

Companies (Amendment) Bill

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Bill No: 52/1970

Read the first time: 4th November 1970

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Expenditure of Public Money

Companies (Amendment) Bill

Bill No. 52/1970

Read the first time on 4th November 1970.

An Act to amend the Companies Act, 1967 (No. 42 of 1967).

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, 1970, 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, 1967 (hereinafter in this Act referred to as “the principal Act”) is hereby amended —

(a) by deleting the expression “Part I ... Preliminary ss. 1–6” appearing in the

third line thereof and substituting therefor the expression “Part I ... Preliminary ss. 1–6A”; and

- (b) by inserting immediately after the expression “Division 3 — Shares ss. 54–69.” appearing in the fourteenth line thereof the expression “Division 3A — Substantial Shareholdings ss. 69A–69M.”.

Amendment of section 4

3. Subsection (1) of section 4 of the principal Act is hereby amended —

- (a) by inserting immediately before the definition of “annual general meeting” appearing therein the following new definitions: —

““accounting records”, in relation to a corporation, includes such working papers and other documents as are necessary to explain the methods and calculations by which accounts of the corporation are made up;

“accounts” means profit and loss accounts and balance-sheets and includes notes or documents attached or intended to be read with any of those profit and loss accounts or balance-sheets;”;

- (b) by deleting the definition of “books” appearing therein and substituting therefor the following: —

““books” includes any account, deed, writing or document and any other record of information however compiled, recorded or stored whether in written or printed form or microfilm by electronic process or otherwise;”;

- (c) by inserting immediately after the definition of “regulations” appearing therein the following new definition: —

““related corporation”, in relation to a corporation, means a corporation that is deemed to be related to the first-mentioned corporation by virtue of section 6 of this Act;”;

- (d) by deleting the full-stop appearing at the end of the definition of “unlimited company” and substituting therefor a semi-colon; and

- (e) by inserting immediately after the definition of “unlimited company” appearing therein the following new definition: —

““voting share”, in relation to a body corporate, means an issued share in the body corporate, not being —

- (a) a share to which, in no circumstances, is there attached a right to vote; or
- (b) a share to which there is attached a right to vote only in one or more of the following circumstances: —
 - (i) during a period in which a dividend (or part of a dividend) in respect of the share is in arrear;
 - (ii) upon a proposal to reduce the share capital of the body corporate;
 - (iii) upon a proposal that affects rights attached to the share;
 - (iv) upon a proposal to wind up the body corporate;
 - (v) upon a proposal for the disposal of the whole of the property, business and undertakings of the body corporate;
 - (vi) during the winding up of the body corporate.”.

New section 6A

4. The principal Act is hereby amended by inserting immediately after section 6 thereof the following new section: —

“Interests in shares

6A.—(1) The following subsections have effect for the purposes of Division 3A of Part IV of this Act.

(2) Where the property subject to a trust consists of or includes shares and a person has an interest under the trust, he shall be deemed to have an interest in those shares.

(3) Where a right (being a right or an interest described in the definition of “interest” in section 84 of this Act) was issued or offered to the public for subscription or purchase, or where the public was invited to subscribe for or purchase such a right, and the right was so subscribed for or purchased, that right

does not constitute an interest in a share.

(4) Where a body corporate has an interest in a share and —

- (a) the body corporate is, or its directors are, accustomed or likely to act in accordance with the directions, instructions or wishes of a person;
- (b) a person has a controlling interest in the body corporate; or
- (c) a person is, the associates of a person are, or a person and his associates are, entitled to exercise or control the exercise of not less than fifteen *per centum* of the votes attached to the voting shares in the body corporate,

that person shall be deemed to have an interest in that share.

(5) For the purposes of paragraph (c) of subsection (4) of this section, a person is an associate of another person if the first-mentioned person is —

- (a) a corporation that, by virtue of section 6 of this Act, is deemed to be related to that other person;
- (b) a person in accordance with whose directions, instructions or wishes that other person is accustomed or likely to act in relation to the share referred to in subsection (4) of this section;
- (c) a person who is accustomed or likely to act in accordance with the directions, instructions or wishes of that other person in relation to that share;
- (d) a body corporate that is, or the directors of which are, accustomed or likely to act in accordance with the directions, instructions or wishes of that other person in relation to that share; or
- (e) a body corporate in accordance with the directions, instructions or wishes of which, or of the directors of which, that other person is accustomed or likely to act in relation to that share.

(6) Where a person —

- (a) has entered into a contract to purchase a share;
- (b) has a right, otherwise than by reason of having an interest under a trust, to have a share transferred to himself or to his order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
- (c) has the right to acquire a share, or an interest in a share, under an