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23 January 2013

Mr Thomas Koshy
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for Chief Executive
Accounting and Corporate Regulatory Authority
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BY POST & EMAIL

(Email: Thomas_Koshy@acra.gov.sg)

Dear Sirs

**COMPANIES ACT REVIEW STEERING COMMITTEE ("SC")
RECOMMENDATIONS 2.10 (R2.10) AND R3.41**

We refer to your letter dated 29 November 2012 inviting the Law Society to provide our views on the specific issues relating to recommendations 2.10 and 3.41 of the consultation paper on the review of the Companies Act Review issued by the Accounting and Corporate Regulatory Authority ("ACRA").

Your letter was referred to the Corporate Practice Committee 2012 (the "Committee") for their views. The Committee's views are set out below for ACRA's consideration. The Council of the Law Society has considered the Committee's feedback and shares the Committee's views.

Recommendation 3.41

1. The Committee agrees with the view expressed by Allen & Gledhill LLP that R3.41 is inflexible and would be difficult to implement. As such, the alternative approach of eliminating R3.41 and instead overriding R2.10 by amending section 181 to specify that for section 210, subject to any court order to the contrary, each member shall only be allowed one proxy, is appropriate.
2. However, the Committee notes that the Court is allowed to order otherwise and it is further noted that the Steering Committee has recommended in R3.40 that the Court should have latitude to disapply the majority test as well in appropriate circumstances. For the purpose of clarification, the Committee would suggest that these circumstances should not be limited to the "share-splitting" scenario discussed but instead the Court's discretion should be general in nature.

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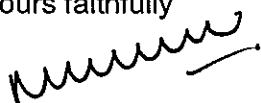
The Law Society of Singapore

3. On the issue of whether a nominee member should as principle always count as one member for the purposes of the "majority test", the Committee would respectfully suggest that this is not necessarily always the case – this can be covered by the Court's discretion (as proposed in paragraph 2 above).

The Committee has no comments on the specific issues relating to Recommendation 2.10.

Thank you for giving the Committee an opportunity to provide its views. We would be grateful for an update on this matter after ACRA has considered the feedback provided above.

Yours faithfully



Michelle Woodworth Cordeiro
Director, Representation and Law Reform Department

cc: 1. Council 2013
 2. Corporate Practice Committee 2012