



M2K Advisors



SINGAPORE KNOWLEDGE SERIES #7 - ANNUAL GENERAL MEETING

Annual General Meetings

Annual general meeting (AGM) is generally conducted to present company's financial statements (accounts) to shareholders (members)**. The financial statements should provide a **“true and fair”** assessment of the company's financial performance during the year.

This in turn provides shareholders an opportunity to get their questions about the business **operations clarified and address their concerns**. This allows all the company's shareholders the right to take part in the **decision-making process** of the company.



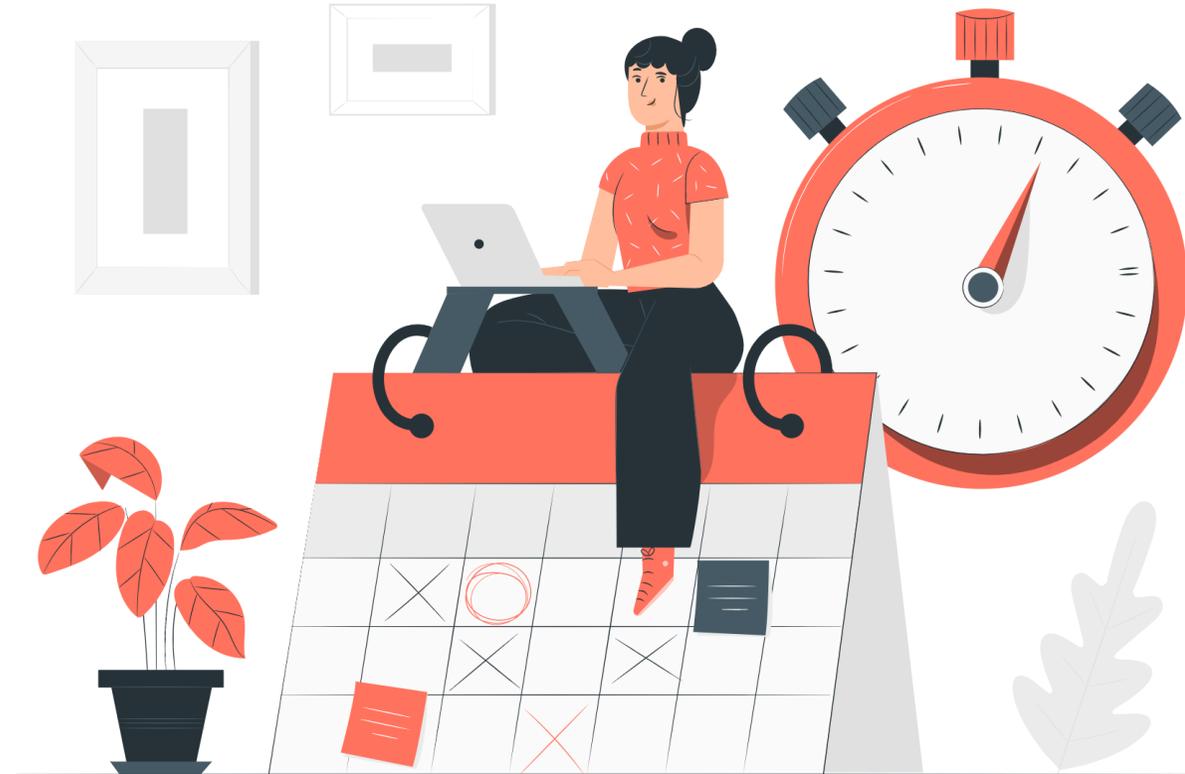
**The company also approves other business transactions of the company during an AGM such as dividend declaration, retirement and appointment of directors, appointment of auditors & authorization to issue shares.

Exemptions from holding an AGM

The Companies Act has been amended with effect from **31 August 2018** and private companies can be **exempted** from holding AGMs if they send their financial statements to their members **within five months** after the financial year end (FYE).

The exemption to hold an AGM is subject to the following safeguards:

- a) A member who wishes to request that an AGM be held must notify the company to hold an AGM **not later than 14 days** before the **last day of the 6th month** after FYE.
- b) Directors of the company must hold an AGM **within 6 months** after FYE if notified by any one member of the company to do so.
- c) **Private companies** must hold a general meeting to lay financial statements if any members or auditor requested for it **not later than 14 days** after the financial statements are sent out.



Timeline for holding AGMs

The timeline for holding AGMs has been tabulated below for ease of understanding



For companies with FYE	Listed company	Unlisted company
On or after 31 August 2018	Must hold an AGM within four months after the company's FYE	Must hold an AGM within six months after the company's FYE
Before 31 August 2018	Must hold the first AGM within 18 months of the date of incorporation.	
	The financial statements presented at an AGM must be made up to a date not more than four months before the AGM	The financial statements presented at an AGM must be made up to a date not more than six months before the AGM.

All dormant companies are also required to prepare its accounts in accordance with SFRS (Singapore accounting standards), convene its AGM physically or by written means, and complete annual return filings with ACRA within prescribed time limits.

Notice of meetings

The company issues a notice of meetings to all the board members, shareholders, and officers of the company. The notice has to contain the date, place and time of the meeting, business items that the company has to discuss, any special resolutions on the agenda (and the voting thresholds required for approval), and any rights the recipient has to appoint a proxy.



Type of resolution passed	Requirement to sent Notice
Ordinary Resolution	Minimum of 14 days before the AGM
Special Resolution	21 days before an AGM
Special Notice Requirement	28 days before an AGM

A shorter notice can be given for its meetings if the members who are entitled to **attend and vote** at the meeting **agree to it**.

It is the responsibility of company's company secretary to draft and send the notices of these meetings. These notices are often done online – however, the constitution of the company needs to specify the mode of delivery. If it prefers online method, then the default mode of sending notices needs to be specified as online.

Quorum

The quorum of a meeting refers to the minimum number of members present in an AGM for it to be valid.

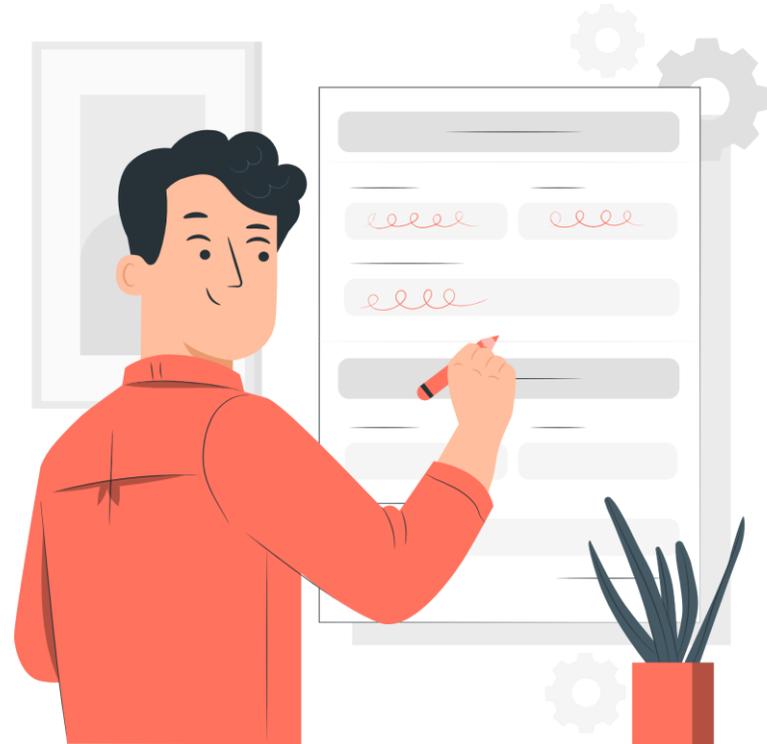
In Singapore, the quorum **involves a minimum of 2 members** to be present personally unless the constitution of the company states otherwise.

The company cannot transact any business at the meeting unless it fulfils the quorum requirement.

Proxies

If a shareholder is unable to attend the AGM, a proxy can be appointed by him to attend and vote on his behalf.

The proxy does not need to be a member of the company, and a member can **appoint up to 2 proxies** to attend the AGM.



The notice of the meeting circulated to the members of the company should clearly state the right of members to appoint a proxy. A proxy form shall be an attachment to the notice of the company.

Extensions and Penalties

If a company cannot hold an AGM in time (this is often due to a delay in preparing financial statements), they can ask their company secretary to file for an extension of time with ACRA, up to a maximum of 2 months.

If a company does not meet its deadlines to hold their AGM, or the accounts laid at the AGM were not updated, the company and its directors are subject to financial penalties by ACRA.

- ACRA can impose composition fines of **\$500 per breach** on companies that do not hold the required AGMs.
- A **late lodgment penalty of \$300** if the return is lodged **within 3 months** of the deadline for filing annual returns, and
- A **late lodgment penalty of \$600** otherwise will be imposed for each annual return that is lodged late.



Directors who fail to follow the AGM requirements can be prosecuted in court and may also face disqualification or debarment from being a director.

Upcoming Singapore Knowledge Series

Please find below the list of completed & upcoming alerts from the series. In case you have missed the previous alerts, click on the hyperlink for the completed alerts to refer the same.

1. [Incorporation of Company](#)
2. [Allotment of shares](#)
3. [Issuance of share certificate](#)
4. [Register of registerable controllers](#)
5. [Employment Pass](#)
6. [XBRL Filing](#)
7. [Annual General Meeting](#)
8. ACRA Return filing
9. Audit requirements
10. Strike off company

**Corporate
law related**

11. Taxability of individuals
12. Taxability of corporates
13. Certificate of Residence (TRC)
14. Dormant Company
15. Estimate Tax Chargeable
16. Tax Return Requirements
17. Withholding tax
18. Auto Inclusion Submission

**Income Tax
Related**

19. GST Registration
20. GST Filing Requirement
21. Implication of late GST Filing
22. Input Tax Credit - Basics
23. Blocked Credits
24. Basic Invoicing Rules
25. Record Keeping

GST related

Please click on the link to subscribe to our alerts – [M2K Alert Subscription](#)



THANK YOU

Chennai - India

M2K Advisors LLP

1st Floor, No. 62, 3rd street,
Abhiramapuram, Alwarpet,
Chennai - 600018
Tamil Nadu

Hyderabad - India

M2K Advisors LLP

Manjeera Trinity Corporate
JNTU Road, Plot No S2 ,
Telangana- 500072
Hyderabad

Singapore

M2K Advisors Pte Ltd

The Octagon,
105 Cecil Street, #07-02
Singapore 069534

USA

M2K Sai Advisors Inc

1 AUER CT,
2nd Floor, East
Brunswick
New Jersey - 08816

For any queries, reach us at:
compliance@m2kadvisors.com

This deck is intended for general guidance only and hence should not be considered as an advice or opinion. We do not accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this deck. On any specific matter, reference should be made to the appropriate advisor.