

THE ACRA (REGISTRY AND REGULATORY ENHANCEMENTS) ACT 2024

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1. Introduction

As part of the Ministry of Finance's ("MOF") and the Accounting and Corporate Regulatory Authority's ("ACRA") regular review of legislation administered by ACRA, the ACRA (Registry and Regulatory Enhancements) Act 2024 (the "**Act**") was passed by Parliament on 2 July 2024 and received the President's assent on 31 July 2024. Upon coming into operation on a date that the Minister appoints by notification in the Gazette, the Act will amend various ACRA-administered legislation, including the ACRA Act 2004 and the Companies Act 1967.

Broadly, the Act aims to better protect personal data and enhance the regulatory framework for businesses registered with ACRA, with five key underlying objectives:

- i. Striking a balance between corporate transparency and data protection;
- ii. Facilitating digital communications with businesses and other stakeholders;
- iii. Improving filing convenience and data accuracy;
- iv. Enhancing the accuracy of the register of directors; and
- v. Streamlining the financial reporting requirements for foreign companies registered under the Companies Act 1967 ("**CA**").

This article provides an overview of several key amendments introduced by the Act, in particular those relating to the disclosure of personal data of individuals associated with business entities.

2. Key amendments

A. Provision of a "contact address"

The amendment

At present, individuals associated with business entities are required to file their residential address with ACRA, which is publicly available unless the individual files an alternate address to be made public instead.

To strike a balance between corporate transparency and enhancing personal data protection, the Act introduces the requirement for individuals associated with business entities to file a contact address at which they can be reached in person or by post, in the same jurisdiction as the residential address.

Effect of the amendment

The contact address will be made public. Residential addresses will continue to be required to be filed, but will be kept private unless the individual cannot be reached at the contact address.

When the amendments come into effect, the alternate address regime will be discontinued. It should be noted that all alternate addresses filed under the old regime will be automatically converted to contact addresses and thus be publicly available.

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In view of this, the following actions may be applicable:

- i. Individuals associated with a business entity who have not filed an alternate address, but would like to have a non-residential contact address going forward, may file an alternate address with ACRA at no cost after 26 August 2024. When the amendments come into force, this alternate address will be automatically converted to the contact address.
- ii. Corporate Service Providers should verify their clients' preferred contact addresses and update ACRA accordingly.
- iii. If the alternate address is not filed by the time the amendments take effect, the residential address will be listed as the contact address by default and will become publicly available. However, the contact address may be updated at any time and at no cost.

B. Introduction of a tiered data disclosure framework

The amendment

In line with the aforementioned objective of striking a balance between corporate transparency and enhancing personal data protection, the Act enables ACRA to disclose data in accordance with a tiered framework. The tiered framework can be amended to calibrate the disclosure of data in ACRA's repository to different persons or classes or people.

Effect of the amendment

For example, the framework will exclude residential addresses from public records for personal data protection purposes, but disclosure of residential addresses will be permitted to persons with statutory powers and obligations under specified Acts, or persons with powers and obligations relating to the prevention of money laundering, terrorism financing and the financing of the proliferation of weapons of mass destruction.

C. Use of information by ACRA from prescribed public agencies and public entities

The amendment

To reduce manual entry by users and enable ACRA to maintain, rectify and update its registers more efficiently, the Act empowers ACRA to obtain and use information from prescribed public agencies. The prescribed public agencies have not yet been specified. The information includes changes in particulars of a director, such as his/her full name, residential address and nationality, and will be used to fill in forms that are used to transact with ACRA.

ACRA will also be empowered to use any information obtained from prescribed entities, such as electricity and telecommunication companies, to verify the accuracy of any document or information in its repository. This aims to support ACRA in performing its enforcement and regulatory functions, for instance, to detect

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businesses that are set up for illicit activities.

Effect of the amendment

The amendment brings greater convenience as individuals will not need to input the data with ACRA during the filing of a transaction, and the filing requirement(s) will be deemed to have been complied with. The number of times individuals or entities have to provide data to government agencies will also be reduced.

D. Disclosure of disqualification status of individuals

The amendment

In line with enhancing the accuracy of ACRA's registers, the Act also empowers ACRA to:

- a. Reflect the disqualification status of individuals disqualified under any section of the CA; and
- b. Use information obtained from the courts for the purpose of exercising the power to reflect the disqualification status of individuals disqualified under any section of the CA in ACRA's register.

Effect of the amendment

There will be no change in how the disqualification status of individuals will be reflected.

Information received by ACRA relating to the disqualification status of individuals will be made available on their respective business and people profile(s), which is publicly available for a fee. ACRA will indicate on the relevant profiles if the individual is disqualified.

If an individual disagrees with his/her disqualification status, he/she can contact ACRA with documents supporting his/her position. ACRA will review these and ascertain if the information on the register needs to be amended.

E. Other amendments

The remaining key amendments relate less to the disclosure of personal data, but are briefly discussed below:

Facilitation of digital communications

The Act enables ACRA to transition from sending documents not in connection with court proceedings in hard copy, to sending document and information digitally via a secure digital mailbox in Bizfile. Access to this system will be restricted to authorised individuals using Singpass or Corppass, ensuring the security and privacy of the content of these documents and information.

Any summons sent by ACRA will continue to be sent via hard copy to the registered address of the entity or the residential address of an individual.

There will be a one-year transition period where non-statutory notices and documents that ACRA is currently sending as hard copy letters (e.g. business renewal notices) will continue to be sent in hardcopy, in

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addition to the digital notice via their Bizfile mailbox. Should individuals wish to continue receiving the hardcopy letters and documents, they can notify ACRA. Details of this notification process will be made available at a later date.

Financial reporting for foreign companies

Lastly, the Act streamlines the financial reporting requirement for foreign companies under Section 373 of the CA.

At present, the meaning of “financial statements” under Section 373 of the CA is defined as:

- a. Financial statements prepared in accordance with any applicable accounting standards similar to the Accounting Standards or which are acceptable to ACRA, as required by the law being in force in the place of the company’s formation; and
- b. In any other case, financial statements in such form as would have been required to prepare if the foreign company were a public company incorporated under this Act.

The Act will amend the meaning of “financial statements” to include:

- a. In the case where the foreign company’s shares are listed for quotation on an approved exchange in Singapore or a securities exchange in a country or territory outside Singapore and the foreign company is required by the rules of the approved exchange or securities exchange (as the case may be) to prepare financial statements – those financial statements; and
- b. in any other case –
 - i. where the foreign company prepares financial statements in accordance with accounting standards that are substantially similar to the Accounting Standards – those financial statements;
 - ii. where the foreign company does not prepare the financial statements mentioned in sub-paragraph (i) but prepares financial statements in accordance with the applicable accounting standards as required by the law for the time being in force in the place of the foreign company’s incorporation which are audited or not (as the case may be) in accordance with that law – those financial statements; or
 - iii. where the foreign company does not prepare the financial statements mentioned in sub-paragraph (i) or (ii) – the unaudited summary financial statements of the foreign company.

The amendment thus specifies what financial statements can be lodged with ACRA depending on whether the foreign company is listed in Singapore or overseas, and in any other case. This offers greater clarity on the financial reporting requirements for foreign companies. The administrative burden on certain foreign companies will also be reduced as they are allowed to file the applicable financial statements that they have already prepared.

3. Conclusion

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ACRA has stated that it will provide sufficient lead time for the implementation of the proposed amendments.

Do look out for a further CNPupdate on the amendments introduced by the Corporate Service Providers Act 2024 and the Companies and Limited Liability Partnerships (Miscellaneous Amendments) Act 2024, which were passed by Parliament on 2 July.

Should you require any further information, please do not hesitate to contact Bill Jamieson:

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