

## REGISTRAR'S INTERPRETATION NO. 4 OF 2016

### DORMANT RELEVANT COMPANIES NOT REQUIRED TO ATTACH FINANCIAL STATEMENTS TO ANNUAL RETURNS

#### Summary

1. This Registrar's Interpretation serves to clarify that dormant relevant companies are not required to attach financial statements when lodging annual returns.

#### Explanation

2. An "exempt private company" ("EPC") is defined under section 4(1) of the Companies Act ("CA") to mean "(a) a private company in the shares of which no beneficial interest is held directly or indirectly by any corporation and which has not more than 20 members; or (b) any private company, being a private company that is wholly owned by the Government, which the Minister, in the national interest, declares by notification in the Gazette to be an exempt private company."

3. Section 201A(1) of the CA exempts dormant relevant companies<sup>1</sup> ("DRCs") from the requirements of section 201, including the requirement to prepare and lay financial statements at the annual general meeting.

4. Regulation 36 of the Companies (Filing of Documents) Regulations provides that for non-EPCs and insolvent EPCs, the documents to be attached to the company's annual return ("AR") filing are those prepared in accordance with Part VI of the CA (*i.e.* the statement of directors, the financial statements and, where applicable, the report of the auditors).

5. As section 201A(1) of the CA exempts all DRCs from preparing financial statements, DRCs that are not EPCs are likewise exempted from preparing the documents mentioned in the preceding paragraph.

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<sup>1</sup> Section 201A(1) of the CA provides that "the directors of a dormant relevant company are exempt from the requirements of section 201 for a financial year if the requirements set out in subsection (2) are satisfied".

In summary, section 201A(2) of the CA requires (a) a "relevant company" to be "dormant" from the time of its formation or since the end of the previous financial year and (b) the directors of that company to lodge with the Registrar a statement by the directors that, amongst other things, the company has been dormant for the time period described in (a).

"Relevant company" is defined under section 201A(5)(a) of the CA to mean a company that, amongst other things, is not a listed company or a subsidiary company of a listed company, and has total assets not exceeding \$500,000 in value at any time during the financial year in question. Section 201A(5)(b) applies the criteria under section 205B(2)-(3) of the CA to determine whether a relevant company is dormant.

6. The Registrar is prepared to accept that DRCs that are not EPCs need not attach their financial statements when filing their ARs under section 197 of the CA since DRCs are exempted from preparing and laying their financial statements at annual general meetings.

**Further clarification**

7. If you have any clarifications, you may contact ACRA's Helpdesk at 62486028.

Issued on 31 May 2016

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Chief Executive, Accounting and Corporate Regulatory Authority and  
Registrar of Companies, Business Names, Public Accountants, Limited Liability  
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