

Companies (Amendment) Bill

Bill No. 3/2004.

Read the first time on 5th January 2004.

A BILL

intituled

An Act to amend the Companies Act (Chapter 50 of the 1994 Revised Edition) and to make consequential amendments to certain other written laws.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Companies (Amendment) Act 2004 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Amendment of section 4

2. Section 4 of the Companies Act is amended —

(a) by deleting the definition of “approved company auditor” in subsection (1);

10 (b) by deleting the definition of “approved liquidator” in subsection (1) and substituting the following definition:

““approved liquidator” means—

(a) a person who falls within a class of persons declared as approved liquidators under section 9(1); or

15 (b) a person who has been approved under section 9(2) as a liquidator and whose approval has not been revoked;”;

(c) by inserting, immediately after the definition of “document” in subsection (1), the following definition:

20 ““electronic communication” means communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person) —

(a) by means of a telecommunication system; or

25 (b) by other means but while in an electronic form, such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form;”;

30 (d) by inserting, immediately after the definition of “prospectus” in subsection (1), the following definition:

““public accountant” means a person who is registered or deemed to be registered under the Accountants Act 2004 as a public accountant;”;

(e) by inserting, immediately after the definition of “Table A” in subsection (1), the following definition:

““telecommunication system” has the same meaning as in the Telecommunications Act (Cap.323);”;

(f) by inserting, immediately after subsection (9), the following subsections:

“(10) A reference in this Act to the directors of a company shall, in the case of a company which has only one director, be construed as a reference to that director.

(11) A reference in this Act to the doing of any act by 2 or more directors of a company shall, in the case of a company which has only one director, be construed as the doing of that act by that director.”.

Repeal and re-enactment of section 9

3. Section 9 of the Companies Act is repealed and the following section substituted therefor:

“Approved liquidators

9.—(1) The Minister may, by order published in the *Gazette*, declare that persons within a specified class of persons shall be approved liquidators for the purposes of this Act.

(2) Any person who does not fall within a class of persons declared under subsection (1) may apply to the Minister to be approved as a liquidator for the purposes of this Act, and the Minister, if satisfied as to the experience and capacity of the applicant, may, on payment of the fee set out in the Second Schedule, approve such person as a liquidator for the purposes of this Act.

(3) Any approval granted by the Minister under subsection (2) may be made subject to such limitations or conditions as he thinks fit and may be revoked at any time by him by the service of a written notice of revocation on the approved person.

(4) Every approval under subsection (2) including a renewal of approval of a liquidator shall remain in force until 31st March in the third year following the year in which the approval was granted unless sooner revoked by the Minister.

5 (5) The Minister may delegate his power under subsection (2) to any person charged with the responsibility for the registration or control of accountants in Singapore.

10 (6) Any person who is dissatisfied with the decision of any person to whom the Minister has delegated his power under subsection (2) may appeal to the Minister who may in his discretion confirm, reverse or vary such decision.”.

Amendment of section 10

4. Section 10 of the Companies Act is amended —

15 (a) by deleting the words “approved company auditor” in the 5th line of subsection (1) and substituting the words “auditor of the company”;

(b) by deleting the words “an approved company auditor” in subsection (1)(a) and substituting the words “a public accountant”; and

20 (c) by deleting subsections (5), (6), (7) and (8) and substituting the following subsections:

25 “(5) An accounting firm shall not knowingly consent to be appointed, and shall not knowingly act, as auditor for any company and shall not prepare, for or on behalf of a company, any report required by this Act to be prepared by an auditor of the company if any partner of the firm (whether or not he is a public accountant) is a person described in subsection (1)(b), (c) or (d).

30 (6) If an accounting firm contravenes subsection (5), every partner of the firm shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000.

(7) An accounting corporation shall not knowingly consent to be appointed, and shall not knowingly act, as auditor for any company and shall not prepare, for or on behalf of a company,

any report required by this Act to be prepared by an auditor of the company if —

(a) any director of the corporation (whether or not he is a public accountant); or

5 (b) any employee of the corporation, who is a public accountant and practising as such in that corporation,

is a person described in subsection (1)(b), (c) or (d).

(8) If an accounting corporation contravenes subsection (7) —

10 (a) the corporation; and

(b) the director or employee who caused the contravention,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000.

15 (9) No company or person shall appoint any individual as auditor of a company unless the individual has prior to such appointment consented in writing to act as auditor of that company.

20 (10) No company or person shall appoint any accounting firm or accounting corporation as auditor of a company unless the firm or corporation has prior to such appointment consented, in writing under the hand of at least one partner of the firm or director of the corporation, as the case may be, to act as auditor of that company.

25 (11) Where an accounting firm is appointed as the auditor of a company in the name of the firm, such appointment shall take effect and operate as if the partners of the firm at the time of the appointment, who are public accountants at that time, have been appointed as auditors of the company.

30 (12) Where an accounting corporation is appointed as the auditor of a company in the name of the corporation, such appointment shall take effect and operate as if the directors and employees of the corporation who are practising as public

accountants in that corporation have been appointed as auditors of the company.

(13) Subsection (12) shall apply to a director or an employee practising as a public accountant in an accounting corporation, even if his appointment as director or employment with the corporation commenced after the date on which the corporation was appointed as auditor of the company.

(14) In this section —

“accounting corporation” means a company approved or deemed to be approved as an accounting corporation under the Accountants Act 2004;

“accounting firm” means a firm approved or deemed to be approved as an accounting firm under the Accountants Act 2004.”.

Amendment of section 17

5. Section 17 of the Companies Act is amended by deleting subsection (1) and substituting the following subsection:

“(1) Subject to the provisions of this Act, any person may, whether alone or together with another person, by subscribing his name or their names to a memorandum and complying with the requirements as to registration, form an incorporated company.”.

Amendment of section 18

6. Section 18(1) of the Companies Act is amended —

(a) by inserting, at the end of paragraph (a), the word “and”;

(b) by deleting the semi-colon at the end of paragraph (b) and substituting a full-stop; and

(c) by deleting paragraphs (c) and (d).

New section 20A

7. The Companies Act is amended by inserting, immediately after section 20, the following section:

“Minimum of one member

20A. A company shall have at least one member.”.

Amendment of section 22

8. Section 22(1) of the Companies Act is amended by deleting paragraph
5 (b).

Amendment of section 23

9. Section 23 of the Companies Act is amended —

(a) by deleting subsection (1) and substituting the following
subsections:

10 “(1) Subject to the provisions of this Act and any other
written law and its memorandum or articles of association, a
company has —

(a) full capacity to carry on or undertake any business or
activity, do any act or enter into any transaction; and

15 (b) for the purposes of paragraph (a), full rights, powers
and privileges.

(1A) A company may have the objects of the company
included in its memorandum.

20 (1B) The memorandum or articles of association of a
company may contain a provision restricting its capacity,
rights, powers or privileges.”; and

(b) by deleting the marginal note and substituting the following
section heading:

“Capacity and powers of company”.

25 **New section 25A**

10. The Companies Act is amended by inserting, immediately after
section 25, the following section:

“No constructive notice

30 **25A.** Notwithstanding anything in the memorandum or articles of a
company, a person is not affected by, or deemed to have notice or

knowledge of the contents of, the memorandum or articles of, or any other document relating to, the company merely because —

- (a) the memorandum, articles or document is registered by the Registrar; or
- (b) the memorandum, articles or document is available for inspection at the registered office of the company.”.

Amendment of section 26

11. Section 26 of the Companies Act is amended by deleting subsection (1) and substituting the following subsections:

“(1) Unless otherwise provided in this Act, the memorandum of a company may be altered by special resolution.

(1A) Subsection (1) is subject to section 26A and to any provision included in the memorandum of a company in accordance with that section.

(1B) Notwithstanding subsection (1), a provision contained in the memorandum of a company immediately before the date of commencement of the Companies (Amendment) Act 2004 and which could not be altered under the provisions of this Act in force immediately before that date, may be altered only if all the members of the company agree.”.

New section 26A

12. The Companies Act is amended by inserting, immediately after section 26, the following section:

“Power to entrench provisions of memorandum and articles of company

26A.—(1) An entrenching provision may —

- (a) be included in the memorandum or articles with which a company is formed; and
- (b) at any time be inserted in the memorandum or articles of a company only if all the members of the company agree.

(2) An entrenching provision may be removed or altered only if all the members of the company agree.

(3) The provisions of this Act relating to the alteration of the memorandum or articles of a company are subject to any entrenching provision in the memorandum or articles of a company.

(4) In this section, “entrenching provision” means a provision of the memorandum or articles of a company to the effect that other specified provisions of the memorandum or articles —

(a) may not be altered in the manner provided by this Act; or

(b) may not be so altered except —

(i) by a resolution passed by a specified majority greater than 75% (the minimum majority required by this Act for a special resolution); or

(ii) where other specified conditions are met.”.

Amendment of section 29

13. Section 29(7) of the Companies Act is amended by deleting the words “and section 23(1)(c) shall apply to the company as if it had never had such approval under this section”.

Amendment of section 31

14. Section 31 of the Companies Act is amended by deleting the words “restrictions, limitations and prohibitions” in subsections (1) and (2) and substituting in each case the words “restrictions and limitations”.

Amendment of section 32

15. Section 32 of the Companies Act is amended —

(a) by deleting subsection (1);

(b) by deleting paragraph (b) of subsection (2);

(c) by deleting the words “restrictions, limitations or prohibitions” in subsection (2)(c) and substituting the words “restrictions or limitations”;

(d) by deleting the words “(1) or” in subsection (4);

(e) by deleting subsection (7); and

- (f) by deleting the words “restriction, limitation or prohibition” in subsection (8) and substituting the words “restriction or limitation”.

Amendment of section 33

5 **16.** Section 33 of the Companies Act is amended —

- (a) by inserting, immediately after the words “the objects of the company” in subsection (1), the words “, if any”; and
- (b) by inserting, immediately after subsection (10), the following subsection:

10 “(11) For the avoidance of doubt, a reference in this section to the alteration of any provision of the memorandum of a company or the alteration of the objects of a company includes the removal of that provision or of all or any of those objects.”.

Amendment of section 37

15 **17.** Section 37(1) of the Companies Act is amended by inserting, immediately after the words “Subject to this Act”, the words “(in particular section 26A and any provision included in its articles in accordance with that section)”.

Repeal of section 42

20 **18.** Section 42 of the Companies Act is repealed.

Amendment of section 80

19. Section 80 of the Companies Act is amended by inserting, immediately after subsection (2), the following subsection:

25 “(3) The Minister may, by order published in the *Gazette*, exempt any person or any class of persons from all or any of the provisions of this Division, subject to such terms or conditions as may be prescribed.”.

Amendment of Division heading

30 **20.** The heading to Division 7A of Part IV of the Companies Act is amended by deleting the word “*listed*”.

Amendment of section 130A

21. Section 130A of the Companies Act is amended —

- (a) by deleting the words “as a bare trustee” in the definition of “Depository”;
- 5 (b) by inserting, immediately after the word “convertibles” in the definition of “derivative instruments”, the words “, depository receipts”;
- (c) by inserting, immediately after the words “an international body” in paragraph (b) of the definition of “documents evidencing title”, the words “, or any other securities”; and
- 10 (d) by deleting the definition of “securities” and substituting the following definition:

““securities” has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289), and includes derivative instruments;”.

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Repeal and re-enactment of section 130B

22. Section 130B of the Companies Act is repealed and the following section substituted therefor:

“Application of this Division

20 **130B.**—(1) This Division shall apply only to —

- (a) book-entry securities; and
- (b) designated securities, as if a reference to “book-entry securities” includes a reference to designated securities.

25 (2) The application of this Division to designated securities under subsection (1)(b) shall be subject to such modifications as the Minister may by order prescribe, and different modifications may be prescribed for different classes of designated securities.

30 (3) In this section, “designated securities” means such securities as may be accepted or designated by the Depository or its nominee for deposit, custody, clearing or book-entry settlement.”.

Amendment of section 130C

23. Section 130C of the Companies Act is amended by deleting the word “listed” in paragraph (a).

New section 130CA

5 24. The Companies Act is amended by inserting, immediately after section 130C, the following section:

“Depository or nominee deemed to be bare trustee

10 **130CA.**—(1) The Depository or its nominee shall be deemed to hold the book-entry securities deposited with it as a bare trustee for the collective benefit of depositors.

(2) Subject to subsections (3) and (4), a depositor shall not have any right to specific book-entry securities deposited with the Depository or its nominee but shall be entitled to a pro rata share computed on the basis of the book-entry securities credited to one or more accounts in the name of the depositor.

15 (3) A depository agent shall be deemed to hold book-entry securities deposited in its name with the Depository or its nominee, on behalf of any sub-account holder, as a bare trustee.

20 (4) A sub-account holder shall not have any right to specific book-entry securities deposited with the Depository or its nominee but shall be entitled to a pro rata share computed on the basis of the book-entry securities credited to one or more accounts maintained by the sub-account holder with a depository agent.”.

Amendment of section 130D

25 25. Section 130D of the Companies Act is amended —

(a) by deleting subsection (1) and substituting the following subsections:

30 “(1) Notwithstanding anything in this Act or any other written law or rule of law or in any instrument or in the memorandum or articles of a corporation, where book-entry securities of the corporation are deposited with the Depository or its nominee —

(a) the Depository or its nominee (as the case may be) shall be deemed not to be a member of the corporation; and

(b) the persons named as the depositors in a Depository Register shall, for such period as the book-entry securities are entered against their names in the Depository Register, be deemed to be —

(i) members of the corporation in respect of the amount of book-entry securities (relating to the stocks or shares issued by the corporation) entered against their respective names in the Depository Register; or

(ii) holders of the amount of the book-entry securities (relating to the debentures or any derivative instrument) entered against their respective names in the Depository Register.

(1A) Notwithstanding anything in this Act or any other written law or rule of law or in any instrument or in the memorandum or articles of a corporation, where book-entry securities relating to units in any collective investment scheme within the meaning of the Securities and Futures Act (Cap. 289) (whether or not constituted as a corporation) are deposited with the Depository or its nominee —

(a) the Depository or its nominee (as the case may be) shall be deemed not to be a holder of the book-entry securities; and

(b) the persons named as the depositors in a Depository Register shall, for such period as the book-entry securities are entered against their names in the Depository Register, be deemed to be holders of the amount of the book-entry securities entered against their respective names in the Depository Register.”;

(b) by deleting the word “listed” in subsection (2)(b); and

- (c) by deleting the word “company” wherever it appears in subsections (2)(c) and (4) and substituting in each case the word “corporation”.

Amendment of section 130E

- 5 **26.** Section 130E of the Companies Act is amended by deleting the word “company” wherever it appears (including the marginal note) and substituting in each case the word “corporation”.

Amendment of section 130N

- 10 **27.** Section 130N(7) of the Companies Act is amended by deleting the words “section 130D(1)(b) and (2)” and substituting the words “section 130D(1), (1A) and (2)”.

Amendment of section 144

- 28.** Section 144 of the Companies Act is amended —

- 15 (a) by deleting subsection (1) and substituting the following subsections:

“(1) The name of a company shall appear in legible romanised letters on —

(a) its seal; and

- 20 (b) all business letters, statements of account, invoices, official notices, publications, bills of exchange, promissory notes, indorsements, cheques, orders, receipts and letters of credit of or purporting to be issued or signed by or on behalf of the company.

25 (1A) The registration number of a company shall appear in a legible form on all business letters, statements of account, invoices, official notices and publications of or purporting to be issued or signed by or on behalf of the company.

(1B) A company shall be guilty of an offence if default is made in complying with subsection (1) or (1A).”;

- 30 (b) by deleting subsection (3); and

- (c) by inserting, immediately after the word “name” in the marginal note, the words “and registration number”.

Amendment of section 145

29. Section 145 of the Companies Act is amended —

(a) by deleting subsection (1) and substituting the following subsection:

5 “(1) Every company shall have at least one director who is ordinarily resident in Singapore and, where the company only has one member, that sole director may also be the sole member of the company.”;

10 (b) by deleting subsection (5) and substituting the following subsection:

15 “(5) Notwithstanding anything in this Act or in the memorandum or articles of the company, or in any agreement with the company, a director of a company shall not resign or vacate his office unless there is remaining in the company at least one director who is ordinarily resident in Singapore; and any purported resignation or vacation of office in breach of this subsection shall be deemed to be invalid.”; and

(c) by inserting, immediately after subsection (6), the following subsections:

20 “(7) If there is a contravention of subsection (1), the Registrar may, either of his own motion or on the application of any person, direct the members of the company to appoint a director who is ordinarily resident in Singapore if he considers it to be in the interests of the company for such appointment to be made.

25 (8) If the direction under subsection (7) is not complied with, each member in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000 and, in the case of a continuing offence, to a further fine not exceeding \$1,000 for every day or part thereof during which the offence continues after conviction.

30 (9) If there is a contravention of subsection (1) and —

(a) the Registrar fails to give the direction under subsection (7); or

(b) such direction has been given but is not complied with,

the court may, on the application of the Registrar or any person, order the members of the company to make the appointment if it considers it to be in the interests of the company for such appointment to be made.

(10) If a company carries on business without having at least one director who is ordinarily resident in Singapore for more than 6 months, a person who, for the whole or any part of the period that it so carries on business after those 6 months —

(a) is a member of the company; and

(b) knows that it is carrying on business in that manner,

shall be liable for the payment of all the debts of the company contracted during the period or, as the case may be, that part of it, and may be sued therefor.”.

New section 157B

30. The Companies Act is amended by inserting, immediately after section 157A, the following section:

“Director declarations where company has one director

157B. Where a company only has one director, that director may make a declaration required or authorised to be made under this Act by recording the declaration and signing the record; and such recording and signing of the declaration satisfies any requirement in this Act that the declaration be made at a meeting of the directors.”.

New section 157C

31. The Companies Act is amended by inserting, immediately after section 157B, the following section:

“Use of information and advice

157C.—(1) Subject to subsection (2), a director of a company may, when exercising powers or performing duties as a director, rely on reports, statements, financial data and other information prepared or

supplied, and on professional or expert advice given, by any of the following persons:

- 5 (a) an employee of the company whom the director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
 - (b) a professional adviser or an expert in relation to matters which the director believes on reasonable grounds to be within the person's professional or expert competence;
 - 10 (c) any other director or any committee of directors upon which the director did not serve in relation to matters within that other director's or committee's designated authority.
- (2) Subsection (1) shall apply to a director only if the director —
- (a) acts in good faith;
 - 15 (b) makes proper inquiry where the need for inquiry is indicated by the circumstances; and
 - (c) has no knowledge that such reliance is unwarranted.”.

Amendment of section 171

32. Section 171 of the Companies Act is amended by inserting, immediately after subsection (1D), the following subsection:

- 20 “(1E) Where a director is the sole director of a company, he shall not act or be appointed as the secretary of the company.”.

Repeal of section 173A

33. Section 173A of the Companies Act is repealed.

Amendment of section 175A

- 25 34. Section 175A of the Companies Act is amended by inserting, immediately after subsection (10), the following subsection:

“(11) In this section, an address of a person includes any number or address used for electronic communication.”.

Amendment of section 183

- 30 35. Section 183 of the Companies Act is amended —

- (a) by deleting the words “in legible form or a permitted alternative form, or by making accessible to the member in accordance with section 173A” in subsection (3A); and
- (b) by inserting, immediately after subsection (7), the following subsection:

“(8) For the purposes of this section, something is “in legible form or a permitted alternative form” if, and only if, it is sent or otherwise supplied —

(a) in a form (such as a paper document) that is legible before being sent or otherwise supplied and does not change form during that process; or

(b) in another form that —

(i) is currently agreed between the company and the person as a form in which the thing may be sent or otherwise supplied to the company; and

(ii) is such that documents sent or supplied in that form can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.”.

Amendment of section 184A

36. Section 184A of the Companies Act is amended by inserting, immediately after subsection (6), the following subsection:

“(6A) For the purposes of this section, something is “in legible form or a permitted alternative form” if, and only if, it is sent or otherwise supplied —

(a) in a form (such as a paper document) that is legible before being sent or otherwise supplied and does not change form during that process; or

(b) in another form that —

(i) is currently agreed between the company and the person as a form in which the thing may be sent or otherwise supplied to the company; and

(ii) is such that documents sent or supplied in that form can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.”.

5 **Amendment of section 184B**

37. Section 184B(1)(a) of the Companies Act is amended by deleting the words “or made accessible to” in sub-paragraph (ii).

Amendment of section 184C

10 **38.** Section 184C of the Companies Act is amended by deleting subsection (1) and substituting the following subsection:

“(1) The directors of a private company who wish to seek agreement to a resolution of the company and for it to be passed by written means shall send to each member, having the right to vote on that resolution at a general meeting, a copy of the text of the resolution.”.

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Amendment of section 184D

39. Section 184D(1) of the Companies Act is amended —

(a) by deleting the words “or made accessible” in paragraph (a); and
 (b) by deleting the words “or made accessible to him or them in accordance with section 183(3A)” in paragraph (b) and substituting the words “him or them”.

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New section 184G

40. The Companies Act is amended by inserting, immediately after section 184F, the following section:

25 **“Resolutions of one member companies**

184G.—(1) Notwithstanding anything in this Act, a company that has only one member may pass a resolution by the member recording the resolution and signing the record.

(2) If this Act requires information or a document relating to the resolution to be lodged with the Registrar, that requirement is

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satisfied by lodging the information or document with the resolution that is passed.”.

Amendment of section 188

41. Section 188 of the Companies Act is amended —

5 (a) by inserting, immediately after the word “relate” in subsection (2), the words “, unless the contrary is proved”; and

(b) by inserting, immediately after subsection (3), the following subsections:

10 “(3A) Every company shall keep minute books in which it shall cause to be entered the following matters:

(a) if the company has only one director —

(i) the passing of resolutions by that director; and

(ii) the making of declarations by that director;

15 (b) resolutions passed by written means under section 184A,

within one month of the passing or making of each resolution or declaration.

20 (3B) The company shall ensure that minutes of the passing of a resolution referred to in subsection (3A)(b) are signed by a director within a reasonable time after the resolution is passed.

(3C) The director of a company with only one director who has passed a resolution or made a declaration shall sign the minutes thereof within a reasonable time after the resolution is passed or the declaration is made.

25 (3D) Minutes entered in accordance with subsection (3A) and purportedly signed in accordance with subsection (3B) or (3C) (as the case may be) shall be evidence of the resolution or declaration to which they relate, unless the contrary is proved.”.

Amendment of section 189

30 **42.** Section 189 of the Companies Act is amended —

- (a) by deleting the words “containing the minutes of proceedings of any general meeting” in subsection (1) and substituting the words “referred to in section 188(1) and (3A)”; and
- (b) by deleting the words “subsection (1)” in subsection (2) and substituting the words “section 188(1) or (3A)”.

Amendment of section 192

43. Section 192 of the Companies Act is amended by deleting subsection (1) and substituting the following subsection:

“(1) A company may close the register of members or any class of members for one or more periods not exceeding 30 days in the aggregate in any calendar year.”.

Amendment of section 201

44. Section 201 of the Companies Act is amended —

- (a) by deleting subsection (3BA) and substituting the following subsection:

“(3BA) Subsection (3A) does not apply to any company in relation to which consolidated accounts are not required under the Accounting Standards, and, for the avoidance of doubt, subsections (1) and (3) shall apply to that company.”;

- (b) by deleting subsections (4) and (4A) and substituting the following subsections:

“(4) The accounts referred to in subsection (4B) shall be duly audited before they are laid before the company at its annual general meeting as required by this section, and the auditor’s report required by section 207 shall be attached to or endorsed upon those accounts.

(4A) The directors of the company shall take reasonable steps to ensure that the accounts referred to in subsection (4B) are audited as required by this Part not less than 14 days before the annual general meeting of the company and shall cause to be attached to those accounts the auditor’s report that is furnished to the directors under section 207(1A).

(4B) In subsections (4) and (4A), “accounts”, in relation to a company, means —

(a) if the company is not one to which subsection (3A) applies, the profit and loss account and balance-sheet of the company required to be laid before the company at its annual general meeting under subsections (1) and (3); or

(b) if the company is one to which subsection (3A) applies, the consolidated accounts of the company and its subsidiaries, and the balance-sheet of the company required to be laid before the company at its annual general meeting under subsection (3A).”; and

(c) by inserting, immediately after subsection (6A), the following subsections:

“(7) The reports referred to in subsections (5) and (6A) shall also contain such additional information as the Minister may prescribe, being information which the Minister considers necessary to facilitate an understanding by members of the company or holding company, as the case may be, of the business of the company or group of companies of the holding company, as the case may be.

(7A) For the avoidance of doubt, the additional information referred to in subsection (7) need not relate to the profit or loss or the state of affairs of the company or group of companies of the holding company referred to in subsection (5) or (6A).”.

Repeal of section 201A

45. Section 201A of the Companies Act is repealed.

Amendment of section 201B

46. Section 201B of the Companies Act is amended —

(a) by deleting subsection (1) and substituting the following subsection:

“(1) Every listed company shall have an audit committee.”;

- (b) by deleting the words “not fewer than 3” in subsection (2) and substituting the words “3 or more”; and
- (c) by deleting subsection (10) and substituting the following subsections:

5 “(10) In this section, “listed company” means a company that is incorporated in Singapore and has been admitted to the official list of a securities exchange in Singapore and has not been removed from the official list.

10 (11) Any reference in this section to a director who is not an executive director of a company is a reference to a director who is not an employee of, and does not hold any other office of profit in, the company or in any related corporation of that company in conjunction with his office of director and his membership of any audit committee, and any reference to an
15 executive director shall be read accordingly.”.

Amendment of section 204

47. Section 204 of the Companies Act is amended —

- (a) by deleting subsection (1) and substituting the following subsections:

20 “(1) If any director of a company fails to comply with section 201(1A), (3), (3A) or (15), he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(1A) If any director of a company —

- (a) fails to comply with any provision of this Division
25 (other than section 201(1A), (3), (3A) and (15));
- (b) fails to take all reasonable steps to secure compliance by the company with any such provision; or
- (c) has by his own wilful act been the cause of any
30 default by the company of any such provision,

he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years.”; and

(b) by deleting subsection (3) and substituting the following subsection:

“*(3)* If an offence under this section is committed with intent to defraud creditors of the company or creditors of any other person or for a fraudulent purpose, the offender shall be liable on conviction —

(a) in the case of an offence under subsection (1), to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 3 years or to both; or

(b) in the case of an offence under subsection (1A), to a fine not exceeding \$15,000 or to imprisonment for a term not exceeding 3 years or to both.”.

Amendment of section 206

48. Section 206 of the Companies Act is amended by inserting, immediately after subsection (1), the following subsection:

“(1A) Without prejudice to subsection (1), a public company shall, under prescribed circumstances, undertake a review of the fees, expenses and emoluments of its auditor to determine whether the independence of the auditor has been compromised, and the outcome of the review shall be sent to all persons entitled to receive notice of general meetings of the company.”.

Amendment of section 207

49. Section 207(2) of the Companies Act is amended —

(a) by deleting paragraph *(c)*; and

(b) by deleting the words “paragraph *(a)*, *(aa)*, *(b)* or *(c)*” in paragraph *(e)* and substituting the words “paragraph *(a)*, *(aa)* or *(b)*”.

Repeal of section 209B

50. Section 209B of the Companies Act is repealed.

New sections 387A and 387B

51. The Companies Act is amended by inserting, immediately after section 387, the following sections:

“Electronic transmission of notices of meetings

5 **387A.**—(1) Where any notice of a meeting is required or permitted to be given, sent or served under this Act or under the memorandum or articles of a company by the company or the directors of the company to —

 (a) a member of the company; or

10 (b) an officer or auditor of the company,

that notice may be given, sent or served using electronic communications to the current address of that person.

(2) For the purposes of this section, a notice of a meeting shall also be treated as given or sent to, or served on a person where —

15 (a) the company and that person have agreed in writing that notices of meetings required to be given to that person may instead be accessed by him on a website;

 (b) the meeting is a meeting to which that agreement applies;

20 (c) the notice is published on the website such that it is or can be made legible;

 (d) that person is notified, in a manner for the time being agreed between him and the company for the purpose, of —

 (i) the publication of the notice on that website;

 (ii) the address of that website; and

25 (iii) the place on that website where the notice may be accessed, and how it may be accessed; and

30 (e) the notice continues to be published on and remains accessible to that person from that website throughout the period beginning with the giving of that notification and ending with the conclusion of the meeting.

(3) For the purposes of this Act, a notice of a meeting treated in accordance with subsection (2) as given or sent to or served on any

person shall be treated as so given, sent or served at the time of the notification mentioned in subsection (2)(d).

(4) A notice of a meeting given for the purposes of subsection (2)(d) shall specify such matters or information as may be required for a notice of that type under any other provision of this Act or the memorandum or articles of that company.

(5) Nothing in subsection (2) shall invalidate the proceedings of a meeting where —

(a) any notice of a meeting that is required to be published and remain accessible as mentioned in paragraph (e) of that subsection is published and remains accessible for a part, but not all, of the period mentioned in that paragraph; and

(b) the failure to publish and make accessible that notice throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid.

(6) A company may, notwithstanding any provision to the contrary in its memorandum or articles, take advantage of subsection (1), (2), (3), (4) or (5).

(7) For the purposes of this section and section 387B, the current address of a person of a company, in relation to any notice or document, is a number or address used for electronic communication which —

(a) has been notified by the person in writing to the company as one at which that notice or document may be sent to him; and

(b) the company has no reason to believe that that notice or document sent to the person at that address will not reach him.

Electronic transmission of documents

387B.—(1) Where any accounts, balance-sheet, report or other document is required or permitted to be given, sent or served under this Act or under the memorandum or articles of a company by the company or the directors of the company to —

- (a) a member of the company; or
- (b) an officer or auditor of the company,

that document may be given, sent or served using electronic communications to the current address of that person.

5 (2) For the purposes of this section, a document shall also be treated as given or sent to, or served on a person where —

- (a) the company and that person have agreed in writing to his having access to documents on a website (instead of their being sent to him);
- 10 (b) the document is a document to which that agreement applies;
- (c) the document is published on the website such that it is or can be made legible; and
- (d) that person is notified, in a manner for the time being agreed for that purpose between him and the company, of —
 - 15 (i) the publication of the document on that website;
 - (ii) the address of that website; and
 - (iii) the place on that website where the documents may be accessed, and how it may be accessed.

20 (3) Where any provision of this Act or of the memorandum or articles of the company requires any document to be given or sent to, or served on a person not less than a specified number of days before a meeting, that document, if treated in accordance with subsection (2) as given or sent to, or served on any person, shall be treated as given or sent to, or served on the person not less than the specified number
25 of days before the date of a meeting if, and only if —

- (a) the document is published on and remains accessible to that person from the website throughout a period beginning before the specified number of days before the date of the meeting and ending with the conclusion of the meeting; and
- 30 (b) the notification given for the purposes of subsection (2)(d) is given not less than the specified number of days before the date of the meeting.

(4) Nothing in subsection (3) shall invalidate the proceedings of a meeting where —

5 (a) any document that is required to be published and remain accessible as mentioned in paragraph (a) of that subsection is published and remains accessible for a part, but not all, of the period mentioned in that paragraph; and

10 (b) the failure to publish and make accessible that document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid.

(5) A company may, notwithstanding any provision to the contrary in its articles, take advantage of subsection (1), (2), (3) or (4).”.

Amendment of section 401

15 **52.** Section 401(2) and (2A) of the Companies Act is amended by deleting “\$10,000” and substituting in each case “\$50,000”.

Amendment of Second Schedule

53. The Second Schedule to the Companies Act is amended —

- 20 (a) by deleting item 96;
- (b) by deleting “9(2) and (3)” in the 2nd column of item 113 and substituting “9”; and
- (c) by deleting the words “, of a company auditor or” in the 3rd column of item 113.

Repeal of Third Schedule

54. The Third Schedule to the Companies Act is repealed.

Amendment of Fourth Schedule

25 **55.** The Fourth Schedule to the Companies Act is amended by inserting, immediately after regulation 90, the following regulation:

“90A. Where the company has only one director, he may pass a resolution by recording it and signing the record.”.

Amendment of Sixth Schedule

56. The Sixth Schedule to the Companies Act is amended —

(a) by deleting the words “5 financial years” in the penultimate item in the left column of Part I and in paragraphs 1(a) and 2(2)(a) of Part II and substituting in each case the words “3 financial years”; and

(b) by deleting paragraph 4 of Part III and substituting the following paragraph:

“4. If, in the case of a business which has been carried on or of a corporation which has been carrying on business for less than 3 years, the accounts of the business or corporation have only been made up in respect of 2 years or one year, Part II of this Schedule shall have effect as if references to 2 years or one year, as the case may be, were substituted for references to 3 years.”.

Miscellaneous amendments

57. The following provisions of the Companies Act are amended —

(a) by deleting the words “an approved company auditor” in the following provisions and substituting in each case the words “a public accountant”:

sections 199(5), 205(3), 225(2), 227B(3)(a) and (e), 227J(2)(a) and 317(2);

(b) by deleting the word “auditor” in the 5th line of section 199(5) and substituting the words “public accountant”;

(c) by deleting the words “approved company auditor” in section 200(6) and (7) and substituting in each case the words “public accountant”;

(d) by deleting the words “approved as such” in section 227J(2)(a) and substituting the words “a public accountant”;

(e) by deleting the words “some approved company auditor” in section 276(2)(a) and substituting the words “a public accountant”;

(f) by deleting the word “auditor” in the 4th and in the 5th lines of section 317(2) and substituting in each case the words “public accountant”;

- (g) by deleting the words “an approved company auditor” in section 373(6) and substituting the words “a public accountant appointed to provide auditing services in respect of the company’s operations in Singapore”; and
- 5 (h) by deleting the words “an approved company auditor” in paragraphs 1 and 2 of Part II of the Sixth Schedule and substituting in each case the words “a public accountant appointed as auditor of the company”.

References in other written laws

- 10 **58.** In any written law, any reference to “an approved company auditor under the Companies Act” shall be read as a reference to “a public accountant within the meaning of the Companies Act”.

Consequential amendments to other written laws

- 15 **59.** The provisions of the Acts specified in the first column of the Schedule are amended in the manner set out in the second column thereof.

Transitional and savings provisions

- 60.** The Minister may, by regulations, prescribe such transitional, savings and other consequential provisions as he may consider necessary or expedient.

THE SCHEDULE

Section 59

CONSEQUENTIAL AMENDMENTS TO OTHER WRITTEN LAWS

<i>First column</i>	<i>Second column</i>
<p>(1) Banking Act (Chapter 19, 2003 Ed.) Section 26(4)</p>	<p>Delete the words “an approved company auditor which complies, insofar as it is practicable, with section 207 of the Companies Act (Cap.50)” and substitute the words “a public accountant within the meaning of the Companies Act (Cap.50) which complies, insofar as it is practicable, with section 207 of that Act”.</p>
<p>(2) Charities Act (Chapter 37, 1995 Ed.) Section 14(2)</p>	<p>Delete the words “, in accordance with section 9 of the Companies Act, approved as an approved company auditor” and substitute the words “a public accountant within the meaning of the Companies Act”.</p>
<p>(3) Commodity Trading Act (Chapter 48A, 1993 Ed.) Section 2</p>	<p>Delete the definition of “auditor” and substitute the following definition: “ “auditor” means a public accountant within the meaning of the Companies Act (Cap.50);”.</p>
<p>(4) Education Service Incentive Payment Act (Chapter 87B, 2002 Ed.) Section 16(2)</p>	<p>Delete the words “an approved company auditor” and substitute the words “a public accountant”.</p>

- (5) Home Affairs Uniformed Services
Superannuation Act
(Chapter 126B, 2002 Ed.)
Section 22(4) Delete the words “an approved company auditor” and substitute the words “a public accountant”.
- (6) Securities and Futures Act
(Chapter 289, 2002 Ed.)
Section 2(1) Delete the definition of “auditor” and substitute the following definition:
“ “auditor” means a public accountant within the meaning of the Companies Act (Cap.50);”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Companies Act (Cap. 50) to implement a number of the remaining recommendations of the Company Legislation and Regulatory Framework Committee (the Committee) that have yet to be given effect to. The Committee was appointed in December 1999 to “undertake a comprehensive review of the company law and regulatory framework in Singapore and recommend a modern company law and regulatory framework for Singapore which accords with global standards and which will promote a competitive economy”. The references to the Recommendations hereafter are references to the Committee's recommendations in its final report presented to the Government in October 2002. The Bill also makes consequential amendments to certain other written laws.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 4 by amending the definition of “approved liquidator” in light of the amendment to section 9, by deleting the definition of “approved company auditor” and substituting in its place, a new definition of “public accountant”, and by inserting 2 new definitions of “electronic communication” and “telecommunication system”.

The clause also makes an amendment to section 4 that is consequential to the amendments to section 145 relating to the minimum number of directors in a company.

Clause 3 repeals and re-enacts section 9 to enable the Minister to declare any specified class of persons as approved liquidators, and also to allow a person who does not fall within a specified class to apply to the Minister for approval to be liquidator.

In addition, any reference to “approved company auditor” is deleted to implement the new regime where any public accountant (as defined in section 4(1)) is automatically qualified to act as auditor of a company without having to seek the approval of the Minister.

Clause 4 amends section 10 to facilitate the appointment of an accounting firm or accounting corporation approved under the Accountants Act 2004 as auditor of a company. If an accounting firm is appointed in the name of the firm, the appointment operates as if the partners of the firm at the time of the appointment who are public accountants at that time have been appointed as auditors. If an accounting corporation is appointed in the name of the corporation, the appointment operates as if the corporation’s directors and employees practising as public accountants (including those appointed or employed after the date of appointment of the corporation as auditor) have been appointed as auditors. Clause 4 also makes consequential amendments to section 10 arising from the introduction of the term “public accountant” to replace the term “approved company auditor”.

Clause 5 gives effect to and expands on Recommendation 1.11 by amending section 17 to reduce the minimum number of persons required to form any company to just one.

Clause 6 amends section 18 to give effect to Recommendation 1.5, which recommends the deletion of paragraphs (c) and (d) of section 18(1) to enable private companies to raise capital through public offerings. In doing so, private companies will be subjected to the disclosure requirements under the relevant legislation governing the raising of capital from the public.

Clause 7 gives effect to and expands on Recommendation 1.11 by inserting new section 20A which provides that a company need only have one member.

Clauses 8 and 9 amend sections 22 and 23 respectively to give effect to Recommendation 1.10, which recommends the abolition of the *ultra vires* doctrine. Section 22 is amended to remove the requirement for the objects of a company to be stated in its memorandum. Section 23 is amended to delete the various prescribed powers of a company and to provide that a company has full capacity to carry out any business or activity and has full rights, powers and privileges for such purposes. A company may however restrict such capacity, rights, powers or privileges in its memorandum or articles of association.

Clause 10 inserts a new section 25A which provides that a person is not deemed to have notice of the memorandum or articles of association or any other document of a company merely because it has been registered or is available for inspection at the company’s registered office.

Clause 11 amends section 26 by deleting subsection (1) and substituting provisions to create a new regime for alteration of the memorandum of a company.

The new general rule is that unless otherwise provided in the Act, the memorandum of a company may be altered by special resolution. The general rule is subject to a new section 26A dealing with entrenching provisions. The general rule does not apply to provisions contained in the memorandum immediately before the date of commencement of this amendment and which could not be altered under the law in force at that time. Such provisions may be altered only if all the members of the company agree.

Clause 12 introduces a new section 26A to give effect to Recommendation 3.16 to statutorily impose limits on majority rule in the context of alterations of the articles of association of a company. The new section 26A allows a company to include entrenching provisions in its memorandum and articles. An entrenching provision is one stating that another specified provision may not be altered at all, or may only be altered by a resolution passed by a specified majority greater than 75% (the minimum majority required by the Act for a special resolution) or if certain specified conditions are met.

Clauses 13 and 16 make amendments to sections 29 and 33 respectively that are consequential to the amendments to sections 22 and 23.

Clauses 14 and 15 make amendments to sections 31 and 32 respectively that are consequential to the amendment to section 18.

Clause 17 amends section 37(1) (alteration of articles) by stating that it is subject to the new section 26A on entrenching provisions.

Clause 18 repeals section 42 (prohibition of the carrying on of business by a company with fewer than the statutory minimum number of members) as a consequence to the amendments in clauses 5 and 7.

Clause 19 amends section 80 by inserting a new subsection (3) to empower the Minister to exempt any person or class of persons from the provisions of Division 4 of Part IV of the Act. The clause will enable the Minister to exempt scrip lending intermediaries from that Division of the Act as recommended in Recommendation 5.6.

Clause 20 amends the heading to Division 7A of Part IV of the Act to omit the reference to “listed” in relation to securities. The amendment is made pursuant to Recommendation 5.2, to reflect the expanded scope of the Division by virtue of clause 22.

Clause 21 amends section 130A by deleting the words “as a bare trustee” in the definition of “Depository”, which are no longer necessary by virtue of the new section 130CA (inserted by clause 24). The clause also includes depository receipts in the definition of “derivative instruments” and inserts a definition of “securities” which corresponds with that in the Securities and Futures Act (Cap.289). The clause further

amends the definition of “documents evidencing title” as a consequence of the new definition of “securities”.

Clause 22 repeals and re-enacts section 130B to provide for the application of Division 7A of Part IV of the Act to the range of securities as identified in Recommendation 5.2.

Clause 23 amends section 130C(a) by omitting the reference to “listed” in relation to securities, pursuant to Recommendation 5.2.

Clause 24 inserts a new section 130CA to give effect to Recommendation 5.3 by creating a statutory trust over book-entry securities held by the Depository, its nominee or depository agents. This is for the protection of depositors and sub-account holders in the event of the insolvency of the Depository, its nominee or depository agent. The section also makes clear that each depositor or sub-account holder is only entitled to a pro rata share in the collective assets held under such statutory trusts.

Clause 25 amends section 130D as a consequence of the new definition of securities (inserted by clause 21). In particular, the clause deems depositors who hold securities of corporations as members of those corporations and depositors in respect of units in a collective investment scheme as holders of such units.

Clause 26 amends section 130E as a consequence of the amendment to section 130D (by clause 25), which deems depositors who hold securities of corporations as members of those corporations.

Clause 27 makes a consequential amendment to section 130N(7) by virtue of the amendment to section 130D (clause 25).

Clause 28 amends section 144 to give effect to Recommendation 1.6, which recommends that all companies must include their registration numbers in certain of their documents. The clause also amends section 144 to dispense with the need for a company to display its name on the outside of its office.

Clause 29 gives effect to and expands on Recommendation 1.11 by amending section 145 to reduce the minimum number of directors resident in Singapore which a company must have to just one. Section 145 is also amended to give the Registrar of Companies and the courts power to compel members of a company to appoint one director that is resident in Singapore for the company; and to make a member liable for the debts of a company if it continues for business for more than 6 months without at least one director who is resident in Singapore.

Clause 30 inserts a new section 157B to provide for how a company with only one director is to make a declaration required or authorised to be made under the Act.

Clause 31 introduces a new section 157C to give effect to Recommendation 3.7, which recommends that directors be accorded protection for reasonable reliance on

information and advice from professionals and experts, provided that in so doing, the director acts in good faith, makes proper inquiry if the circumstances warrant, and has no knowledge that his reliance on such information or advice is unwarranted.

Clause 32 amends section 171 to provide that where a company only has one director, he must not be the secretary of that company.

Clause 33 repeals section 173A (the interpretation of terms and expressions used in Division 3 of Part V).

Clause 34 amends section 175A by inserting a new subsection (11) to define the term “address” which was previously defined in the repealed section 173A(6). The term “electronic communication” which was also previously defined in the repealed section 173A(6) is now defined in section 4, but with an additional requirement that documents transmitted are legible or capable of being made legible following receipt in non-legible form.

Clause 35 makes technical amendments to section 183 and inserts a new subsection (8) to define the term “in legible form or a permitted alternative form” which was previously defined in the repealed section 173A(1).

Clause 36 amends section 184A by inserting a new subsection (6A) to define the term “in legible form or a permitted alternative form” which was previously defined in the repealed section 173A(1).

Clause 37 makes technical amendments to section 184B(1)(a) which are necessitated by the repeal of section 173A and the introduction of a new section 387B.

Clause 38 makes technical amendments to section 184C(1) which are necessitated by the repeal of section 173A and the introduction of a new section 387B.

Clause 39 makes technical amendments to section 184D(1) which are necessitated by the repeal of section 173A and the introduction of a new section 387B.

Clause 40 inserts a new section 184G to provide for how a company with only one member is to pass a resolution.

Clause 41 amends section 188 to require a company to keep minute books containing all resolutions passed by written means, and declarations and resolutions made by the company if it has only one director.

Clause 42 amends section 189 to require the minute books kept pursuant to the amended section 188 to be made available for inspection.

Clause 43 amends section 192 to dispense with the need for a company to notify the Registrar before closing its register of members.

Clause 44 amends section 201 —

- (a) to provide that a company need not prepare consolidated accounts if it is not required to do so under the Accounting Standards;
- (b) to clarify the types of accounts of a company which are subject to audit requirements; and
- (c) to enable the Minister to prescribe additional information for inclusion in the directors' report to be attached to a company's balance-sheet.

Clause 45 repeals section 201A and clause 49 deletes paragraph (c) of section 207(2), both of which deal with the manner of preparation of consolidated accounts. The matters dealt with by these provisions are addressed in the Accounting Standards.

Clause 46 makes technical amendments to section 201B.

Clause 47 amends section 204 to provide enhanced penalties for non-compliance with section 201(1A), (3), (3A) and (15), as compared to non-compliance with other sections in the same Division.

Clause 48 amends section 206 by requiring a public company to undertake a review of its auditor's fees, expenses and emoluments under prescribed circumstances and to make the outcome known to persons entitled to receive notice of general meetings.

Clause 50 repeals section 209B as it is spent.

Clause 51 introduces 2 new sections, 387A and 387B to give effect to Recommendation 3.18 which recommends that electronic distribution of statutory reports be permitted, and also that a company be allowed to electronically transmit notices of meetings and other documents to members, officers or auditors of the company under certain specified conditions. One such condition is that the member, officer or auditor must have agreed to the method of electronic transmission. Electronic transmission may be in the form of sending the notice or document using electronic communications to the current address of the recipient, or publishing the notice or document at a website such that they are accessible by the recipient. In that context, the term "electronic communication" which is used in sections 387A and 387B is defined in section 4 to include an additional requirement that documents received are in legible form or capable of being made legible following receipt in a non-legible form. The purpose is to retain all requirements previously imposed by the repealed section 173A(1) on certain documents which now fall within the ambit of section 387B.

Clause 52 amends section 401 to increase the fine referred to in subsections (2) and (2A) from \$10,000 to \$50,000.

Clause 53 amends the Second Schedule by deleting item 96 (which relates to the fees payable for an application to the Minister for approval to include certain powers in the memorandum or articles of a company) and by making consequential amendments to item 113 arising from the amendments to section 9.

Clause 54 repeals the Third Schedule, which relates to the powers of a company.

Clause 55 amends the Fourth Schedule to provide for how the board of a company with only one director is to pass a resolution.

Clause 56 amends the Sixth Schedule to reduce the number of financial years in respect of which a company has to disclose its rate of dividends and profits and losses in a statement in lieu of prospectus from 5 to 3.

Clause 57 makes miscellaneous amendments to the Act arising from the introduction of the term “public accountant” to replace the term “approved company auditor”.

Clause 58 and clause 59 (read with the Schedule) make consequential amendments to other written laws arising from the introduction of the term “public accountant” to replace the term “approved company auditor”.

Clause 60 empowers the Minister to make regulations to prescribe transitional, savings and other consequential provisions that the Minister may consider necessary or expedient.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

TABLE OF DERIVATIONS OF AMENDMENTS

<i>Companies (Amendment) Bill 2004</i>		<i>Source</i>			
<i>Provision in Companies Act (Cap. 50) amended or inserted by this Bill</i>	<i>Section Heading</i>	<i>Draft Bill in UK White Paper on Modernising Company Law, July 2002 CM 5553-II</i>	<i>Australian Corporations Act 2001</i>	<i>N.Z. Companies Act 1993</i>	<i>Others</i>
<i>Section</i>		<i>Clause</i>	<i>Section</i>	<i>Section</i>	
20A	Minimum of one member	—	114	—	—
23	Capacity and powers of company	—	—	16	—
25A	No constructive notice	—	—	19	—
26	General provisions as to alteration of memorandum	20	—	—	—
26A	Power to entrench provisions of memorandum and articles of company	21	—	—	—
130CA	Depository or nominee deemed to be bare trustee	—	—	—	New
157B	Director declarations where company has one director	—	248B	—	—
157C	Use of information and advice	—	—	138 (originally section 107B of the New Zealand draft legislation as reflected in the NZ Law Commission 1989 Report)	—

<i>Companies (Amendment) Bill 2004</i>		<i>Source</i>			
<i>Provision in Companies Act (Cap. 50) amended or inserted by this Bill</i>	<i>Section Heading</i>	<i>Draft Bill in UK White Paper on Modernising Company Law, July 2002 CM 5553-II</i>	<i>Australian Corporations Act 2001</i>	<i>N.Z. Companies Act 1993</i>	<i>Others</i>
<i>Section</i>		<i>Clause</i>	<i>Section</i>	<i>Section</i>	
171	Secretary	—	—	—	Section 283, UK <i>Companies Act 1985</i>
184G	Resolutions of one member companies	—	249B	—	—
188	Minutes of proceedings	—	251A	—	—
387A	Electronic transmission of notices of meetings	—	—	—	Section 369 of the UK <i>Companies Act 1985</i>
387B	Electronic transmission of documents	—	—	—	Sections 238 of the UK <i>Companies Act 1985</i>
Fourth Schedule – Regulation 90A, Regulation for Management of a Company Limited by Shares	—	—	248B	—	—