

**Annex D**

**Variable Capital Companies (Maximum Amount Payable in Priority in Winding  
Up) Order 2019**

**THIS VERSION OF THE ORDER IS IN DRAFT FORM AND IS SUBJECT TO  
CHANGE. IT IS ALSO SUBJECT TO REVIEW BY THE ATTORNEY  
GENERAL'S CHAMBERS.**

# **Variable Capital Companies (Maximum Amount Payable in Priority in Winding Up) Order 2019**

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No. [ ]

## **VARIABLE CAPITAL COMPANIES ACT 2018 (No. 44 of 2018)**

### **VARIABLE CAPITAL COMPANIES (MAXIMUM AMOUNT PAYABLE IN PRIORITY IN WINDING UP) ORDER 2019**

In exercise of the powers conferred by sections 33(2) and 130(1) of the Act read with section 328(2) of the Companies Act (Cap. 50), the Minister for Finance makes the following Order:

#### **Citation and commencement**

**1.** This Order may be cited as the Variable Capital Companies (Maximum Amount Payable in Priority in Winding Up) Order 2019 and comes into operation on [ ] 2019.

#### **Prescribed amount for section 130 of the Act read with section 328(1)(b) and (c) of the Companies Act**

2.—(1) Where the VCC is a non-umbrella VCC, subject to sub-paragraph (2), for the purposes of section 130 of the Act read with section 328(1)(b) and (c) of the Companies Act, the maximum amount is the lower of the following for each employee:

- (a) 5 months' salary in respect of services rendered by the employee to the non-umbrella VCC;
- (b) \$13,000, or an amount that is 5 times the amount (if any) prescribed by the Minister for Manpower under section 35(b) of the Employment Act (Cap. 91), whichever is higher.

(2) Where the amounts in sub-paragraph (1)(a) and (b) are the same, the maximum amount for each employee is equal to any of those amounts.

(3) Where the VCC is an umbrella VCC, subject to sub-paragraph (4), for the purposes of section 130 of the Act read with section 328(1)(b) and (c) of the Companies Act, the maximum amount is the lower of the following for each employee:

- (a) a sum equivalent to a proportion of 5 months' salary in respect of services rendered by the employee of the umbrella VCC to the umbrella VCC, which has not been allocated as liabilities of any sub-fund of the umbrella VCC under section 29(3) of the Act;
- (b) the amount computed in accordance with the formula in Part 1 of the Schedule or the amount computed in accordance the formula in Part 2 of the Schedule, whichever is higher.

(4) Where the amounts in sub-paragraph (3)(a) and (b) are the same, the maximum amount for each employee is equal to any of those amounts.

**Prescribed amount for section 33 of the Act read with section 328(1)(b) and (c) of the Companies Act**

3.—(1) Subject to sub-paragraph (2), for the purposes of section 33 of the Act read with section 328(1)(b) and (c) of the Companies Act, the maximum amount is the lower of the following for each employee of an umbrella VCC in relation to services rendered by the employee to a sub-fund of the umbrella VCC which is being wound up (called in this paragraph the relevant sub-fund):

- (a) a sum equivalent to a proportion of 5 months' salary in respect of services rendered by the employee of the umbrella VCC to the relevant sub-fund, which is allocated as liabilities of the relevant sub-fund under section 29(3) of the Act;

(b) the amount computed in accordance with the formula in Part 3 of the Schedule or the amount computed in accordance the formula in Part 4 of the Schedule, whichever is higher.

(2) Where the amounts in sub-paragraph (1)(a) and (b) are the same, the maximum amount for each employee is equal to any of those amounts.

Made on [ ] 2019.

TAN CHING YEE  
Permanent Secretary  
Ministry of Finance,  
Singapore.

## SCHEDULE

Sub-paragraph 2(1)(b)

### PART 1

For the purposes of sub-paragraph 2(1)(b), the formula is  $\$13,000 \times (B \div C)$ , where –

- (a) B is a sum equivalent to the proportion of 5 months' salary in respect of services rendered by the employee of the umbrella VCC to the umbrella VCC, which has not been allocated as liabilities of any sub-fund of the umbrella VCC under section 29(3) of the Act; and
- (b) C is 5 months' salary.

Sub-paragraph 2(1)(b)

### PART 2

For the purposes of sub-paragraph 2(1)(b), the formula is  $A \times (B \div C)$ , where –

- (a) A is an amount that is 5 times the amount (if any) prescribed by the Minister for Manpower under section 35(b) of the Employment Act (Cap.91);
- (a) B is a sum equivalent to the proportion of 5 months' salary in respect of services rendered by the employee of the umbrella VCC to the umbrella VCC, which has not been allocated as liabilities of any sub-fund of the umbrella VCC under section 29(3) of the Act; and
- (b) C is 5 months' salary.

Sub-paragraph 3(1)(b)

### PART 3

For the purposes of sub-paragraph 3(1)(b), the formula is  $\$13,000 \times (B \div C)$ , where –

- (a) B is a sum equivalent to the proportion of 5 months' salary in respect of services rendered by the employee of the umbrella VCC to the relevant sub-fund, which is allocated as liabilities of the relevant sub-fund under section 29(3) of the Act; and

(b) C is 5 months' salary.

Sub-paragraph 3(1)(b)

#### PART 4

For the purposes of sub-paragraph 3(1)(b), the formula is  $A \times (B \div C)$ , where –

- (a) A is an amount that is 5 times the amount (if any) prescribed by the Minister for Manpower under section 35(b) of the Employment Act (Cap.91);
- (b) B is a sum equivalent to the proportion of 5 months' salary in respect of services rendered by the employee of the umbrella VCC to the relevant sub-fund, which is allocated as liabilities of the relevant sub-fund under section 29(3) of the Act; and
- (c) C is 5 months' salary.