

Changes to Conduct of Meetings: Companies, Business Trusts and Other Bodies (Miscellaneous Amendments) Act 2023 and Listing Manual Practice Notes on General Meetings

The Companies, Business Trusts and Other Bodies (Miscellaneous Amendments) Act 2023 (**Amendment Act**) will come into operation on 1 July 2023. The Amendment Act introduces to the Companies Act 1967 (**CA**), Business Trusts Act 2004 (**BTA**), and Variable Capital Companies Act 2018 (**VCC Act**) new provisions which, among other things, give Singapore companies, business trusts (**BTs**) and variable capital companies (**VCCs**) the option of conducting general meetings either: (a) solely using virtual meeting technology; or (b) at a physical place and using virtual meeting technology (i.e., a hybrid meeting), in addition to conducting meetings solely at a physical place.

In the same vein, in relation to issuers (including BTs and real estate investment trusts) primary-listed on Singapore Exchange Securities Trading Limited, Singapore Exchange Regulation (**SGX RegCo**) has amended Practice Note 7.5 (General Meetings) of the Singapore Exchange (**SGX**) Listing Rules (Mainboard) and Practice Note 7E (General Meetings) of the SGX Listing Rules (Catalist) (collectively, **Practice Notes**) to provide guidance on, among other things, the conduct of hybrid general meetings. The Practice Notes also make clear that listed issuers will not be permitted to hold fully virtual general meetings. The amended Practice Notes will apply to general meetings held on or after 1 July 2023, regardless of when the notice of general meeting is disseminated.

Background

On 15 December 2022, the Ministry of Law announced that the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (**Order**), which was introduced in early 2020 to facilitate the holding of general meetings through electronic means during the COVID-19 pandemic, would be revoked from 1 July 2023. The joint guidance issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and SGX RegCo titled “Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation” (**Joint Guidance**) applicable to listed issuers will similarly be revoked from 1 July 2023. Please refer to our [previous update](#) for further background.

With the revocation of the Order, the Amendment Act will introduce provisions to allow companies, VCCs and BTs the flexibility to hold fully virtual or hybrid general meetings (in addition to purely physical ones). Under the revised Practice Notes, listed issuers will be permitted to hold only hybrid or purely physical general meetings, and will also be required to adopt certain additional practices on the conduct of general meetings. The additional practices generally mirror those introduced under the Joint Guidance.

Companies Act Amendments for Holding of Meetings by Companies

This update focuses on the amendments applicable to companies. However, do note that similar legislative changes under the BTA and VCC Act will give BTs and VCCs the same option to conduct fully virtual or hybrid general meetings.

For companies, the Amendment Act introduces the new section 173J of the CA, which provides that companies may use virtual meeting technology (wholly or partly) to hold certain meetings (including general meetings). “Virtual meeting technology” is defined to mean “any technology that allows a person to participate in a meeting without being physically present at the place of meeting”. The new section 173J(4) further provides how relevant references in the CA relating to, among other things, attendance, voting, and speaking, should be read in the context of meetings which are held (wholly or partly) using virtual meeting technology. Section 173J(8) also clarifies that, subject to the constitution of the company, nothing in the CA prohibits meetings of the board of directors or board committees from being held with the use of virtual meeting technology (wholly or partly).

The new section 173J will automatically apply to all companies from 1 July 2023 and override the company’s constitution (unless the application of the relevant CA provisions is excluded or modified by the company’s constitution on or after 1 July 2023), or if the company belongs to a prescribed class of companies excluded under the Gazette.

In the event of any technological disruption, malfunction, or outage of a meeting held using virtual meeting technology, the new section 392(2A) of the CA provides that such meetings will not be invalidated by reason of any procedural irregularity, unless the court is of the opinion that the irregularity has caused or may cause substantial injustice that cannot be remedied by any order of the court and by order declares the proceeding to be invalid.

Additionally, the new section 181 of the CA provides that companies are now required to allow for the electronic submission of proxy forms by members, with the means of such electronic submission specified in the notice of meeting.

Additional Changes relating to General Meetings of Listed Issuers

As from 1 July 2023, a listed issuer is not only permitted to hold general meetings at a physical place in Singapore, but is also permitted to hold hybrid meetings, unless it is prohibited from doing so by the laws and regulations in the jurisdiction of its incorporation.

A summary of some of the key revisions introduced in the Practice Notes follows:

- (a) **Notice of meeting and dissemination of documents:** Issuers will have to disseminate all notices and documents relating to a general meeting in accordance with Chapter 12 of the SGX Listing Rules (Mainboard) and the SGX Listing Rules (Catalist). All notices of general meetings must also contain prescribed information. For hybrid meetings, this includes arrangements for shareholders to participate using virtual meeting technology and details as to how real-time remote electronic voting and real-time electronic communication will be conducted.
- (b) **Written questions:** Shareholders must generally be given the opportunity to ask written questions within a reasonable time prior to the general meeting. Shareholders should be informed of any cut-off time by which written questions must be submitted and when their written questions would be responded to. As a guideline, shareholders should be allowed at least seven calendar days after the publication of the notice of meeting to submit written questions.

The board of directors or management must respond to all substantial and relevant comments or queries. Issuers may respond to the written questions prior to the meeting on SGXNET and the issuer’s corporate website (if available), or at the general meeting, though it is encouraged that

responses to substantial and relevant comments or queries are provided promptly and at least 48 hours prior to the closing date and time for the lodgment of proxy forms, to facilitate shareholders' votes. If written questions (including follow-up written questions) are submitted after the cut-off time, issuers should seek to respond to these questions within a reasonable timeframe.

- (c) **Voting:** Issuers may allow shareholders to vote remotely through an electronic system, but the issuer must implement certain specified safeguards to validate the votes submitted by shareholders.
- (d) **Minutes:** Minutes of the general meeting should record substantial and relevant comments or queries from shareholders and responses from the board of directors and management, and must be published on SGXNET and the issuer's corporate website (if available) within a month from the meeting.

SGX RegCo has also encouraged issuers conducting hybrid meetings to have regard to the [Standards for Vendors of Virtual/Hybrid General Meeting Systems](#) published by SGX RegCo, the Singapore Institute of Directors, and the Chartered Secretaries Institute of Singapore on 24 November 2022. The standards set out requirements and recommendations for the design, implementation, provision, maintenance, and improvement of systems that enable the holding of virtual or hybrid general meetings.

Concluding Remarks

Given the facilitative nature of the legislative amendments, Singapore companies, BTs and VCCs will be able to utilise the new provisions for their meetings from 1 July 2023 if they wish to do so, without first having to make any amendments to their constitutive documents. Listed issuers should also note the requirements in the amended Practice Notes, plan in advance for their upcoming general meetings, and consider whether any updates are required to their existing practices in light of the new requirements.

If you would like information and/or assistance on the above or any other area of law, you may wish to contact the Partner at WongPartnership whom you normally work with or any of the following Partners:



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