new opportunities in the semiconductor and aerospace sectors.

## Authored Publications

### SID Directors Bulletin (Q2 2024 Issue) – Rajah & Tann Authors Contribute to Article on "Managing Conflict of Interest to Mitigate Corruption Risks"

Conflict of interest is a pervasive and complex issue that can compromise the integrity, accountability and performance of directors and companies. If not managed well, this may lead to corrupt practices that will expose the directors and their companies to legal, reputational and operational risks, as well as potential criminal charges.

In an article titled "Managing Conflict of Interest to Mitigate Corruption Risks", Rajah & Tann Head of Corporate and Transactional Group, [Abdul Jabbar](#) and Regional Director, Knowledge Management, Soo Seong Theng, explain the law governing corruption and conflict of interest in Singapore through a case study. The authors highlight some pointers on how a company may more effectively detect and manage conflict-of-interest situations involving directors with a view to minimising the risks of corruption in the company. Please click [here](#) to read the article.

This article first appeared in the Q2 2024 issue of the SID Directors Bulletin published by the Singapore Institute of Directors (SID). To find out more about the SID Directors Bulletin, please click [here](#).

## Events

### LearningBytes 2024: The Future of Electronic Documents in the Transportation and Logistics Industry

On 28 March 2024, Rajah & Tann held its monthly seminar series LearningBytes 2024, with this month's seminar titled "The Future of Electronic Documents in the Transportation and Logistics Industry".

The transportation and logistics industry has traditionally relied on paper-based documentation for its operations, including management, inventory tracking, international shipping, and warehousing. With the advent of digitalisation and technological advancements, there is a shift towards the adoption of electronic trade documents. At the hybrid event, [Ting Yong Hong](#) from the [Shipping & International Trade Practice](#) and [Tao Tao](#) from the [Commercial Litigation Practice](#) provided insights into the following:

- Evolving landscape of transportation documentation;
- Implementation of legal regulations, such as the Electronic Transportation Act (ETA); and
- Points to note when dealing with electronic documentation and evidence during litigation.

### **Building and Transferring Your Legacy: Cross-Border Financial & Estate Planning for Swiss Expats**

On 27 March 2024, St. James's Place (Singapore) Private Limited and Rajah & Tann Singapore organised an event titled "Building and Transferring Your Legacy: Cross-Border Financial & Estate Planning for Swiss Expats".

Living in Singapore can be exciting and paying lower income tax rates can be rewarding. At the seminar, the speakers shared insights on how Swiss expatriates living in Singapore can maximise their financial position and take advantage of the opportunities and benefits of living in Singapore. They also discussed how Swiss expatriates can plan their succession to help their loved ones administer the estate and assist them in the event of a loss of mental capacity.

The speakers included Alexandra Geiger, Foreign Counsel at Rajah & Tann's [Corporate Commercial Practice](#), [Kee Lay Lian](#) from the [Commercial Litigation Practice](#) who specialises in Family Law, Probate and Trusts and [Yoon Min Joo](#), also a Family Law specialist.

### **Legal and Regulatory Issues in AI**

On 22 March 2024, the Japan External Trade Organisation (JETRO) and Rajah & Tann's Japan Desk co-organised a seminar titled "Legal and Regulatory Issues in AI". At the seminar, the speakers talked about the artificial intelligence ("AI") regulatory framework and the different kinds of legal structures relating to AI in Canada, the European Union and Indonesia vis-à-vis the approaches taken in Singapore and the United States. They also discussed cybersecurity, data privacy, intellectual property and ethics issues in relation to AI.

The speakers comprised [Rajesh Sreenivasan](#), Head of the [Technology, Media & Telecommunications Practice](#), Partner [Glen Chiang](#) and Senior Associate Victoria Tan from the same Practice, and [Shuhei Otsuka](#), Head of the [Japan Business Unit](#) of Rajah & Tann Asia.

### **2024 Conference on International Industrial Cooperation (Singapore) & China's Machinery and Electronics Show**

On 20 March 2024, [Chia Kim Huat](#), Regional Head of Rajah & Tann's Corporate & Transactional Group, and [Hew Kian Heong](#), Head of the International Arbitration, Construction & Projects Practice at [Rajah & Tann](#)



[Singapore Shanghai Representative Office](#), were among the speakers at the session on "Corporate Governance & Compliance Practices" at the 2024 Conference on International Industrial Cooperation (Singapore) & China's Machinery and Electronics Show. The session focused on fostering a compliant business environment, touching on topics such as establishing effective compliance mechanisms, assessing cross-border operational risks, and formulating information security compliance policies.

The three-day event, held from 19 to 21 March 2024, was co-organised by the Singapore Chinese Chamber of Commerce & Industry (SCCCI) and China Chamber of Commerce for Import and Export of Machinery and Electronic Products ("**CCCME**"). CCCME is one of China's largest and most influential Chambers with members comprising industry-leading enterprises engaged in overseas investment, international contracting, manufacturing, international trade, logistics, finance, law and insurance. Rajah & Tann Singapore was one of the sponsors of the event.

### Paris Arbitration Week: The Rise of Arbitration in Asia

On 20 March 2024 at the Paris Arbitration Week, Rajah & Tann Asia hosted a panel discussion on "The Rise of Arbitration in Asia". The speakers, comprising [Kelvin Poon, SC](#), Head of the [International Arbitration Practice](#), Partner [Tan Chuan Thye, SC](#), and Foreign Counsel [Dr Vanina Sucharitkul](#), provided an in-depth discussion on the factors behind the "Rise of Arbitration in Asia" phenomenon, the challenges raised by a cross-cultural context, and what the future might hold for international arbitration in Asia.

Paris Arbitration Week, which took place from 18 to 22 March 2024 in Paris, brought together arbitration practitioners from all over the world who participated in talks and workshops and exchanged ideas on international arbitration.

### Seafarer Employment in 2024: Legal Updates and Perspectives from Philippines and Singapore

On 13 March 2024, Rajah & Tann organised a hybrid event titled "Seafarer Employment in 2024: Legal Updates and Perspectives from Philippines and Singapore".

The Maritime Labour Convention ("**MLC**") has required vessels subject to the MLC to display on board a certificate indicating that there is in place a valid Financial Security covering the vessel owners' liabilities for up to four months' outstanding wages and entitlements, repatriation costs and the essential needs of the seafarers. When furnished by the vessel's P&I club, such Financial Security would be evidenced by an MLC Certificate issued by the P&I club.

At the seminar, the speakers highlighted recent cases where P&I clubs successfully recovered wage payments made to seafarers and repatriation cost outlay under the MLC, in the context of local admiralty proceedings. They also discussed recent amendments made to the Philippine Overseas Employment Administration (POEA) regime following the establishment of the Department of Migrant Workers ("**DMW**") in the Philippines. DMW seeks to enhance assistance and services for overseas Filipino workers including seafarers.

The speakers were [Kendall Tan](#), Head of the [Shipping & International Trade Practice](#), [Max Lim](#) from the same Practice, and [Miguel S. Lazaro](#) from Rajah & Tann Asia Philippine member firm [C&G Law](#).

### 2024 Construction Insights Seminar

On 11 March 2024, Rajah & Tann conducted the 2024 Construction Insights Seminar where our panel of Accredited Specialists in Building & Construction from the Construction & Projects Practice provided insights on the current regulatory developments in the construction industry, as well as key Singapore Court decisions in 2023. They covered a wide range of topics, including the following:

- Key regulatory developments in Singapore affecting the construction industry in 2024;
- Key case updates in 2023 and their impact on the construction industry; and
- Our specialists' expectations for the construction industry in 2024.

The speakers comprised [Sim Chee Siong](#), Head of the [Construction & Projects Practice](#), and [Ng Kim Beng](#), [Soh Lip San](#), [Avinash Pradhan](#), [Ching Meng Hang](#) from the same Practice.

### Competition/Antitrust in Southeast Asia Series: No 2 – When Managing Competition Law Concerns Means Ensuring Consumer Protection Too and Vice-Versa

On 7 March 2024, Rajah & Tann's Competition & Trade Practice Group organised an in-person seminar titled "Competition/Antitrust in Southeast Asia Series: No 2 – When Managing Competition Law Concerns Means Ensuring Consumer Protection Too and Vice-Versa".

Managing competition law compliance to avoid potential violations invariably means ensuring consumer protection as well. While this is not immediately apparent, both areas of the law do focus considerably on consumer welfare. At the seminar, the speakers explored the dynamics of competition law investigations that could just as well have resulted in consumer protection violations and vice-versa. Cases involving consumer-facing issues such as price transparency and the avoidance of price fixing, as well as more complex issues arising out of dark patterns, data portability and sustainability were also reviewed. At the end, they reminded businesses that they must navigate competition law and consumer protection hand-in-hand to ensure that the right business aims are effectively achieved.

The speakers comprised [Kala Anandarajah](#), Head of the [Competition & Antitrust and Trade Practice](#), and [Alvin Tan](#), [Joshua Seet](#) and [Tanya Tang](#) from the same Practice.

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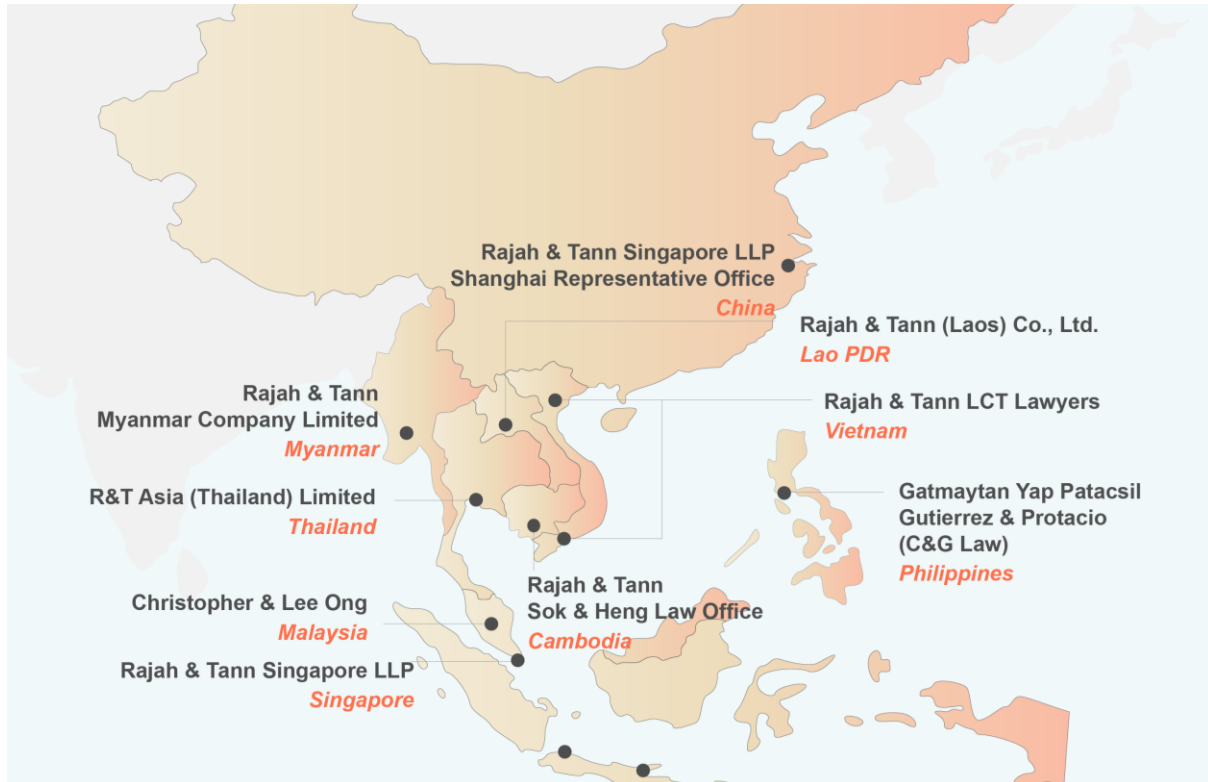
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