

MOF PUBLIC CONSULTATION REGARDING THE NEW DRAFT COMPANIES (AMENDMENT) BILL 2013

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On 2 May 2013, the Ministry of Finance ("**MOF**") released a draft of the Companies (Amendment) Bill ("**Bill**") to amend the current Companies Act (the "**Act**") based on the recommendations of the Steering Committee ("**SC**") which were accepted by the MOF in October 2012. Our last CNPUpdate featured comments on the responses of MOF. MOF has now opened a consultation to gather comments from the public on the Bill before it is presented to the Parliament. The public consultation exercise will run from 2 May 2013 to 14 June 2013.

Some key amendments provided for in the Bill are:

- Extension of the definition of a director to widen the inclusion of "shadow directors" and specific regulation of the CEO;
- The new exception for loans to directors;
- Removal of the definition of a "preference share", which simplifies non-voting equity shares and introduction of equity shares with different voting rights in public companies;
- Uniform solvency statement for directors;
- Exception from audit requirements for small companies;
- Merger of the Memorandum and the Articles of Associations into a single Constitution document;
- Modification of the list of registrable charges;
- Introduction of multiple proxies to enable indirect investors to participate at shareholders' meetings; and
- Extension of the regime applicable to treasury shares to shares of the holding company held by subsidiaries.

We will be providing our analysis of certain key amendments in the following issues of CNPupdate.

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