

7 Critical Mistakes of Businesses When Engaging Corporate Secretary

1. While the secretary is responsible to prepare notices and minutes of AGM, and annual directors' resolution for approval and authorisation, these documents require the director's signature. Therefore, this makes the director accountable for the accuracy of information submitted to ACRA.
2. The director is responsible to ensure that the corporate secretary discharge her duties responsibly, and may be liable for a fine of up to \$5,000 per breach of non-compliance, or debarment from directorship, or both.
3. Apart from penalties by authority, the company is required to make good the lapses in annual reporting. The director may choose to appoint another corporate secretary to replace the current secretary and make necessary amendments to ensure compliance with the Company's Act. Corporate secretaries often charge extra, on top of their usual secretary fee, to rectify existing non-compliant reporting.
4. Annual filing compulsory for all companies. However, most business owners do not know that the corporate secretary fee they paid does not include annual filing. In other words, they have to pay additional to their corporate secretary for annual filing.
5. Similarly, many common needs of a business that are usually fulfilled by company secretary are not included in corporate secretary packages. They include:
 - a. Annual Filing
 - b. Bank resolution
 - c. Change in company particulars (eg. registered business address, etc.)
 - d. Change in directors' particulars (eg. change in directors, etc.)
 - e. Change in shareholders' particulars (eg. change in shareholders, change in shareholdings, etc.)
6. Most common breaches by companies include:
 - a. Failure to hold and AGM
 - b. Failure to file annual returns
7. Assess corporate secretarial providers based on total cost of service engagement:
 - a. Is filing of annual returns included in the package? If not, what is the cost?
 - b. Is preparation of bank resolution included in the package? If not, how much does it cost?
 - c. Find out if any other secretary add-on services that you need are included in the package. Determine the costs if they are not.
 - d. Total up the cost by adding all the other costs from 7a) to 7c) to the corporate secretary package.
 - e. Repeat 7a) to 7d) on at least 2 other corporate secretary packages.
 - f. Compare all corporate secretary packages and choose the cheapest package.

To find out how we can help you assess your corporate secretarial needs,
call us at +65 93849234 or email us at info@abelsg.com.