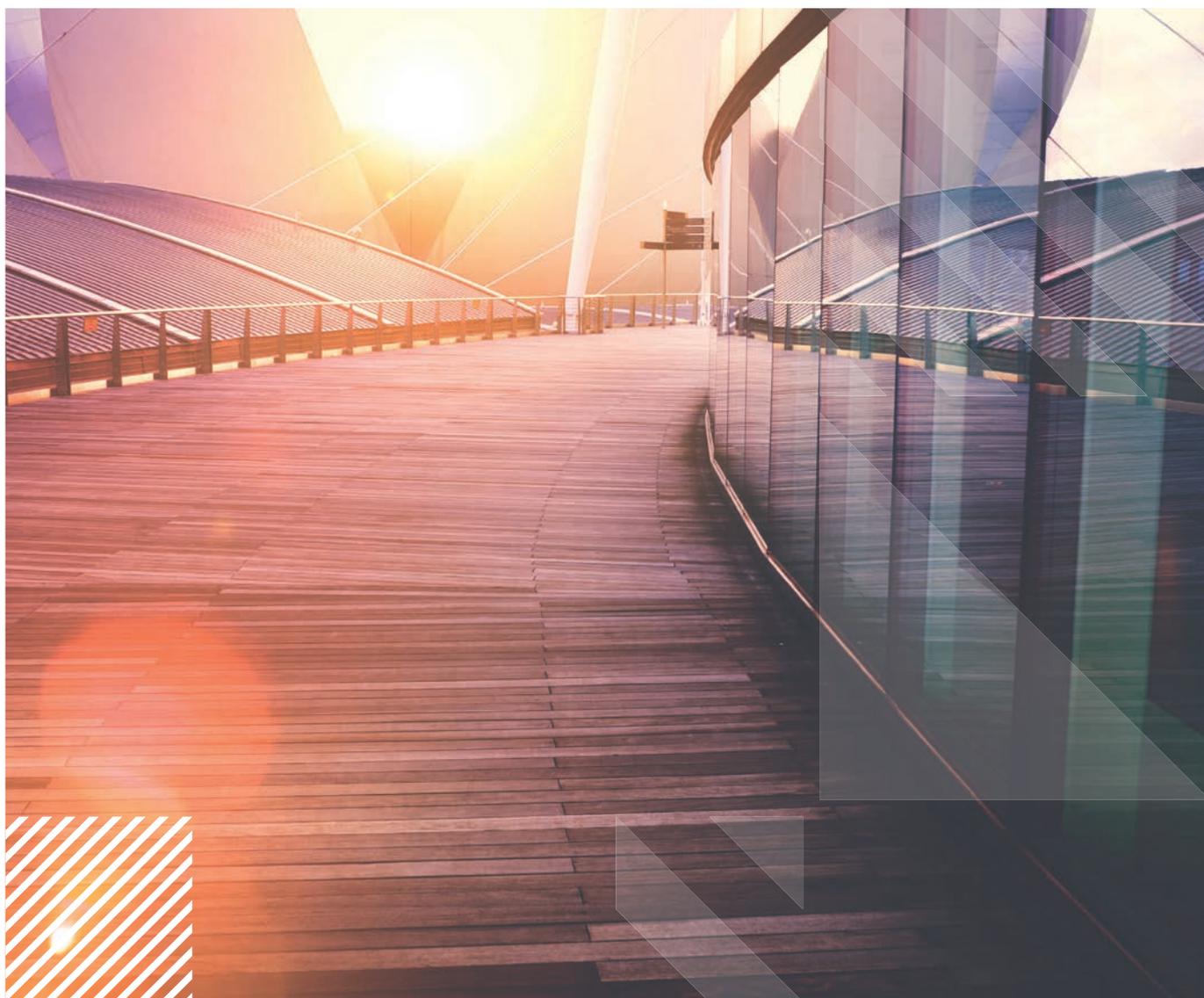


Singapore

Incorporation guide

This guide provides an overview and key facts about incorporating a private limited liability company in Singapore.



Overview

Singapore is consistently rated as one of the easiest places to do business in the world. It is highly valued by business professionals for its growth opportunities, ease of setting up and running a business, productive workforce, simple tax system, business friendly policies, and stable political and economic climate.

Factors such as quick company incorporation, subject to compliance approval required by the authorities, 100% foreign shareholding, low corporate taxes, and progressive immigration policies have made Singapore a preferred destination for business set-up and expansion.

Part of the success or failure of a business also depends on the choice of business structure. In this regard, the most flexible, advanced and common form of incorporation in Singapore is a private limited company.

A private limited company has its own legal identity, separate from its shareholders and directors.

The liabilities of the owners are limited to the assets in the company and their personal assets are protected.

A notable feature of a limited liability company is its continued existence irrespective of the status of its shareholders or directors. As an incorporated business entity, it projects a credible image to stakeholders, potential employees and business partners. Moreover, a limited liability company makes it easy to raise capital and enjoys easier transfer of ownership.

Singapore at a glance



Singapore rated as world's easiest place to do business



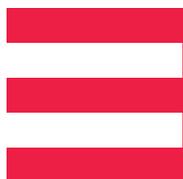
Quick company incorporation subject to compliance approval



100% foreign shareholding (individual or corporate)



Min. paid-up capital of 1 share only



No authorized capital required



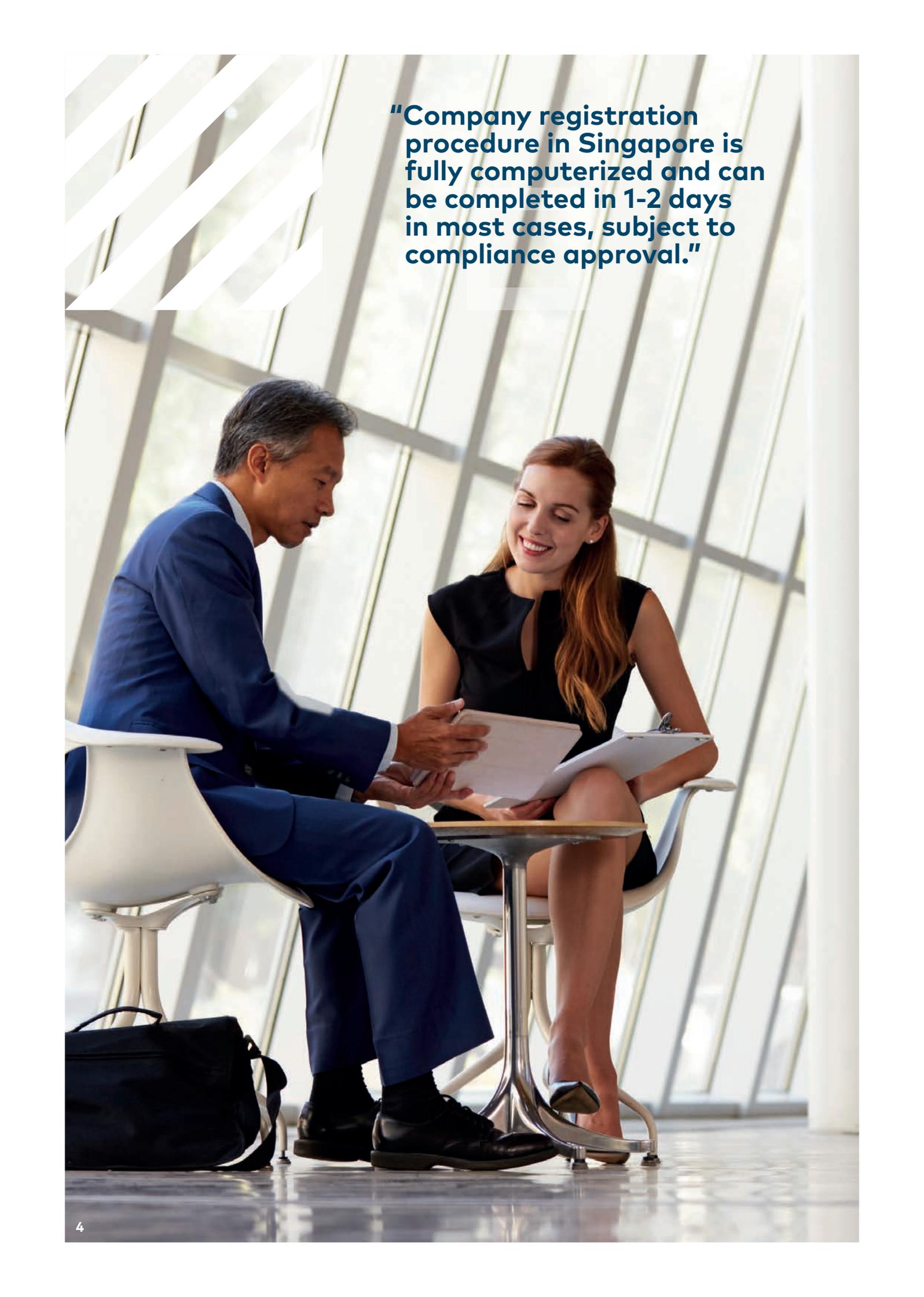
Audit exemption for small companies and small groups



Tax exemptions and low corporate tax rates



Relocation visa available



"Company registration procedure in Singapore is fully computerized and can be completed in 1-2 days in most cases, subject to compliance approval."

Company incorporation: key facts

Minimum statutory requirements for incorporation

- A local registered address.
- At least one local resident director.
- A minimum of one and maximum of 50 shareholders.
- A local resident and qualified company secretary.
- A minimum capital of one share which is normally S\$1.00.
- An approved company name.

Foreign ownership

- 100% foreign shareholding allowed.
- Shareholders can be individuals or corporate bodies.

Timeline

- Company Name Approval: 1 hour assuming no objection.
- Company Incorporation: can be incorporated quickly once compliance is approved and documents ready for filing.
- Bank Account: 2-14 days upon submission of account opening documents.

Corporate taxation

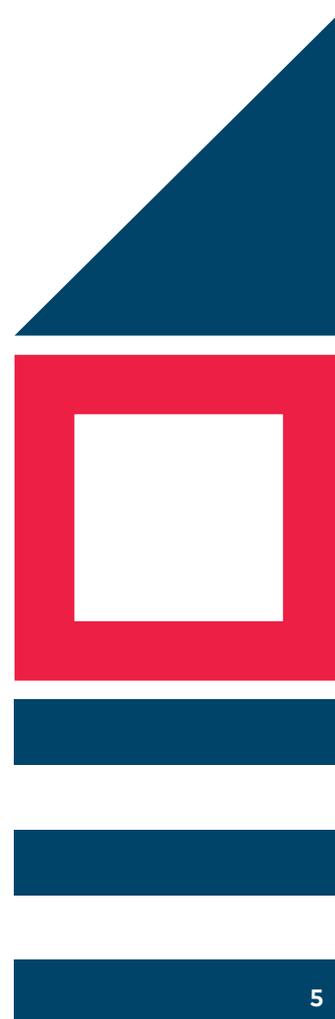
- Full Tax Exemption: 0% tax rate for first S\$100K profits subject to conditions.
- Partial Tax Exemption: 8.5% tax rate for profits up to S\$300,000 for all companies.
- Flat 17% tax rate for profits above S\$300,000.
- No dividend tax.
- No capital gains tax.

Annual filing requirements

- Annual Return filing with Company Registrar.
- Annual Income Tax Return filing with Tax Authority.

Relocation visa

- No quota limitations for professional employment visa called Employment Pass (EP).
- Company directors, qualifying company owners, and staff are eligible for EP.
- Business owners who own at least 30% of the company and meet the conditions to apply for EntrePass.



Company incorporation

In order to incorporate a private limited liability company in Singapore, the following requirements apply:

Approved company name

The company name must be approved prior to incorporation.

Directors

At least one local resident director (Singapore citizen, Singapore permanent resident, or Singapore work pass holder, subject to conditions) must be appointed. Any number of additional local or foreign directors can be appointed. Directors must be natural persons.

Shareholders

A minimum of one local or foreign shareholder is required. There can be a maximum of 50 shareholders. A director and shareholder can be the same or a different person. A shareholder can be an individual or a corporate body.

Company secretary

A local resident and qualified company secretary is required. Company secretary must be a natural person and not a corporate body. A sole director/shareholder cannot act as the company secretary.

Chief Executive Officer (CEO)

A company may appoint a CEO. A CEO is any one or more person who is principally responsible for the management and conduct of the business of the company.

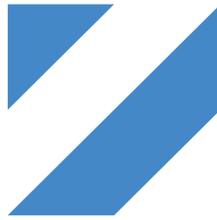
Paid-up capital

Minimum paid-up capital of 1 share is required and is normally S\$1.00. No authorized capital required. Paid-up capital can be increased anytime later after injecting the necessary funds.

Registered address

The company must have a local registered address. A PO Box is not allowed.





Incorporation procedure and timeline

Company registration in Singapore is fully computerized and involves three distinct steps:

1

Name approval

The name approval is secured by filing an online application with the company registrar. Generally, the name approval (or rejection) notification will be known within one hour, subject to no objection or referral.

2

Compliance review

In line with the Corporate Service Provider (CSP) regulation all clients must go through a client due diligence (CDD) process as part of the Know-Your-Client (KYC) policy. Identification documents and any other information may be obtained to understand the client and the business. Upon initial approval, the company is ready to be incorporated.

3

Company incorporation

Upon name and compliance approval, incorporation documents must be filed with the company registrar. If all documents are in order, the company registrar will send an official email notification (including the company registration number) confirming the incorporation of the company, within a few hours of incorporation filing. The email notification is treated as the official certificate of incorporation in Singapore.

4

Process completion

The overall incorporation process will take a little longer due to the logistics of preparing and signing of incorporation documents and compliance approval.

Incorporation documents required

The Singapore company registrar will require the following information for company incorporation:

- Company name.
- Brief description of business activities proposed for the business.
- Shareholders' particulars such as name, address, verification of identity, citizenship.
- Directors' particulars such as name, address, verification of identity, citizenship.
- Registered address particulars.
- Company secretary particulars.
- Constitution.

Identification documents accepted

For non-resident individuals:

- Copy of passport.
- Overseas residential address proof.

For resident individuals:

- Copy of Singapore identity card.
- Copy of passport.

For corporate shareholders:

- Certificate of Registration
- Constitution.
- Company profile extract from company registrar showing up-to-date particulars of the entity.

All incorporation documents must be in English.

Officially endorsed translated versions must be provided for non-English documents.

Note: Our compliance department may request additional documents as appropriate.

Bank account opening

Singapore has emerged as the leading financial center in the Asia-Pacific region. Singapore companies have a broad choice of world-class local and foreign banks for opening an account. Banks in Singapore offer a wide-array of attractive features such as multi-currency accounts, internet banking, credit cards, trade financing, freedom to move funds across countries and more. Some of the most popular banks include: OCBC, Standard Chartered, DBS, HSBC, UOB.

Other facts

- A company can designate any person as the bank signatory. It does not have to be a company director.
- Most of the banks require physical presence at the time of opening the account; however they are willing to make an exception on a case-by-case basis.
- Bank may request additional information as part of their Know-Your-Client policies on a case-by-case basis.
- The account opening process may take anywhere from 2-15 days depending on the amount of due-diligence undertaken by the bank.
- All banks have minimum balance requirements that vary from S\$500 to S\$50,000. If the balance falls below the minimum balance, banks levy a monthly charge ranging from S\$15-S\$50.
- Almost all banks offer internet banking facilities.
- Credit card facilities are not automatic but are subject to approval on a case-by-case basis.

Documents required

Although the exact requirements may vary from bank to bank, typically the following documents will be required:

- Completed account opening application.
- Copy of the certificate of incorporation in Singapore.
- Copy of Constitution.
- Copy of passport.
- Copy of residential address proof.
- Personal bank reference letter.



"Singapore is a free economy with no exchange controls or restrictions on repatriation of funds."

Registration for GST, licenses and permits

Goods and services tax

The Goods and Services Tax (GST) - also known as Value Added Tax (VAT) in other countries - is an indirect consumption tax levied on the supply of goods and services in Singapore and the import of goods into Singapore.

GST exemption

A company is required to register for GST only if its annual turnover exceeds S\$1 million. A GST registered entity must collect GST on its supply of goods and services from consumers on behalf of the Tax Department and then in-turn pass the collected amount to the Tax Department.

GST rates

The current GST rate in Singapore is 7%. No GST is charged on export of goods and services. Companies that are involved only in the export of goods and provision of international services are exempt from GST registration.

Business licenses and permits

Certain types of business activities require a business license in Singapore. Fortunately the majority of business activities don't require any business licenses in Singapore. The business license(s) must be obtained from the relevant government agencies after company incorporation but before commencing business operations.

Timeline

In general, it may take between 1-8 weeks to get a business license or permit depending on the type.

Activities requiring license

The following are some of the examples of business activities that require business licenses:

- Professionals such as lawyers and doctors need to obtain occupational licenses to practice.
- Private schools, travel agencies, employment agencies, F&B establishments, event management companies, fund management companies, financial advisory companies, import/export companies, etc. need to obtain relevant licenses.

Ongoing compliance

Appointment of auditors

A company must appoint an auditor within three months from its date of incorporation, unless it is exempted from audit requirements.

Audit of financial accounts

Non-qualifying companies must audit their accounts on an annual basis.

Accounting records

A company must maintain accounting records for not less than five years after the completion of the transactions or operations to which they relate.

Notification of changes

Any change that occurs in the company or to its officers must be informed to the Company Registrar.

Company registration number disclosure

Every company must publish its registration number on all business letters, statements of account, invoices, official notices and publications.

Financial accounts

Annual financial statements must be prepared in accordance with the Financial Reporting Standards (FRS) and the Companies Act, Chapter 50.

Annual general meeting (AGM)

Every company must hold an AGM once every calendar year. The first AGM must be held within 18 months of the company's date of incorporation and subsequently within 15 months or six months from the financial year-end, whichever is earlier.

Statutory registers

A company must maintain a number of statutory registers at its registered office including a Register of Controllers. A controller is a person who has significant interest in, or significant control over the company.

Notes: Key Legislative Amendments for implementation in Early 2018

The deadlines for holding AGMs and filing Annual Returns (AR) will be tied to companies' financial year end (FYE). Companies shall hold their AGM no later than the last day of the 6th month after their FYE, subject to certain safeguards, and the AR of companies shall be filed with ACRA within 7 months after the FYE.

Each newly incorporated company is required to notify ACRA of their date of FYE upon incorporation. ACRA will only allow one change of FYE after submission. Any change thereafter shall be after 5 years from incorporation, unless approval is obtained from ACRA.

Accounting and Corporate Regulatory Authority (ACRA)

Frequency of filing

Every company must file an Annual Return (AR) with Singapore's Accounting and Corporate Regulatory Authority (ACRA) within one month of its Annual General Meeting (AGM). Particulars of the company officers, shareholders, registered address, and auditors (if applicable) must be included in the Annual Return.

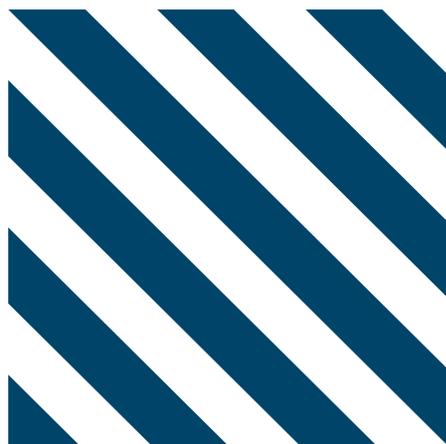
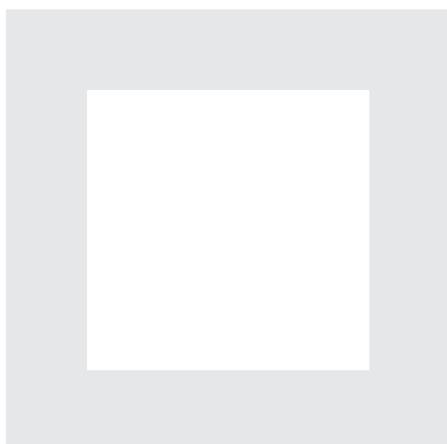
Requirements

Unless exempted, companies must attach their audited or unaudited (per the requirement for their companies) accounts along with the annual return.

Firms exempt from attaching accounts

The following companies are exempted from attaching accounts:

- Dormant companies (i.e. a Singapore company with no accounting transactions during a financial year).
- Solvent companies who can meet their liabilities.





"Dormant companies and qualifying small private companies are exempt from auditing their accounts."

Tax return filing with Inland Revenue Authority of Singapore

Frequency of filing

The Singapore income tax system is annual in its structure and organization. The statutory tax year in which income tax is calculated and charged is known as the Year of Assessment. Singapore adopts the preceding year basis for taxation. In other words, the profits of the accounting year ending in the preceding year will form the basis for assessment for the current Year of Assessment. Filings are to be made annually.

Timeline

The statutory deadline for filing corporate income tax return is 30 November of Year of Assessment. As an example, if the accounting period of your company is 1 April 2014 – 31 March 2015, the income tax return filing deadline for the company will be 30 November 2016. However, companies are required to declare the revenue amount and Estimated Chargeable Income (ECI) by filing an ECI form with IRAS within three months after the company's financial year end.

Firms exempt from audit requirement

To be exempted from audit requirements, the company must qualify as either (i) a dormant company or (ii) a small company and/or small group.

To qualify as a "dormant" company to be exempted from audit requirements, the company must not have any "accounting transactions" during a financial year.

For a company which is part of a group to qualify for audit exemption:

- The company must qualify as a small company; and
- The entire group must be a "small group".

For a group to be considered as a "small group", it must meet at least 2 out of the 3 quantitative criteria on a consolidated basis for the immediate past 2 consecutive financial years.

Corporate taxation

This section provides only basic highlights of corporate taxation in Singapore. For additional information, see our guide titled [Singapore Tax Report](#), which provides a detailed overview of Singapore's tax system and policies.

Single-Tier tax system

Tax paid by a company on its chargeable income is the final tax and all dividends paid by a company to its shareholders are exempt from further taxation.

Tax jurisdiction

Territorial basis of taxation.

Tax is imposed on the income a) accrued in or derived from Singapore; and b) received in Singapore from outside Singapore, subject to certain exemptions.

Corporate tax rate

Flat corporate tax rate of 17%.

Tax exemptions

Resident Singapore companies are eligible for the following tax incentives:

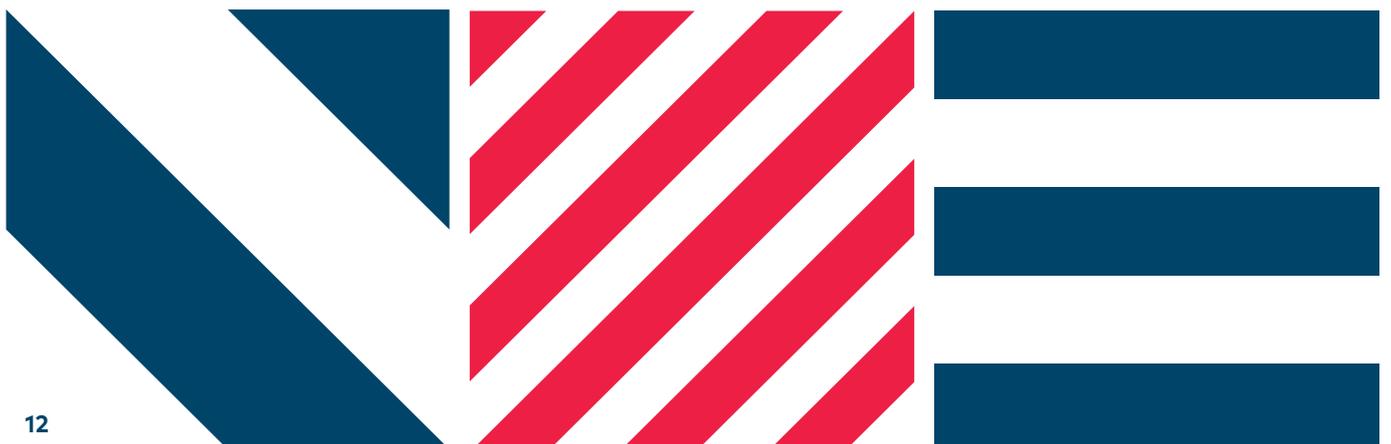
- Full tax exemption for newly incorporated companies on their first S\$100,000 taxable income and for their next S\$200,000, taxable income is taxed effectively only at 8.5% for the first three years of assessment. To qualify, the company must have at least 10% individual shareholding and qualify as a Singapore tax resident company.
- All companies qualify for partial tax exemption in which their first S\$300,000 annual taxable income is taxed effectively only at 8.5%.

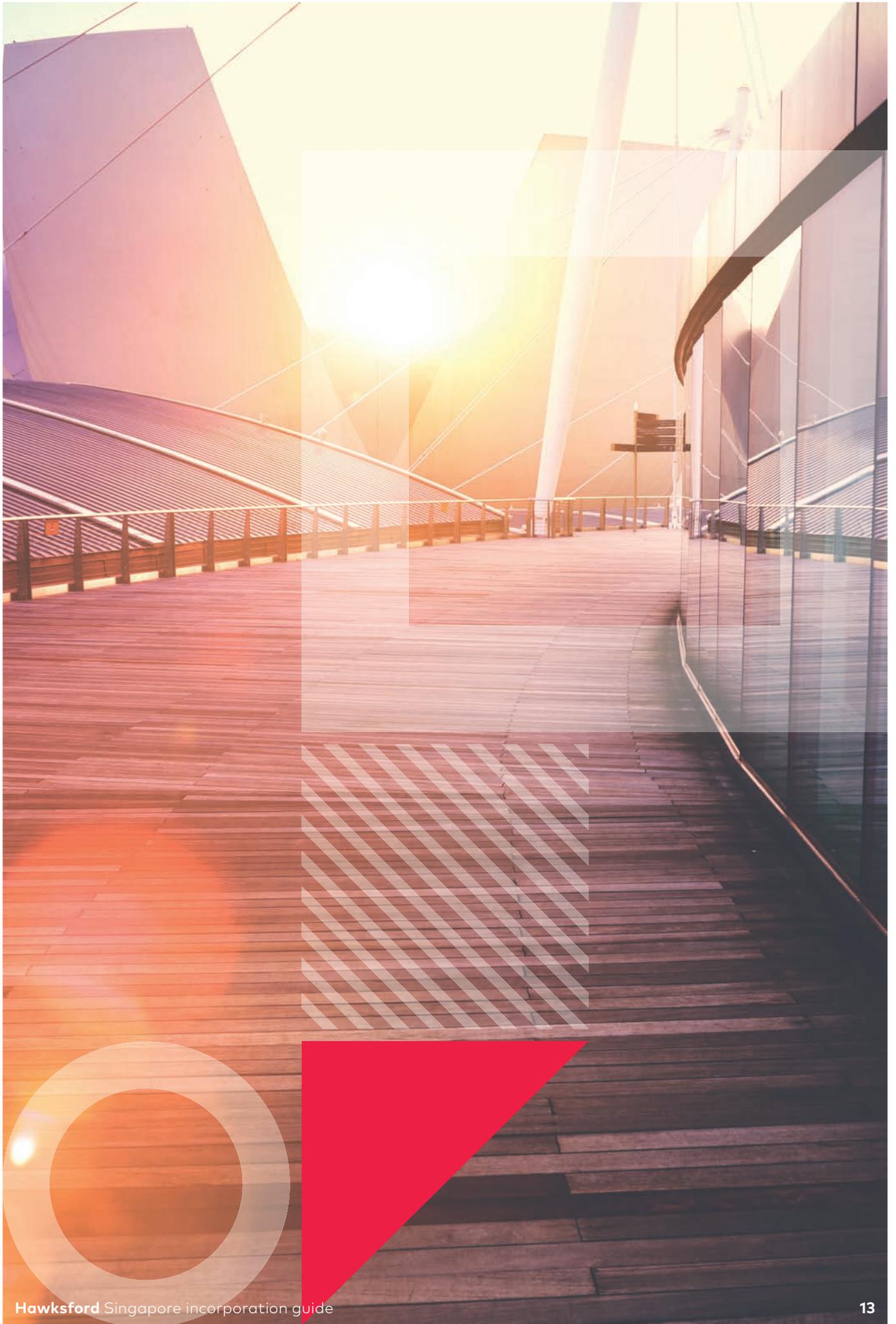
Company residency

A company is considered to be a resident company if the control and management of the business is exercised from within Singapore. Non-resident companies are not eligible for the above tax incentives. The place of incorporation of a company is not necessarily indicative of the tax residence of a company.

Capital gains tax

None.







Relocation of executives and staff

The following two types of relocation visas are available:

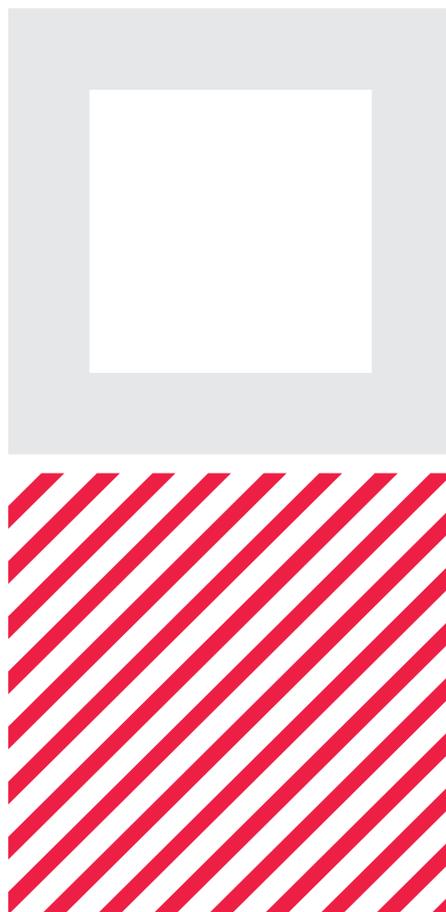
Employment pass (EP)

- The company's professional employees are eligible to apply for EP.
- There is no quota system for EP. Each application is reviewed based on its own merits.
- Good education and professional experience are key to successful application.
- Minimum salary of S\$3,600 per month (more experienced candidates need higher salaries).

Entrepreneur pass (EntrePass)

- Only company owners can apply.
- Applicant must have at least 30% shareholding in the company.
- The company must have a minimum paid-up capital of S\$50,000.
- Must have a good business plan.
- The business must be entrepreneurial in nature and create employment for locals.
- The proposed business venture must be entrepreneurial in nature with the potential to scale big, as well as being innovative and value-add to the company. To be considered innovative, the applicant must either (a) receive funding from an accredited venture capitalist or business angel; (b) hold recognized IP; (c) have research collaboration with recognized research institution; or; (d) be an incubatee at a recognized government-supported incubator.
- EntrePass can be applied before incorporation of the company or within 6 months of incorporation.

With effect from 1 September 2013, Entrepass rules have changed. See our guide titled Singapore Immigration.



Useful facts about Singapore

Company registrar

Accounting and Corporate Regulatory Authority of Singapore (ACRA).

Sources of company law

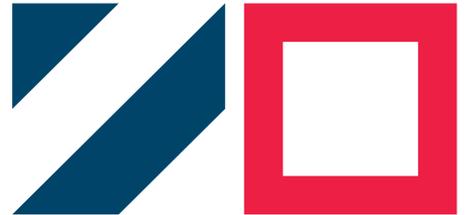
Companies Act of Singapore, Cap 50.

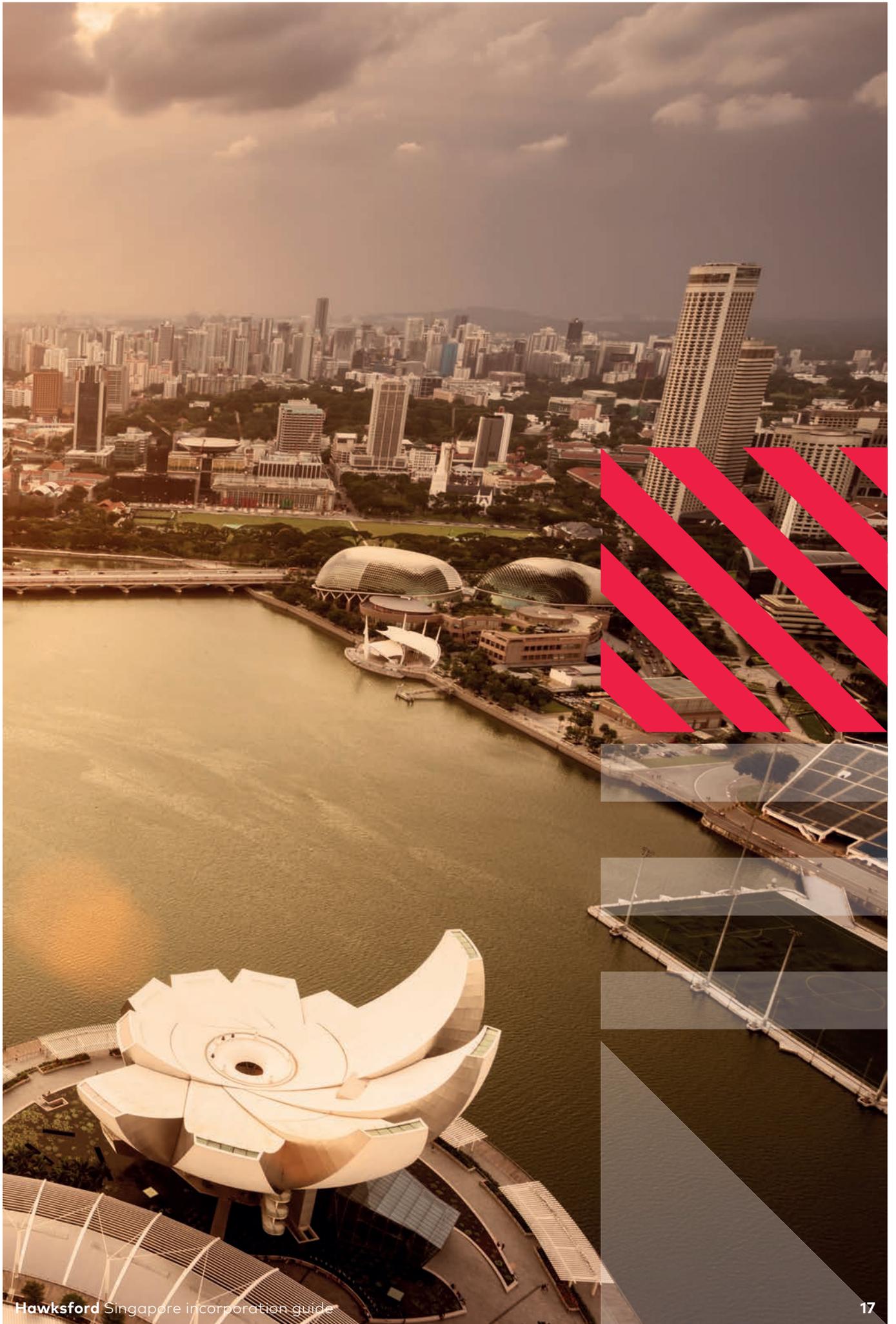
Membership in international trade organizations

Singapore is a member of WTO, ASEAN, British Commonwealth, and APEC.

International ranking on business related indices

- Ranked #2 on the World Bank's Doing Business Report 2017 as the 'World's Easiest Place to do Business'
- Ranked #2 in '2016-2017 Global Competitiveness Index', World Economic Forum
- Ranked #1 on the World Economic Forum's Enabling Trade Index 2016 as the 'Most Open Economy for Trade'
- Ranked #2 on Heritage Foundation's 2017 Index of Economic Freedom
- Ranked #1 on the Networked Readiness Index in the Global Information Technology 2016





Hawksford in Singapore

Our service philosophy is about guiding you through the steps of starting, managing and growing your business in Singapore. Our clients range from small and large corporates to high-net-worth individuals.

We help you to meet the statutory compliance requirements and have expertise in a wide range of administration and management solutions. We provide ongoing support, enabling you to realise your potential and help your business grow. We also provide fiduciary services and complete solutions for corporate governance.

We pride ourselves on our top quality, friendly service which provides clients with value for money. Our people are highly experienced and well trained and we have invested heavily in the best technology to ensure we can deliver when we say we will. We can meet your business needs, presenting options and communicating clearly and concisely. We aim to be transparent on the fees we charge and provide practical advice to you to make the most out of your business interests in Asia.

GuideMeSingapore.com is a Singapore focused portal to provide accurate and unbiased information about doing business in Singapore.





Our services in Singapore

Our core services include:

Business establishment

- Incorporation of local companies and registration of subsidiaries and branches of overseas companies (Pte Ltd, Sole-Proprietorship, RO, LLP, Branch or Subsidiary)
- Company name reservation
- Ongoing corporate secretarial services
- Registration with Accounting and Corporate Regulatory Authority (ACRA)
- Company profile extract from Accounting and Corporate Regulatory Authority (ACRA)
- Preparation of share certificates
- Bank account opening assistance
- Company seal and rubber stamp
- Business licence applications

Tax and accounting

We provide ongoing business support with services and expertise in:

- Bookkeeping and preparation of year-end financial statements
- Payroll, leaves & claims management establishment
- Corporate tax return preparation and filing
- Personal tax filing

Immigration advisory and applications

We assist with various visa applications and renewals as well as permanent residence under various schemes:

- Citizenship
- Permanent residence
- Employment pass
- Dependant pass
- Entrepreneur pass
- Other work passes
- Consultation and advisory
- Relocation services

Other services

We provide management consulting services to clients including contracts and agreements, trademark registration, human resources, virtual/service office, meeting room rental and deregistration/striking-off companies.

Thinking beyond tomorrow

Hawksford is an international provider of corporate, private client and funds services.

We take on the burden of regulatory, financial and tax compliance,
and corporate governance to enable our clients to focus on
managing their business interests and creating wealth.

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