

Required Annual General Meetings for Singapore Companies During COVID-19 Restrictions

9 April 2020

The COVID-19 pandemic has necessitated the implementation of safe distancing measures as well as the current “circuit breakers” by the Singapore government. Many companies incorporated in Singapore are statutorily required to hold their annual general meetings (AGMs) while such control measures are in place, which may prevent AGMs from taking place by the stipulated period.

General Powers Under the COVID-19 (Temporary Measures) Act

The COVID-19 (Temporary Measures) Act was passed by the Singapore Parliament and enacted on 7 April 2020. Our previous *Alert* discusses the effects of the Act on the contractual obligations of parties affected by the COVID-19 situation.

In relation to meetings provided for under Singapore laws (i.e., AGMs), Section 27 of the Act allows for the Minister of Law to prescribe alternative arrangements, if the manner in which such meetings are to be held is impractical in light of the control measures implemented by the Singapore government. This may include prescribing that such meetings can be held by video or teleconferencing, allowing such meetings to be delayed or reducing the quorum for such meetings.

The Minister of Law has not yet published any prescribed alternative arrangements in the *Gazette*, and we will continue to monitor developments.

Extensions of Time Granted by ACRA and SGX

In separate press releases on 7 April 2020, the Accounting and Corporate Regulatory Authority of Singapore (ACRA) and the Singapore Exchange (SGX) granted extensions on the holding of AGMs and the filing of Annual Returns for both unlisted and listed companies. This follows an earlier announcement from ACRA and SGX on 27 February 2020 where listed companies whose last financial year ended 31 December 2019 could apply for an extension of time up to 30 June 2020 to hold their AGM and have such application fees waived.

As of 7 April 2020:

1. ACRA will grant a 60-day extension of time for all listed and nonlisted companies whose AGMs are due during the period of 16 April 2020 to 31 July 2020. This includes listed companies whose last financial year ended 31 March 2020, who will see their original AGM due date of 31 July 2020 extended to 29 September 2020.
2. Companies that had previously been granted extensions to hold their AGMs within this period will also be given an additional 60-day extension from the last date of extension.

3. For listed companies, their annual reports must be issued to shareholders and SGX at least 14 days before the date of the AGM, except for issuers whose last financial year ended 31 December 2019, who will still need to issue their annual reports by 15 April 2020.
4. The annual return filing due dates for the period of 1 May 2020 to 31 August 2020 for all companies will also be extended for 60 days.
5. ACRA will also not impose any penalties on companies whose AGMs are due during the period of 1 April to 15 April 2020 if they hold the AGM within 60 days of the due date. Their annual return filing due dates will also be extended for 60 days.

There is no need for companies to apply for these extensions. However, listed companies are required to notify SGX RegCo by email (no response required), and announce via SGXNet, the following:

1. Their relevant financial year end and the indicative timeline to convene their AGM.
2. The board of directors' confirmation that the time extension will not be in contravention of any laws and regulations governing the issuer and its constitution (or the equivalent in the issuer's country of incorporation).

For companies who intend to hold their AGM during this circuit-breaker period, we note that SGX is currently assessing the impacts of the circuit-breaker restrictions and intends to release further guidance. This would be particularly helpful to listed companies. We will continue to cover this issue and provide updates as soon as possible.

Conclusion

Companies who have statutory obligations to hold their AGMs and submit their annual returns during these few months can benefit from the extension of times granted above. Moving forward, as the current situation continues to persist and we await further guidance from the Minister of Law and SGX, we also recommend that companies who customarily hold in person AGMs also review their constitutions to determine if they have provisions in place to allow remote AGMs.

For More Information

If you have any questions about this *Alert*, please contact Derrick Boo, Evan Teoh Ye Oon, any of the attorneys in our Singapore office or the attorney in the firm with whom you are in regular contact.

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