

Companies (Amendment) Bill

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Bill No: 46/1973

Read the first time: 25th July 1973

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Expenditure of Public Money

Companies (Amendment) Bill

Bill No. 46/1973

Read the first time on 25th July 1973.

An Act to amend the Companies Act (Chapter 185 of the Revised Edition).

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

Short title and commencement

1. This Act may be cited as the Companies (Amendment) Act, 1973, and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 6A

2. Subsection (1) of section 6A of the Companies Act is hereby amended by inserting immediately after the expression “Part IV” appearing therein the expression “and sections 134 and 135”.

Amendment of section 35

3. Section 35 of the Companies Act is hereby amended —

- (a) by deleting the words “the company and” appearing in the sixth and seventh lines of subsection (3) thereof; and
- (b) by inserting immediately after subsection (3) thereof the following new subsections: —

“(3A) Subsection (3) of this section shall not apply if the contract is entered into by a receiver and manager of any part of the undertaking of the company appointed under a power contained in any instrument or a liquidator of the company appointed in a voluntary winding up.

(3B) Any contract for the sale of all or substantially all of the undertaking or assets of the company entered into with a purchaser for value acting in good faith and without knowledge of any breach of subsection (3) of this section shall be valid and enforceable notwithstanding the breach of that subsection by an officer acting on behalf of the company.”.

New section 39A

4. The Companies Act is hereby amended by inserting immediately after section 39 thereof the following new section: —

“Exemption from requirements as to form and content of prospectus

39A.—(1) A person may apply to the Registrar in writing for an order of exemption from any requirements of this Act relating to the form and content of a prospectus, and the Registrar may make such an order either unconditionally or on such terms and conditions as he may think fit to impose.

(2) The Registrar shall not make an order under subsection (1) of this section unless he is of the opinion that compliance with the requirements in respect of which exemption has been applied for would be unduly burdensome.

(3) A prospectus shall be deemed to comply with all the requirements of this Act relating to the form and content of a prospectus if it is issued in compliance

with an order made under subsection (1) of this section.”.

Amendment of section 69A

5. Section 69A of the Companies Act is hereby amended by deleting the expression “the Securities Industry Act, 1970” appearing at the end of paragraph (a) of subsection (2) thereof and the marginal reference “Act 61 of 1970.” thereto and substituting therefor the words “any written law relating to the securities industry”.

Amendment of section 69D

6. Section 69D of the Companies Act is hereby amended by deleting the word “fourteen” appearing in paragraph (b) of subsection (2) thereof and substituting therefor the word “seven”.

Amendment of section 69H

7. Section 69H of the Companies Act is hereby amended by deleting the word “fourteen” appearing in paragraph (b) of subsection (2) thereof and substituting therefor the word “seven”.

Amendment of section 69J

8. Section 69J of the Companies Act is hereby amended by deleting the word “fourteen” appearing in the fifth line of subsection (4) thereof and substituting therefor the word “seven”.

Repeal and re-enactment of section 132A

9. Section 132A of the Companies Act is hereby repealed and the following substituted therefor: —

“Dealings by officers in securities

132A.—(1) An officer, agent or employee of a corporation who in or in relation to a dealing in securities of the corporation by himself or any other person makes use to gain directly or indirectly an advantage for himself or any other person of specific confidential information acquired by virtue of his position as such officer, agent or employee which if generally known might reasonably be expected to affect materially the price of the subject-matter of the dealing on a stock exchange shall, in addition to any penalty imposed under subsection (8) of this section, be liable to a person for loss suffered by that person by reason of the payment by him or to him of a consideration in respect of the securities greater or lesser, as the case may be, than the consideration that would have been reasonable if the information

had been generally known at the time of the dealing.

(2) An officer, agent or employee of a corporation is not liable under subsection (1) of this section to a person for any loss suffered by that person if that person knew or ought reasonably to have known of the information referred to in subsection (1) of this section before entering into the transaction relating to the dealing in securities of the corporation.

(3) An action for the recovery of the amount of a loss referred to in subsection (1) of this section shall not be commenced after the expiration of two years after the date of the completion of the dealing in securities in respect of which the loss was suffered.

(4) In this section —

“agent” includes a banker, solicitor, auditor, accountant or stockbroker of the corporation and any person who at any time within the preceding twelve months has been a banker, solicitor, auditor, accountant or stockbroker of the corporation;

“corporation” includes a corporation that is related to a corporation under section 6;

“dealing in securities in relation to a corporation” means a transaction relating to —

(a) shares in, debentures of, or interests within the meaning of section 84 made available by the corporation or by a related corporation; or

(b) rights or options in respect of the acquisition or disposal of such debentures or interests;

“officer” includes a person who at any time within the preceding twelve months was a director of the corporation.

(5) This section shall be extended to apply to an officer, agent or employee of a corporation who makes use to gain, directly or indirectly, an advantage for himself or any other person, of specific confidential information acquired by virtue of his position as such officer, agent or employee, regarding —

(a) the possibility of a take-over offer or bid being made to another corporation by the corporation to which he belongs; or

(b) the possibility of his corporation entering into a substantial commercial transaction with another corporation,