

27 January 2022

Accounting and Corporate Regulatory Authority  
55 Newton Road  
#03-02 Revenue House  
Singapore 307987

(By email: [ACRA\\_Public\\_Consultation@acra.gov.sg](mailto:ACRA_Public_Consultation@acra.gov.sg))

Dear Sir / Madam,

**RESPONSE TO PUBLIC CONSULTATION ON PROPOSED LEGISLATIVE AMENDMENTS  
RELATING TO DATA, DIGITALISATION AND CORPORATE TRANSPARENCY FOR A  
TRUSTED AND VIBRANT BUSINESS ENVIRONMENT IN SINGAPORE**

The Institute of Singapore Chartered Accountants (ISCA) appreciates the opportunity to comment on the proposed amendments to the Companies Act (“CA”), Accountants Act (“AA”), ACRA Act, Business Names Registration Act (“BNRA”), Limited Liability Partnerships Act (“LLP Act”), Limited Partnerships Act (“LP Act”) and Variable Capital Companies Act 2018 (“VCC Act”).

To seek views on the proposed amendments, ISCA held a focus group with members of several ISCA Committees, namely:

- ISCA Auditing and Assurance Standards Committee;
- ISCA Ethics Committee;
- ISCA Insolvency & Restructuring Practitioners Committee; and
- ISCA Public Accounting Practice Committee.

Our comments to certain proposed amendments are detailed in the subsequent pages of this response letter.

## Annex A: Proposals on Personal Data Collection and Use, Filing Convenience and Digital Correspondences

<b>Greater flexibility in collection and sharing of Personal Data / Personal Data Privacy</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p><u>Item 1</u></p> <p>One of the functions of ACRA is to establish and administer a repository of documents and information relating to business entities and public accountants and to provide access to the public to such documents and information.</p> <p>The various Acts which ACRA administers also currently sets out that information and documents that are required to be filed with ACRA are available for inspection and copies or extracts of documents available for purchase, unless explicitly specified.</p>	<p>To make amendments to:</p> <p>(a) provide flexibility for ACRA to specify additional personal data relating to business owners that may need to be collected through subsidiary legislation; and</p> <p>(b) introduce a <b><u>tiered disclosure framework</u></b> to calibrate the disclosure of personal data and in this way, give greater flexibility to ACRA as to what data is made available to the public. For personal data which ACRA collects and is not made public, ACRA would also have the discretion to make that data available within the Government (and with selected external organisations) for specific purposes, such as to counter illicit business activities and protect public/national interests.</p>
<p><u>Item 3</u></p> <p>In view of the current provisions described in <u>item 1</u>, the <b>ID numbers</b> which are filed with ACRA are accessible to the public.</p>	<p>To make amendments to <b><u>partially mask the ID number</u></b> of all individuals in ACRA's registers which are made available to the public, to protect their personal data privacy. This would apply to the identification numbers of Singapore citizens, permanent residents and foreign individuals.</p>
<p><u>Item 4</u></p> <p>In view of the current provisions described in <u>item 1</u>, <b>residential addresses</b> which are filed with ACRA are accessible to the public.</p>	<p>To make amendments to <b><u>introduce a "contact address"</u></b> as the default address that will be shown to the public.</p> <p>Residential addresses will continue to be required to be filed but will not be made public.</p>

ACRA proposes to differentiate between what data should be in the public domain, and what data should not be made available to the public, so as to better exercise flexibility in determining what new data to be shared publicly.

However, it is unclear what data ACRA would no longer make public under the proposed “tiered disclosure framework”. There are concerns raised that the removal of certain data from the public domain may pose challenges to public accountants who are using those data for purposes of verifying clients’ identities in conducting anti-money laundering (AML) / know your customer checks.

One such data is ID numbers which ACRA proposes that only the last four alphanumeric characters and the contact addresses (instead of residential addresses) which are filed with ACRA will be made available to the public. We have received feedback that this would make it more difficult for public accountants to discharge AML hits on those individuals identified with same name and nationality when personal data (including full ID numbers and residential addresses) will no longer be made available to the public.

In addition, it is envisaged that position holders will provide the registered office address of their businesses as the default “contact address” that will be shown to the public. In the event of a winding up or abandonment of the registered office, this would make it difficult, if not impossible, for insolvency practitioners to contact those position holders whose residential addresses are no longer available to the public.

<b>Standardisation of Personal Data</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p><u>Item 2</u></p> <p>References to information to be provided to the Registrar in respect of <b>names</b> are currently not aligned within the CA, as well as across the various Acts administered by ACRA.</p>	<p>To make amendments to clarify that the reference to the “<b>full name</b>” or “<b>name</b>” of an individual, where these terms appear in the CA, VCC Act, BNRA, LP Act, LLP Act, AA and the ACRA Act (in respect of filing agents or qualified individuals), means the name of an individual as stated in the identity card (where such individual is registered under the National Registration Act (“NRA”)), or in the passport <u>or similar evidence of identity</u> (for individuals not registered under NRA). The name on the identity card includes the principal name, hanyu pinyin name, alias, hanyu pinyin alias and married name.</p>

ACRA proposes to standardise the definition of “name”, in respect of individuals, used in the CA and across all the various ACRA-administered Acts to facilitate greater uniformity in data.

It is unclear what ACRA would allow as “similar evidence of identity” and it would be good if ACRA could clarify on the examples of acceptable evidence. In the event that ACRA requires existing names to be changed or updated, a reasonable time frame should be provided to facilitate action to be taken.

<b>Facilitating Digital Communications</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p><u>Item 5</u></p> <p>ACRA currently collects businesses’ registered office address and position holders’ residential address (or alternate address, if provided). However, ACRA is <b>not</b> currently empowered to collect or require updating of <b>email addresses</b> and <b>mobile numbers</b> for position holders and business entities.</p>	<p>(a) To introduce provisions in the various Acts to require position holders and shareholders/members to provide and update email addresses and mobile numbers.</p> <p>(b) To introduce provisions in the various Acts to require business entities to provide and update business email addresses.</p> <p>Correspondences and notices, other than summonses, sent by the Registrar will be posted on the <b><u>recipient’s dashboard in BizFile+</u></b>. Amendments to the ACRA Act are proposed to expressly provide that such delivery will be deemed to constitute valid delivery of such correspondences and notices.</p> <p>Consequential amendments will be made to each respective Act to <u>remove</u> references to letters or hardcopy notices.</p>
<p><u>Item 6</u></p> <p>Currently, under each of the ACRA administered Acts, <b>correspondences and notices</b> sent by the Registrar of Companies, Registrar of Business Names, Registrar of Limited Liability Partnerships, Registrar of Limited Partnerships and Registrar of Public Accountants (collectively, the “Registrar”) to companies, VCCs, businesses, limited liability partnerships, limited partnerships or public accounting entities and/or officers, shareholders/members, business owners, managers, partners etc. <b>are sent via hardcopy to the registered address</b> of the entity or the residential or alternate addresses of the individual, as the case may be.</p>	

It is unclear when and under what circumstances ACRA would require position holders and business entities to provide and update email addresses and mobile numbers. More clarity in this aspect will help enhance understanding of the requirements. Similar to above, a reasonable time frame should be provided for action to be taken.

ACRA also proposes that correspondences and notices, other than summonses, sent by the Registrar, will be posted on the recipient’s dashboard in BizFile+. The notification that a correspondence or notice has been sent to the recipient’s dashboard will be alerted to the recipient via electronic mail or SMS.

We are supportive of ACRA's proposals to facilitate digital communications. To better effect this, we would suggest to give position holders and business entities an option to include an additional email address to provide for situations where delivery to their primary email addresses may fail given the increased emphasis placed on digital communications (in place of hardcopy).

<b>Streamlining of filing process/obligation</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p><u>Item 7</u></p> <p>Currently, ACRA has the power to rectify or update particulars or documents kept in its registers <u>under limited circumstances</u>. In particular, if the Registrar is satisfied that there is evidence of a conflict between the particulars of an entity or person and other information in the register, or other information from a prescribed body, the Registrar may update the register.</p> <p>There is, however, currently <u>no provision that allows drawing of data</u> at the stage of filing, before the data is in ACRA's registers/records.</p> <p>Furthermore, while ACRA can rectify or update particulars or documents based on information from a prescribed list of government agencies or body corporates, there is also currently no power to rely on information from government agencies or body corporates for the purposes of enforcement or regulatory functions.</p> <p><u>Item 8</u></p> <p>There is currently a requirement for business entities to notify ACRA on the change of particulars of their position holders under the various Acts.</p>	<p>To make amendments to the Acts referred to in the third column to enable ACRA to do the following:</p> <p>(a) To draw personal information for individuals (e.g. personal biodata) from other specified government agencies for the purposes of filing such information with ACRA, such that the filer does not have to input the data with ACRA during the filing of a transaction (e.g. at registration or updating of changes in particulars or shareholdings). This proposal is intended to include the personal data which is required to be filed in respect of individuals under the CA, VCCA, LLPA, LPA, BNRA, AA and ACRA Act.</p> <p>(b) To use information (e.g. business addresses) from other specified entities (e.g. banks, power and telecommunications utilities companies) to verify information on ACRA's register for regulatory/enforcement purposes.</p> <p>To make amendments such that where any of the following individuals, who is a Singapore citizen, permanent resident or FIN holder, and whose particulars are recorded on ACRA's register, has provided the Ministry of Home Affairs ("MHA") or the Ministry of Manpower ("MOM") with changes to his or her personal information (e.g. full name details, gender, date of birth, residential address and nationality), <u>the Registrar will be empowered to</u></p>

	<p><u>obtain such changes to personal information directly from MHA and MOM:</u></p> <ul style="list-style-type: none"> <li>(a) A director, CEO, secretary or auditor of a company;</li> <li>(b) A director, manager, secretary or auditor of a VCC;</li> <li>(c) A director or authorised representative of a foreign company;</li> <li>(d) Any individual under the BNRA, LP Act, LLP Act and AA;</li> <li>(e) An RFA or RQI which is an individual registered under the ACRA Act.</li> </ul> <p>For the above persons who are Singapore citizens or permanent resident, amendments are also proposed to enable ACRA to draw data from MHA on death information to update ACRA's register.</p> <p><u>There will be no need for such individuals or the relevant business entity to notify ACRA of such changes.</u></p>
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We are supportive of ACRA's proposals to reduce the amount of data that individuals and business entities must file with ACRA to improve filing convenience, facilitate consistency of Whole-of-Government data and increase data accuracy in ACRA's records.

However, it is not clear on the process that ACRA would take to verify any inconsistencies in data. Also, ACRA may wish to clarify whether, in instances where it has made amendments to its records, the affected individuals or business entities will be informed accordingly.

**Annex B: Proposals to Enhance Transparency of Beneficial Ownership of Companies and Limited Liability Partnerships (“LLPs”)**

<b>Item 3</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p>The Registrar and officers of ACRA may exercise powers of enforcement in respect of the register of controllers and the register of nominee directors: section 386AM(1)-(2) of the CA and section 32L(1)-(2) of the LLP Act. Amongst other things, the Registrar or an officer of ACRA may require a company to produce its register of controllers or its register of nominee directors, and/or make such inquiry as may be necessary to ascertain whether the provisions of Part XIA are complied with.</p> <p>Any person who fails to comply with any requirement imposed under section 386AM(1)-(2) of the CA or section 32L(1)-(2) of the LLP Act shall be guilty of an offence, but a person who provides incorrect particulars in its register of controllers or its register of nominee directors to the Registrar or an officer of ACRA in order to comply with any requirement imposed under section 386AM(1)-(2) of the CA and section 32L(1)-(2) of the LLP Act is not subject to a specific sanction.</p>	<p>To empower the Registrar to impose a financial penalty of up to \$10,000 on any person who inadvertently, or without intent to mislead or defraud, makes any inaccurate or erroneous statement or information to the Registrar, in complying with section 386AM(1)-(2) of the CA and section 32L(1)-(2) of the LLP Act.</p>

The proposed amendment in item 3 will “empower the Registrar to impose a financial penalty of up to \$10,000 on any person who inadvertently, or without intent to mislead or defraud, makes any inaccurate or erroneous statement or information to the Registrar, in complying with section 386AM(1)-(2) of the CA and section 32L(1)-(2) of the LLP Act”.

While imposing a financial penalty can be an effective deterrent in the provision of erroneous information, we are of the view that the proposed amendment could be deemed as harsh and punitive, especially since it is imposed on a person who has no intent to mislead or defraud. For a better understanding of the rationale for the amendment, it will be good if ACRA could share its basis and whether this is comparable to other jurisdictions.

<b>Item 4</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p><b>For companies</b> The offences pertaining to the register of controllers and the register of nominee directors are punishable with a maximum fine of \$5,000.</p> <p><b>For LLPs</b> The punishment stipulated in sections 32F(9), 32G(5), 32H(5), 32I(5) and 32M(4) of the LLP Act is that the LLP and every officer of the LLP who fails to comply with the requirements under the said provisions in relation to the beneficial ownership regime is liable on conviction to a fine not exceeding \$5,000.</p> <p>The punishment stipulated in sections 32H(6), 32I(6), 32J(4), 32K(4) and 32L(4) of the LLP Act is that a person who fails to comply with the requirements under the said provisions in relation to the beneficial ownership regime is liable on conviction to a fine not exceeding \$5,000.</p>	<p>To increase the maximum fine for the offences in the third column to \$20,000.</p>

ACRA proposes a four-fold increase in the maximum fine for offences pertaining to the register of controllers and the register of nominee directors, from the current quantum of \$5,000 to \$20,000. This is a significant increase, and it should be adequately explained and justified. Hence, we would like to seek ACRA's clarification on the basis for the amendment and whether the proposed new quantum is comparable to the other jurisdictions for similar offences.

<b>Item 6</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p>Companies and LLPs must enter or update the particulars of their controllers in their registers, after the particulars of the controller are confirmed by the controller: sections 386AF(9)(a) and 386AF(10) CA; and sections 32F(6)(a) and (7) LLP Act.</p> <p>The particulars of a controller may be treated as confirmed where (a) in response to a notice given by the company/LLP, a person or a registered filing agent confirms on behalf of the person, that the person is a controller and has provided those particulars; or (b) the person has notified the company/LLP that he or she is a controller and has provided those particulars: regulation 5 of the Companies (Register of Controllers and Nominee</p>	<p>To:</p> <p>(a) require the controller to provide his or her dated signature accompanied by a statement stating that the information provided in his or her confirmation or notification is true and accurate, in the controller's confirmation or notification; and</p> <p>(b) amend the forms of notices accordingly to provide for this requirement.</p>



Directors) Regulations 2017; and regulation 5 of the Limited Liability Partnerships (Register of Controllers) Regulations 2017.

In the controller's confirmation or notification, he or she is not required to provide his or her dated signature accompanied by a statement stating that the information provided in his or her confirmation or notification is true and accurate.

The prescribed forms of the notices in the Third, Fourth, Fifth and Sixth Schedules to the Companies (Register of Controllers and Nominee Directors) Regulations 2017 and Limited Liability Partnerships (Register of Controllers) Regulations 2017 that companies and LLPs must use to obtain information from the controller also do not provide for such a requirement.

ACRA proposes to require the controller to provide his or her dated signature accompanied by a statement stating that the information provided in his or her confirmation or notification is true and accurate, in the controller's confirmation or notification. It is unclear from the proposals on the acceptable form of signatures, e.g. wet ink signature, digital signature, etc

Given the increase in digitalisation of business processes, we hope that ACRA would accept digital signatures for the controllers' submission of confirmation or notifications. This would be in line with the Singapore government's direction in encouraging businesses to adopt technology.

**Annex C: Proposed Amendments to the Companies Act and Other ACRA-Administered Legislations to Clarify and Update Regulatory Requirements**

<b>Streamline and clarify the striking off regime</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p><u>Item 3</u></p> <p>For both ACRA-initiated striking off and voluntary striking off, the Registrar can only publish the Gazette notice after 30 days of the date of the letter that is sent to the company, foreign company, VCC or LLP.</p> <p>For ACRA-initiated striking off, to initiate a striking off, the Registrar must send a letter to the company, foreign company, VCC or LLP and its related individuals (where applicable), informing them that the Registrar has reasonable cause to believe that the entity is not carrying on business or not in operation and stating that, if an answer showing cause to the contrary is not received within 30 days after the date of the letter, a notice will be published in the Gazette with a view to striking the name of the entity off the register.</p> <p>For voluntary striking off, upon receiving the striking off application, the Registrar, if satisfied that the company, foreign company, LLP, VCC or sub-fund of a VCC is eligible for striking off, must send a letter to its directors, secretaries and members (or managers and partners in the case of an LLP) informing them of the application and stating that if an answer showing cause to the contrary is not received within 30 days after the date thereof, a notice will be published in the Gazette with a view to striking the name of the entity off the register.</p>	<p>To make amendments to:</p> <p>(a) remove the requirement that the Gazette notice can only be published after 30 days of the letter to the entity; and</p> <p>(b) allow the Registrar to publish the Gazette notice as early as the next day after the letter is sent (regardless of the mode of delivery).</p>

While we understand ACRA's intention of the proposed amendment which would shorten the timeline of the striking off process from 90 days to 61 days, there are concerns that this proposal will deprive related individuals (such as directors or members) of any opportunity to react to the striking-off letter sent to them by ACRA, prior to the publishing of the Gazette notice. There may be circumstances where the directors or members intend to keep or activate the entity.

To better support the proposed amendment, ACRA could consider sharing the historical statistics of responses received by the Registrar during the 30-day window period that is currently given

before the Registrar can publish the Gazette notice. Such statistics will help in assessing and understanding the importance of this 30-day notice period.

If ACRA is unable to share such statistics, we hope ACRA could consider maintaining a notice period, even if it is a reduced one (for e.g. 14 days instead of 30 days).

<b>Clarify the Registrar’s power to update the register of directors based on bankruptcy information</b>	
<b>Current Requirement</b>	<b>Proposed Amendment</b>
<p><u>Item 1</u></p> <p>The CA currently does not expressly permit the Registrar to update the register of directors based on bankruptcy information which it obtains from the Ministry of Law</p>	<p>To introduce a provision that expressly allows ACRA to update the registers of directors maintained by ACRA based on bankruptcy information provided by the Insolvency Office of the Ministry of Law.</p>

We wish to share the following comments and suggestions for ACRA’s consideration:

**1. Notifying the officers of the company**

In situations where ACRA updates the registers of directors pursuant to the provision under the proposed amendment, we would like to suggest that ACRA notifies the officers of the related companies so that they are kept informed. This will enhance transparency and the officers of the companies will be able to take the necessary action, particularly if they are not aware of changes to a director’s bankruptcy status.

**2. Clarity over updates to be made by ACRA**

Rightfully, a director who has been declared bankrupt would resign and cease serving as a director of a company.

It is not clear what information ACRA will update in the register of directors in relation to bankruptcy information provided by the Insolvency Office of the Ministry of Law. It will be helpful if ACRA could clarify if these are updates for situations where an individual is declared bankrupt but is still listed as a current director of a company, or if ACRA also intends to update bankruptcy information of former directors (who may have resigned earlier due to bankruptcy concerns/status).

**3. Expectations of the company secretary or corporate service provider (CSP)**

There may be situations where a company secretary or CSP is not informed or aware of a change to a director’s bankruptcy status.

If ACRA updates the register of directors pursuant to the proposed amendment, the company secretary or CSP may not be clear of any action expected of them (e.g. whether they should continue to file an update to the register of directors). In this regard, guidance or a set of FAQs from ACRA would be useful to clarify any potential misunderstandings.

Should you require any further clarification, please feel free to contact:

- Mr Terence Lam, Senior Manager, Professional Standards, via email at [terence.lam@isca.org.sg](mailto:terence.lam@isca.org.sg)
- Ms Alice Tan, Senior Manager, Professional Standards, via email at [alice.tan@isca.org.sg](mailto:alice.tan@isca.org.sg)
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Yours faithfully,



Kang Wai Geat  
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