REPUBLIC OF SINGAPORE
GOVERNMENT GAZETTE
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The following Act was passed by Parliament on 16th May 2005 and assented to by the President on 31st May 2005:—

COMPANIES (AMENDMENT) ACT 2005

(No. 21 of 2005)

I assent.

SIM KEE BOON,
President,
Person exercising the
Functions of the President
31st May 2005.

Date of Commencement: 30th January 2006

An Act to amend the Companies Act (Chapter 50 of the 1994 Revised Edition), to make related amendments to the Trust Companies Act (Chapter 336 of the 1985 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 2005 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2 of the Companies Act is amended —

(*a*) by deleting the expression "Part I ... Preliminary sections 1-7." in the 3rd line and substituting the following expression:
"Part I ... Preliminary sections 1-7A.";

(*b*) by deleting the expression "Division 3—Shares sections 63-78." in the 15th line and substituting the following expressions:
"Division 3—Shares sections 62A-78.

Division 3A—Reduction of Share Capital sections 78A-78K.";

(*c*)

by deleting the word "listed" in the 28th line; and

(*d*)

by deleting the expression "Part VII ... Arrangements, Reconstructions and Take-overs sections 210-216B." in the 47th and 48th lines and substituting the following expression:
"Part VII ... Arrangements, Reconstructions and Amalgamations sections 210-216B.".

Amendment of section 4

3. Section 4(1) of the Companies Act is amended by inserting, immediately after the definition of "telecommunication system", the following definition:

" "treasury share" means a share which —

(*a*)

was (or is treated as having been) purchased by a company in circumstances in which section 76H applies; and

(*b*)

has been held by the company continuously since the treasury share was so purchased;".

Amendment of section 5

4. Section 5(1) of the Companies Act is amended by inserting, immediately after the words "preference shares" in paragraph (*a*) (iii), the words "and treasury shares".

Amendment of section 7

5. Section 7(9) of the Companies Act is amended by inserting, immediately after the words "sections 76B to 76G" in paragraph (*ca*), the words "(including treasury shares)".

New section 7A

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

"**Solvency statement and offence for making false statement**

7A.

—(1) In this Act, unless the context otherwise requires, "solvency statement", in relation to a proposed redemption of preference shares by a company out of its capital under section 70, a proposed giving of financial assistance by a company under section 76(9A) or (9B) or a proposed reduction by a company of its share capital under section 78B or 78C, means a statement by the directors of the company —

(*a*)

that they have formed the opinion that, as regards the company's situation at the date of the statement, there is no ground on which the company could then be found to be unable to pay its debts;

(*b*)

that they have formed the opinion —

(i)

if it is intended to commence winding up of the company within the period of 12 months immediately following the date of the statement, that the company will be able to pay its debts in full within the period of 12 months beginning with the commencement of the winding up; or

(ii)
if it is not intended so to commence winding up, that the company will be able to pay its debts as they fall due during the period of 12 months immediately following the date of the statement; and

(*c*)
that they have formed the opinion that the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed redemption, giving of financial assistance or reduction (as the case may be), become less than the value of its liabilities (including contingent liabilities),
being a statement which complies with subsection (2).

(2) The solvency statement —

(*a*)
if the company is exempt from audit requirements under section 205B or 205C, shall be in the form of a statutory declaration; or

(*b*)
if the company is not such a company, shall be in the form of a statutory declaration or shall be accompanied by a report from its auditor that he has inquired into the affairs of the company and is of the opinion that the statement is not unreasonable given all the circumstances.

(3) In forming an opinion for the purposes of subsection (1)(*a*) and (*b*), the directors of the company must take into account all liabilities of the company (including contingent liabilities).

(4) In determining, for the purposes of subsection (1)(*c*), whether the value of the company's assets is or will become less than the value of its liabilities (including contingent liabilities) the directors of the company —

(*a*)
must have regard to —

(i)
the most recent financial statements of the company that comply with section 201(1A), (3) and (3A), as the case may be; and

(ii)
all other circumstances that the directors know or ought to know affect, or may affect, the value of the company's assets and the value of its liabilities (including contingent liabilities); and

(*b*)
may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances.

(5) In determining, for the purposes of subsection (4), the value of a contingent liability, the directors of a company may take into account —

(*a*)
the likelihood of the contingency occurring; and

(*b*)
any claim the company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

(6) A director of a company who makes a solvency statement without having reasonable grounds for the opinions expressed in it shall be guilty of an offence and shall be liable on

conviction to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 3 years or to both.".

Amendment of section 18

7. Section 18 of the Companies Act is amended —

(*a*)

by deleting the words "restrictions, limitations and prohibitions" in the 4th and 5th lines of subsection (2) and substituting the words "restrictions and limitations"; and

(*b*)

by deleting the words "restriction, limitation or prohibition" in the 8th and 9th lines of subsection (2) and in subsection (3) and substituting in each case the words "restriction or limitation".

Amendment of section 22

8. Section 22 of the Companies Act is amended —

(*a*)

by deleting paragraph (*c*\) of subsection (1); and

(*b*)

by inserting, immediately after subsection (1), the following subsection:

"(1A) On the date of commencement of section 8(*b*) of the Companies (Amendment) Act 2005, any provision (or part thereof) then subsisting in the memorandum of any company which states —

(*a*)

the amount of share capital with which the company proposes to be or is registered; or

(*b*)

the division of the share capital of the company into shares of a fixed amount,

shall, in so far as it relates to the matters referred to in either or both of paragraphs (*a*) and (*b*), be deemed to be deleted.".

Amendment of section 27

9. Section 27 of the Companies Act is amended —

(*a*)

by deleting subsection (2) and substituting the following subsection:

"(2) Notwithstanding anything in this section and section 28 (other than section 28(4)), where the Registrar is satisfied that the company has been registered (whether through inadvertence or otherwise and whether before, on or after the date of commencement of section 9(*a*) of the Companies (Amendment) Act 2005) by a name —

(*a*)

which is referred to in subsection (1);

(*b*)

which so nearly resembles the name of another company or corporation or a business name as to be likely to be mistaken for it; or

(*c*)

the use of which has been restrained by an injunction granted under the Trade Marks Act (Cap. 332),

the Registrar may direct the first-mentioned company to change its name, and the company shall comply with the direction within 6 weeks after the date of the direction or such longer period as the Registrar may allow, unless the direction is annulled by the Minister."; and

(*b*)

by inserting, immediately after subsection (5), the following subsection:

"(5A) For the avoidance of doubt, where the Registrar makes a decision under subsection (2) or the Minister makes a decision under subsection (5), he shall accept as correct any decision of the High Court to grant an injunction referred to in subsection (2)(*c*).".

Amendment of section 28

10. Section 28 of the Companies Act is amended —

(*a*)

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

"(3) If the name of a company is, whether through inadvertence or otherwise or whether originally or by a change of name —

(*a*)

a name by which the company could not be registered without contravention of section 27(1);

(*b*)

a name that so nearly resembles the name of another company or corporation or a business name as to be likely to be mistaken for it; or

(*c*)

a name the use of which has been restrained by an injunction granted under the Trade Marks Act (Cap. 332),

the company may by special resolution change its name to a name that is not referred to in paragraph (*a*), (*b*) or (*c*) and, if the Registrar so directs, shall so change it within 6 weeks after the date of the direction or such longer period as the Registrar may allow, unless the direction is annulled by the Minister."; and

(*b*)

by deleting subsection (3C) and substituting the following subsections:

"(3C) The Registrar may, if he is satisfied that the company to which the direction under subsection (3) was given had applied for registration under the name first-mentioned in that subsection in bad faith, require the company to pay the Registrar such fees as may be prescribed by the Minister, and such fees shall be recoverable as a debt due to the Government.

(3D) A company aggrieved by the decision of the Registrar under subsection (3) or (3C) may within 30 days of the date of the decision appeal to the Minister whose decision shall be final.

(3E) For the avoidance of doubt, where the Registrar makes a decision under subsection (3) or the Minister makes a decision under subsection (3D), he shall accept as correct any decision of the High Court to grant an injunction referred to in subsection (3)(*c*).".

Amendment of section 32

11. Section 32(3) of the Companies Act is amended —

(*a*)

by inserting, at the end of paragraph (*c*)(i), the word "and";

(*b*)

by deleting the word "; and" at the end of paragraph (*c*)(ii) and substituting a full-stop; and

(*c*)
by deleting sub-paragraph (iii) of paragraph (*c*).

Amendment of section 33

12. Section 33 of the Companies Act is amended —

(*a*)
by deleting the words "5% in nominal value of the company's issued share capital or any class of that capital" in subsection (5)(*a*) and substituting the words "5% of the total number of issued shares of the company or any class of those shares"; and

(*b*)
by inserting, immediately after subsection (5), the following subsection:

"(5A) For the purposes of subsection (5), any of the company's issued share capital held as treasury shares shall be disregarded.".

Amendment of section 35

13. Section 35 of the Companies Act is amended by deleting subsection (3).

Amendment of section 38

14. Section 38(2) of the Companies Act is amended by deleting the words "nominal amount or".

New sections 62A and 62B

15. The Companies Act is amended by inserting, immediately before section 63 in Division 3 of Part IV, the following sections:

"**No par value shares**

62A.

—(1) Shares of a company have no par or nominal value.

(2) Subsection (1) shall apply to all shares, whether issued before, on or after the appointed day.

(3) In this section and section 62B, "appointed day" means the date of commencement of section 15 of the Companies (Amendment) Act 2005.

Transitional provisions for section 62A

62B.

—(1) For the purpose of the operation of this Act on or after the appointed day in relation to a share issued before that day —

(*a*)
the amount paid on the share shall be the sum of all amounts paid to the company at any time for the share (but not including any premium); and

(*b*)
the amount unpaid on the share shall be the difference between the price of issue of the share (but not including any premium) and the amount paid on the share.

(2) On the appointed day, any amount standing to the credit of a company's share premium account and any amount standing to the credit of a company's capital redemption reserve shall become part of the company's share capital.

(3) Notwithstanding subsection (2), a company may use the amount standing to the credit of its share premium account immediately before the appointed day to —

(*a*)
provide for the premium payable on redemption of debentures or redeemable preference shares issued before that day;

(*b*)
write off —

(i)
the preliminary expenses of the company incurred before that day; or

(ii)
expenses incurred, or commissions or brokerages paid or discounts allowed, on or before that day, for or on any duty, fee or tax payable on or in connection with any issue of shares of the company;

(*c*)
pay up, pursuant to an agreement made before that day, shares which were unissued before that day and which are to be issued on or after that day to members of the company as fully paid bonus shares;

(*d*)
pay up in whole or in part the balance unpaid on shares issued before that day to members of the company; or

(*e*)
pay dividends declared before that day, if such dividends are satisfied by the issue of shares to members of the company.

(4) Notwithstanding subsection (2), if the company carries on insurance business in Singapore immediately before the appointed day, it may also apply the amount standing to the credit of its share premium account immediately before that day by appropriation or transfer to any fund established and maintained pursuant to the Insurance Act (Cap. 142).

(5) Notwithstanding subsection (1), the liability of a shareholder for calls in respect of money unpaid on shares issued before the appointed day (whether on account of the par value of the shares or by way of premium) shall not be affected by the shares ceasing to have a par value.

(6) For the purpose of interpreting and applying, on or after the appointed day, a contract (including the memorandum and articles of the company) entered into before that day or a trust deed or other document executed before that day —

(*a*)
a reference to the par or nominal value of a share shall be a reference to —

(i)
if the share is issued before that day, the par or nominal value of the share immediately before that day;

(ii)
if the share is issued on or after that day but shares of the same class were on issue immediately before that day, the par or nominal value that the share would have had if it had been issued then; or

(iii)

if the share is issued on or after that day and shares of the same class were not on issue immediately before that day, the par or nominal value determined by the directors,

and a reference to share premium shall be taken to be a reference to any residual share capital in relation to the share;

(*b*)
a reference to a right to a return of capital on a share shall be taken to be a reference to a right to a return of capital of a value equal to the amount paid in respect of the share's par or nominal value; and

(*c*)
a reference to the aggregate par or nominal value of the company's issued share capital shall be taken to be a reference to that aggregate as it existed immediately before that day as —

(i)
increased to take account of the par or nominal value as defined in paragraph (*a*) of any shares issued on or after that day; and

(ii)
reduced to take account of the par or nominal value as defined in paragraph (*a*) of any shares cancelled on or after that day.

(7) A company may —

(*a*)
at any time before —

(i)
the date it is required under section 197(4) to lodge its first annual return after the appointed day; or

(ii)
the expiry of 6 months from the appointed day,

whichever is the earlier; or

(*b*)
within such longer period as the Registrar may, if he thinks fit in the circumstances of the case, allow,

file with the Registrar a notice in the prescribed form of its share capital.

(8) Unless a company has filed a notice of its share capital under subsection (7), the Registrar may for the purposes of the records maintained by the Authority adopt, as the share capital of the company, the aggregate nominal value of the shares issued by the company as that value appears in the Authority's records immediately before the appointed day.".

Amendment of section 63

16. Section 63(1) of the Companies Act is amended —

(*a*)
by deleting the words "and nominal amounts" in paragraph (*a*);

(*b*)
by deleting paragraph (*b*) and substituting the following paragraphs:

"(*b*)

the amount (if any) paid or deemed to be paid on the allotment of each share;

(*ba*)

the amount (if any) unpaid on each share referred to in paragraph (*b*);"; and

(*c*)

by inserting, immediately after the word "company" in paragraph (*d*)(ii), the words "(excluding treasury shares)".

Amendment of section 64

17. Section 64(1) of the Companies Act is amended by deleting the words "section 180 (1)" and substituting the words "sections 76J and 180 (1)".

Repeal of sections 67 to 69F

18. Sections 67 to 69F of the Companies Act are repealed.

Amendment of section 70

19. Section 70 of the Companies Act is amended —

(*a*)

by deleting the word "authorised" in subsection (2); and

(*b*)

by deleting subsections (3) to (7) and substituting the following subsections:

"(3) The shares shall not be redeemed unless they are fully paid up.

(4) The shares shall not be redeemed out of the capital of the company unless —

(*a*)

all the directors have made a solvency statement in relation to such redemption; and

(*b*)

the company has lodged a copy of the statement with the Registrar.".

Amendment of section 71

20. Section 71 of the Companies Act is amended —

(*a*)

by deleting the words "the conditions of its memorandum" in subsection (1) and substituting the words "its share capital";

(*b*)

by deleting paragraph (*a*\) of subsection (1);

(*c*)

by deleting the words "into shares of larger amount than its existing shares" in subsection (1)(*b*);

(*d*)

by deleting the words "of any denomination" in subsection (1)(*c*);

(*e*)

by deleting the words "into shares of smaller amount than is fixed by the memorandum" in subsection (1)(*d*);

(*f*)

by inserting, immediately after the word "cancel" in subsection (1)(*e*), the words "the number of";

(*g*)

by deleting the word “amount” in the penultimate line of subsection (1)(*e*) and substituting the word “number”;

(*h*)

by deleting the word “nominal” in the 1st line of subsection (3)(*a*);

(*i*)

by deleting the words “nominal amount” in the 2nd line of subsection (3)(*a*) and substituting the words “issue price”; and

(*j*)

by deleting subsections (4) and (5).

Repeal of section 73

21. Section 73 of the Companies Act is repealed.

Amendment of section 74

22. Section 74 of the Companies Act is amended by inserting, immediately after subsection (1), the following subsection:

“(1A) For the purposes of subsection (1), any of the company’s issued share capital held as treasury shares shall be disregarded.”.

Amendment of section 76

23. Section 76 of the Companies Act is amended —

(*a*)

by deleting the words “or of any premium payable in respect of the shares” in subsection (4)(*b*);

(*b*)

by deleting the words “section 73” in subsection (8)(*b*) and substituting the words “Division 3A of this Part”;

(*c*)

by inserting, immediately after paragraph (*g*\) of subsection (8), the following paragraph:

“(*ga*)

the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase, shares or units of shares in that company;”;

(*d*)

by deleting the words “(including payments in respect of any premium)” in subsection (8)(*j*);

(*e*)

by inserting, immediately after the words “security of shares” in subsection (8) (ii), the words “or units of shares”;

(*f*)

by deleting the words “the giving of a guarantee or the provision of security” in subsection (9)(*a*) and substituting the words “or the giving of a guarantee or the provision of security in connection with one or more loans made by one or more other persons,”;

(*g*)

by deleting sub-paragraph (i) of subsection (9)(*a*) and substituting the following sub-paragraph:

“(i)

the lending of money, or the giving of guarantees or the provision of security in connection with loans made by other persons, is done in the course of such activities; and”;

(*h*)

by deleting the words "fully-paid shares" wherever they appear in subsection (9)(*b*) and substituting in each case the word "shares"; and

(*i*)

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

"(9A) Nothing in subsection (1) prohibits the giving by a company of financial assistance for the purpose of, or in connection with, an acquisition or proposed acquisition by a person of shares or units of shares in the company or in a holding company of the company if —

(*a*)

the amount of the financial assistance, together with any other financial assistance given by the company under this subsection repayment of which remains outstanding, would not exceed 10% of the aggregate of —

(i)

the total paid-up capital of the company; and

(ii)

the reserves of the company,

as disclosed in the most recent financial statements of the company that comply with section 201;

(*b*)

the company receives fair value in connection with the financial assistance;

(*c*)

the board of directors of the company passes a resolution that —

(i)

the company should give the assistance;

(ii)

giving the assistance is in the best interests of the company; and

(iii)

the terms and conditions under which the assistance is given are fair and reasonable to the company;

(*d*)

the resolution sets out in full the grounds for the directors' conclusions;

(*e*)

all the directors of the company make a solvency statement in relation to the giving of the financial assistance;

(*f*)

within 10 business days of providing the financial assistance, the company sends to each member a notice containing particulars of —

(i)

the class and number of shares or units of shares in respect of which the financial assistance was or is to be given;

(ii)

the consideration paid or payable for those shares or units of shares;

(iii)
the identity of the person receiving the financial assistance and, if that person is not the beneficial owner of those shares or units of shares, the identity of the beneficial owner; and

(iv)
the nature and, if quantifiable, the amount of the financial assistance; and

(*g*)
not later than the business day next following the day when the notice referred to in paragraph (*f*) is sent to members of the company, the company lodges with the Registrar a copy of that notice and a copy of the solvency statement referred to in paragraph (*e*).

(9B) Nothing in subsection (1) prohibits the giving by a company of financial assistance for the purpose of, or in connection with, an acquisition or proposed acquisition by a person of shares or units of shares in the company or in a holding company of the company if —

(*a*)
the board of directors of the company passes a resolution that —

(i)
the company should give the assistance;

(ii)
giving the assistance is in the best interests of the company; and

(iii)
the terms and conditions under which the assistance is given are fair and reasonable to the company;

(*b*)
the resolution sets out in full the grounds for the directors' conclusions;

(*c*)
all the directors of the company make a solvency statement in relation to the giving of the financial assistance;

(*d*)
not later than the business day next following the day when the resolution referred to in paragraph (*a*) is passed, the company sends to each member having the right to vote on the resolution referred to in paragraph (*e*) a notice containing particulars of —

(i)
the directors' resolution referred to in paragraph (*a*);

(ii)
the class and number of shares or units of shares in respect of which the financial assistance is to be given;

(iii)
the consideration payable for those shares or units of shares;

(iv)

the identity of the person receiving the financial assistance and, if that person is not the beneficial owner of those shares or units of shares, the identity of the beneficial owner;

(v)
the nature and, if quantifiable, the amount of the financial assistance; and

(vi)
such further information and explanation as may be necessary to enable a reasonable member to understand the nature and implications for the company and its members of the proposed transaction;

(*e*)
a resolution is passed —

(i)
by all the members of the company present and voting either in person or by proxy at the relevant meeting; or

(ii)
if the resolution is proposed to be passed by written means under section 184A, by all the members of the company,

to give that assistance;

(*f*)
not later than the business day next following the day when the resolution referred to in paragraph (*e*) is passed, the company lodges with the Registrar a copy of that resolution and a copy of the solvency statement referred to in paragraph (*c*); and

(*g*)
the financial assistance is given not more than 12 months after the resolution referred to in paragraph (*e*) is passed.

(9C) A company shall not give financial assistance under subsection (9A) or (9B) if, before the assistance is given —

(*a*)
any of the directors who voted in favour of the resolution under subsection (9A)(*c*) or (9B)(*a*), respectively —

(i)
ceases to be satisfied that the giving of the assistance is in the best interests of the company; or

(ii)
ceases to be satisfied that the terms and conditions under which the assistance is proposed are fair and reasonable to the company; or

(*b*)
any of the directors no longer has reasonable grounds for any of the opinions expressed in the solvency statement.

(9D) A director of a company is not relieved of any duty to the company under section 157 or otherwise, and whether of a fiduciary nature or not, in connection with the giving of financial assistance by the company for the purpose of, or in connection with, an acquisition or proposed

acquisition of shares or units of shares in the company or in a holding company of the company, by —

(*a*) the passing of a resolution by the board of directors of the company under subsection (9A) for the giving of the financial assistance; or

(*b*) the passing of a resolution by the board of directors of the company, and the passing of a resolution by the members of the company, under subsection (9B) for the giving of the financial assistance.".

Amendment of section 76A

24. Section 76A of the Companies Act is amended —

(*a*) by deleting the words "section 76(10)(*a*) to (*j*), inclusive" in the 3rd line of subsection (6) and substituting the words "section 76(9A), (9B) or (10) (as the case may be)"; and

(*b*) by deleting the words "section 76(10)" in subsections (7) (12th line), (11) and (12) and substituting in each case the words "section 76(9A), (9B) or (10) (as the case may be)".

Amendment of section 76B

25. Section 76B of the Companies Act is amended —

(*a*) by deleting subsections (3) to (3C) and substituting the following subsections:

"(3) The total number of ordinary shares and stocks in any class that may be purchased or acquired by a company during the relevant period shall not exceed 10% (or such other percentage as the Minister may by notification prescribe) of the total number of ordinary shares and stocks of the company in that class ascertained —

(*a*) as at the date of the last annual general meeting of the company held before any resolution passed pursuant to section 76C, 76D, 76DA or 76E; or

(*b*) as at the date of such resolution,

whichever is the higher, unless —

(i) the company has, at any time during the relevant period, reduced its share capital by a special resolution under section 78B or 78C; or

(ii) the Court has, at any time during the relevant period, made an order under section 78I confirming the reduction of share capital of the company.

(3A) Where a company has reduced its share capital by a special resolution under section 78B or 78C, or the Court has made an order under section 78I, the total number of ordinary shares and stocks of the company in any class shall, notwithstanding subsection (3)(*a*) and (*b*), be taken to be the total number of ordinary shares and stocks of the company in that class as altered by the special resolution of the company or the order of the Court, as the case may be.

(3B) The total number of preference shares in any class which are not redeemable under section 70 that may be purchased or acquired by a company during the relevant period shall not exceed 10% (or such other percentage as the Minister may by notification prescribe) of the total number of non-redeemable preference shares of the company in that class ascertained —

(*a*)

as at the date of the last annual general meeting of the company held before any resolution passed pursuant to section 76C, 76D, 76DA or 76E; or

(*b*)

as at the date of such resolution,

whichever is the higher, unless —

(i)

the company has, at any time during the relevant period, reduced its share capital by a special resolution under section 78B or 78C; or

(ii)

the Court has, at any time during the relevant period, made an order under section 78I confirming the reduction of share capital of the company.

(3C) Where a company has reduced its share capital by a special resolution under section 78B or 78C, or the Court has made an order under section 78I, the total number of non-redeemable preference shares of the company in any class shall, notwithstanding subsection (3B)(*a*) and (*b*), be taken to be the total number of non-redeemable preference shares of the company in that class as altered by the special resolution of the company or the order of the Court, as the case may be.";

(*b*)

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

"(3E) For the purposes of this section, any of the company's ordinary shares held as treasury shares shall be disregarded.";

(*c*)

by deleting subsection (5) and substituting the following subsections:

"(5) Ordinary shares that are purchased or acquired by a company pursuant to section 76C, 76D, 76DA or 76E shall, unless held in treasury in accordance with section 76H, be deemed to be cancelled immediately on purchase or acquisition.

(5A) Preference shares that are purchased or acquired by a company pursuant to section 76C, 76D, 76DA or 76E shall be deemed to be cancelled immediately on purchase or acquisition.";

(*d*)

by inserting, immediately after the words "subsection (5)" in subsection (6), the words "or (5A)"; and

(*e*)

by deleting paragraphs (*b*), (*c*) and (*d*) of subsection (9) and substituting the following paragraphs:

"(*b*)

the number of shares purchased or acquired;

(*c*)

the number of shares cancelled;

(*d*)

the number of shares held as treasury shares;

(*e*) the company's issued share capital before the purchase or acquisition;

(*f*) the company's issued share capital after the purchase or acquisition;

(*g*) the amount of consideration paid by the company for the purchase or acquisition of the shares;

(*h*) whether the shares were purchased or acquired out of the profits or the capital of the company; and

(i) such other particulars as may be required in the prescribed form.".

Repeal and re-enactment of sections 76F and 76G and new sections 76H to 76K

26. Sections 76F and 76G of the Companies Act are repealed and the following sections substituted therefor:

"**Payments to be made only if company is solvent**

76F.

—(1) A payment made by a company in consideration of —

(*a*) acquiring any right with respect to the purchase or acquisition of its own shares in accordance with section 76C, 76D, 76DA or 76E;

(*b*) the variation of an agreement approved under section 76D or 76DA; or

(*c*) the release of any of the company's obligations with respect to the purchase or acquisition of any of its own shares under an agreement approved under section 76D or 76DA,

may be made out of the company's capital or profits so long as the company is solvent.

(2) If the requirements in subsection (1) are not satisfied in relation to an agreement —

(*a*) in a case within subsection (1)(*a*), no purchase or acquisition by the company of its own shares in pursuance of that agreement is lawful;

(*b*) in a case within subsection (1)(*b*), no such purchase or acquisition following the variation is lawful; and

(*c*) in a case within subsection (1)(*c*), the purported release is void.

(3) Every director or manager of a company who approves or authorises, the purchase or acquisition of the company's own shares or the release of obligations, knowing that the company is not solvent shall, without prejudice to any other liability, be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 3 years.

(4) For the purposes of this section, a company is solvent if —

(*a*)

the company is able to pay its debts in full at the time of the payment referred to in subsection (1) and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment; and

(*b*)

the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase, acquisition or release, become less than the value of its liabilities (including contingent liabilities).

(5) In determining, for the purposes of subsection (4), whether the value of a company's assets is less than the value of its liabilities (including contingent liabilities), the directors or managers of a company —

(*a*)

must have regard to —

(i)

the most recent financial statements of the company that comply with section 201(1A), (3) and (3A), as the case may be; and

(ii)

all other circumstances that the directors or managers know or ought to know affect, or may affect, the value of the company's assets and the value of the company's liabilities (including contingent liabilities); and

(*b*)

may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances.

(6) In determining, for the purposes of subsection (5), the value of a contingent liability, the directors or managers of a company may take into account —

(*a*)

the likelihood of the contingency occurring; and

(*b*)

any claim the company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

Reduction of capital or profits or both on cancellation of repurchased shares

76G. Where under section 76C, 76D, 76DA or 76E, shares of a company are purchased or acquired, and cancelled under section 76B(5), the company shall —

(*a*)

reduce the amount of its share capital where the shares were purchased or acquired out of the capital of the company;

(*b*)

reduce the amount of its profits where the shares were purchased or acquired out of the profits of the company; or

(*c*)

reduce the amount of its share capital and profits proportionately where the shares were purchased or acquired out of both the capital and the profits of the company,

by the total amount of the purchase price paid by the company for the shares cancelled.

Treasury shares

76H.

—(1) Where ordinary shares or stocks are purchased or otherwise acquired by a company in accordance with sections 76B to 76G, the company may —

(*a*) hold the shares or stocks (or any of them); or

(*b*) deal with any of them, at any time, in accordance with section 76K.

(2) Where ordinary shares or stocks are held under subsection (1)(*a*) then, for the purposes of section 190 (Register and index of members), the company shall be entered in the register as the member holding those shares or stocks.

Treasury shares: maximum holdings

76I.

—(1) Where a company has shares of only one class, the aggregate number of shares held as treasury shares shall not at any time exceed 10% of the total number of shares of the company at that time.

(2) Where the share capital of a company is divided into shares of different classes, the aggregate number of the shares of any class held as treasury shares shall not at any time exceed 10% of the total number of the shares in that class at that time.

(3) Where subsection (1) or (2) is contravened by a company, the company shall dispose of or cancel the excess shares, in accordance with section 76K before the end of the period of 6 months beginning with the day on which that contravention occurs, or such further period as the Registrar may allow.

(4) In subsection (3), "the excess shares" means such number of the shares, held by the company as treasury shares at the time in question, as resulted in the limit being exceeded.

Treasury shares: voting and other rights

76J.

—(1) This section shall apply to shares which are held by a company as treasury shares.

(2) The company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void.

(3) The rights to which subsection (2) applies include any right to attend or vote at meetings (including meetings under section 210) and for the purposes of this Act, the company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

(4) No dividend may be paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, to the company in respect of the treasury shares.

(5) Nothing in this section is to be taken as preventing —

(*a*) an allotment of shares as fully paid bonus shares in respect of the treasury shares; or

(*b*) the subdivision or consolidation of any treasury share into treasury shares of a smaller amount, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.

(6) Any shares allotted as fully paid bonus shares in respect of the treasury shares shall be treated for the purposes of this Act as if they were purchased by the company at the time they were allotted, in circumstances in which section 76H applied.

Treasury shares: disposal and cancellation

76K.

—(1) Where shares are held as treasury shares, a company may at any time —

(*a*) sell the shares (or any of them) for cash;

(*b*) transfer the shares (or any of them) for the purposes of or pursuant to an employees' share scheme;

(*c*) transfer the shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(*d*) cancel the shares (or any of them); or

(*e*) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

(2) In subsection (1)(*a*), "cash", in relation to a sale of shares by a company, means —

(*a*) cash (including foreign currency) received by the company;

(*b*) a cheque received by the company in good faith which the directors have no reason for suspecting will not be paid;

(*c*) a release of a liability of the company for a liquidated sum; or

(*d*) an undertaking to pay cash to the company on or before a date not more than 90 days after the date on which the company agrees to sell the shares.

(3) But if the company receives a notice under section 215 (Power to acquire shares of shareholders dissenting from scheme or contract approved by 90% majority) that a person desires to acquire any of the shares, the company shall not, under subsection (1), sell or transfer the shares to which the notice relates except to that person.

(4) The directors may take such steps as are requisite to enable the company to cancel its shares under subsection (1) without complying with section 78B (reduction of share capital by private company), 78C (reduction of share capital by public company) or 78I (Court order approving reduction).

(5) Within 30 days of the cancellation or disposal of treasury shares in accordance with subsection (1), the directors of the company shall lodge with the Registrar the notice of the cancellation or disposal of treasury shares in the prescribed form with such particulars as may be required in the form, together with payment of the prescribed fee.".

Amendment of section 78

27. Section 78 of the Companies Act is amended by inserting, immediately after the words "such share capital" in the 5th and 6th lines, the words "(except treasury shares)".

New Division 3A of Part IV

28. The Companies Act is amended by inserting, immediately after section 78, the following Division:

"*Division 3A — Reduction of Share Capital*

Preliminary

78A.

—(1) A company may reduce its share capital under the provisions of this Division in any way and, in particular, do all or any of the following:

(*a*) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

(*b*) cancel any paid-up share capital which is lost or unrepresented by available assets;

(*c*) return to shareholders any paid-up share capital which is more than it needs.

(2) A company may not reduce its share capital in any way except by a procedure provided for it by the provisions of this Division.

(3) A company's memorandum or articles may exclude or restrict any power to reduce share capital conferred on the company by this Division.

(4) In this Division —

"Comptroller" means the Comptroller of Income Tax appointed under section 3(1) of the Income Tax Act (Cap. 134);

"reduction information", in relation to a proposed reduction of share capital by a special resolution of a company, means the following information:

(*a*) the amount of the company's share capital that is thereby reduced; and

(*b*) the number of shares that are thereby cancelled;

"resolution date", in relation to a resolution, means the date when the resolution is passed.

(5) This Division shall not apply to an unlimited company, and shall not preclude such a company from reducing in any way its share capital.

(6) This Division shall not apply to the purchase or acquisition or proposed purchase or acquisition by a company of its own shares in accordance with sections 76B to 76G.

Reduction of share capital by private company

78B.

—(1) A private company limited by shares may reduce its share capital in any way by a special resolution if the company —

(*a*) sends to the Comptroller a notice —

(i) stating that the resolution has been passed; and

(ii)

containing the text of the resolution and the resolution date,

within 8 days beginning with the resolution date;

(*b*)

meets the solvency requirements; and

(*c*)

meets such publicity requirements as may be prescribed by the Minister,

but the resolution and the reduction of the share capital shall take effect only as provided by section 78E.

(2) Notwithstanding subsection (1), the company need not meet the solvency requirements if the reduction of share capital is solely by way of cancellation of any paid-up share capital which is lost or unrepresented by available assets.

(3) For the purposes of subsection (1), the company meets the solvency requirements if —

(*a*)

all the directors of the company make a solvency statement in relation to the reduction of capital; and

(*b*)

the statement is made —

(i)

in time for subsection (4)(*a*) to be complied with; but

(ii)

not before the beginning of the period of 15 days ending with the resolution date.

(4) Unless subsection (2) applies, the company —

(*a*)

shall —

(i)

if the resolution for reducing share capital is a special resolution to be passed by written means under section 184A, ensure that every copy of the resolution served under section 183(3A) or 184C (1) (as the case may be) is accompanied by a copy of the solvency statement; or

(ii)

if the resolution is a special resolution to be passed in a general meeting, throughout that meeting make the solvency statement or a copy of it available for inspection by the members at that meeting; and

(*b*)

shall, throughout the 6 weeks beginning with the resolution date, make the solvency statement or a copy of it available at the company's registered office for inspection free of charge by any creditor of the company.

(5) The resolution does not become invalid by virtue only of a contravention of subsection (4), but every officer of the company who is in default shall be guilty of an offence.

(6) Any requirement under subsection (4)(*b*) ceases if the resolution is revoked.

Reduction of share capital by public company

78C.

—(1) A public company may reduce its share capital in any way by a special resolution if the company —

(*a*)

sends to the Comptroller a notice —

(i)

stating that the resolution has been passed; and

(ii)

containing the text of the resolution and the resolution date,

within 8 days beginning with the resolution date;

(*b*)

meets the solvency requirements; and

(*c*)

meets such publicity requirements as may be prescribed by the Minister,

but the resolution and the reduction of the share capital shall take effect only as provided by section 78E.

(2) Notwithstanding subsection (1), the company need not meet the solvency requirements if the reduction of share capital is solely by way of cancellation of any paid-up share capital which is lost or unrepresented by available assets.

(3) The company meets the solvency requirements if —

(*a*)

all the directors of the company make a solvency statement in relation to the reduction of share capital;

(*b*)

the statement is made —

(i)

in time for subsection (4)(*a*) to be complied with; but

(ii)

not before the beginning of the period of 22 days ending with the resolution date; and

(*c*)

a copy of the solvency statement is lodged with the Registrar, together with the copy of the resolution required to be lodged with the Registrar under section 186, within 15 days beginning with the resolution date.

(4) Unless subsection (2) applies, the company shall —

(*a*)

throughout the meeting at which the resolution is to be passed, make the solvency statement or a copy of it available for inspection by the members at the meeting; and

(*b*)

throughout the 6 weeks beginning with the resolution date, make the solvency statement or a copy of it available at the company's registered office for inspection free of charge by any creditor of the company.

(5) The resolution does not become invalid by virtue only of a contravention of subsection (4), but every officer of the company who is in default shall be guilty of an offence.

(6) Any requirement under subsection (3)(*c*) or (4)(*b*) ceases if the resolution is revoked.

Creditor's right to object to company's reduction

78D.

—(1) This section shall apply where a company has passed a special resolution for reducing share capital under section 78B or 78C.

(2) Any creditor of the company to which this subsection applies may, at any time during the 6 weeks beginning with the resolution date, apply to the Court for the resolution to be cancelled.

(3) Subsection (2) shall apply to a creditor of the company who, at the date of his application to the Court, is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company.

(4) When an application is made under subsection (2) —

(*a*)

the creditor shall as soon as possible serve the application on the company; and

(*b*)

the company shall as soon as possible give to the Registrar notice of the application.

Position at end of period for creditor objections

78E.

—(1) Where —

(*a*)

a private company passes a special resolution for reducing its share capital and meets the requirements under section 78B(1)(*a*) and (*c*) and the solvency requirements under section 78B(3) (if applicable); and

(*b*)

no application for cancellation of the resolution has been made under section 78D(2) during the 6 weeks beginning with the resolution date,

for the reduction of share capital to take effect, the company must lodge with the Registrar —

(i)

a copy of the resolution in accordance with section 186; and

(ii)

the following documents after the end of 6 weeks, and before the end of 8 weeks, beginning with the resolution date:

(A)

a copy of the solvency statement under section 78B(3) (if applicable);

(B)

a statement made by the directors confirming that the requirements under section 78B(1)(*a*) and (*c*) and the solvency requirements under section 78B(3) (if applicable) have been complied with, and that no application for cancellation of the resolution has been made; and

(C)

a notice containing the reduction information.

(2) Where —

(*a*)
a public company passes a special resolution for reducing its share capital and meets the requirements under section 78C(1)(*a*) and (*c*) and the solvency requirements (if applicable) under section 78C(3); and

(*b*)
no application for cancellation of the resolution has been made under section 78D(2) during the 6 weeks beginning with the resolution date,

for the reduction of share capital to take effect, the company must lodge with the Registrar the following documents after the end of 6 weeks, and before the end of 8 weeks, beginning with the resolution date:

(i)
a statement made by the directors confirming that the requirements under section 78C(1)(*a*) and (*c*) and the solvency requirements under section 78C(3) (if applicable) have been complied with, and that no application for cancellation of the resolution has been made; and

(ii)
a notice containing the reduction information.

(3) Where —

(*a*)
a private company passes a special resolution for reducing its share capital and meets the requirements under section 78B(1)(*a*) and (*c*) and the solvency requirements under section 78B(3) (if applicable); but

(*b*)
during the 6 weeks beginning with the resolution date, one or more applications for cancellation of the resolution are made under section 78D(2),

for the reduction of share capital to take effect, the following conditions must be satisfied:

(i)
the company has complied with section 78D(4)(*b*) (notification to Registrar) in relation to all such applications;

(ii)
the proceedings in relation to each such application have been brought to an end —

(A)
by the dismissal of the application under section 78F; or

(B)
without determination (for example, because the application has been withdrawn); and

(iii)
the company has, within 15 days beginning with the date on which the last such proceedings were brought to an end in accordance with paragraph (ii), lodged with the Registrar —

(A)
a statement made by the directors confirming that the requirements under section 78B(1)(*a*) and (*c*), the solvency requirements under section 78B(3) (if applicable) and section 78D(4)(*b*) have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;

(B)

in relation to each such application which has been dismissed by the Court, a copy of the order of the Court dismissing the application; and

(C)

a notice containing the reduction information.

(4) Where —

(*a*)

a public company passes a special resolution for reducing its share capital and meets the requirements under section 78C(1)(*a*) and (*c*) and the solvency requirements under section 78C(3) (if applicable); but

(*b*)

during the 6 weeks beginning with the resolution date, one or more applications for cancellation of the resolution are made under section 78D(2),

for the reduction of capital to take effect, the following conditions must be satisfied:

(i)

the company has complied with section 78D(4)(*b*) (notification to Registrar) in relation to all such applications;

(ii)

the proceedings in relation to each such application have been brought to an end —

(A)

by the dismissal of the application under section 78F; or

(B)

without determination (for example, because the application has been withdrawn); and

(iii)

the company has, within 15 days beginning with the date on which the last such proceedings were brought to an end in accordance with paragraph (ii), lodged with the Registrar —

(A)

a statement made by the directors confirming that the requirements under section 78C(1)(*a*) and (*c*), the solvency requirements under section 78C(3) (if applicable) and section 78D(4) have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;

(B)

in relation to each such application which has been dismissed by the Court, a copy of the order of the Court dismissing the application; and

(C)

a notice containing the reduction information.

(5) The resolution in a case referred to in subsection (1), (2), (3) or (4), and the reduction of the share capital, shall take effect when the Registrar has recorded the information lodged with him in the appropriate register.

Power of Court where creditor objection made

78F.

—(1) An application by a creditor under section 78D shall be determined by the Court in accordance with this section.

(2) The Court shall make an order cancelling the resolution if, at the time the application is considered, the resolution has not been cancelled previously, any debt or claim on which the application was based is outstanding and the Court is satisfied that —

(*a*)

the debt or claim has not been secured and the applicant does not have other adequate safeguards for it; and

(*b*)

it is not the case that security or other safeguards are unnecessary in view of the assets that the company would have after the reduction.

(3) Otherwise, the Court shall dismiss the application.

(4) Where the Court makes an order under subsection (2), the company must send notice of the order to the Registrar within 15 days beginning with the date the order is made.

(5) If a company contravenes subsection (4), every officer of the company who is in default shall be guilty of an offence.

(6) For the purposes of this section, a debt is outstanding if it has not been discharged, and a claim is outstanding if it has not been terminated.

Reduction by special resolution subject to Court approval

78G.

—(1) A company limited by shares may, as an alternative to reducing its share capital under section 78B or 78C, reduce it in any way by a special resolution approved by an order of the Court under section 78I, but the resolution and the reduction of the share capital shall not take effect until —

(*a*)

that order has been made;

(*b*)

the company has complied with section 78I(3) (lodgment of information with Registrar); and

(*c*)

the Registrar has recorded the information lodged with him under section 78I(3) in the appropriate register.

(2) The company shall —

(*a*)

within 8 days beginning with the resolution date; and

(*b*)

in any case, before making an application to the Court under subsection (1),

send to the Comptroller a notice stating that the resolution has been passed and containing the text of the resolution and the resolution date.

Creditor protection

78H.

—(1) This section shall apply if a company makes an application under section 78G(1) and the proposed reduction of share capital involves either —

(*a*)

a reduction of liability in respect of unpaid share capital; or

(*b*)

the payment to a shareholder of any paid-up share capital,

and also applies if the Court so directs in any other case where a company makes an application under that section.

(2) Upon the application to the Court, the Court shall settle a list of qualifying creditors.

(3) If the proposed reduction of share capital involves either —

(*a*)

a reduction of liability in respect of unpaid share capital; or

(*b*)

the payment to a shareholder of any paid-up share capital,

the Court may, if having regard to any special circumstances of the case it thinks it appropriate to do so, direct that any class or classes of creditors shall not be qualifying creditors.

(4) For the purpose of settling the list of qualifying creditors, the Court —

(*a*)

shall ascertain, as far as possible without requiring an application from any creditor, the names of qualifying creditors and the nature and amount of their debts or claims; and

(*b*)

may publish notices fixing a day or days within which creditors not included in the list are to claim to be so included or are to be excluded from the list.

(5) Any officer of the company who —

(*a*)

intentionally conceals the name of a qualifying creditor;

(*b*)

intentionally misrepresents the nature or amount of the debt or claim of any creditor; or

(*c*)

aids, abets or is privy to any such concealment or misrepresentation,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $15,000 or to imprisonment for a term not exceeding 3 years.

(6) In this section and section 78I but subject to subsection (3), "qualifying creditor" means a creditor of the company who, at a date fixed by the Court, is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company.

Court order approving reduction

78I.

—(1) On an application by a company under section 78G(1), the Court may, subject to subsection (2), make an order approving the reduction in share capital unconditionally or on such terms and conditions as it thinks fit.

(2) If, at the time the Court considers the application, there is a qualifying creditor within the meaning of section 78H —

(*a*)

who is included in the Court's list of qualifying creditors under that section; and

(*b*)

whose claim has not been terminated or whose debt has not been discharged,
the Court must not make an order approving the reduction unless satisfied, as respects each qualifying creditor, that —

(i)

he has consented to the reduction;

(ii)

his debt or claim has been secured or he has other adequate safeguards for it; or

(iii)

security or other safeguards are unnecessary in view of the assets the company would have after the reduction.

(3) Where an order is made under this section approving a company's reduction in share capital, the company shall (for the reduction to take effect) lodge with the Registrar —

(*a*)

a copy of the order; and

(*b*)

a notice containing the reduction information,
within 90 days beginning with the date the order is made, or within such longer period as the Registrar may, on the application of the company and on receiving the prescribed fee, allow.

Offences for making groundless or false statements

78J. A director making a statement under section 78E(1) (ii) (B), (2) (i), (3) (iii) (A) or (4) (iii) (A) shall be guilty of an offence if the statement —

(*a*)

is false; and

(*b*)

is not believed by him to be true.

Liability of members on reduced shares

78K. Where a company's share capital is reduced under any provision of this Division, a member of the company (past or present) is not liable in respect of the issue price of any share to any call or contribution greater in amount than the difference (if any) between —

(*a*)

the issue price of the share; and

(*b*)

the aggregate of the amount paid up on the share (if any) and the amount reduced on the share.".

Amendment of section 79

29. Section 79(3) of the Companies Act is amended by deleting the words "having the same nominal amount as the amount of that stock and".

Amendment of section 81

30. Section 81 of the Companies Act is amended —

(*a*)

by deleting subsections (1) and (2) and substituting the following subsections:

"(1) For the purposes of this Division, a person has a substantial shareholding in a company if —

(*a*)
he has an interest or interests in one or more voting shares in the company; and
(*b*)
the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the company.

(2) For the purposes of this Division, a person has a substantial shareholding in a company, being a company the share capital of which is divided into 2 or more classes of shares, if —
(*a*)
he has an interest or interests in one or more voting shares included in one of those classes; and
(*b*)
the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares included in that class."; and
(*b*)
by deleting subsections (4) and (5) and substituting the following subsection:

"(4) In this section and section 83, "voting shares" exclude treasury shares.".

Amendment of section 83

31. Section 83(3) of the Companies Act is amended —
(*a*)
by deleting the words "aggregate of the nominal amount of the voting shares" and substituting the words "total votes attached to all the voting shares"; and
(*b*)
by deleting the words "percentage of the nominal amount of" and substituting the words "percentage of the total votes attached to".

Amendment of section 123

32. Section 123(2) of the Companies Act is amended by deleting paragraph (*c*) and substituting the following paragraph:
"(*c*)
the class of the shares, the amount paid on the shares, the amount (if any) unpaid on the shares and the extent to which the shares are paid up.".

Amendment of section 125

33. Section 125 of the Companies Act is amended by inserting, immediately after subsection (2), the following subsection:

"(3) Any duplicate certificate issued on or after the date of commencement of section 33 of the Companies (Amendment) Act 2005 in respect of a share certificate issued before that date shall state, in place of the historical nominal value of the shares, the amount paid on the shares and the amount (if any) unpaid on the shares.".

Amendment of section 130A

34. Section 130A of the Companies Act is amended —
(*a*)
by deleting the word "listed" in the definition of "book-entry securities"; and
(*b*)
by deleting the definition of "listed securities".

Amendment of section 130P

35. Section 130P of the Companies Act is amended by inserting, immediately after paragraph (*g*), the following paragraph:

"(*ga*) any requirement for fees charged by the Depository to be approved by a regulatory authority, and regulations made under this paragraph may provide —

(i) that the regulatory authority may require the Depository to furnish it with such information or documents as the Authority considers necessary for such approval;

(ii) that a contravention of any specified provision in the regulations shall be an offence; and

(iii) for penalties not exceeding a fine of $150,000 for each offence and, in the case of a continuing offence, a further penalty not exceeding a fine of 10% of the maximum fine prescribed for that offence for every day or part thereof during which the offence continues after conviction;".

Amendment of section 163

36. Section 163 of the Companies Act is amended —

(*a*) by deleting the words "shares in the other company of a nominal value equal to 20% or more of the nominal value of its equity share capital" in the 9th, penultimate and last lines of subsection (1) and substituting the words "20% or more of the total number of equity shares in the other company (excluding treasury shares)"; and

(*b*) by deleting paragraph (*a*\) of subsection (2) and substituting the following paragraph:

"(*a*) is or together are interested in 20% or more of the total number of equity shares in the other company (excluding treasury shares); or".

Amendment of section 164A

37. Section 164A(1) of the Companies Act is amended —

(*a*) by inserting, immediately after the word "company" in paragraph (*a*), the words "(excluding the company itself if it is registered as a member)"; and

(*b*) by deleting paragraph (*b*) and substituting the following paragraph:

"(*b*) a member or members with at least 5% of the total number of issued shares of the company (excluding treasury shares),".

Amendment of section 176

38. Section 176 of the Companies Act is amended by inserting, immediately after subsection (1), the following subsection:

"(1A) For the purposes of subsection (1), any of the company's paid-up capital held as treasury shares shall be disregarded.".

Amendment of section 177

39. Section 177 of the Companies Act is amended —

(*a*)

by deleting the words "10% of the issued share capital" in subsection (1) and substituting the words "10% of the total number of issued shares of the company (excluding treasury shares)"; and

(*b*)

by deleting paragraph (*b*\) of subsection (3) and substituting the following paragraph:

"(*b*)

in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95% of the total voting rights of all the members having a right to vote at that meeting.".

Amendment of section 179

40. Section 179 of the Companies Act is amended by inserting, immediately after subsection (7), the following subsection:

"(8) For the purposes of this section, any reference to a member of a company does not include the company itself where it is such a member by virtue of its holding shares as treasury shares.".

Amendment of section 184

41. Section 184 of the Companies Act is amended —

(*a*)

by deleting the words "95% in nominal value of the shares giving that right or, in the case of a company not having a share capital, together represents not less than 95% of the total voting rights that could be exercised at that meeting" in the 4th to 8th lines of subsection (2) and substituting the words "95% of the total voting rights of all the members having a right to vote at that meeting";

(*b*)

by deleting paragraph (*b*\) of subsection (4) and substituting the following paragraph:

"(*b*)

if no such provision is made by the articles, by 3 members so entitled, or by one or 2 members so entitled, if —

(i)

that member holds or those 2 members together hold not less than 10% of the total number of paid-up shares of the company (excluding treasury shares); or

(ii)

that member represents or those 2 members together represent not less than 10% of the total voting rights of all the members having a right to vote at that meeting."; and

(*c*)

by inserting, immediately after subsection (4), the following subsection:

"(4A) For the purposes of subsection (4), any reference to a member does not include a reference to a company itself where it is registered as a member.".

Amendment of section 184A

42. Section 184A of the Companies Act is amended —

(*a*)

by inserting, immediately after subsection (4), the following subsection:

"(4A) A resolution referred to in section 76(9B)(*e*) is passed by written means if the resolution indicates that it is a resolution referred to in that provision and if it has been formally agreed on any date by all the members of the company who on that date would have the right to vote on that resolution at a general meeting of the company."; and

(*b*)

by deleting the words "subsection (3) or (4)" in subsection (6) and substituting the words "subsection (3), (4) or (4A)".

Amendment of section 190

43. Section 190 of the Companies Act is amended by inserting, immediately after subsection (2), the following subsection:

"(2A) Where a company purchases one or more of its own shares or stocks in circumstances in which section 76H applies —

(*a*)

the requirements of subsections (1)(*a*), (*b*) and (*c*) and (2) shall be complied with unless the company cancels all of the shares or stocks immediately after the purchase in accordance with section 76K(1); but

(*b*)

any share or stock which is so cancelled shall be disregarded for the purposes of subsections (1)(*a*) and (2).".

Amendment of section 205B

44. Section 205B of the Companies Act is amended by deleting subsection (6) and substituting the following subsection:

"(6) Any member or members holding not less than 5% of the total number of issued shares of the company (excluding treasury shares) or any class of those shares (excluding treasury shares), or not less than 5% of the total number of members of the company (excluding the company itself if it is registered as a member) may, by notice in writing to the company during a financial year but not later than one month before the end of that year, require the company to obtain an audit of its accounts for that year.".

Amendment of section 206

45. Section 206(1) of the Companies Act is amended by deleting paragraph (*b*) and substituting the following paragraph:

"(*b*)

the holders in aggregate of not less than 5% of the total number of issued shares of the company (excluding treasury shares),".

Deletion and substitution of heading to Part VII

46. Part VII of the Companies Act is amended by deleting the Part heading and substituting the following Part heading:

"**ARRANGEMENTS, RECONSTRUCTIONS AND AMALGAMATIONS**".

Amendment of section 212

47. Section 212 of the Companies Act is amended by deleting the marginal note and inserting the following section heading:

"**Approval of compromise or arrangement by Court**".

Amendment of section 215

48. Section 215 of the Companies Act is amended —

(*a*)

by deleting the words "90% in nominal value of those shares" in the 9th and 10th lines of subsection (1) and substituting the words "90% of the total number of those shares (excluding treasury shares)";

(*b*)

by inserting, immediately after the words "other than shares already held at the date of the offer by the transferee company" in the 10th and 11th lines of subsection (1), the words ", and excluding any shares in the company held as treasury shares"; and

(*c*)

by deleting the words "90% in nominal value of the shares" in subsection (3) and substituting the words "90% of the total number of the shares (excluding treasury shares)".

New sections 215A to 215J

49. The Companies Act is amended by inserting, immediately after section 215, the following sections:

"**Amalgamations**

215A. Without prejudice to section 212 and any other law relating to the merger or amalgamation of companies, 2 or more companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with sections 215B to 215G, where applicable.

Amalgamation proposal

215B.

—(1) An amalgamation proposal shall contain the terms of an amalgamation under section 215A and, in particular —

(*a*)

the name of the amalgamated company;

(*b*)

the registered office of the amalgamated company;

(*c*)

the full name and residential address of every director of the amalgamated company;

(*d*)

the share structure of the amalgamated company, specifying —

(i)

the number of shares of the amalgamated company;

(ii)

the rights, privileges, limitations and conditions attached to each share of the amalgamated company; and

(iii)
whether the shares are transferable or non-transferable and, if transferable, whether their transfer is subject to any condition or limitation;

(*e*)
a copy of the memorandum of the amalgamated company;

(*f*)
the manner in which the shares of each amalgamating company are to be converted into shares of the amalgamated company;

(*g*)
if shares of an amalgamating company are not to be converted into shares of the amalgamated company, the consideration that the holders of those shares are to receive instead of shares of the amalgamated company;

(*h*)
any payment to be made to any member or director of an amalgamating company, other than a payment of the kind described in paragraph (*g*); and

(*i*)
details of any arrangement necessary to complete the amalgamation and to provide for the subsequent management and operation of the amalgamated company.

(2) An amalgamation proposal may specify the date on which the amalgamation is intended to become effective.

(3) If shares of one of the amalgamating companies are held by or on behalf of another of the amalgamating companies, the amalgamation proposal —

(*a*)
shall provide for the cancellation of those shares without payment or the provision of other consideration when the amalgamation becomes effective; and

(*b*)
shall not provide for the conversion of those shares into shares of the amalgamated company.

(4) A cancellation of shares under this section shall not be deemed to be a reduction of share capital within the meaning of this Act.

(5) For the purposes of subsection (1)(*a*), the name of the amalgamated company may be —

(*a*)
the name of one of the amalgamating companies; or

(*b*)
a new name that has been reserved under section 27(12).

Manner of approving amalgamation proposal

215C.
—(1) An amalgamation proposal shall be approved —

(*a*)
subject to the memorandum of each amalgamating company, by the members of each amalgamating company by special resolution at a general meeting; and

(*b*)

by any other person, where any provision in the amalgamation proposal would, if contained in any amendment to the memorandum of an amalgamating company or otherwise proposed in relation to that company, require the approval of that person.

(2) The board of directors of each amalgamating company shall, before the general meeting referred to in subsection (1)(*a*) —

(*a*)
resolve that the amalgamation is in the best interest of the amalgamating company;

(*b*)
make a solvency statement in relation to the amalgamating company in accordance with section 215I; and

(*c*)
make a solvency statement in relation to the amalgamated company in accordance with section 215J.

(3) Every director who votes in favour of the resolution and the making of the statements referred to in subsection (2) shall sign a declaration stating —

(*a*)
that, in his opinion, the conditions specified in subsection (2)(*a*), section 215I(1)(*a*) and (*b*) (in relation to the amalgamating company) and section 215J(1)(*a*) and (*b*) (in relation to the amalgamated company) are satisfied; and

(*b*)
the grounds for that opinion.

(4) The board of directors of each amalgamating company shall send to every member of the amalgamating company, not less than 21 days before the general meeting referred to in subsection (1)(*a*) —

(*a*)
a copy of the amalgamation proposal;

(*b*)
a copy of the declarations given by the directors under subsection (3);

(*c*)
a statement of any material interests of the directors, whether in that capacity or otherwise; and

(*d*)
such further information and explanation as may be necessary to enable a reasonable member of the amalgamating company to understand the nature and implications, for the amalgamating company and its members, of the proposed amalgamation.

(5) The directors of each amalgamating company shall, not less than 21 days before the general meeting referred to in subsection (1)(*a*) —

(*a*)
send a copy of the amalgamation proposal to every secured creditor of the amalgamating company; and

(*b*)
cause to be published in at least one daily English newspaper circulating generally in Singapore a notice of the proposed amalgamation, including a statement that —

(i)

copies of the amalgamation proposal are available for inspection by any member or creditor of an amalgamating company at the registered offices of the amalgamating companies and at such other place as may be specified in the notice during ordinary business hours; and

(ii)
a member or creditor of an amalgamating company is entitled to be supplied free of charge with a copy of the amalgamation proposal upon request to an amalgamating company.

(6) Any director who contravenes subsection (3) shall be guilty of an offence.

Short form amalgamation

215D.

—(1) A company (referred to in this subsection as the amalgamating holding company) and one or more of its wholly-owned subsidiaries (referred to in this subsection as the amalgamating subsidiary company) may amalgamate and continue as one company, being the amalgamated holding company, without complying with sections 215B and 215C if the members of each amalgamating company, by special resolution at a general meeting, resolve to approve an amalgamation of the amalgamating companies on the terms that —

(*a*)
the shares of each amalgamating subsidiary company will be cancelled without any payment or any other consideration;

(*b*)
the memorandum of the amalgamated company will be the same as the memorandum of the amalgamating holding company;

(*c*)
the directors of the amalgamating holding company and every amalgamating subsidiary company are satisfied that the amalgamated company will be able to pay its debts as they fall due during the period of 12 months immediately after the date on which the amalgamation is to become effective; and

(*d*)
the person or persons named in the resolution will be the director or directors, respectively, of the amalgamated company.

(2) Two or more wholly-owned subsidiary companies of the same corporation may amalgamate and continue as one company without complying with sections 215B and 215C if the members of each amalgamating company, by special resolution at a general meeting, resolve to approve an amalgamation of the amalgamating companies on the terms that —

(*a*)
the shares of all but one of the amalgamating companies will be cancelled without payment or other consideration;

(*b*)
the memorandum of the amalgamated company will be the same as the memorandum of the amalgamating company whose shares are not cancelled;

(*c*)
the directors of every amalgamating company are satisfied that the amalgamated company will be able to pay its debts as they fall due during the period of 12 months immediately after the date on which the amalgamation is to become effective; and

(*d*)
the person or persons named in the resolution will be the director or directors, respectively, of the amalgamated company.

(3) The directors of each amalgamating company shall, not less than 21 days before the general meeting referred to in subsection (1) or (2), as the case may be, give written notice of the proposed amalgamation to every secured creditor of the amalgamating company.

(4) The resolution referred to in subsection (1) or (2), as the case may be, shall be deemed to be an amalgamation proposal that has been approved.

(5) The board of directors of each amalgamating company shall, before the date of the general meeting referred to in subsection (1) or (2), as the case may be, make a solvency statement in relation to the amalgamated company in accordance with section 215J.

(6) Every director who votes in favour of the making of the solvency statement referred to in subsection (5) shall sign a declaration stating —

(*a*)
that, in his opinion, the conditions specified in section 215J(1)(*a*) and (*b*) are satisfied; and

(*b*)
the grounds for that opinion.

(7) Any director who contravenes subsection (6) shall be guilty of an offence.

(8) A cancellation of shares under this section shall not be deemed to be a reduction of share capital within the meaning of this Act.

Registration of amalgamation

215E.

—(1) For the purpose of effecting an amalgamation, the following documents shall be filed with the Registrar, in the prescribed form with such particulars as may be required in the form, together with payment of the prescribed fee:

(*a*)
the amalgamation proposal that has been approved;

(*b*)
any declaration required under section 215C or 215D, as the case may be;

(*c*)
a declaration signed by the directors of each amalgamating company stating that the amalgamation has been approved in accordance with this Act and the memorandum of the amalgamating company;

(*d*)
where the amalgamated company is a new company or the amalgamation proposal provides for a change of the name of the amalgamated company, a copy of any notice or other documentary evidence that the name which it is proposed to be registered or the proposed new name, as the case may be, has been reserved under section 27(12); and

(*e*)
a declaration signed by the directors, or proposed directors, of the amalgamated company stating that, where the proportion of the claims of the creditors of the amalgamated company in relation to the value of the assets of the amalgamated company is greater than the proportion of the claims

of the creditors of an amalgamating company in relation to the value of the assets of the amalgamating company, no creditor will be prejudiced by that fact.

(2) Where the amalgamated company is a new company —

(*a*) section 19(1)(*a*) and (*c*) shall be deemed to have been complied with if, and only if, subsection (1) has been complied with; and

(*b*) the reference to a person named in the articles as a director or the secretary of the proposed company in section 19(2)(*b*) includes a reference to a proposed director of the amalgamated company.

Notice of amalgamation, etc.

215F. —(1) Upon the receipt of the relevant documents and fees, the Registrar shall —

(*a*) if the amalgamated company is the same as one of the amalgamating companies, issue a notice of amalgamation in such form as the Registrar may determine; or

(*b*) if the amalgamated company is a new company, issue a notice of amalgamation in such form as the Registrar may determine together with the notice of incorporation under section 19(4).

(2) Where an amalgamation proposal specifies a date on which the amalgamation is intended to become effective, and that date is the same as or later than the date on which the Registrar receives the relevant documents and fees referred to in subsection (1), the notice of amalgamation and any notice of incorporation issued by the Registrar shall be expressed to have effect on the date specified in the amalgamation proposal.

(3) The Registrar shall, as soon as practicable after the effective date of an amalgamation, remove the amalgamating companies, other than the amalgamated company, from the register.

(4) Upon the application of the amalgamated company and payment of the prescribed fee, the Registrar shall issue to the amalgamated company a certificate of confirmation of amalgamation under his hand and seal.

Effect of amalgamations

215G. On the date shown in a notice of amalgamation —

(*a*) the amalgamation shall be effective;

(*b*) the amalgamated company shall have the name specified in the amalgamation proposal;

(*c*) all the property, rights and privileges of each of the amalgamating companies shall be transferred to and vest in the amalgamated company;

(*d*) all the liabilities and obligations of each of the amalgamating companies shall be transferred to and become the liabilities and obligations of the amalgamated company;

(*e*)

all proceedings pending by or against any amalgamating company may be continued by or against the amalgamated company;

(*f*)
any conviction, ruling, order or judgment in favour of or against an amalgamating company may be enforced by or against the amalgamated company; and

(*g*)
the shares and rights of the members in the amalgamating companies shall be converted into the shares and rights provided for in the amalgamation proposal.

Power of Court in certain cases

215H.
—(1) If the Court is satisfied that giving effect to an amalgamation proposal would unfairly prejudice a member or creditor of an amalgamating company or a person to whom an amalgamating company is under an obligation, it may, on the application of that person made at any time before the date on which the amalgamation becomes effective, make any order it thinks fit in relation to the amalgamation proposal, and may, without limiting the generality of this subsection, make an order —

(*a*)
directing that effect must not be given to the amalgamation proposal;

(*b*)
modifying the amalgamation proposal in such manner as may be specified in the order; or

(*c*)
directing the amalgamating company or its board of directors to reconsider the amalgamation proposal or any part thereof.

(2) An order may be made under subsection (1) on such terms or conditions as the Court thinks fit.

Solvency statement in relation to amalgamating company and offence for making false statement

215I.
—(1) For the purposes of section 215C(2)(*b*), "solvency statement", in relation to an amalgamating company, means a statement by the board of directors of the amalgamating company that it has formed the opinion —

(*a*)
that, as regards the amalgamating company's situation at the date of the statement, there is no ground on which the amalgamating company could then be found to be unable to pay its debts; and

(*b*)
that, at the date of the statement, the value of the amalgamating company's assets is not less than the value of its liabilities (including contingent liabilities),

being a statement which complies with subsection (2).

(2) The solvency statement —

(*a*)
if the amalgamating company is exempt from audit requirements under section 205B or 205C, shall be in the form of a statutory declaration; or

(*b*)
if the amalgamating company is not such a company, shall be in the form of a statutory declaration or shall be accompanied by a report from its auditor that he has inquired into the affairs of the amalgamating company and is of the opinion that the statement is not unreasonable given all the circumstances.

(3) In forming an opinion for the purposes of subsection (1)(*a*) and (*b*), the directors shall take into account all liabilities of the amalgamating company (including contingent liabilities).

(4) In determining, for the purposes of subsection (1)(*b*), whether the value of the amalgamating company's assets is or will become less than the value of its liabilities (including contingent liabilities), the board of directors of the amalgamating company —

(*a*)
shall have regard to —

(i)
the most recent financial statements of the amalgamating company that comply with section 201(1A), (3) and (3A), as the case may be; and

(ii)
all other circumstances that the directors know or ought to know affect, or may affect, the value of the amalgamating company's assets and the value of the amalgamating company's liabilities (including contingent liabilities); and

(*b*)
may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances.

(5) In determining, for the purposes of subsection (4), the value of a contingent liability, the board of directors of the amalgamating company may take into account —

(*a*)
the likelihood of the contingency occurring; and

(*b*)
any claim the amalgamating company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

(6) Any director of an amalgamating company who votes in favour of or otherwise causes a solvency statement under this section to be made without having reasonable grounds for the opinions expressed in it shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 3 years or to both.

Solvency statement in relation to amalgamated company and offence for making false statement

215J.

—(1) For the purposes of sections 215C(2)(*c*) and 215D (5), "solvency statement", in relation to an amalgamated company, means a statutory declaration by the board of directors of each amalgamating company that it has formed the opinion —

(*a*)
that the amalgamated company will be able to pay its debts as they fall due during the period of 12 months immediately after the date on which the amalgamation is to become effective; and

(*b*)

that the value of the amalgamated company's assets will not be less than the value of its liabilities (including contingent liabilities).

(2) In forming an opinion for the purposes of subsection (1)(*a*) and (*b*), the directors shall take into account all liabilities of the amalgamated company (including contingent liabilities).

(3) In determining, for the purposes of subsection (1)(*b*), whether the value of the amalgamated company's assets will become less than the value of its liabilities (including contingent liabilities), the board of directors of each amalgamating company —

(*a*)

shall have regard to —

(i)

the most recent financial statements of the amalgamating company and the other amalgamating companies that comply with section 201(1A), (3) and (3A), as the case may be; and

(ii)

all other circumstances that the directors know or ought to know affect, or may affect, the value of the amalgamated company's assets and the value of the amalgamated company's liabilities (including contingent liabilities); and

(*b*)

may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances.

(4) In determining, for the purposes of subsection (3), the value of a contingent liability, the board of directors of each amalgamating company may take into account —

(*a*)

the likelihood of the contingency occurring; and

(*b*)

any claim the amalgamated company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

(5) Any director of an amalgamating company who votes in favour of or otherwise causes a solvency statement under this section to be made without having reasonable grounds for the opinions expressed in it shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 3 years or to both.".

Amendment of section 232

50. Section 232(1) of the Companies Act is amended by deleting sub-paragraph (i) of paragraph (*a*) and substituting the following sub-paragraph:

"(i)

not less than 200 members (excluding the company itself if it is registered as a member) or of members holding not less than 10% of the shares issued (excluding treasury shares); or".

Amendment of section 268

51. Section 268(4) of the Companies Act is amended by inserting, immediately after the words "issued capital of the company", the words "(excluding treasury shares)".

Amendment of section 401

52. Section 401(1) of the Companies Act is amended —

(*a*)
by deleting the words "or in which the amount of nominal or authorised capital is stated without the words "nominal" or "authorised", or in which the amount of capital or authorised" in the 3rd to 6th lines and substituting the words ", or in which the amount of capital"; and

(*b*)
by deleting the words "amount of authorised or subscribed capital" in the 8th and 9th lines and substituting the words "amount of subscribed capital".

Amendment of section 403

53. Section 403 of the Companies Act is amended —

(*a*)
by deleting the words "or pursuant to section 69" in subsection (1);

(*b*)
by inserting, immediately after subsection (1), the following subsections:

"(1A) Subject to subsection (1B), any profits of a company applied towards the purchase or acquisition of its own shares in accordance with sections 76B to 76G shall not be payable as dividends to the shareholders of the company.

(1B) Subsection (1A) shall not apply to any part of the proceeds received by the company as consideration for the sale or disposal of treasury shares which the company has applied towards the profits of the company.

(1C) Any gains derived by the company from the sale or disposal of treasury shares shall not be payable as dividends to the shareholders of the company."; and

(*c*)
by deleting the words "out of what he knows is not profits except pursuant to section 69" in the 2nd and 3rd lines of subsection (2) and substituting the words "in contravention of this section".

Amendment of Second Schedule

54. The Second Schedule to the Companies Act is amended by deleting item 22 and substituting the following item:

"

22.	372 (2)	Lodgment of notice of increase in authorised share capital	$10

".

Amendment of Fourth Schedule

55. The Fourth Schedule to the Companies Act is amended —

(*a*)
by deleting the words "(whether on account of the nominal value of the shares or by way of premium)" in the 2nd and 3rd lines of regulation 13;

(*b*)
by deleting the words "exceed 25% of the nominal value of the share or" in the 5th and 6th lines of regulation 13;

(*c*)

by deleting the words ", whether on account of the nominal value of the share or by way of premium," in regulations 17 and 35;

(*d*) by deleting the words ", but the minimum shall not exceed the nominal amount of the shares from which the stock arose" in regulation 37;

(*e*) by deleting the words ", any capital redemption reserve fund or any share premium account" in regulation 42; and

(*f*) by deleting the words "A share premium account and a capital redemption reserve may, for the purposes of this regulation, be applied only in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares." in the 14th to 18th lines of regulation 106.

Amendment of Sixth Schedule

55. Part I of the Sixth Schedule to the Companies Act is amended by deleting the following:

"

The nominal share capital of the company	$	Shares of $	each: $
Divided into		Shares of $	each: $
		Shares of $	each: $
Amount (if any) of above capital which consists of redeemable preference shares		Shares of $	each: $

",

and substituting the following:

"

The issued share capital of the company	$	Shares of $
Divided into		Shares of $
		Shares of $
Amount (if any) of above capital which consists of redeemable preference shares		Shares of $

".

Related amendments to Trust Companies Act

57. The Trust Companies Act (Cap. 336) is amended —

(*a*) by deleting the word "authorised" in section 3(*b*) and (*e*) and substituting in each case the word "share"; and

(*b*)

by deleting item 2 in the Schedule and substituting the following item:

	$	¢
”2. For certificate of registration	100	00”.

Consequential amendments to other written laws

58. 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.

THE SCHEDULE

Section 58

CONSEQUENTIAL AMENDMENTS

First column	*Second column*
(1) *Deleted by Act 42/2005, wef 01/01/2006.*	
(2) Banking Act (Chapter 19, 2003 Ed.)	
(*a*) Section 15A(3)	Delete the words “nominal amount of” and substitute the words “total votes attached to”.
(*b*) Section 15B(3)	(i) Insert, immediately after the words “not less than 12% of the” in paragraph (*a*) of the definition of “12% controller”, the words “total number of issued”. (ii) Insert, immediately after the words “not less than 20% of the” in paragraph (*a*) of the definition of “20% controller”, the words “total number of issued”.
(3) Broadcasting Act (Chapter 28, 2003 Ed.)	
Section 35(3)	Delete the words “nominal amount of” and substitute the words “total votes attached to”.
(4) CISCO (Dissolution) Act 2005 (Act 3 of 2005)	
Section 5	(i) Delete the word “nominal” wherever it appears in paragraphs (*a*) and (*b*) of subsection (4). (ii) Delete subsection (5).
(5) Economic Development Board Act (Chapter 85, 2001 Ed.)	
Section 10(3)(*a*)	Delete the word “nominal” wherever it appears.

(6) Insurance Act (Chapter 142, 2002 Ed.)	
Section 26	Delete the word "authorised".
(7) Land Surveyors Act (Chapter 156, 2002 Ed.)	
Section 22(1)	Delete paragraph (*b*) and substitute the following paragraph: "(*b*) it has a paid-up capital of at least $1 million;".
(8) Monetary Authority of Singapore Act (Chapter 186, 1999 Ed.)	
(a) Section 5	Repeal and substitute the following section: **"Paid-up capital** 5.—(1) The paid-up capital of the Authority shall be $100 million. (2) The paid-up capital may be increased from time to time by such amount as the Government may approve. (3) The payment of such increase in the paid-up capital may be made by way of transfers from the General Reserve Fund or by such other means as the Government, in consultation with the board, may from time to time approve.".
(*b*) Section 23	Delete subsection (2) and substitute the following subsection: "(2) For the purposes of subsection (1)(*o*) and section 30(*d*), the Government or a public authority shall have a substantial interest in a company if it, either by itself or together with any other public authority, has an interest or interests in one or more voting shares in the company and the vote or votes attached to that share, or the total votes attached to those shares either held by itself or together with any other public authority, is not less than 20% of the total votes attached to all the voting shares in the company.".
(9) Newspaper and Printing Presses Act (Chapter 206, 2002 Ed.)	

(*a*) Section 10(14)	Delete the words "shall have the same par value as ordinary shares but".
(*b*) Section 11(3)	Delete the words "nominal amount of" and substitute the words "total votes attached to".

(10) Police Force Act 2004 (Act 24 of 2004)

Section 88(1)	Delete paragraph (*b*) and substitute the following paragraph: "(*b*) if he is not a citizen of Singapore, enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any other person (whether or not a citizen of Singapore) with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares in an employer of an Auxiliary Police Force, of — (i) where the employer is a company, an aggregate of more than 50% of the total votes attached to all voting shares in the employer; or (ii) where the employer is an organisation other than a company, an aggregate of more than 50% of the nominal amount of all voting shares in the employer,".

(11) *Deleted by Act 42/2005, wef 01/01/2006.*