

# **Companies (Amendment) Bill**

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**Bill No: 24/1989**

***Read the first time: 22nd March 1989***

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**Companies (Amendment) Bill**

**Bill No. 24/1989**

*Read the first time on 22nd March 1989.*

An Act to amend the Companies Act (Chapter 50 of the 1988 Revised Edition).

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 1989 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### **Amendment of section 4**

2. Section 4 of the Companies Act is amended —

- (a) by deleting the words “but an invitation to the public by a prescribed corporation as defined in section 44(7) shall not be deemed to be an invitation to the public to deposit money with or to lend money to the corporation for the purpose of Division 5 of Part IV” at the end of subsection (5) and substituting the following words:

“but an invitation by a prescribed corporation as defined in sections 44(7) and 97(8) shall be deemed not to be an invitation to the public to subscribe for or purchase debentures of the corporation or an offer to the public of debentures of the corporation for subscription or purchase for the purposes of Division 5 of Part IV”;  
and

- (b) by deleting subsection (6) and substituting the following subsection:

#### **“As to what constitutes an offer to the public**

(6) Any reference in this Act to offering shares or debentures to the public or to issuing an invitation to the public in respect of shares or debentures shall, unless the contrary intention appears, be construed as including a reference to offering them to any section of the public or to issuing of an invitation to any section of the public, as the case may be, whether selected as clients of the person making the offer or issuing the invitation or in any other manner.”.

### **Amendment of section 43**

3. Section 43 of the Companies Act is amended by deleting subsection (2) and substituting the following subsections:

“(2) Subsection (1) shall not apply if the form of application is issued, circulated or distributed in connection with —

- (a) an offer or invitation in respect of shares or debentures which is not made or issued to the public; or
- (b) an offer made or invitation issued to the public in respect of shares or debentures that is exempted under Division 5A of this Part.

(2A) Nothing in this Division and Division 5 of this Part shall apply to an offer or invitation in respect of shares or debentures for sale to the public in a case where the offer or invitation relates to shares or debentures that have been previously issued and the shares or debentures are of a class that are listed for quotation on a stock exchange in Singapore approved by the Minister under section 16 of the Securities Industry Act [Cap. 289].”.

#### **Amendment of section 44**

4. Section 44 of the Companies Act is amended —

- (a) by deleting paragraph (c) of subsection (1) and substituting the following paragraph:

“(c) the document is described or referred to in the prospectus and in any other document whether constituting or relating to the invitation in any of the following forms of debt obligation, in accordance with this section:

- (i) unsecured loan stock, unsecured note, unsecured deposit note, unsecured debenture or certificate of unsecured debenture stock, bonds (including bearer and Eurobonds) short or medium term notes (including Euronotes) or convertible loan stock;
- (ii) mortgage bonds, mortgage debenture or certificate of mortgage debenture stock;
- (iii) a secured debenture or certificate of debenture stock; or
- (iv) such other form as the Registrar may approve as having effect for the purposes

of this section but subject to such conditions as he may impose,”;

- (b) by deleting the words “as an unsecured note or an unsecured deposit note” in subsection (3) and substituting the words “in the form described in subsection (1)(c)(i) or approved under subsection (1)(c)(iv)”;
- (c) by deleting the words “as a mortgage debenture or certificate of mortgage debenture stock” in subsection (4) and substituting the words “in the form described in subsection (1)(c)(ii)”;
- (d) by deleting the words “as a debenture or certificate of debenture stock” in the third line of subsection (5) and substituting the words “in the form described in subsection (1)(c)(iii)”;
- (e) by deleting the words “a mortgage debenture or certificate of mortgage debenture stock” in subsection (5)(a) and substituting the words “in the form described in subsection (1)(c)(ii)”;
- (f) by deleting subsection (10); and
- (g) by deleting subsection (11) and substituting the following subsection:

“(11) For the purposes of this section, a certificate issued by a borrowing corporation certifying, in respect of any deposit with or a loan to the corporation, that the registered holder (or in the case of a bearer instrument, the bearer) of a specified number or value of the debt obligations described or approved under subsection (1)(c), issued by the corporation upon or subject to the terms and conditions contained in a trust deed referred to or identified in the certificate, shall be deemed to be a document evidencing the indebtedness of that corporation in respect of that deposit or loan.”.

## **Amendment of section 46**

**5.** Section 46 of the Companies Act is amended by inserting, immediately after subsection (2), the following subsections:

“(2A) Notwithstanding subsection (2), in a case where a prospectus states or implies that an application has been or will be made for permission for international securities offered thereby to be listed or quoted on a stock exchange in Singapore approved by the Minister under section 16 of the Securities Industry Act [Cap. 289], the Registrar may, by order, exempt a person from complying with any particular requirement as regards the form and content of a prospectus, as shall