

Plenary Session 8 Practical Insights on Implementation of Companies Act 2016

Moderated By:

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OVERVIEW OF THE CA 2016:

Status & Key Changes

Status: In force w.e.f. 31 January 2017 except s241 (Company Secretary Registration) & Div 8 Part III (CVA and JM)

Constitution replaces Memorandum and Articles of Association, now optional

Easier incorporation and administrative processes

Meetings and Resolutions

Shares

- No Par Value
- Capital Reduction without Court Order
- Financial Assistance Whitewash
- RPS redemption from capital
- Dividends - solvency test and clawback

Solvency Test and Solvency Statement

Enhanced Corporate Governance & Sanctions on Directors

New Corporate Rescue Mechanisms – CVA and JM

Transitional Issues

Interpretation issues

**Utilising the Share premium
account &
Capital Redemption reserve
account**

**Decoupling of filing of Annual
Return and AGM**

Constitution

CA 1965 (Table A) v CA 2016

Unlimited capacity

**No more doctrine of constructive
notice (except for Charges)**

**Action/Inaction - constitution
revision?**

Shares / Share Capital

Implications of the no par value regime – tax, financial and legal

**Disclosure of share premium/CRR in audited financial
statements/quarterly report**

Redemption of preference shares out of capital

Challenges

- Differences in views on interpretation**
- Disclosure of beneficial owners in private companies**
- Applicable legislation for audited financial statements**
- Solvency Test and Solvency Statement requirement**
- Compliance eg. filing of notice of location where accounting records kept**

Opportunities

- Audit exemption – Practice Directive 3/2017 – Practical, tax and legal implications**
 - Sole member & director companies**
 - Capital reduction without court order**
 - Dividends & schemes of profit extraction**
 - Costs savings in administrative costs**

THANK YOU