

CISCO (Dissolution) Bill

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Bill No: 52/2004

Read the first time: 19th October 2004

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Explanatory Statement

Expenditure of Public Money

CISCO (Dissolution) Bill

Bill No. 52/2004

Read the first time on 19th October 2004.

An Act to corporatise the Commercial and Industrial Security Corporation by providing for the transfer of the assets, rights, liabilities, employees and undertaking of the Commercial and Industrial Security Corporation to its successor company, and for the consequent dissolution of the Commercial and Industrial Security Corporation and for all matters connected therewith; and to repeal the Commercial and Industrial Security Corporation Act (Chapter 47 of the 1998 Revised Edition) and to make consequential amendments to

certain other written laws.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

PART I

PRELIMINARY

Short title and commencement

1. This Act may be cited as the CISCO (Dissolution) Act 2004 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

2.—(1) In this Act, unless the context otherwise requires —

“CISCO” or “Corporation” means the Commercial and Industrial Security Corporation established under the repealed Act;

“liabilities” includes debts, duties and obligations of every description wheresoever arising (whether present or future, actual or contingent);

“property” means property and assets of every description (whether present or future, actual or contingent) wheresoever situate, and includes property held on trust and securities, rights, benefits and powers of every description but does not include any document (other than accounting records) required to be kept by the Corporation;

“repealed Act” means the Commercial and Industrial Security Corporation Act (Cap. 47) repealed by this Act;

“securities”, in relation to a company, includes shares, debentures, bonds and other securities of the company, whether or not constituting a charge on the assets of the company;

“shares”, in relation to a company, means shares in, or stock forming part of, the capital of the company;

“successor company” means the company nominated by the Minister under section 4;

“transfer date” means the date appointed by the Minister under section 3;

“undertaking” means the business and all the lands, buildings and other property (whether movable or immovable and whether tangible or intangible) vested in

the Corporation immediately before the transfer date for the purposes of the Corporation, and all assets, powers, rights, interests, privileges, debts, liabilities and obligations connected therewith.

(2) For the purposes of this Act, a company shall be regarded as wholly owned by the Government at any time when all the issued shares in the company are held by or on behalf of the Government.

Transfer date

3. The transfer date shall be such date as the Minister may, by notification in the *Gazette*, appoint to be the date on which the undertaking and employees of the Corporation shall be transferred to the successor company.

PART II

SUCCESSOR COMPANY

Nomination of successor company

4. The Minister shall, before the transfer date, nominate a company wholly owned or substantially owned by the Government to be the successor company for the purposes of this Act, being a company specified by the Minister and agreed to by the Minister for Finance.

Initial Government holding in successor company

5.—(1) As a consequence of the vesting in the successor company by virtue of Part III of the undertaking and employees of the Corporation, the successor company shall issue such securities in the successor company as the Minister for Finance may from time to time direct to any company wholly owned or substantially owned by the Government.

(2) The Minister for Finance shall only give a direction under subsection (1) in relation to the successor company at a time when that company is a company wholly owned or substantially owned by the Government.

(3) Securities required to be issued in pursuance of this section shall be issued or allotted at such time and on such terms as to allotment as the Minister for Finance may direct.

(4) Shares in the successor company issued in pursuance of this section shall —

(a) be of such nominal value as the Minister for Finance may direct; and

- (b) be issued as fully paid and treated for the purposes of the Companies Act (Cap. 50) as if they had been paid up by virtue of the payment to the successor company of their nominal value.

(5) Section 69 of the Companies Act (which provides that where a company issues shares for which a premium is received by the company whether in cash or in the form of other valuable consideration a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to a share premium account) shall not apply in relation to the issue of shares by the successor company in pursuance of this section, notwithstanding that such shares may be regarded as having been issued by the successor company at a premium.

PART III

TRANSFER OF UNDERTAKING AND EMPLOYEES TO SUCCESSOR COMPANY

Transfer to successor company of Corporation's undertaking

6.—(1) On the transfer date, the undertaking of the Corporation shall be transferred to and become, by virtue of this section and without further assurance, the undertaking of the successor company.

(2) Any immovable property to be transferred to and vested in the successor company under subsection (1) shall be held by the successor company upon such tenure and subject to such terms and conditions as the President may determine.

(3) If any question arises as to whether any particular property, right or liability of the Corporation has been transferred to or vested in the successor company under this Act, a certificate under the hand of the Minister for Finance shall be conclusive evidence that the property, right or liability was or was not so transferred or vested.

(4) It is hereby declared for the avoidance of doubt that —

- (a) any reference in this Act to property comprised in the undertaking of the Corporation is a reference to such property of the Corporation whether situated in Singapore or elsewhere; and
- (b) any such reference to rights and liabilities comprised in the undertaking of the Corporation is a reference to such rights to which the Corporation is entitled or, as the case may be, such liabilities to which the Corporation is subject, whether under the laws of Singapore or any country outside Singapore and includes rights and liabilities arising under loans raised in relation to the properties of the Corporation.