

Corporate Commercial

ACRA (Registry and Regulatory Enhancements) Bill Introduced in Parliament

- Bill Seeks to Enhance Data Privacy, Facilitate Digital Communications with ACRA, Streamline Foreign Companies' Financial Reporting

Introduction

On 7 May 2024, the Accounting and Corporate Regulatory Authority ("**ACRA**") (Registry and Regulatory Enhancements) Bill ("**Bill**") was introduced in Parliament for its first reading. The Bill seeks to amend the ACRA Act 2004 and other ACRA-administered legislation to protect the personal data collected by ACRA and streamline the corporate regulatory regime. The Bill also serves to facilitate digital communications with ACRA.

The Ministry of Finance ("**MOF**") and ACRA conducted a consultation on "Proposed Legislative Amendments Relating to Digital Communications and Regulatory Enhancements" ("**Consultation**") to seek comments on the draft Bill from 5 March 2024 to 18 March 2024. For more information on the Consultation, please see our earlier Legal Update [here](#). MOF and ACRA have since responded to the feedback received in the Consultation ("**Consultation Response**"), indicating that the feedback received was generally supportive and that they would be proceeding with the proposals in the draft Bill. MOF and ACRA have also provided clarifications on some of the provisions in the Bill. The Consultation Response is available [here](#).

This Update highlights the key amendments introduced in the Bill and the clarifications provided in the Consultation Response.

Key Amendments

(1) Digitalisation of communications

The Bill will enable ACRA to send documents and information (other than notices, documents or summonses in connection with court proceedings) via a secure digital mailbox in BizFile+ ("**Digital**



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Mailbox"). MOF and ACRA have provided in the Consultation that access to the Digital Mailbox will be restricted to authorised individuals using the relevant Singpass or Corppass account.

ACRA may also notify a recipient of how and when the recipient may access any document or information sent to the Digital Mailbox, by sending the notification to the recipient's email address or by any other prescribed manner.

Regarding access to the Digital Mailbox by foreign officeholders or shareholders, MOF and ACRA have clarified in the Consultation Response that such individuals will be able to access the Digital Mailbox if their companies grant them access to the Digital Mailbox. ACRA will publish the method of notification and access to the Digital Mailbox in due course.

Regarding whether customers can opt out of the Digital Mailbox and choose to receive documents and information by other means (such as email), MOF and ACRA have clarified in the Consultation Response that individuals or entities will need to access the Digital Mailbox to view secured documents and information. Customers will be notified (whether by email or otherwise) when they receive new communications in the Digital Mailbox.

(2) Collection of data

In order to facilitate Government-to-Business digital correspondence, business entities, position holders and shareholders will be required to provide and update such information as may be prescribed. The Consultation provides that this information would include email addresses and mobile numbers for individuals, and business email addresses for business entities.

The Bill will also empower ACRA to obtain and use data from prescribed government agencies or prescribed entities for the specified purposes, which include: (i) filing a transaction; and (ii) verifying, maintaining, and updating information on ACRA's register. This is intended to make it more convenient for individuals and businesses by reducing the number of times they are required to provide data to government agencies.

MOF and ACRA have indicated in the Consultation Response that they will consider the suggestion to notify individuals and entities when their information obtained from public agencies has been used to update ACRA's registers.

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(3) Enhancing data privacy

A tiered disclosure framework will be introduced to calibrate the disclosure of data that is filed with or collected by ACRA. This disclosure framework will introduce requirements relating to: (i) the types of data that ACRA may disclose; (ii) the persons or classes of persons that ACRA may disclose the data to; and (iii) the requirements that any recipient of data must comply with. Such data may include personal data such as residential addresses, subject to the restrictions specified in the Bill.

(4) Streamlining financial reporting requirements for foreign companies

The Bill will also streamline the financial reporting requirements for foreign companies as follows:

- (a) A foreign company listed in Singapore or overseas will be required to lodge with ACRA financial statements prepared in compliance with the applicable listing rules of the exchange on which the foreign company is listed.
- (b) A foreign company that is not listed and prepares financial statements in accordance with accounting standards that are substantially similar to the accounting standards prescribed by the Accounting Standards Committee, will be allowed to lodge these financial statements with ACRA.
- (c) A foreign company that is not listed and does not prepare financial statements in accordance with accounting standards that are substantially similar to the accounting standards prescribed by the Accounting Standards Committee but prepares financial statements in accordance with the applicable accounting standards in the foreign company's jurisdiction of incorporation will be allowed to lodge such financial statements with ACRA.
- (d) A foreign company that does not prepare a set of financial statements will be allowed to lodge with ACRA the unaudited summary financial statements prescribed by ACRA.

The full Bill is available [here](#).

For further queries, please feel free to contact our team members below.

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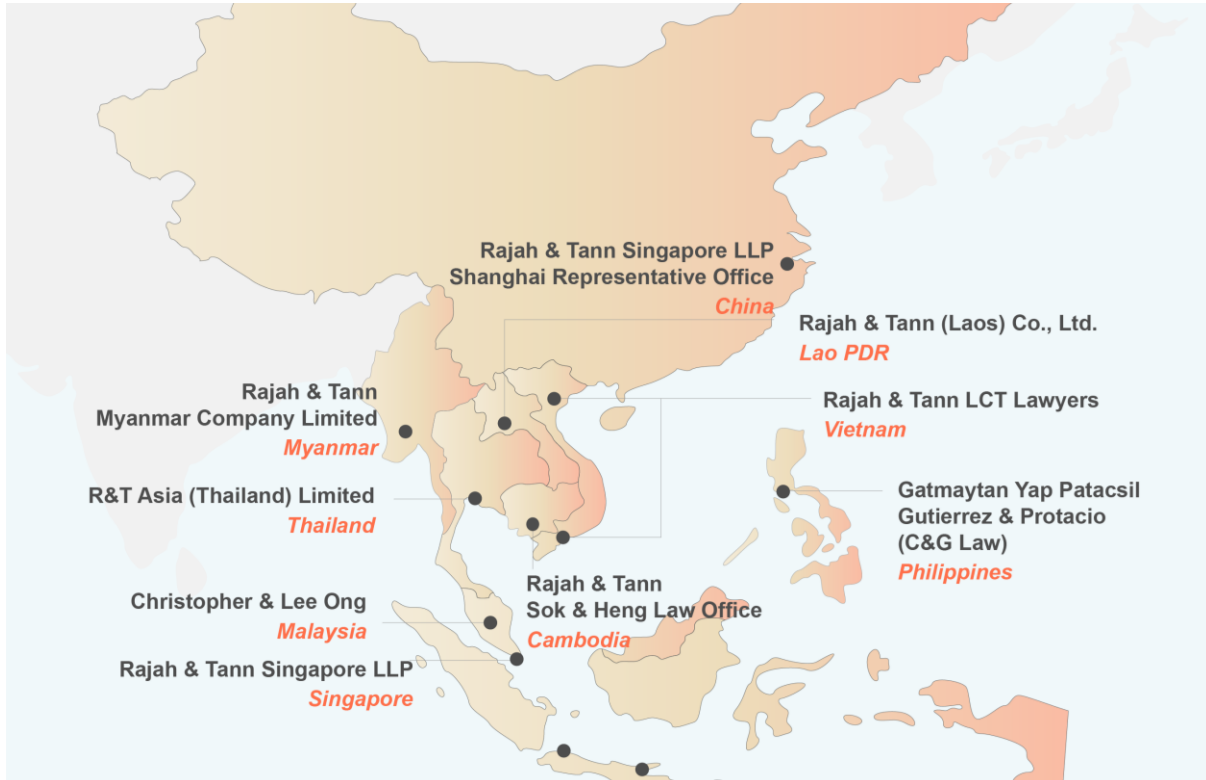
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