

# Singapore

- Major international financial and trading centre
- Tax-efficient legislation
- Extensive tax treaty network, including China

## Introduction

Singapore is located on the southern tip of the Malaysia peninsula. As one of the original tiger economies, Singapore is now a major international financial and trading centre, rivalling Hong Kong as the world's biggest container port. While Singapore has a sophisticated regulatory infrastructure, it is not overly bureaucratic and it is easy to do business there.

## Law and Taxation

Singapore has a British-based legal system and corporate law operates on statute and common law basis. Singapore is a signatory to a number of double tax and investment protection treaties, which provide some tax planning and security advantages.

A Singapore company with external investments that are correctly structured and administered may not be liable for tax on profits generated from activities conducted outside Singapore.

From Year of Assessment (YA) 2010, companies are taxed at a flat rate of 17% on their chargeable income.

A newly incorporated company that satisfies the qualifying conditions can claim full tax exemption on the first SGD100,000 of normal chargeable income and a further 50% exemption on the next SGD200,000 for its first three consecutive YAs. Estate duty was abolished on 15 February 2008.

Please consult your tax accountant to fully understand how and when the exemptions apply.

## Corporate Requirements

Each Singapore company must have a local registered office, which must be a physical address (rather than a post office box).

Each company must have at least one local director. A corporate director is not permitted. Local director may be a Singapore citizen, a permanent resident, or an employment pass holder.

Each company must have at least one shareholder who can be a local or foreign individual or legal corporate entity. Bearer share is not permitted.

Each private limited company must have a local individual company secretary and maintain books of accounts subject to local audit requirements unless exempted.

A qualified local company secretary is only required for a public company. A sole director may not act as the company secretary.

For financial years commencing on or after 1 July 2015, small private companies that meet at least two of the following three criteria in the immediate past two financial years will be exempted from audit:

- total annual revenue not exceeding S\$10 million
- total assets not exceeding S\$10 million
- number of employees not exceeding 50 people

Details of the directors, chief executive officers, shareholders, and secretary must be filed at the Registry of Companies and are on public record. Each year, the company must submit an annual return together with audited accounts (unless exempt). Penalties apply for late filings.

Subject to the Companies (Amendment) Act 2004, private companies may dispense with an annual general meeting.

## Local Infrastructure

Singapore is a sophisticated international business and financial centre and, as such, there are numerous domestic and global banks, stockbrokers, and finance houses. All the major international legal and accounting firms have offices in Singapore. Singapore has a stable government and a rich pool of professionals who can assist in all international business transactions.

With an airport that serves as a regional hub for over 100 destinations, state-of-the-art communications, and a sound infrastructure, Singapore is an excellent location for international businesses.

## Our Services

Vistra has standard shelf companies available for immediate purchase, including those with Land Dealings Unit clearance certificates for the acquisition of local residential properties.

We can also incorporate a company with your choice of name and confirm the availability of names in advance. All companies are provided with a complete company kit, including share certificates, four copies of the constitution, 3 copies of Memorandum and Articles of Association, statutory registers, a common seal, a company chop, and a Certificate of Guarantee of Quality. Our package will also include the preparation of documents for initial secretarial requirements and the changeover of a director and shareholder.