

# New corporate disclosures of nominee shareholders and individuals with executive control come into force

Singapore companies, foreign companies and limited liability partnerships will have to maintain new (and expand existing) registers to comply with new transparency rules on corporate controllers by 5 December 2022

## In brief

- **New obligation to keep Register of Nominee Shareholders**
- **New requirement to report executive controllers in Register of Registrable Controllers if there are no registrable controllers**

With the coming into force of the [Corporate Registers \(Miscellaneous Amendments\) Act 2022](#) on 4 October 2022, the [Companies Act 1967](#) and the [Limited Liability Partnerships Act 2005](#) have been amended to subject nominee shareholders and their nominators and individuals with “executive control” over the daily or regular corporate affairs to new disclosure obligations.

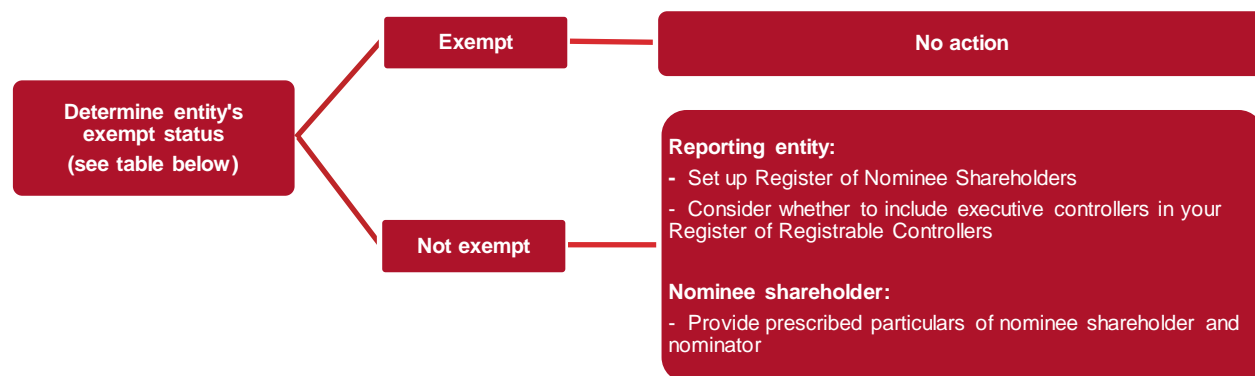
This further aligns Singapore’s regime on transparency and beneficial ownership of Singapore-incorporated companies, foreign companies and limited liability partnerships (“**reporting entities**”) with the international standards set by the Financial Action Task Force.

Our alert sets out the following recommended actions you should undertake.

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## Recommended actions



Given that the 60-day timeline started running on 4 October 2022, all reporting entities should start their compliance preparations as set out and summarised below:

If you are:	You should take the following actions by 5 December 2022:
a company with share capital, unless exempt	<ul style="list-style-type: none"> <li>• Set up Register of Nominee Shareholders</li> </ul>
a foreign company with share capital with a branch registered in Singapore, unless exempt	<ul style="list-style-type: none"> <li>• Consider whether to include directors and chief executive officers (CEOs) as executive controllers in your Register of Registrable Controllers</li> </ul>



If you are:	You should take the following actions by 5 December 2022:
a nominee shareholder of either: <ul style="list-style-type: none"> <li>a company with share capital, unless exempt</li> <li>a foreign company with share capital with a branch registered in Singapore, unless exempt</li> </ul>	Provide prescribed particulars of yourself and your nominator to your company, or foreign company, and its registered filing agent
a limited liability partnership	Consider whether to include partner(s) with executive control in your Register of Registrable Controllers

## General Exemptions

Reporting entities should first consider whether they fall under any of the exempt categories of entities, such as those below, which are:

- subject to similar disclosure requirements
- considered to be at low risk of being used for money laundering and terrorism financing

Company	Foreign company	Limited liability partnership (LLP)
<ul style="list-style-type: none"> <li>(a) a public company whose shares are listed on an approved exchange in Singapore</li> <li>(b) a company that is a Singapore financial institution</li> <li>(c) a company that is wholly-owned by the government of Singapore</li> <li>(d) a company that is wholly-owned by a statutory body established by or under a public act for a public purpose</li> <li>(e) a company that is a wholly-owned subsidiary of a company mentioned in sub-paragraph (a), (b), (c) or (d)</li> <li>(f) a company whose shares are listed on a securities exchange in a country or territory outside Singapore and which is subject to both: <ul style="list-style-type: none"> <li>regulatory disclosure requirements</li> <li>requirements relating to adequate transparency in respect of its beneficial owners, imposed through stock exchange rules, law or other enforceable means</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>(a) a foreign company whose shares have a primary listing on an approved exchange in Singapore</li> <li>(b) a foreign company that is a Singapore financial institution</li> <li>(c) a foreign company that is a wholly-owned subsidiary of a foreign company that is a Singapore financial institution</li> <li>(d) a foreign company whose shares are listed on a securities exchange in a country or territory outside Singapore and which is subject to both: <ul style="list-style-type: none"> <li>regulatory disclosure requirements</li> <li>requirements relating to adequate transparency in respect of its beneficial owners, imposed through stock exchange rules, law or other enforceable means</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>(a) an LLP that is a Singapore financial institution</li> <li>(b) an LLP whose partners consist only of: <ul style="list-style-type: none"> <li>i. a public company whose shares are listed on an approved exchange in Singapore</li> <li>ii. a company or foreign company that is a Singapore financial institution</li> <li>iii. a company that is wholly-owned by the government of Singapore</li> <li>iv. a company that is wholly-owned by a statutory body established by or under a public act for a public purpose</li> <li>v. a company that is a wholly-owned subsidiary of a company mentioned in (i), (ii), (iii) or (iv)</li> <li>vi. a foreign company that is a wholly-owned subsidiary of a foreign company that is a Singapore financial institution mentioned in (ii)</li> <li>vii. a company or foreign company whose shares are listed on a securities exchange in a country or territory outside Singapore and which is subject to both: <ul style="list-style-type: none"> <li>regulatory disclosure requirements</li> <li>requirements relating to adequate transparency in respect of its beneficial owners, imposed through stock exchange rules, law or other enforceable means</li> </ul> </li> </ul> </li> </ul>

The above lists refer to general exemption categories and we would be happy to provide tailored advice on whether your Singapore entity would qualify for exemption and on what basis they are eligible to do so.

Do also note that while an entity may be exempt from keeping a Register of Nominee Shareholder or Register of Registrable Controllers, the exemption does not apply in a situation where the entity is itself a controller or nominee shareholder of another non-exempt reporting entity, in which case the “exempt” entity will be required to provide its particulars for the other non-exempt reporting entity’s Register of Registrable Controllers or Register of Nominee Shareholders.



## Register of Nominee Shareholders

The obligation to keep a Register of Nominee Shareholders applies to the following entities:

- a non-exempt company with share capital
- a non-exempt foreign company with share capital with a branch registered in Singapore

These companies are required to:

- keep a register of their nominee shareholders containing the particulars of the nominators of the company's nominee shareholders
- ensure that information in the Register of Nominee Shareholders is updated within 7 days after being informed of any change
- produce this register and any related document to the Accounting and Corporate Regulatory Authority (ACRA) or a public agency upon request

Nominee shareholders are required to inform their respective companies of the fact that they are nominee shareholders and to provide the prescribed particulars of their nominators to their companies within the applicable timelines.

A nominee shareholder is defined as a shareholder who/which:

- is accustomed or under a formal or informal obligation to vote, in respect of shares in the company of which the shareholder is the registered holder, in accordance with the directions, instructions or wishes of any other person
- receives dividends, in respect of shares in the company of which the shareholder is the registered holder, on behalf of any other person

Abogado Pte Ltd, our Corporate Services affiliate, will be pleased to assist you in setting up, maintaining and updating your Register of Nominee Shareholders as and when applicable, for an annual fee of USD 500.

We summarise the obligations imposed on the reporting entity and the nominee shareholder, and corresponding timelines in the table below:

Entity	Obligations	Timeline
Reporting entity	Maintain a Register of Nominee Shareholders from 4 October 2022 onwards: Enter information received from their nominee shareholders (including any updates) into their registers Where a reporting entity has not received any information from its nominee shareholders, enter a statement to that effect	within 7 days after receiving: <ul style="list-style-type: none"> <li>• the nominator particulars</li> <li>• information on updates</li> <li>• notice of shareholder ceasing to be a nominee</li> </ul>
	Retain supporting documents that are accurate and provide confidence that the Register of Nominee Shareholders is kept up-to-date, such as: <ul style="list-style-type: none"> <li>• for an individual, a copy of the NRIC of a nominator who is a Singapore citizen or Singapore permanent resident</li> <li>• for a nominator who is a foreign individual, a copy of their passport and a document to verify their residential address (e.g. utility bill)</li> <li>• for an entity, a copy of the certificate of registration from the jurisdiction of incorporation and, if the registered office address is not shown on the certificate, a document to verify the office address (e.g. utility bill) for a nominator which is a foreign legal entity that is not registered in Singapore</li> <li>• other records of information received from the nominee shareholders that led to the particulars of their nominators being inserted in the Register of Nominee Shareholders (e.g. emails, hardcopy letters)</li> </ul>	
	Keep confidential the Registers of Nominee Shareholders, electronically or in hardcopy, at: <ul style="list-style-type: none"> <li>• registered offices</li> <li>• the registered offices of any registered filing agent appointed by the reporting entity</li> </ul>	



Entity	Obligations	Timeline
Reporting entity (cont'd)	At their request, make available the Register of Nominee Shareholders and furnish supporting documents to the ACRA and public agencies such as: <ul style="list-style-type: none"> <li>the Singapore Police Force</li> <li>the Commercial Affairs Department</li> <li>the Corrupt Practices Investigation Bureau</li> <li>the Inland Revenue Authority of Singapore</li> </ul>	
Nominee shareholder	Inform their reporting entities of their nominee shareholder status and provide the particulars of their nominators (see <b>below</b> ) to their respective reporting entities	Current nominee shareholder: <ul style="list-style-type: none"> <li>within 60 days after 4 October 2022</li> </ul> Incoming nominee shareholder: <ul style="list-style-type: none"> <li>within 30 days after the shareholder becomes a nominee</li> </ul>
	Inform their reporting entities on the cessation of their nominee shareholder status and/or update the particulars of nominators	Within 30 days after cessation Within 30 days after the change

## Particulars of nominator

Nominee shareholders must provide the following particulars of their nominators to their respective reporting entities:

Nominators who are individuals	Nominators which are legal entities
<ul style="list-style-type: none"> <li>full name</li> <li>aliases, if any</li> <li>residential address</li> <li>nationality</li> <li>identity card number or passport number</li> <li>date of birth</li> <li>date on which the shareholder became the individual's nominee</li> </ul>	<ul style="list-style-type: none"> <li>entity's name</li> <li>unique entity number issued by ACRA or by the registrar of the jurisdiction where the legal entity is formed or incorporated</li> <li>address of registered office</li> <li>legal form of the legal entity</li> <li>jurisdiction where, and statute under which, the legal entity was formed or incorporated</li> <li>name of corporate entity register of the jurisdiction where the legal entity was formed or incorporated, if applicable</li> <li>identification number or registration number of the legal entity on the corporate entity register of the jurisdiction where the legal entity was formed or incorporated, if applicable</li> <li>date on which the shareholder became the legal entity's nominee</li> </ul>

## Register of Registrable Controllers

As of 31 March 2017, all non-exempt reporting entities have been required to maintain a Register of Registrable Controllers containing the particulars of individuals or legal entities that have a "significant interest" in, or "significant control" over, the reporting entity, and all such controllers must be registered up the chain of direct and indirect shareholding of the reporting entity.

Prior to the 4 October 2022 amendments, a director (and for LLPs, a partner) would not, on its own, result in the director (or partner) being considered to be actually exercising or have the right to exercise, significant influence or control over the entity.

From 4 October 2022, reporting entities must additionally take the following enhanced actions with regard to their Register of Registrable Controllers:



If you:	You should take the following actions by 5 December 2022:
are unable to identify any registrable controllers	<ul style="list-style-type: none"> <li>Include the particulars of your CEO as an executive controller in your Register of Registrable Controllers</li> <li>Consider whether your director has executive control, and if yes, include the director's particulars in your Register of Registrable Controllers</li> <li>For LLPS: consider whether a partner has executive control of the LLP</li> </ul>

For reporting entities that are companies, we set out the comparison below to assist you in more clearly determining the basis for reporting a director or chief executive officer (CEO) as a controller:

Identification of registrable controller	Basis for reporting a director or chief executive officer (CEO) as a controller	Definitions and examples of "control"
Reporting entity identifies registrable controllers	Significant influence or control	A director (or an individual with a similar role) may be exceptionally identified as controller should the director (i) own important assets (e.g. key intellectual property rights) and/or (ii) have key relationships which are important to the running of the reporting entity's business, and the director uses this additional power to influence the outcome of important decisions related to the running of the reporting entity's business.
Reporting entity: <ul style="list-style-type: none"> <li>has no registrable controllers; or</li> <li>is unable to identify a registrable controller</li> </ul>	Executive control	<p>A director is deemed to have executive control if the director exercises executive control over the daily or regular affairs of the reporting entity through a senior management position, and includes the power or authority to make decisions that could:</p> <ul style="list-style-type: none"> <li>affect the whole or a significant part of the business of the company (e.g. enter the reporting entity into significant contracts; appoint key employees of the reporting entity)</li> <li>significantly affect the financial standing of the reporting entity (e.g. take up a significant loan on behalf of the reporting entity; manage key assets of the reporting entity)</li> </ul> <p>A CEO is any person, by whatever name described, who is in direct employment of, or acting for or by arrangement with, the reporting entity and is principally responsible for the management and conduct of the reporting entity's business, or part of the business.</p>

To comply with the executive control disclosure, the reporting entity must make the following entries in its Register of Registrable Controllers:

Type of entry in Register of Registrable Controllers	Content of entries	Timelines
Note on "executive controllers"	<p>The note should state:</p> <ul style="list-style-type: none"> <li>the reporting entity knows, or has reasonable grounds to believe, as the case may be, that either <ul style="list-style-type: none"> <li>the reporting entity has no registrable controller</li> <li>the reporting entity has a registrable controller but has not been able to identify the registrable controller</li> </ul> </li> <li>that each director with executive control and each CEO of the reporting entity is taken to be a registrable controller</li> </ul>	<p>By <b>5 December 2022</b>, all reporting entities unable to identify a registrable controller who has a significant interest or significant control must enter this note and the particulars of each director with executive control and each CEO.</p> <p>Subsequently, on a continuing basis, all reporting entities must:</p> <ul style="list-style-type: none"> <li>enter the note and particulars in its Register of Registrable Controllers within 2 business days after the date on which the reporting entity either <ul style="list-style-type: none"> <li>knows, or has reasonable grounds to believe that the reporting entity has no registrable controller</li> <li>forms the opinion that it is unable to identify the registrable controller, having taken the reasonable steps required by section 386AG(1) of the Companies Act 1967</li> </ul> </li> <li>update its Register of Registrable Controllers with any changes in the particulars within 2 business days after the date on which the reporting entity knows or has reasonable grounds to</li> </ul>
Particulars of each director with executive control and each CEO	<ul style="list-style-type: none"> <li>Full name</li> <li>Aliases, if any</li> <li>Residential address</li> <li>Nationality</li> <li>Identity card number or passport number</li> <li>Date of birth</li> <li>Date on which the director with executive control or CEO is taken to be a registrable controller of the reporting entity</li> <li>date on which the director with executive control or CEO is no longer taken to be a registrable controller of the reporting entity, if applicable</li> </ul>	



Type of entry in Register of Registrable Controllers	Content of entries	Timelines
		believe that the change to the particulars has occurred
Note on “registrable controllers”	<p>Where the reporting entity subsequently enters the particulars of a registrable controller into its Register of Registrable Controllers, it must, at the same time, enter a note stating</p> <ul style="list-style-type: none"> <li>that each director with executive control and each CEO is no longer taken to be a registrable controller of the reporting entity</li> <li>the date on which the particulars of the registrable controller were entered in its Register of Registrable Controllers</li> </ul>	Within 2 business days after the particulars have been confirmed

ACRA has warned that failure to update the Register of Registrable Controllers may lead to prosecution and a fine of up to SGD 5,000.

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