Singapore Director Duties Changed on 6 May: Update the Board-Control File

Description

Answer first: From 6 May 2026, selected company-law changes increased the maximum fine for directors who breach core duties from S$5,000 to S$20,000. Serious offences may also carry imprisonment of up to 12 months, so the practical response is stronger decision evidence, not a cosmetic policy update.

This guide is written for a local company director or company secretary reviewing governance controls after the 6 may 2026 law changes. The task is to map the higher duty-breach penalties and new money-laundering disqualification ground to board records and escalation controls. It separates official rules from calculations, planning assumptions and outcomes that still require a live readback.

Before acting, write the case-specific date, person, property, account, venue or product at the top of the working note. A source can be authoritative and still be applied to the wrong facts. The controls below are designed to expose that mismatch early.

What the official sources establish

The penalty ceiling rose fourfold

ACRA states that maximum fines for duty breaches increased from S$5,000 to S$20,000. This is stated in the primary official source.

What to do: Update compliance registers and training material with the effective date. For the reader, that means the next action should be tied to a named record and a date, not to a remembered headline.

Serious offences can include imprisonment

ACRA says serious offences may attract the fine and up to 12 monthsâ?? imprisonment. This is stated in the primary official source.

What to do: Escalate suspected misconduct promptly rather than treating it as a filing error. The distinction matters because a broadly correct rule can still produce the wrong decision when applied to the wrong route or date.

Best interests remains a live duty

Directors must act honestly and in the companyâ??s best interests, including when interests conflict. This is stated in the supporting official guidance.

What to do: Record the decision basis, conflicts and abstentions in the board file. Keep the source beside the decision it supports so that a later reviewer can see both the rule and the case-specific input.

Diligence cannot be fully delegated

Using staff or advisers does not erase a directorâ??s responsibility to exercise reasonable diligence. This is stated in the supporting official guidance.

What to do: Define what the board reviews and what evidence supports reliance on management. If the underlying fact changes, reopen this step instead of allowing an old conclusion to travel forward unnoticed.

Money-laundering misuse affects disqualification

The amendments add a disqualification ground tied to convictions involving the misuse of companies for money laundering. This is stated in the primary official source.

What to do: Connect suspicious incidents to legal, compliance and board escalation. A blank or disputed input is a stop condition. It is not permission to insert a convenient assumption.

Decision table

Question	Reader action	Authority
The penalty ceiling rose fourfold	Update compliance registers and training material with the effective date.	primary official source
Serious offences can include imprisonment	Escalate suspected misconduct promptly rather than treating it as a filing error.	primary official source
Best interests remains a live duty	Record the decision basis, conflicts and abstentions in the board file.	supporting official guidance
Diligence cannot be fully delegated	Define what the board reviews and what evidence supports reliance on management.	supporting official guidance
Money-laundering misuse affects disqualification	Connect suspicious incidents to legal, compliance and board escalation.	primary official source

Work down the table in sequence. Do not close an item with a search snippet, an undated screenshot or another personâ??s outcome. For material money, eligibility, safety or legal points, save the current authority page or formal readback and note its date.

Two tools that add practical value

A before-and-after control table covering duty breaches, maximum penalties and disqualification triggers

Build this as a compact table with columns for the readerâ??s actual input, the dated evidence, the rule it activates, the responsible person and the next irreversible step. The table must preserve alternatives rather than collapse them into one total. Mark estimates and pending confirmations visibly, because an elegant calculation based on the wrong route is still wrong.

A quarterly board-file checklist linking conflicts, diligence, minutes, delegations and incident escalation to evidence owners

Use this as a separate challenge to the first analysis. Test the strongest contrary scenario, the missing document and the event most likely to make the answer stale. Keep the check practical: it should change a date, amount, route, booking, household rule or go/no-go decision. If it cannot affect the decision, remove it instead of padding the file.

Worked example

A director approves an unusual related-party payment after a short verbal briefing. The revised control requires the conflict declaration, commercial rationale, supporting checks, approval record and follow-up owner to sit together. The purpose is not more paperwork for its own sake; it is a record that shows what the director knew and why the decision was reasonable.

The example is labelled as an illustration. Replace its circumstances and figures with current evidence, and preserve the branch that was rejected so the reasoning can be reconstructed later.

Action checklist

1. Update compliance registers and training material with the effective date. Retain the evidence supporting this point: ACRA states that maximum fines for duty breaches increased from S$5,000 to S$20,000.
2. Escalate suspected misconduct promptly rather than treating it as a filing error. Retain the evidence supporting this point: ACRA says serious offences may attract the fine and up to 12 monthsâ?? imprisonment.
3. Record the decision basis, conflicts and abstentions in the board file. Retain the evidence supporting this point: Directors must act honestly and in the companyâ??s best interests, including when interests conflict.
4. Define what the board reviews and what evidence supports reliance on management. Retain the evidence supporting this point: Using staff or advisers does not erase a directorâ??s responsibility to exercise reasonable diligence.

5. Connect suspicious incidents to legal, compliance and board escalation. Retain the evidence supporting this point: The amendments add a disqualification ground tied to convictions involving the misuse of companies for money laundering.

Assign an owner and due date to every open item. If the earliest irreversible step arrives before the critical evidence, pause. That is especially important before paying, signing, applying, travelling, changing payroll or relying on a health or safety plan.

Limits and final readback

The Companies Act, the facts and legal advice control liability. A board checklist cannot cure dishonesty or replace an investigation when warning signs exist.

At the point of action, reopen both the primary official source and the supporting official guidance. Check publication or update dates, confirm that the quoted rule still appears, and use the authorityâ??s live service or named operator where a case-specific result is required.

Continue with these LBRD guides

- ACRA Central RORC: Keep the Two Registers in Step
- ACRA Nominee Registers: The Two-Business-Day Rule

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