

Capital Markets | Corporate Commercial | Funds & Investment Management

## ACRA/MAS/MOF Seek Comments On Legislative Amendments to Allow Virtual Meetings for Companies, VCCs and BTs

### Introduction

On 9 February 2023, the Accounting and Corporate Regulatory Authority ("**ACRA**"), Ministry of Finance ("**MOF**") and Monetary Authority of Singapore ("**MAS**") jointly announced that they are conducting a public consultation to seek feedback on proposed changes to the Companies Act 1967 ("**CA**"), Variable Capital Companies Act 2018 ("**VCC Act**") and the Business Trusts Act 2004 (collectively, the "**Acts**"). The public consultation exercise will run from 9 to 20 February 2023.

The key proposed changes to the Acts primarily aim to expressly clarify in the Acts that companies, variable capital companies ("**VCCs**") and business trusts ("**BTs**") have the option to conduct fully virtual or hybrid general meetings, and to ensure that the rights of the members of the companies and VCCs and unitholders of BTs to attend and participate in such general meetings are safeguarded. The proposed changes to the Acts are set out in the draft Companies, Business Trusts and Other Bodies (Miscellaneous Amendments) Bill 2023 ("**draft Bill**").

The proposed draft Bill is stated to come into effect on **1 July 2023**. This will provide companies, VCCs and BTs with the option to conduct general meetings by electronic means after the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 is revoked with effect from 1 July 2023.

This Update provides a summary of these key proposed changes.

### Express Provisions to Allow Fully Virtual or Hybrid Meetings

Presently, the Acts do not clearly address the manner in which general meetings are held. The proposed changes to the Acts will expressly allow companies, VCCs and BTs to hold general meetings<sup>1</sup> fully virtually (i.e. using virtual meeting technology) or in a hybrid format (i.e. at a physical place and using virtual meeting technology), **without** having to first amend their constitutions or trust deeds (as the case may be). ACRA/MOF/MAS proposed to define "*virtual meeting technology*" as "any technology that

<sup>1</sup> The proposed provisions also apply to other types of meetings, for instance, the proposed new Section 173J of the CA also applies to a statutory meeting of a company and a meeting of a class of members of the company, among other things. For details, please refer to the draft Bill. This Update relates generally to reforms under the "general meeting" category of meetings.

# Client Update: Singapore

## 2023 FEBRUARY

Capital Markets | Corporate Commercial | Funds & Investment Management

allows a person to participate in a meeting without being physically present at the place of meeting", and seek comments on whether such a definition is appropriate in the context of companies, VCCs and BTs, respectively.

Supporting provisions are also proposed to clarify how references in the Acts that are applicable to a general meeting may be applied in the context of a general meeting held using virtual meeting technology. These references include: attendance, presence, voting, the entitlement or right to vote at a meeting, the entitlement or right to be heard, the right to speak on resolution and the right to speak at a meeting, among other things.

In addition, it is proposed to provide companies, VCCs and BTs with the option to amend their constitutions or trust deeds (as the case may be), on or after 1 July 2023, to prohibit the holding of fully virtual and/or hybrid general meetings; or modify or exclude the application of the rules clarifying how references in the Acts that are applicable to a general meeting may be applied in the context of a fully virtual and/or hybrid general meeting.

## Subsidiary Legislation to Regulate Use of Virtual Meeting Technology for General Meetings etc.

Subsidiary legislations under the Acts are expected to be passed to regulate the use of virtual meeting technology for fully virtual or hybrid general meetings. The areas that may be regulated under subsidiary legislations are anticipated to include safeguards to restrict or mandate the types of virtual meeting technology that may be used, as well as the imposition of verification or authentication requirements, among other things.

## Right to Invalidate Virtual Meeting Where There is Technological Disruption, Malfunction or Outage

Currently, members of a company and members of a VCC have the right to apply to Court for orders in respect of a procedural irregularity at a proceeding (e.g. at a general meeting), including an order to declare the general meeting to be invalid. However, the CA and the VCC Act do not specifically deal with the effect of a technological disruption, malfunction or outage on the validity of a general meeting held using virtual meeting technology.

To address this, amendments are proposed to be made to the CA and the VCC Act:

- To allow a member of a company or a VCC to apply to the Court to invalidate a fully virtual or hybrid general meeting held in accordance with the respective new provisions under the Acts on the basis of the occurrence of a technological disruption, malfunction or outage; and

Capital Markets | Corporate Commercial | Funds & Investment Management

- To provide that the occurrence of a technological disruption, malfunction or outage does not per se invalidate the general meeting, unless the Court is of the view that there was substantial injustice caused by the technological disruption, malfunction or outage that cannot be remedied by any order of the Court.

The proposed amendment is calibrated to provide members a right of recourse in the event of a technological disruption, malfunction or outage at a fully virtual or hybrid meeting, while giving companies and VCCs the flexibility to hold meetings in such manner.

## Further Information

If you have any queries on the above development, please feel free to contact our team members below who will be happy to assist.

For further information please click on the following links below:

- ACRA, MOF and MAS "[Public Consultation on Legislative Amendments to Enable the Conduct of General Meetings by Electronic Means](#)" (available on Reach website [www.reach.gov.sg](http://www.reach.gov.sg)) consisting:
  - [Annex A: Draft Companies, Business Trusts and Other Bodies \(Miscellaneous Amendments\) Bill 2023](#)
  - [Annex B: Key clauses on virtual general meetings of companies in the draft Companies, Business Trusts and Other Bodies \(Miscellaneous Amendments\) Bill 2023](#)
  - [Annex C: Key clauses on virtual general meetings of business trusts and variable capital companies in the draft Companies, Business Trusts and Other Bodies \(Miscellaneous Amendments\) Bill 2023](#)

## Contacts

### Capital Markets | Corporate Commercial



**Chia Kim Huat**  
Regional Head, Corporate and  
Transactional Group

T +65 6232 0464

[kim.huat.chia@rajahtann.com](mailto:kim.huat.chia@rajahtann.com)



**Abdul Jabbar Bin Karam Din**  
Head, Corporate and  
Transactional Group

T +65 6232 0465

[abdul.jabbar@rajahtann.com](mailto:abdul.jabbar@rajahtann.com)



**Evelyn Wee**  
Deputy Head, Corporate and  
Transactional Group  
Head, Capital Markets

T +65 6232 0724

[evelyn.wee@rajahtann.com](mailto:evelyn.wee@rajahtann.com)



**Tan Mui Hui**  
Deputy Head, Capital Markets

T +65 6232 0191

[mui.hui.tan@rajahtann.com](mailto:mui.hui.tan@rajahtann.com)



**Hoon Chi Tern**  
Deputy Head, Capital Markets

T +65 6232 0714

[chi.tern.hoon@rajahtann.com](mailto:chi.tern.hoon@rajahtann.com)



**Cynthia Goh**  
Partner, Capital Markets

T +65 6232 0316

[cynthia.goh@rajahtann.com](mailto:cynthia.goh@rajahtann.com)



**Khairil Suhairee**  
Partner, Corporate Commercial

T +65 6232 0571

[khairil.suhairee@rajahtann.com](mailto:khairil.suhairee@rajahtann.com)

---

## Funds & Investment Management

---



**Anne Yeo**  
Head, Funds and Investment  
Management

T +65 6232 0628

[anne.yeo@rajahtann.com](mailto:anne.yeo@rajahtann.com)



**Jasmine Chew**  
Deputy Head, Funds and  
Investment Management

T +65 6232 0454

[jasmine.chew@rajahtann.com](mailto:jasmine.chew@rajahtann.com)



**Philip Yeo**  
Deputy Head, Funds and  
Investment Management

T +65 6232 0487

[philip.yeo@rajahtann.com](mailto:philip.yeo@rajahtann.com)

---

Please feel free to also contact Knowledge Management at [eOASIS@rajahtann.com](mailto:eOASIS@rajahtann.com)

## Regional Contacts

### R&T SOK & HENG | *Cambodia*

#### R&T Sok & Heng Law Office

T +855 23 963 112 / 113

F +855 23 963 116

kh.rajahtannasia.com

### RAJAH & TANN | *Myanmar*

#### Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346

F +95 1 9345 348

mm.rajahtannasia.com

### RAJAH & TANN 立杰上海

#### SHANGHAI REPRESENTATIVE OFFICE | *China*

#### Rajah & Tann Singapore LLP

#### Shanghai Representative Office

T +86 21 6120 8818

F +86 21 6120 8820

cn.rajahtannasia.com

### GATMAYTAN YAP PATACSIL

#### GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

#### Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32

F +632 8552 1977 to 78

www.cagatlaw.com

### ASSEGAF HAMZAH & PARTNERS | *Indonesia*

#### Assegaf Hamzah & Partners

#### Jakarta Office

T +62 21 2555 7800

F +62 21 2555 7899

#### Surabaya Office

T +62 31 5116 4550

F +62 31 5116 4560

www.ahp.co.id

### RAJAH & TANN | *Singapore*

#### Rajah & Tann Singapore LLP

T +65 6535 3600

sg.rajahtannasia.com

### RAJAH & TANN | *Thailand*

#### R&T Asia (Thailand) Limited

T +66 2 656 1991

F +66 2 656 0833

th.rajahtannasia.com

### RAJAH & TANN | *Lao PDR*

#### Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239

F +856 21 285 261

la.rajahtannasia.com

### RAJAH & TANN LCT LAWYERS | *Vietnam*

#### Rajah & Tann LCT Lawyers

#### Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673

F +84 28 3520 8206

### CHRISTOPHER & LEE ONG | *Malaysia*

#### Christopher & Lee Ong

T +60 3 2273 1919

F +60 3 2273 8310

www.christopherleeong.com

#### Hanoi Office

T +84 24 3267 6127

F +84 24 3267 6128

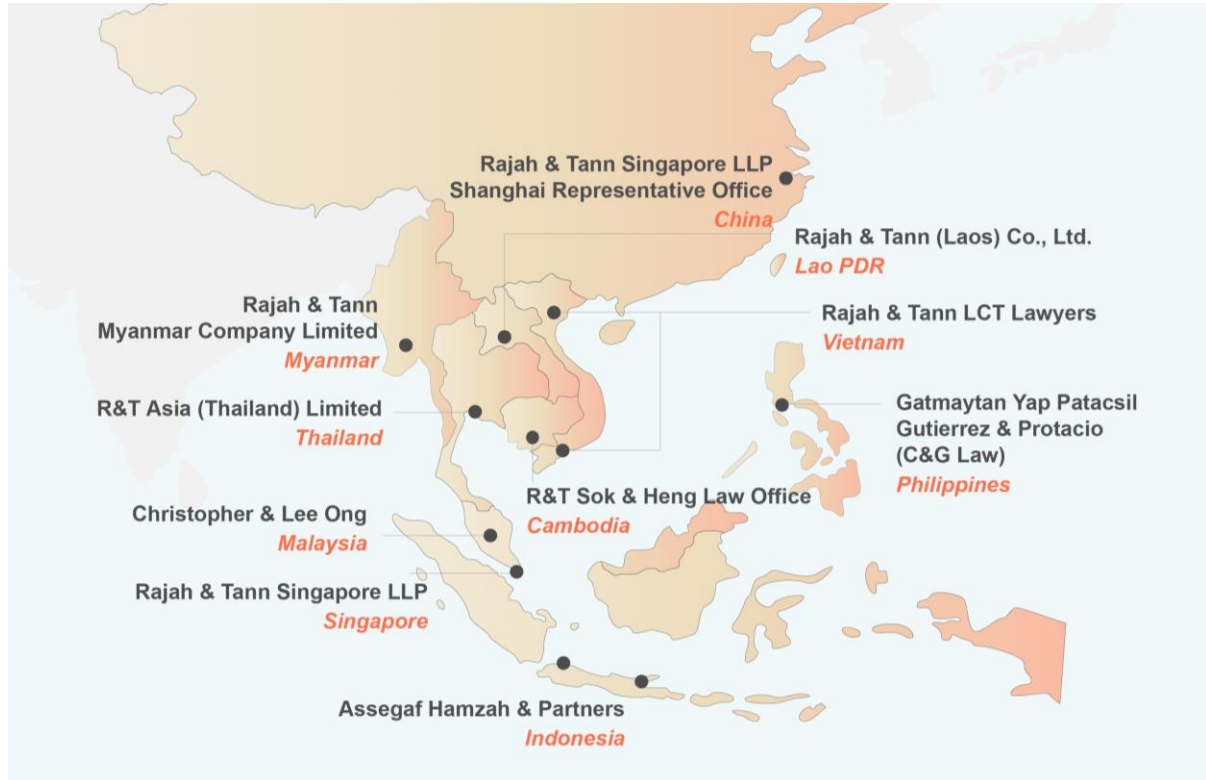
www.rajahtannlct.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this update.

## Our Regional Presence



Rajah & Tann Singapore LLP is one of the largest full-service law firms in Singapore, providing high quality advice to an impressive list of clients. We place strong emphasis on promptness, accessibility and reliability in dealing with clients. At the same time, the firm strives towards a practical yet creative approach in dealing with business and commercial problems. As the Singapore member firm of the Lex Mundi Network, we are able to offer access to excellent legal expertise in more than 100 countries.

Rajah & Tann Singapore LLP is part of Rajah & Tann Asia, a network of local law firms in Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.

The contents of this Update are owned by Rajah & Tann Singapore LLP and subject to copyright protection under the laws of Singapore and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Singapore LLP.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Rajah & Tann Singapore LLP or email Knowledge Management at [eOASIS@rajahtann.com](mailto:eOASIS@rajahtann.com).