

## Summary of responses to consultation feedback on the conduct of virtual and hybrid meetings

The Accounting and Corporate Regulatory Authority (ACRA), the Ministry of Finance (MOF), and the Monetary Authority of Singapore (MAS) are responding to the consultation feedback on the conduct of virtual and hybrid meetings. This relates to proposed amendments under the Companies, Business Trusts and Other Bodies (Miscellaneous Amendments) Bill 2023 (the Bill).

2. The proposed amendments will provide companies the option to conduct fully virtual or hybrid meetings. Similar changes are proposed to enable registered business trusts (BTs) and variable capital companies (VCCs) to conduct fully virtual or hybrid meetings.

3. The key feedback received was generally supportive of the proposed amendments to enable the conduct of fully virtual or hybrid meetings<sup>1</sup>. Responses from ACRA, MOF, and MAS are in **Annex A**. Feedback received on areas not under the scope of the Bill may be considered by ACRA, MOF, and MAS in future reviews.

4. The Bill will be presented in Parliament in April 2023.

5. ACRA, MOF, and MAS would like to thank all respondents for your feedback in this public consultation.

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<sup>1</sup> For the respondents who commented on meetings of SGX-listed issuers, the majority were in favour of physical and hybrid meetings as this allows shareholders to engage more effectively with the board and management.

## **Annex A: ACRA, MOF and MAS' responses to key feedback on the draft Companies, Business Trusts and Other Bodies (Miscellaneous Amendments) Bill 2023**

### ***Companies Act***

#### **1. Proposed Amendment: Amend the Companies Act to enable a company to hold virtual or hybrid company meetings**

Feedback: The feedback was generally supportive of the proposed amendment. There were suggestions to (a) expand the scope of the proposed amendment to also cover scheme of arrangement meetings ordered by the Court under section 210 of the Companies Act 1967 ("CA") and a meeting ordered by the Court under section 182 of the CA; and (b) make it clearer that the proposed amendment will override the constitution of a company, unless the company amends its constitution after the commencement date of the proposed amendment to exclude or modify the application of the proposed amendment, as well as to address the situation where a new company that is incorporated after the commencement date of the proposed amendment wishes to adopt a constitution that excludes or modifies the application of the proposed amendment.

MOF and ACRA's response: **Suggestions accepted.** The proposed amendment will be extended to also apply to scheme of arrangement meetings and a meeting ordered by the Court under section 182, if the court so directs that the new provision should apply to the meeting. The wordings of the proposed amendment will also be amended for greater clarity on how the proposed amendment would apply with respect to a company's constitution.

Feedback: The feedback was supportive of the proposed definition of "virtual meeting technology". A respondent suggested to amend the definition by removing the words "at the place of meeting" or to make the definition non-exhaustive.

MOF and ACRA's response: **The suggestion is not accepted.** The suggestion is not necessary and might lead to ambiguity over the scope of the definition. A respondent also noted that the proposed definition of "virtual meeting technology" is similar to the corresponding terms used in Australia and Hong Kong for their provisions on virtual company meetings.

**2. Proposed Amendment: Clarify how references in the CA that are applicable to a company meeting may be applied in the context of a company meeting held using virtual meeting technology**

Feedback: The feedback offered numerous suggestions to refine the drafting of the proposed amendment, including to (a) address proxies and representatives of members; (b) grant greater flexibility to the power to prescribe the method to verify or authenticate the identity of persons attending the meeting in relation to voting on a show of hands at a meeting; and (c) remove the references to “at” in the context of e.g. making a document available for inspection on a website during the meeting, so that it is clearer how the corresponding CA provisions would apply to a fully virtual or hybrid meeting.

MOF and ACRA’s response: **Suggestions accepted.** Refinements to the drafting of the proposed amendment will be made in respect of (a) to (c).

**3. Proposed Amendment: Amend section 392 so that a virtual or hybrid company meeting is not invalidated by reason of any technological disruption, malfunction or outage unless there is substantial injustice and the Court declares the meeting to be invalid**

Feedback: The feedback was supportive of the proposed amendment. A respondent suggested to delete the reference to “technological” so that the proposed amendment will apply to any disruption, malfunction or outage. Another respondent suggested to clarify whether the reference to “technological” is intended to qualify “disruption” only, or also “malfunction” and “outage”.

MOF and ACRA’s response: **The suggestion is not accepted.** The reference to “technological” should be retained, to clarify that the “disruption”, “malfunction” and “outage” in the proposed amendment only refer to those that are technological in nature, in the context of the fully virtual and hybrid company meetings.

## ***Business Trusts Act***

- 4. Proposed Amendment: Amend the Business Trusts Act (“BTA”) to enable unitholders of a registered business trust to hold virtual or hybrid meetings, in alignment with the CA**

Feedback: The feedback was supportive of the proposal to align the BTA with the CA in providing the option for virtual or hybrid meetings. The feedback on the proposed amendments to the BTA was generally supportive, and was similar to the feedback on the proposed amendments to the CA.

MAS’ response: **Suggestions accepted.** The proposed amendment will be extended to also apply to a meeting ordered by the court under section 61, if the court so directs that the new provision should apply to the meeting. Similar to the CA, the language of the proposed amendment will also be amended for greater clarity on how the proposed amendment would apply with respect to overriding a business trust’s trust deed, including the situation where a business trust that is registered after the commencement date of the proposed amendment wishes to adopt a trust deed that excludes or modifies the application of the proposed amendment.

Feedback: The feedback on the proposed definition of “virtual meeting technology” in respect of the BTA was similar to that in respect of the CA. A respondent suggested to amend the definition by removing the words “at the place of meeting” or to make the definition non-exhaustive.

MAS’ response: **The suggestion is not accepted.** The suggestion is not necessary and might lead to ambiguity over the scope of the definition. A respondent also noted that the proposed definition of “virtual meeting technology” is similar to the corresponding terms used in Australia and Hong Kong for their provisions on virtual company meetings.

- 5. Proposed Amendment: Clarify how references in the BTA that are applicable to a meeting of unitholders of a business trust may be applied in the context of a meeting held using virtual meeting technology**

Feedback: The feedback on the proposed amendment to the BTA was similar to the feedback on the proposed amendment to the CA.

MAS’ response: **Suggestions accepted,** with similar refinements made to the proposed BTA amendment as those made to the proposed CA amendment (wherever applicable).

- 6. Additional Feedback: MAS received feedback to include a similar provision in the BTA to the proposed provision in the CA that a virtual or hybrid meeting of unitholders of a business trust is not invalidated by reason of any technological disruption, malfunction or outage**

unless the court is of the opinion that it has caused substantial injustice and declares the meeting to be invalid.

MAS' response: **Suggestion accepted.**

### ***Variable Capital Companies Act***

**7. Proposed Amendment: Amend the Variable Capital Companies Act (“VCCA”) to enable a variable capital company (“VCC”) to hold virtual or hybrid company meetings, in alignment with the CA**

Feedback: The feedback was supportive of the proposal to align the VCCA with the CA in providing the option for virtual or hybrid meetings. The feedback on the proposed amendments to the VCCA was generally supportive, and was similar to the feedback on the proposed amendments to the CA.

MAS' response: **Suggestions accepted.** The proposed amendment will be extended to also apply to a meeting ordered by the Court under section 182 of the CA as applied by section 80 of the VCCA, if the court so directs that the new provision should apply to the meeting. Similar to the CA, the language of the proposed amendment will also be amended for greater clarity on how the proposed amendment would apply with respect to overriding a VCC’s constitution including the situation where a VCC that is incorporated after the commencement date of the proposed amendment wishes to adopt a constitution that excludes or modifies the application of the proposed amendment.

Feedback: The feedback on the proposed definition of “virtual meeting technology” in respect of the VCCA was similar to that in respect of the CA. A respondent suggested to amend the definition by removing the words “at the place of meeting” or to make the definition non-exhaustive.

MAS' response: **The suggestion is not accepted.** The suggestion is not necessary and might lead to ambiguity over the scope of the definition. A respondent also noted that the proposed definition of “virtual meeting technology” is similar to the corresponding terms used in Australia and Hong Kong for their provisions on virtual company meetings.

**8. Proposed Amendment: Clarify how references in the VCCA that are applicable to a meeting of a VCC may be applied in the context of a meeting held using virtual meeting technology**

Feedback: The feedback on the proposed amendment to the VCCA was similar to the feedback on the proposed amendment to the CA.

MAS' response: **Suggestions accepted**, with similar refinements made to the proposed VCCA amendment as those made to the proposed CA amendment (wherever applicable).

9. **Proposed Amendment: Include a provision in the VCCA that a virtual or hybrid meeting of a VCC is not invalidated by reason of any technological disruption, malfunction or outage unless the Court is of the opinion that it has caused substantial injustice and declares the meeting to be invalid.**

Feedback: The feedback on the proposed amendment to the VCCA was similar to the feedback on the proposed amendment to the CA. A respondent suggested to delete the reference to “technological” so that the proposed amendment will apply to any disruption, malfunction or outage. Another respondent suggested to clarify whether the reference to “technological” is intended to qualify “disruption” only, or also “malfunction” and “outage”.

MAS' response: **The suggestion is not accepted.** The reference to “technological” should be retained, to clarify that the “disruption”, “malfunction” and “outage” in the proposed amendment only refer to those that are technological in nature, in the context of the fully virtual and hybrid company meetings.