

KEY CLAUSES IN THE DRAFT CORPORATE REGISTERS (MISCELLANEOUS AMENDMENTS) BILL

	Clause	Current requirement(s)	Proposed amendment(s)	Reason(s) for amendment(s)/ Consultation question(s)
A. Specify a 14-day timeframe for foreign companies to update their register of members				
1.	Clause 2(a)	<p>Foreign companies must each keep a register of their members: section 379 of the Companies Act (“CA”). The register of members must contain the particulars set out in section 380(1) of the CA.</p> <p>The CA is silent on the timeline for foreign companies to update their registers of members where there is a change in the particulars contained in the register.</p>	To expressly require foreign companies to update their registers of members within 14 days after any change in the particulars contained in the register.	To provide clarity on the timeline for updating the register.
B. Require local companies, foreign companies and limited liability partnerships (“LLPs”) to enter the particulars of the individual(s) with executive control in their registers of controllers if no individual or legal entity having significant interest in or significant control over the company or LLP has been identified				
1.	Clauses 2(e) and 3(c)	Local companies, foreign companies and LLPs are not required to enter any particulars into their registers of controllers if no registrable controller has been identified (i.e. an individual or legal entity having significant interest in or significant control over the entity).	Where a local company, foreign company or LLP knows or has reasonable grounds to believe that the entity (i) has no registrable controller; or (ii) has a registrable controller but has not been able to identify the registrable controller, individual(s) with executive control of the entity are taken to be registrable controller(s) of the entity and the entity must enter the	To enhance the transparency of ownership and control of local companies, foreign companies and LLPs.

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			<p>following in its register of controllers within the prescribed period:</p> <p>(a) a note stating that:</p> <p>(i) the entity knows or has reasonable grounds to believe that the entity has no registrable controller or has a registrable controller but has not been able to identify the registrable controller; and</p> <p>(ii) the individual(s) with executive control are taken to be the registrable controller(s) of the entity; and</p> <p>(b) the prescribed particulars of the individual(s) mentioned in (a)(ii).</p> <p>The individual(s) with executive control are: the director(s) with executive control and the chief executive officer(s) in the case of a local company or a foreign company; and</p>	

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			<p>the partner(s) with executive control in the case of a LLP.</p> <p>The prescribed period within which the entity must enter the matters mentioned in (a) and (b) in its register of controllers is within 2 business days after the date on which the entity (i) knows, or has reasonable grounds to believe that the company or foreign company has no registrable controller; or (ii) having taken the reasonable steps required by section 386AG(1) of the CA or section 32G(1) of the LLP Act, forms the opinion that it is unable to identify the registrable controller.</p> <p>The entity must also update its register of controllers to reflect any changes in the particulars mentioned in (b) within a prescribed period.</p> <p>The prescribed period within which the entity must update its register of controllers to reflect any changes in the particulars mentioned in (b) is within 2 business days after the date on which the entity knows, or has reasonable grounds to believe, that any change to the particulars has occurred.</p>	

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			<p>These prescribed periods will be set out in regulations.</p> <p>If the entity subsequently enters the particulars of a registrable controller in its register of controllers under section 386AF(9) of the CA or section 32F(6) of the LLP Act, the individual(s) with executive control will no longer be taken as the registrable controller(s) of the company or LLP from the date on which the particulars of the registrable controller are entered into the register. The entity must, at the same time, enter, in its register of controllers a note stating:</p> <ul style="list-style-type: none"> (a) that the individual(s) with executive control are no longer taken as registrable controller(s); and (b) the date on which the particulars of the registrable controller were entered into its register of controllers under section 386AF(9) of the CA or section 32F(6) of the LLP Act. 	

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			<p>Individuals with executive control, however, need not:</p> <p>(a) notify their company or LLP that they should be taken as registrable controllers if no individual or legal entity having significant interest in or significant control over their company or LLP has been identified; or</p> <p>(b) provide their particulars and any changes in their particulars to their company or LLP for the purpose of their company's or LLP's compliance with the proposed amendments.</p> <p>These individuals would already be known to the company or LLP.</p> <p>Failure to comply with the above requirements are offences, punishable with a maximum fine of \$5,000.</p>	
C. Clarify that local companies should update their register of nominee directors within 7 calendar days after receiving information and particulars from the directors				
1.	Clause 2(f)	A local company must keep a register of nominee directors:	To require local companies to update their registers of nominee directors	To provide clarity on the timeline for updating the register.

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		<p>section 386AL(4) of the CA. A director must: (i) inform his or her company of the fact that he or she is or has ceased to be a nominee director and (ii) provide the prescribed particulars of his or her nominator to the company, including any changes to the nominator's particulars: sections 386AL(1)-(3) of the CA.</p> <p>The CA is silent on whether and when companies should update their registers of nominee directors upon receiving the information and particulars from their directors.</p>	<p>within 7 calendar days after receiving the information and particulars from their directors.</p>	
D. Require local companies and foreign companies to keep non-public registers of nominee shareholders				
1.	Clause 2(i)	<p>Local and foreign companies are not required to each keep a register of their nominee shareholders.</p>	<p>To require local and foreign companies to keep non-public registers of nominee shareholders in the prescribed form and at the prescribed place.</p> <p>“Nominee shareholder” is defined as a shareholder who:</p> <p>(a) is accustomed or under an obligation whether formal or</p>	<p>To enhance the transparency of ownership and control of local and foreign companies.</p> <p><u>Consultation question</u></p> <p>We seek comments on whether the proposed definition of “nominee shareholder” is appropriate.</p>

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			<p>informal to vote, in respect of shares in the company or foreign company of which the shareholder is the registered holder, in accordance with the directions, instructions or wishes of any other person; and</p> <p>(b) receives dividends, in respect of shares in the company or foreign company of which the shareholder is the registered holder, on behalf of any other person.</p> <p>Nominee shareholders are required to inform their companies of the fact that they are nominee shareholders and provide the prescribed particulars of their nominators. The following timelines apply:</p> <p>(a) <u>For companies incorporated/registered on or after the date of commencement of clause 2(i):</u></p> <p>(i) Persons who are nominee shareholders as on the</p>	

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			<p>date of commencement of clause 2(i) must inform their companies and provide their nominators' particulars within 30 days after the date of incorporation/registration; and</p> <p>(ii) Persons who become nominee shareholders after the date of commencement of clause 2(i) must inform their companies and provide their nominators' particulars within 30 days after the date on which the person becomes a nominee shareholder.</p> <p>(b) <u>For companies incorporated/registered before the date of commencement of clause 2(i):</u></p> <p>(i) Persons who are nominee shareholders as on the date of commencement of clause 2(i) must inform</p>	

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			<p>their companies and provide their nominators' particulars within 60 days after the date of commencement; and</p> <p>(ii) Persons who become nominee shareholders after the date of commencement of clause 2(i) must inform their companies and provide their nominators' particulars within 30 days after the date on which the person becomes a nominee shareholder.</p> <p>Persons who cease to be nominee shareholders must inform their companies that they have ceased to be nominee shareholders within 30 days after the cessation.</p> <p>Nominee shareholders must also inform their companies of any change to the particulars provided to the company within 30 days after the change.</p>	

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			<p>Companies are required to update their registers of nominee shareholders within 7 calendar days after receiving information/particulars (including changes) from their nominee shareholders.</p> <p>Subject to section 386AM, a local or foreign company must not disclose, or make available for inspection, the register of nominee shareholders or any particulars contained in the register of nominee shareholders to any member of the public.</p> <p>The prescribed particulars of a nominator that should be kept in the company's register of nominee shareholders and which would be set out in regulations are:</p> <p>(a) <u>For nominators who are individuals</u></p> <ul style="list-style-type: none"> (i) full name; (ii) alias, if any; (iii) residential address; (iv) nationality; (v) identification card number or passport number; 	

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			<ul style="list-style-type: none"> (vi) date of birth; and (vii) date on which the shareholder became the nominator's nominee. <p>(b) <u>For nominators who are legal entities</u></p> <ul style="list-style-type: none"> (i) name; (ii) unique entity number issued by the Registrar, if any; (iii) address of registered office; (iv) legal form of the legal entity; (v) jurisdiction where, and statute under which, the legal entity is formed or incorporated; (vi) the name of the corporate entity register of the jurisdiction in which the legal entity is formed or incorporated, if applicable; (vii) identification number or registration number of the legal entity on the corporate entity register of the jurisdiction where the 	

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			<p>legal entity is formed or incorporated, if applicable; and</p> <p>(viii) date on which the shareholder became the legal entity's nominee.</p> <p>Failure to comply with the above requirements are offences, punishable with a maximum fine of \$5,000. The proposed penalty is aligned with that for offences relating to the register of controllers and register of nominee directors.</p>	