



SGX and ACRA Grant Automatic 60-Day Extension of Time for Holding AGMs

The coronavirus pandemic known as COVID-19 has caused a health and economic crisis that has spurred the promulgation of rules and regulations in Singapore at an unprecedented pace concerning almost all aspects of social and business activities. On the corporate calendar of many companies would be the holding of Annual General Meetings (AGMs) and the crisis coincided with what traditionally would have been the peak season for AGMs, especially for companies listed on the Singapore Exchange (SGX). Given that a majority of such SGX-listed companies have 31 December as their financial year-end, they normally would have been required to hold their AGMs no later than 30 April 2020.

In response to the unfolding crisis, the Singapore Exchange Regulation (SGX RegCo) and the Accounting and Corporate Regulatory Authority (ACRA) have published a series of measures relating to the conduct of meetings, which themselves have had to evolve alongside the situation on the ground.



On 27 February 2020, the SGX RegCo had announced (the “**27 February Reg Announcement**”, accessible [here](#)) that all companies listed on the SGX (“**Issuers**”) with a 31 December financial year-end could apply for an extension of time of up to 60 days to hold their AGMs, permitting AGMs to be held by 30 June 2020 instead of 30 April 2020 (the “**Waiver**”). This followed on from a previous announcement on 7 February 2020 (“**7 February Reg Announcement**”) that Issuers with their principal place of business in the People’s Republic of China (PRC) or which have business or significant operations in the PRC could apply for such a Waiver. The measures enacted in the original 7 February Reg Announcement were to address the difficulties faced by audit professionals in performing statutory audits in the PRC due to the Covid-19 crisis there. However, particularly after the declaration of DORSCON Orange status by the Singapore Government on 7 February 2020, many shareholders had raised concerns about attending AGMs which would almost invariably be large-group meetings. The expansion by SGX of the right to apply for a Waiver in the 27 February Reg Announcement to all Issuers with a 31 December financial year-end was in response to such shareholder concerns, while also addressing requests from Issuers themselves for more time to implement measures to ensure social safe-distancing.

On 3 April 2020, the Prime Minister of Singapore announced that a nationwide “circuit-breaker” to halt the spread of COVID-19 would be implemented with effect from 7 April 2020 and which was to last until 4 May 2020 (inclusive) (the “**Circuit Breaker Measures**”). This unprecedented nationwide measure generally required all business activities other than certain essential services to cease or suspend operations at their usual places of business, and for all Singapore residents to ‘work from home’ other than in limited circumstances.

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On 7 April 2020, SGX RegCo announced (the “**7 April Reg Announcement**”, accessible [here](#)) that in view of the latest Government advisories and measures which would make the holding of AGMs and the performance of statutory audits challenging, the 60-day extension of time to hold AGMs will automatically be granted to Issuers, i.e. there was no longer a need for them to apply for the Waiver. Furthermore, the category of Issuers eligible for this extension of time has been expanded to not only those with a financial year-end of 31 December 2020, but also to all Issuers with a financial year ending on or before 31 March 2020. Issuers with a financial year ending 31 December 2020 now have up to 29 June 2020 to hold their AGMs (a slight modification from the earlier 30 June 2020 deadline in the 27 February Reg Announcement, probably because a 60-day extension technically ends on 29 June 2020), while Issuers with a financial year ending 31 March 2020 now have up to 29 September 2020 to hold their AGMs. Please note that Issuers with a financial year-end of 31 December 2020 must still publish their Annual Reports (ARs) by 15 April 2020 per the 27 February Reg Announcement.

The key dates set out in the 7 April Reg Announcement are as follows:-

SGX key extension dates for AGMs (listed companies) and publishing of Annual Reports

Issuers with FY-end	Original AGM due date	New AGM due date	New AR due date
31 Dec 2019	30 Apr 2020	29 Jun 2020	15 Apr 2020
31 Jan 2020	31 May 2020	30 Jul 2020	15 Jul 2020
29 Feb 2020	30 Jun 2020	29 Aug 2020	14 Aug 2020
31 Mar 2020	31 Jul 2020	29 Sep 2020	14 Sep 2020

Issuers that meet the above criteria and which require an extension of time must notify SGX RegCo by email through: automaticagmwaivers@sgx.com.



Issuers would also need to release an announcement on SGXNet setting out:-

- The relevant financial year-end and the indicative timeline to convene the AGM; and
- The Board of Directors' confirmation that the time extension will not be in contravention of any laws or regulations governing the Issuer and its constitution (or the equivalent in the Issuer's country of incorporation if not a Singapore-incorporated entity).

Should there be any material adjustments made by auditors resulting in material variance from previously announced unaudited full-year results, this must also be immediately announced on SGXNet.

In tandem with the SGX, on 7 April 2020 ACRA also announced an automatic 60-day extension of time for Singapore-incorporated companies to hold their AGMs as well as to file their **Annual Returns** (accessible [here](#)). This extension of time applies to all companies which AGMs are otherwise due to be held between 16 April 2020 and 31 July 2020 and which Annual Returns are due to be filed between 1 May 2020 and 31 August 2020. ACRA has also stated that no penalties will be imposed on companies which AGMs are due between 1 April and 15 April 2020 if they hold their AGMs within 60 days of their original due date and a corresponding extension has also been given for the filing of their Annual Returns. Again there is no need for such companies to separately apply for the extension of time.

ACRA key extension dates for AGMs (non-listed companies) and filing of Annual Returns

Original Due Date / Extended Due Date previously granted for AGM	New AGM due Date	New Annual Returns due date
16 Apr 2020 – 30 Apr 2020	15 Jun 2020 – 29 Jun 2020	15 Jul 2020 – 30 Jul 2020
1 May 2020 – 31 May 2020	30 Jun 2020 – 30 Jul 2020	31 Jul 2020 – 29 Aug 2020
1 Jun 2020 – 30 Jun 2020	31 Jul 2020 – 29 Aug 2020	30 Aug 2020 – 29 Sep 2020
1 Jul 2020 – 31 Jul 2020	30 Aug 2020 – 29 Sep 2020	30 Sep 2020 – 30 Oct 2020

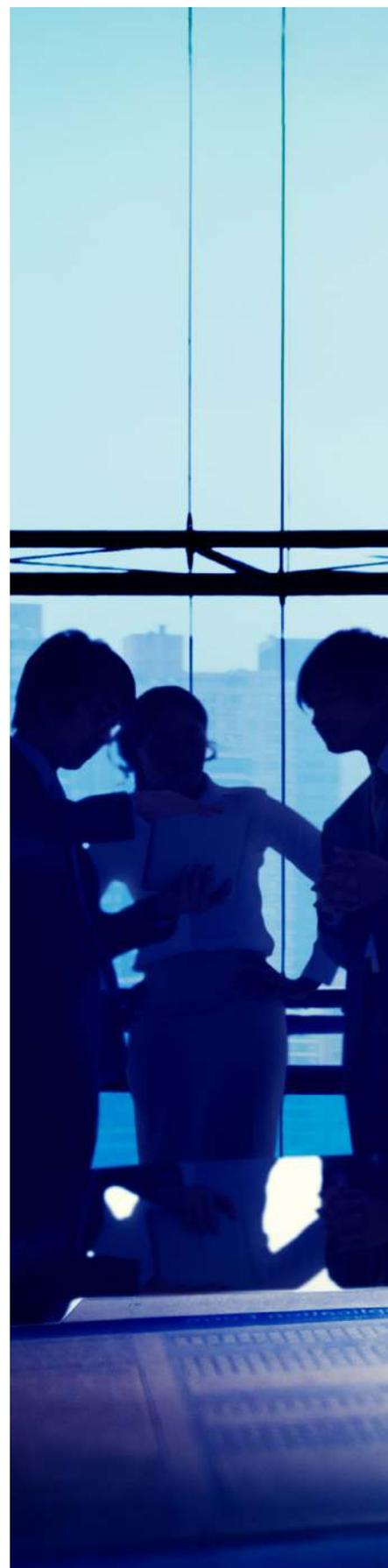
SAFE DISTANCING MEASURES FOR HOLDING OF MEETINGS

In the 7 April Reg Announcement, it was mentioned that the SGX was assessing the impact of the Circuit Breaker Measures and may be issuing further guidance on the holding of AGMs.

In the meantime, the existing guidance jointly published by the Monetary Authority of Singapore (MAS), ACRA and SGX RegCo on 31 March 2020 (the “**31 March Guidelines**”, accessible [here](#)) for the holding of general meetings still apply. These measures are presently intended for meetings that will be held before 30 April 2020, but given the implementation of the Circuit Breaker Measures on 3 April 2020, it would not be surprising if some or all of the 31 March Guidelines are extended to meetings held after 30 April 2020.

The 31 March Guidelines stipulate, amongst other things, that:-

1. General meetings must be conducted in a manner that
 - provides opportunity for shareholders to ask questions,
 - provides for the meeting to be shown by “live” webcast and
 - allows for proxy voting. At such meetings the quorum requirement will be satisfied through the attendance of the minimum number of shareholders specified in the Issuer’s constitution (which may include the attendance of any director or senior management who holds shares) or the number of individuals permitted under the Infectious Diseases (Measures to Prevent Spread of Covid-19) Regulations 2020 that came into force on 27 March 2020 (which stipulates a maximum of 10 persons in a room), whichever is the lower.
2. Issuers should allow shareholders an opportunity to ask questions by:-
 - Inviting shareholders to submit questions in advance and Issuers should publicly address substantial queries received at the general meeting via the Issuer’s website, the “live” webcast and on SGXNet.
 - Making other arrangements such as organising virtual information sessions before general meetings and the close of proxy voting to provide shareholders with a forum to ask questions and engage with management and the board of directors (“**Board**”).
3. For proxy voting, shareholders must appoint the chairperson of the general meeting (“**Chairperson**”) to act as their proxy and they must submit the proxy form by mail or e-mail.
4. Issuers are also strongly encouraged to provide at least 21 days’ prior notice to shareholders of the meeting to allow shareholders to consider the matters in the agenda and to pose questions if necessary and to vote by proxy.
5. CPF or SRS investors who wish to appoint the Chairperson as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the general meetings.
6. Issuers must publish minutes of the general meetings on its website, including responses from management and the Board to substantial queries and relevant comments as recommended in the Code of Corporate Governance 2018.





As covered in our earlier 6 April 2020 COVID-19 article entitled “*Singapore proposes Temporary Measures to support Businesses and Individuals in Managing Contract Obligations and Insolvency Risk arising from the COVID-19 Outbreak*” (accessible [here](#)), alternative arrangements for the holding of statutory meetings, including via video-conferencing, teleconferencing and other electronic means, amongst other measures to deal with contractual obligations impacted by the COVID-19 outbreak, will have the force of law through the COVID-19 (Temporary Measures) Bill. The Bill was passed by Parliament in one sitting on 7 April 2020 and will come into effect with the President’s assent.

FINAL THOUGHTS

The coordinated measures implemented by the various regulatory authorities to regulate meetings may well become a form of ‘new normal’ for the conduct of general meetings and, as with many other aspects of business activities, it will be hard to imagine eventually returning fully to the pre-COVID-19 way of holding meetings. It may well be that shareholders or even participants in other types of statutory meetings, such as creditor meetings or MCST meetings, in a post-COVID-19 world would expect companies to provide some form of remote or virtual means to take part in such meetings, perhaps alongside the traditional way of physically attending at the designated venue. Issuers and companies may wish to take this opportunity, if they have not already done so, to explore investing in technology and/or engaging service providers in the virtual meeting space to assist them in the administration of meetings moving forward. Please contact the [RHTLaw Asia Covid-19 Response Team](#) if you have any queries in this regard or on any other matters discussed here.

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RHTLaw Asia COVID-19 Response Team will continue to bring you further updates following developments in Parliament.

If you would like to join our webinar on this topic, please express your interest here