

Setting up a business in Singapore

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Singapore is one of the top financial centres of the world and well known for its pro-business environment that attracts sizable foreign investments and entrepreneurs. Strategically located at the heart of Asia, Singapore ranked second among 190 economies in the latest ease of doing business rankings by the World Bank and is consistently rated as the most politically stable country in Asia with one of the best labour forces in the world.

It takes roughly one day to incorporate a company in Singapore, and the tax regime for SMEs and start-ups means that — depending on the amount of revenue the company earns — they won't have to pay corporate taxes for the first three years. The most common type of entity in Singapore is a Private Company limited by shares — Private Limited Company ('Pte Ltd'), regulated by the Companies Act.

Key requirements to set up a Private Limited Company



Company name

A company must have an approved name by ACRA before its incorporation.



Share capital

Min. issued/paid-up capital of SGD 1 or any other major currency — Companies are not required to have authorized capital — Shares can be freely transferred — Bearer shares are not permitted.



Directors

Min. 1 director (individual) who is ordinarily resident in Singapore. No limit on the number of additional local or foreign directors.



Shareholders

Min. 1 — Max. 50 shareholders (Individual or corporation) of any nationality — Shareholder and director can be the same person — Appointment of nominee shareholders is permitted — 100% local or foreign shareholding is allowed.



Company secretary

It is mandatory to have a local resident company secretary (individual).



Registered address

A Company must have a physical registered office in Singapore.



Compliance

A company shall appoint an auditor within 3 months from the date of its incorporation unless it is exempted from audit requirements under the Companies Act — Annual Returns must be filed annually with ACRA and Annual Tax Returns with the Inland Revenue Authority of Singapore — An Annual General Meeting (AGM) should be held annually.




Licensing requirements

Certain activities, including restaurants, educational institutes, travel agencies, financial services and import/export of goods are regulated in Singapore. In this case, a company must obtain the necessary licenses and permits from the relevant authorities before business operations.



Public information

Records of directors and shareholders are publicly accessible — The companies are requested to set up a Registry of Controllers (i.e. beneficial owners) only to be disclosed to the authorities upon request.



The information contained in this brochure is of a general nature only. It is not meant to be comprehensive and does not constitute legal or tax advice.

Taxation

Corporate taxes	Rate
Corporate profits	17%
Capital gains by company	0%
Dividends to shareholders	0%
Qualified foreign sourced income (dividend, branch profits & service income)*	0%

Other taxes	Rate
Withholding tax**	0 to 22%
Goods & Services Tax (GST)	7%
Real estate tax	Progressive up to 20%




* Exemption only applies when headline corporate tax rate in foreign country from which income is received is, at least 15% and the income had already been subjected to tax in that particular country

** For certain types of payments made to non-resident companies/individuals. But no withholding taxes on dividends

How can Alpadis help?

The Singapore based office of Alpadis Group has the local knowledge and experience to help you identify and set up the right business structure to start or expand your business in Asia.

As a foreign individual or company who wants to enter the Singapore space you can trust us to:

-  • Duly and timely incorporate your entity with the Accounting and Corporate Regulatory Authority.
-  • Apply on your behalf for the corresponding tax incentives.
-  • Provide you with a local director and a company secretary who will ensure that all required corporate and tax filings are made in a timely manner and that you remain compliant at all times with Anti Money Laundering legislation, Common Reporting Standards, and any other relevant regulations.

Contact us now to start a fruitful discussion about your next steps in Asia!

Contact us at:

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