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Guide to Continuing Obligations of a Singapore Branch of a Foreign Company

When a foreign company sets up a place of business or commences its business in Singapore, it must register with ACRA as a branch in Singapore. Immediately after registration, the Accounting and Corporate Regulatory Authority (“ACRA”) must be kept informed of certain changes in the affairs of the parent company, the Singapore branch and the local agents. A list of such changes is appended hereunder for your reference.

The article explains briefly some of the reporting requirements imposed on a foreign company having a branch office in Singapore.

1. General Changes

ACRA must be notified of any change or alteration made to:

- (1) The charter, statutes, memorandum or articles of the parent company or other instrument lodged with the Registrar;
- (2) The identities or particulars of the directors of the parent company;
- (3) The identities or particulars of the local agent or agents (including any change of address, passport numbers, citizenship etc.);
- (4) The situation, address or designation of situation or address of the registered office of the Singapore Branch or of the days or hours during which it is open and accessible to the public;
- (5) The address of the registered office of the parent company in its place of incorporation or origin;
- (6) The name of the parent company; or
- (7) The powers of any directors resident in Singapore who are members of the local board of directors of the parent company.

ACRA must be notified of the changes or alterations set out above within one month from the date of the change, unless an extension of time is granted

2. Increase in Authorised Share Capital/Increase in Number of Members

ACRA must be notified of any increase in the authorised share capital of the parent company within one month from the date of the increase, unless an extension of time is granted. In the case of a parent company not having a share capital, any increase in the number of its members beyond the registered number must be notified to ACRA within one month from the date of the increase, unless an extension of time is granted.

3. Compromise with Creditors and Members

ACRA must be notified of any order restraining further proceedings against the parent company (except by leave) following a compromise with creditors and members being effected within one month of the date of such order.

4. Parent Company Accounts

The parent company's balance sheet must be lodged with ACRA within two months from the date of its Annual General Meeting ("AGM"). The balance sheet must be accompanied by a statutory declaration verifying that the copies are true copies. If the Registrar is of the opinion that the documents as filed do not sufficiently disclose the company's financial position, he may require another balance sheet containing such particulars as required, to be filed.

Where the parent company is not required by the law of the place of its incorporation or origin to hold an AGM and prepare a balance sheet, the parent company shall prepare and lodge with the Registrar a balance sheet within such period, in such form and containing such particulars and annex such documents as the directors of the company would have been required to prepare or obtain if the company were a public company incorporated under the Singapore Companies Act ("the Act").

5. Singapore Branch Accounts

A duly audited statement showing the assets and liabilities arising out of the company's

operations in Singapore and a duly audited profit and loss account which, in so far as is practicable, complies with the requirements of the Singapore Accounting Standards must also be lodged. The Registrar may waive compliance with the requirement to lodge Branch Accounts if he is satisfied that:

- (1) It is impractical to comply with the above having regard to the nature of the parent company's operations in Singapore;
- (2) It would be of no real value having regard to the amount involved;
- (3) It would involve expense unduly out of proportion to its value; or
- (4) It would be misleading or harmful to the business of the parent company in Singapore or to any company related to the parent company in Singapore.

6. Charges

ACRA must be notified of any charge over the assets of the parent company in Singapore within 30 days of the creation of such charge.

7. Cessation of Business

A notice of cessation of business must be lodged with ACRA where the parent company ceases to have a place of business or to carry on business in Singapore. Such notice must be lodged with ACRA within seven days from the date of such cessation.

8. Liquidation / Dissolution

A notice of liquidation/dissolution must be lodged with ACRA where the parent company goes into liquidation in its place of incorporation or origin. Such notice must be lodged within one month after the date commencement of liquidation/dissolution, unless the Registrar grants a special extension.

If you have any questions regarding the content of this article, or if we can be of any services, please feel free to call and talk to our professional consultants or send email to us at enquiries@bycpa.com.

Schedule 1 - Checklist for a Singapore Branch of a Foreign Company

Description of Matter	Time Frame	Provision in Companies Act
Changes in Memorandum & Articles of Association/Charter/Statutes of the foreign company or other instruments lodged with the Registrar	Within 1 month	Section 372(1)(a)
Changes in particulars or identities of the Directors or Agents of the foreign company	Within 1 month	Sections 372(1)(b) and (c) and Section 372(1A)
Change of Registered Office of parent company or the Singapore branch of the foreign company	Within 1 month	Sections 372(1)(d) and (e)
Change of Name of the foreign company	Within 1 month	Section 372(1)(f)
Change in the powers of directors of the foreign company who are resident in Singapore	Within 1 month	Section 372(1)(g)
Increase in Share Capital (for a foreign company with share capital)	Within 1 month	Section 372(2)
Increase in number of members (for a foreign company without share capital)	Within 1 month	Section 372(3)
Creation of a charge over the assets of the foreign company in Singapore	Within 30 days	Sections 131(1) and 141
Annual Filing	Within 7 months of FYE (if no AGM required to be held) or; Within 2 months from the date of AGM	Section 373
Cessation of place of business in Singapore or cessation of business in Singapore	Within 7 days	Section 377(1)
Liquidation or dissolution of foreign company in its place or incorporation or origin	Within 1 month of commencement of liquidation/dissolution	Section 377(2)