

Contents

	Page
Table of Contents	v
About Wolters Kluwer	xxi
Preface	xxiii
Authors' Note	xxv
Appendix to Authors' Note	xxv
About the Authors	xxvii
 PART A — THE FUNCTIONS AND STRUCTURE OF COMPANIES	
1 The functions and structure of companies	3
2 Company law	17
3 The legal nature of companies	35
4 Business planning and company formation	57
 PART B — COMPANY MANAGEMENT	
5 The company's constitution	97
6 Managing companies	111
7 Member decision-making	135
8 Company meetings	153
9 Restrictions on voting power	179
10 Company directors	193
11 Directors' duties	225
12 Conflicts of interest	257
 PART C — CONSEQUENCES OF MISMANAGEMENT	
13 Consequences of breach of duty	301
14 Members' remedies	317
 PART D — COMPANY REPORTING	
15 Reporting and disclosure	355
 PART E — COMPANY FINANCE	
16 Share capital, shares, and shareholders' rights	401
17 Increasing, altering and reducing share capital	435
18 Debt finance	481
 PART F — COMPANIES AND OUTSIDERS	
19 Contracting by companies	507
20 Corporate liability	521
21 Corporate insolvency I	541
22 Corporate insolvency II	567
23 Securities	609
24 Take-overs	643

PART G — FINDING AIDS

List of Abbreviations	669
Table of Cases	671
Legislation Finding List	681
Index	693

PART H — PROBLEM SETS AND SELECTED LEGISLATIVE EXTRACTS

25 Problem sets	715
26 Selected legislative extracts	743
27 Company documents	1,131

Table of Contents

PART A — THE FUNCTIONS AND STRUCTURE OF COMPANIES

1 THE FUNCTIONS AND STRUCTURE OF COMPANIES

Introduction	¶1-001
A definition of "company"	¶1-050
Companies as a form of business organisation	
Introduction	¶1-100
What are the functions of companies?	¶1-120
Are all companies listed on SGX?	¶1-140
The architecture of companies	
Introduction	¶1-200
The capital structure of companies	¶1-220
The management structure of companies	¶1-240
The historical development of companies	
How did companies develop?	¶1-300
What are "corporations aggregate" and "joint stock" and when did these concepts develop?	¶1-320
When did the right to incorporate companies become generally available?.....	¶1-340
When was limited liability first introduced?	¶1-360
When were companies first used for small business?	¶1-380
Some key terms and concepts	
Summary of some important terms used in this book	¶1-400
2 COMPANY LAW	
Introduction	¶2-001
Scope and operation of company law	
What is "company law"?	¶2-100
What does company law cover?	¶2-120
Enforcing company law	¶2-140
The Companies Act	
What is the Companies Act?	¶2-200
History of the Companies Act	¶2-220
Content of the Companies Act	¶2-240
Sources of company law	
Overview	¶2-300
Primary legislation	¶2-310
Secondary legislation	¶2-320
Delegated rule-making	¶2-330
Case law	¶2-340
SGX Listing Manual	¶2-350
The company's constitution	¶2-360

Regulation of companies

Overview	¶2-400
Accounting and Corporate Regulatory Authority (ACRA)	¶2-420
Monetary Authority of Singapore (MAS)	¶2-440
Singapore Exchange Limited (SGX)	¶2-460
Jurisdiction of courts	¶2-480

3 THE LEGAL NATURE OF COMPANIES

Introduction	¶3-001
--------------------	--------

Separate legal personality

What is separate legal personality?	¶3-100
The general rule: Salomon's case	¶3-120
What are the consequences of treating the company as a separate legal entity?	¶3-140

The exceptions: piercing the corporate veil

Introduction	¶3-200
The corporate veil and tort claimants	¶3-210
In what circumstances have courts pierced the corporate veil?	¶3-220
When have courts pierced the corporate veil at general law?	¶3-240
Liability for costs of an action	¶3-250
How do the wrongful or fraudulent trading provisions operate to lift the corporate veil?	¶3-260
Other statutory provisions permitting the piercing of the corporate veil	¶3-280

Corporate capacity

What do we mean by "corporate capacity"?	¶3-300
The capacity of a company	¶3-320
How wide are the powers of companies?	¶3-340
What is the effect of any internal limitations on powers?	¶3-360

Limited liability

What is limited liability?	¶3-400
What is the rationale for limited liability?	¶3-420
Contractual agreements that circumvent limited liability	¶3-440
In what circumstances can members lose the benefit of limited liability?	¶3-460

4 BUSINESS PLANNING AND COMPANY FORMATION

Introduction	¶4-001
--------------------	--------

Choice of form of business organisation

What are the different forms of business organisations?	¶4-100
Other types of organisations	¶4-110
What are the key forms of doing business apart from using companies?	¶4-120

How do we choose between the different forms of business organisations?	¶4-140
What are some of the advantages of the corporate form?	¶4-160
What are some of the disadvantages of the corporate form?	¶4-180
Deciding on the most appropriate form of business association	¶4-190

Types of companies

Overview of the different types of companies	¶4-200
Singapore-registered companies and foreign companies	¶4-210
How are companies classified according to the members' liability?	¶4-220
How are companies classified as public or private?	¶4-240
Can companies change type?	¶4-260

Registration of companies

How are companies created in Singapore?	¶4-300
What is the required procedure?	¶4-320
Company names and registration numbers	¶4-340
Pre-registration conduct	¶4-360

Promoters

What are "promoters"?	¶4-380
What duties do "promoters" owe?	¶4-382

Listing on the Singapore Exchange

What is listing?	¶4-400
Why do companies list?	¶4-420
How do companies list?	¶4-440

Corporate groups in business planning

What are corporate groups?	¶4-500
Why use a corporate group rather than an individual company?	¶4-520
Group relationships — the definitions	¶4-540
In what circumstances does the law recognise and regulate corporate groups?	¶4-560

PART B — COMPANY MANAGEMENT**5 THE COMPANY'S CONSTITUTION**

Introduction	¶5-001
--------------------	--------

The company's constitution

What is the purpose of the company's constitution?	¶5-100
What can we usually find in a company's constitution?	¶5-120
What is the relationship between the company's constitution, and the provisions in the Companies Act?	¶5-140

Amendment of company's constitution

How does a company amend its Constitution?	¶5-200
Are there any limitations on how members should vote in deciding to amend a company's constitution?	¶5-210
How can provisions in the Constitution be entrenched?	¶5-220

Legal effect of the constitution	
The Constitution as a statutory contract	¶5-300
Interpreting the Constitution	¶5-320
Who has the standing to enforce the company's constitution?	¶5-340
Which aspects of a company's constitution can be enforced by members?	¶5-360
Consequences of not observing the Constitution	¶5-380
Shareholders' agreements	
What are shareholders' agreements?	¶5-400
What is the difference between the "statutory" contract and a "shareholders' agreement"?	¶5-420
6 MANAGING COMPANIES	
Introduction	¶6-001
Decision-making and company management	
The rules governing decision-making in companies	¶6-100
What kinds of decisions do companies make?	¶6-120
Division of powers between the members and the directors	
Overview	¶6-200
How is decision-making divided?	¶6-220
The board's power of management	
Overview	¶6-300
The management powers of the board	¶6-320
Members cannot override decisions of the board	¶6-340
What options are available to members who disagree with decisions of the board?	¶6-360
Members' decision-making powers	
Decisions reserved to the members	¶6-400
Members' residual decision-making powers	¶6-420
The role of company officers	
Overview	¶6-500
What is the board's role?	¶6-520
How does the board discharge its role?	¶6-540
What is the company secretary's role?	¶6-560
What is the executive officers' role?	¶6-580
Corporate governance	
Overview	¶6-600
What is corporate governance?	¶6-620
Issues in corporate governance	¶6-640
Mechanisms that play a role in corporate governance	¶6-660

7 MEMBER DECISION-MAKING

Introduction	¶7-001
Member voting and corporate control	
The relationship between voting rights and corporate control	¶7-100
To what extent do the members control companies?	¶7-110
How much control do members have in large listed companies?	¶7-120
The scope of member voting rights	
Understanding member voting rights	¶7-200
On what issues do members have a vote?	¶7-220
Structural or constitutional decisions	
Amending the Constitution	¶7-300
Changing the company's name or type	¶7-320
Varying class rights	¶7-340
Approving certain corporate actions affecting share capital	¶7-360
Selecting the board and the auditor	
Appointing and removing directors	¶7-400
Approving directors' remuneration and benefits	¶7-420
Appointing and removing auditors	¶7-440
Approving certain transactions	
Approving interested person transactions under the SGX Listing Manual	¶7-520
Approving certain significant transactions	¶7-540
Approving certain take-overs and reconstructions	¶7-560
Other decisions	
Initiating a members' voluntary winding up	¶7-600
Making decisions under the general law voting powers	¶7-620
8 COMPANY MEETINGS	
Introduction	¶8-001
Members' meetings	
Annual general meetings	¶8-100
Other types of meetings	¶8-120
Convening meetings	
How are members' meetings convened?	¶8-200
Requesting and calling meetings	¶8-220
Determining the agenda for the meeting	¶8-240
The notice requirements	¶8-260
Conducting meetings	
Procedural requirements governing the conduct of meetings	¶8-300
Quorum requirements	¶8-310
Utilising communications technology	¶8-320
Participation at meetings	¶8-325
Proxies and representatives	¶8-330

Role of the chairperson	¶8-340
Adjourning meetings	¶8-350
Minutes	¶8-360
Meetings of one	¶8-370
Member voting	
Voting by members	¶8-400
Members' entitlement to vote	¶8-420
Restrictions on members exercising their voting rights	¶8-440
Voting by proxies	¶8-460
Ordinary and special resolutions	¶8-480
Decision-making without a meeting	
Overview	¶8-500
Resolutions by companies with only one member	¶8-520
Passing resolutions by written means	¶8-540
The doctrine of unanimous assent	¶8-580
Procedural irregularities	
Overview	¶8-600
The effect of procedural irregularities	¶8-620
9 RESTRICTIONS ON VOTING POWER	
Introduction	¶9-001
Overview of restrictions	
Why are restrictions needed?	¶9-100
Many cases are not clear-cut	¶9-120
Summary of restrictions on majority voting power	¶9-140
Equitable limitation on majority voting power	
Background	¶9-200
Application of the doctrine	¶9-220
Other restrictions on voting power	
Compliance with procedural requirements	¶9-300
Voting restrictions	¶9-320
Statutory protection for minority shareholders	¶9-340
Personal rights of members	¶9-360
Limits on majority's power to ratify breaches of duty by directors	¶9-380
10 COMPANY DIRECTORS	
Introduction	¶10-001
Company boards	
Boards of directors in Singapore	¶10-100
Board composition as a corporate governance issue	¶10-120
Types of directors	
Executive director	¶10-200
Non-executive director	¶10-210
Chairperson of directors	¶10-220
Managing director	¶10-230
Nominee director	¶10-240

Alternate director	¶10-250
De facto director	¶10-260
Shadow director	¶10-270
Appointment and removal of directors	
Overview	¶10-300
Who can be appointed as a director?	¶10-310
How are directors appointed?	¶10-320
For how long is a director appointed?	¶10-330
When is the office of the director vacated?	¶10-335
How does a director resign?	¶10-340
How can a director be removed?	¶10-350
How can a director be disqualified or debarred?	¶10-360
Director remuneration	
Overview	¶10-370
How are directors remunerated?	¶10-372
When is shareholder approval required?	¶10-374
When must the remuneration be disclosed?	¶10-376
Can directors receive payments for loss of office?	¶10-378
Proceedings of the board	
Overview	¶10-400
How are directors' meetings called and held?	¶10-420
Can boards delegate their powers?	¶10-440
What rights to information do directors have?	¶10-460
11 DIRECTORS' DUTIES	
Introduction	¶11-001
Overview of duties	
The role of duties	¶11-100
Summary of duties	¶11-120
Who owes the duties?	¶11-140
To whom are the duties owed?	¶11-160
Who enforces the duties?	¶11-180
What are the consequences of breaching a duty?	¶11-190
The duty of care	
Sources of the duty of care	¶11-200
The standards that are applied	¶11-220
Does the court interfere with business decisions?	¶11-240
The duty not to engage in wrongful/reckless trading	
Rationale behind the duty	¶11-300
When does s 339(3) apply and what is its effect?	¶11-320
The duty to act in good faith in the best interests of the company	
What is meant by good faith?	¶11-400
What are the company's interests?	¶11-420
Duty to retain discretions	
What does it mean to retain discretions?	¶11-600

The duty to act for a proper purpose	
What are proper purposes?	¶11-800
12 CONFLICTS OF INTEREST	
Overview of the duty to avoid conflicts of interest	¶12-001
The general law rules	
Overview of the general law rules	¶12-100
What is the general law conflict rule?	¶12-120
Transactions with the company	¶12-140
Taking corporate property, information and opportunities	¶12-160
Conflicting duties	¶12-180
Other conflicting interests: competing companies	¶12-190
Nominee directors	¶12-195
The company's constitution	
How can the constitution affect the duty to avoid conflicts of interest?	¶12-200
Statutory regulation	
Overview of statutory regulation	¶12-300
Disclosure of transactions with the company (s 156(1) disclosures)	¶12-310
Disclosure of potential conflict arising from holding other offices or possessing property (s 156(6) disclosures)	¶12-320
Other issues relating to s 156 disclosures	¶12-330
Improper use of position or information	¶12-340
Financial assistance to directors	¶12-350
Financial assistance to director-related entities	¶12-360
Directors' remuneration and benefits	¶12-370
Interested person transactions in listed companies	¶12-380
Consequences of contravention	
Contravention of the general law duty	¶12-400
Contravention of the statutory provisions	¶12-420
PART C — CONSEQUENCES OF MISMANAGEMENT	
13 CONSEQUENCES OF BREACH OF DUTY	
Introduction	¶13-001
Enforcement of directors' duties by ACRA	
ACRA enforcement powers	¶13-100
Composition fines and default penalties	¶13-120
Criminal penalties	¶13-160
The company's civil remedies	
Overview	¶13-200
The company's civil remedies for breach of general law duties	¶13-210
The company's civil remedies for breach of statutory duties	¶13-220

Disqualification and vacation of office	
Disqualification or debarment from managing companies and vacation of office	¶13-240
Relief from liability for breach of duty	
Overview	¶13-300
Relief from liability given by the court	¶13-310
Release from liability given by the company — ratification of breaches of duty	¶13-320
Indemnification and insurance for breach of duty	¶13-340
14 MEMBERS' REMEDIES	
Introduction	¶14-001
Overview of remedies	
What are the remedies?	¶14-100
Why are the remedies needed for members?	¶14-120
Difference between the member's derivative action and other remedies	¶14-140
Member's statutory remedies	
Overview	¶14-200
The oppression remedy	¶14-210
Winding up the company as a member's remedy	¶14-220
Statutory injunction	¶14-240
Statutory right to inspect books of the company	¶14-260
Member's personal action	
Overview	¶14-300
What are personal rights?	¶14-310
Member's derivative action	
What is a derivative action?	¶14-400
The "proper plaintiff rule" and derivative actions under the general law	¶14-410
The statutory derivative action	¶14-420
PART D — COMPANY REPORTING	
15 REPORTING AND DISCLOSURE	
Introduction	¶15-001
Record keeping	
The company's registered office	¶15-100
Financial records	¶15-120
Minute books	¶15-140
Registers to be maintained by company	¶15-160
Information to be lodged with ACRA	
Overview	¶15-200
The annual return	¶15-220
Disclosure to the ACRA of particular events	¶15-240

Periodic financial reporting	
Overview	¶15-300
Definitions used in Part VI	¶15-320
Financial statements and consolidated financial statements ..	¶15-340
Directors' statement	¶15-360
Other periodic financial disclosures by listed companies	¶15-380
Audit	
What is audit and why is it required?	¶15-400
What qualifications do auditors need and how are they appointed and removed?	¶15-410
What are the auditor's duties and to whom are they owed? ..	¶15-420
Continuous disclosure	
What is continuous disclosure?	¶15-500
Continuous disclosure by listed companies	¶15-520
PART E — COMPANY FINANCE	
16 SHARE CAPITAL, SHARES, AND SHAREHOLDERS' RIGHTS	
Introduction	¶16-001
Company finance	
Sources of company finance	¶16-100
Differences between share capital and debt finance	¶16-120
The nature of share capital	
What is share capital?	¶16-200
What are classes of shares?	¶16-220
What are partly paid shares?	¶16-240
What are options?	¶16-260
Membership	
Who are the members of Singapore companies?	¶16-300
What is membership?	¶16-320
How does someone become a member of a company?	¶16-340
How does someone cease to be a member of a company?	¶16-360
Shareholders' rights	
What rights do shareholders have?	¶16-400
Voting rights	¶16-420
Distribution rights	¶16-440
The right to receive information	¶16-460
Class rights	¶16-480
17 INCREASING, ALTERING AND REDUCING SHARE CAPITAL	
Introduction	¶17-001
Increasing issued capital	
How does a company obtain its initial share capital and how is this subsequently increased?	¶17-100
What is the process for issuing new shares?	¶17-120
What are the main types of share issues?	¶17-140
What is underwriting?	¶17-160

Legal rules governing share issues	
Overview	¶17-200
When is member approval required?	¶17-220
Are there restrictions on the people to whom shares can be issued?	¶17-240
Disclosure in relation to securities offers	
What are the disclosure requirements?	¶17-300
When is disclosure required?	¶17-320
Alteration of share capital	
What are the ways in which a company may alter its share capital	¶17-360
Capital maintenance	
Overview	¶17-400
What is the principle of maintenance of capital?	¶17-420
Dividends payable only out of profits	
What are the restrictions on payment of dividends?	¶17-500
What does "profits" include?	¶17-520
What are the consequences of a breach?	¶17-540
Prohibited acquisition of company's own shares and shares of its holding company	
What is the prohibition on self-acquisition?	¶17-600
What are the circumstances in which a company may acquire its own shares?	¶17-620
When is share buy-back permitted?	¶17-640
Lending money on the security of the company's shares or those of its holding company	
What is the prohibition on company lending on security of its own shares?	¶17-700
What are the consequences of a breach?	¶17-720
Prohibited financial assistance	
What is the rule prohibiting financial assistance?	¶17-800
What is financial assistance?	¶17-820
When is financial assistance permitted?	¶17-840
Effect of contravention of s 76	
What are the consequences of contravening s 76?	¶17-880
Permitted reductions of capital	
What is a reduction of capital?	¶17-900
When is a reduction of capital allowed?	¶17-920
What are the consequences of a breach?	¶17-940
18 DEBT FINANCE	
Introduction	¶18-001
Debt finance	
The nature of debt finance	¶18-100
Sources and types of debt capital	¶18-120
What are debentures?	¶18-140
Why do companies issue debentures?	¶18-160

What requirements apply to the public issue of debentures?	¶18-180
What rights do debenture holders have?	¶18-190
Register of debenture holders and transfer of debentures	¶18-195
Company charges	
Overview	¶18-200
Fixed and floating charges	¶18-220
What is crystallisation?	¶18-240
Registration of charges	
Company charges must be registered with the ACRA	¶18-300
How are charges registered?	¶18-320
Protection of security	¶18-340
When can a charge be invalidated by the Companies Act?	¶18-360
What is priority?	¶18-380
What is a receiver?	¶18-400
Who is allowed to be appointed as a receiver?	¶18-410
Who may appoint a receiver?	¶18-420
Effects of receivership	¶18-430
Whose agent is the receiver?	¶18-440
What are the powers of receivers?	¶18-450
What are the duties of a receiver?	¶18-460
What are the liabilities of receivers?	¶18-470

PART F — COMPANIES AND OUTSIDERS

19 CONTRACTING BY COMPANIES

Introduction	¶19-001
How do companies enter into contracts?	¶19-050
Contracting directly	
How does a company contract directly?	¶19-100
How does a company execute a document with the common seal?	¶19-120
How does a company execute a document without the common seal?	¶19-140
Contracting through agents	
How does a company contract through an agent?	¶19-200
Who has authority to act for a company?	¶19-210
What is actual authority?	¶19-220
How can express actual authority arise?	¶19-230
How can implied actual authority arise?	¶19-240
What is apparent authority?	¶19-250
What are the requirements for apparent authority to exist?	¶19-260
What does it mean if apparent authority exists?	¶19-270

20 CORPORATE LIABILITY

Introduction	¶20-001
Overview of enforcing defective contracts	
Enforcing defective contracts	¶20-050
Enforcing defective contracts made by agents	
How can a defective contract made through an agent or purported agent of a company be enforced?	¶20-100
How does the common law assist an outsider?	¶20-110
What is the indoor management rule?	¶20-120
Exceptions — when will the common law not assist an outsider?	¶20-130
How do the statutory provisions assist an outsider?	¶20-140
Does a defect in appointment affect acts of directors, chief executive officers or secretaries?	¶20-145
Elimination of constructive notice	¶20-150
How does the Companies Act affect the power of directors to bind a company?	¶20-155
Enforcing defective contracts made directly by the company	
How can a defective contract made directly by the company be enforced?	¶20-200
Company liability for civil wrongs	
Introduction	¶20-300
How is fault attributed to companies?	¶20-320
Company liability for crimes	
Which crimes can companies commit?	¶20-400
Rules of attribution	¶20-420

21 CORPORATE INSOLVENCY I

Introduction	¶21-001
Judicial management	
What is judicial management?	¶21-200
Overview of the process of judicial management	¶21-210
The procedure	¶21-220
Who may apply?	¶21-230
Who is allowed to be appointed as a judicial manager?	¶21-240
What is the effect of an application for a judicial management order?	¶21-250
Hearing of the application	¶21-260
Effect of a judicial management order	¶21-270
Approval of the judicial manager's proposals	¶21-280
What are the powers of the judicial manager?	¶21-290
What are the judicial manager's liabilities?	¶21-300
Investigation of company's affairs by judicial manager	¶21-310
Discharge of the judicial manager	¶21-320

Scheme of compromise/arrangement	
What is a scheme of compromise/arrangement?	¶21-400
Overview of the procedure	¶21-410
Meetings of creditors	¶21-420
Approval by the court	¶21-430
Private workout	
What is a private workout?	¶21-500
22 CORPORATE INSOLVENCY II	
Introduction	¶22-001
Winding up	
What is a winding up?	¶22-100
What types of winding up are provided for under the Companies Act?	¶22-110
Who is allowed to be appointed as a liquidator?	¶22-120
What are the liquidator's functions?	¶22-130
What are the liquidator's duties?	¶22-140
What are the liquidator's powers?	¶22-150
What funds are available for distribution by the liquidator?	¶22-160
What are voidable transactions?	¶22-170
What are void charges?	¶22-180
How are the funds distributed?	¶22-190
Dissolution	
What is dissolution?	¶22-200
What types of dissolution are possible?	¶22-210
What are the effects of dissolution?	¶22-220
How can a company's registration be reinstated?	¶22-230
23 SECURITIES	
Introduction	¶23-001
Securities offers	
How are securities offers regulated?	¶23-100
Are there exemptions from prospectus requirements?	¶23-110
What must be disclosed?	¶23-120
What procedure must be followed for an offer?	¶23-140
Listing requirements	¶23-150
What if the disclosure document is wrong or incomplete?	¶23-160
Trading in securities	
What is secondary trading in securities?	¶23-200
What laws govern trading in already-issued securities?	¶23-210
What is insider trading?	¶23-220
The substantial shareholding and tracing provisions	
When does a large shareholder need to disclose their holding?	¶23-300
How can listed companies trace holders of relevant interests in their shares?	¶23-320

24 TAKE-OVERS	
Introduction	¶24-001
Take-overs	
What is a take-over?	¶24-100
Why do take-overs occur?	¶24-110
What are the purposes of the Take-over Code?	¶24-120
Overview of the Take-over Code	¶24-130
What is a mandatory general offer?	¶24-140
What is a voluntary general offer?	¶24-150
What is a partial offer?	¶24-160
What are the effects of breaches of the Take-over Code?	¶24-170
What is compulsory acquisition?	¶24-180
What is compulsory buy-out?	¶24-190
Schemes of arrangement	
Introduction	¶24-200
Amalgamations	
Introduction	¶24-300
Short form amalgamation	¶24-310
General amalgamation	¶24-320
PART H — PROBLEM SETS AND SELECTED LEGISLATIVE EXTRACTS	
25 PROBLEM SETS	
Introduction to the case studies	¶25-001
Background information	¶25-050
Problem Sets	
Problem Set 1	¶25-100
Problem Set 2	¶25-150
Problem Set 3	¶25-200
Problem Set 4	¶25-250
Problem Set 5	¶25-300
Problem Set 6	¶25-350
Problem Set 7	¶25-400
Problem Set 8	¶25-450
Problem Set 9	¶25-500
Problem Set 10	¶25-550
Problem Set 11	¶25-600
Problem Set 12	¶25-650
26 SELECTED LEGISLATIVE EXTRACTS	
Companies Act (Cap 50)	¶26-001
Companies (Application of Bankruptcy Act Provisions) Regulations	¶26-050
Bankruptcy Act (Cap 20)	¶26-100
Securities and Futures Act (Cap 289)	¶26-150
27 COMPANY DOCUMENTS	
Table A, Fourth Schedule of the Companies Act	¶27-001

Corporate groups in business planning

What are corporate groups?	¶4-500
Why use a corporate group rather than an individual company?	¶4-520
Group relationships — the definitions	¶4-540
In what circumstances does the law recognise and regulate corporate groups?	¶4-560

¶4-001 Introduction

We saw in Chapter 1 that the company limited by shares is a common form of business organisation in Singapore. In this chapter, we introduce other vehicles which may be used for doing business in Singapore and highlight some of the key differences between these and the company as a business organisation. The aim is to facilitate the decision as to which form of business organisation may be the most appropriate form through which to conduct a particular enterprise.

We also explore the different forms that companies may take. Different types of companies are governed by different sets of rules, some of which may be better suited to a particular enterprise than others. This discussion forms the second part of this chapter.

The third part deals with the requirements for registration and the process by which companies are formed. The fourth part looks at listing of a company's shares for trading in a securities market, and the fifth part with the use of corporate groups in business planning.

CHOICE OF FORM OF BUSINESS ORGANISATION

¶4-100 What are the different forms of business organisations?

Companies are one possible vehicle for the conduct of business. Others include sole proprietorship, partnership, limited partnership, limited liability partnership, business trust and unincorporated joint venture. This section summarises some of the key features of these other vehicles, and suggests some criteria according to which a person or persons proposing to carry on a particular enterprise might decide which form to use.

It is important to note that, although our focus in this section is on different types of business organisations, it is possible to have organisations whose primary purpose is something other than conducting a business. Such organisations may also operate as companies¹ or may take on a different organisational form. These non-business organisations may also need to transact in a business environment to facilitate the conduct of their primary purpose. We commence this section with a brief description of these other organisational forms so as to give a better appreciation of the various types of business organisations we describe later in this section.

¹ In such cases, they usually take on the form of companies limited by guarantee (see ¶4-200 below).