

Singapore Regulator Gets Tough on Late Filing

December 2015

3 key statutory requirements for Singapore companies and directors

Companies Act (the "Act"):	Statutory Requirements	Breach By
Section 175	A company must hold its AGM every calendar year and not more than 15 months from the previous AGM. If the company is newly incorporated, it has to hold its AGM within 18 months from its date of incorporation.	Both company and director
Section 197(4)	After a company has held its AGM, it has to file the Annual Return ("AR") within 1 month online via Bizfile	Both company and director
Section 201(1)	For listed companies, the financial statements laid at the AGM must not be more than 4 months old. For non-listed companies, the financial statements laid at the AGM must not be more than 6 months old.	Director

Increased penalties for late filing with effect from 1 Dec 2015:

- Penalty of S\$300 if AR is not filed within 1 month of AGM regardless of length of default (s197 of the Act);
- A composition sum of S\$300 for holding the AGM late (s175 of the Act)
- A composition sum of S\$300 for laying out-of-date financial statements at the AGM (s201 of the Act)

Previously, penalties and composition sums for breaching each section of the Act ranged from \$60 to \$350 depending on factors, such as the length of the delay.

Increased enforcement actions in event of non-filing (from 2 Nov 2015)

Stage 2 –

After summons is issued

ACRA has the discretion to offer a composition of S\$600 per breach of s175 & s197

Stage 3 –

If a warrant of arrest is issued

ACRA has discretion to offer a composition of S\$900 per breach of s175 & s197

Stage 1 –

Before summons is issued

ACRA has the discretion to offer a composition of S\$300 per breach of s175, s197 & s201

Note: ACRA has the discretion not to offer composition and to take enforcement action against all or any of the company's officers.

Other new enforcement actions effective Q1 2016

A director who has at least 3 of his companies struck off within 5 years will be disqualified from acting as director, or to take part in management of any company for 5 years commencing after the date on which the 3rd company is struck off.

**For the avoidance of doubt, the striking off of the three companies relates only to striking off initiated by the Registrar and does not include voluntary applications for striking off.*

Other new enforcement actions effective Q1 2016

- **Possible debarment of director or company secretary if:**
 - He/she is in default of a relevant requirement in the Companies Act for a continuous period of 3 months or more

Disclaimer: All information has been taken from ACRA's website.



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