



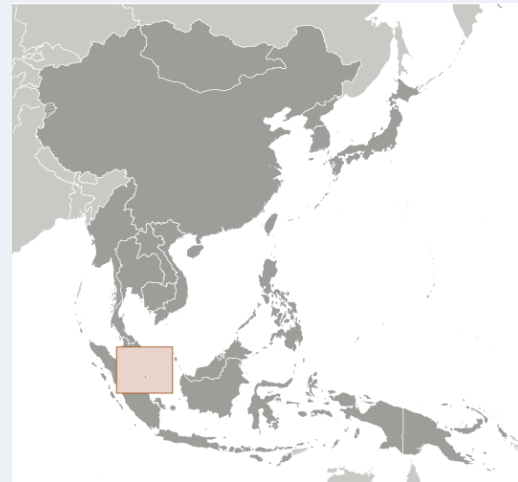
商業信託
Commercial Trust



Country Profile: Singapore

The Facts

Location	Southeastern Asia, at the southern top of the Malayan Peninsula between Malaysia and Indonesia
Languages	4 Official languages – Mandarin, English, Malay, Tamil
Nationality	Singapore
Religions	Buddhist – 42.5 % Muslim – 14.9% Christian – 9.8% Taoist – 8.5% Others – 24.3%
Government	Parliamentary Republic
Head of Government	Prime Minister
Legislature	The Parliament
Constitutional Document	Constitution of Singapore
Economy	Singapore is ranked third in global economic competitiveness and is the 2 nd freest economy in the world. Singapore also owns one of the five busiest ports in the world. The economy relies on entrepot trade, shipbuilding and repairing, oil refining, electronics and information technology, banking and finance, as well as tourism.
Currency	Singapore Dollar (SGD)
GDP (2011)	Total – SGD 329.91 billion Per capita – SGD 62,782 Real GDP growth – +4.9%
Population	5.4 million (approx.)
Percentage of population	Chinese – 76.8% Mandarin – 13.9% Indian – 7.9% Others – 1.4%
Area	697 km ²
Time zone	SST (UTC+8)
Public Holidays	General holidays – 10
Climate	Tropical



Sources: Singapore Government, International Monetary Fund, Central Intelligence Agency

Singapore

Strategically located at the crossroads of global trading centers and residing in the heart of Asia, Singapore is considered the gateway to emerging markets like China, India and Southeast Asia. In fact, some even regard the nation as a bridge between the East and West, since the business environment in the city follows the practices of the West with eastern values still revered by its people. According to the 'Ease of Doing Business' report, published by World Bank in 2010, Singapore is the easiest destination to do business in the world. Known for quality, reliability, productivity and integrity, Singapore maintains a network of free trade agreements with European Trade Association, Japan, the United States and other major economies, presenting immense potential for investors.

The Singapore Business Climate

Singapore is a social democratic state and maintains a robust political and legal climate, being voted as the safest country in Asia. Its free market economy, supported by a corruption free environment and stable infrastructure, provides the perfect launch pad for investors looking to set up a business base in the city-nation. According to a report published by World Bank in 2010, Singapore ranked 4th in terms of ease of starting a new business, 2nd for investor protection, 4th for user friendly tax norms and 1st for trading across borders. Known for its strong intellectual property protection, the country was also ranked 3rd in terms of global competitiveness by World Economic Forum's Global Competitiveness Report.

The Government of Singapore has played its part in establishing Singapore as a hot bed for investments. The Singapore government imposes no restrictions on foreign ownership and provides an extensive range of tax and investment incentives for investors. Some of the reasons why Singapore is considered simply irresistible by businesses across the world are:

- Political and economic stability, with world class infrastructure support for investors.
- No restrictions on foreign ownership, with a range of investment and tax incentives.
- Efficient port facilities, making it a major hub especially for the Asia-Pacific region.
- Solid legal climate that protects investor interests, coupled with strong laws for IP protection.
- Freedom of trade, which imposes the least barriers to import and export.
- Ranked 1st in terms of city with best investment potential, also ranked 1st in terms of freedom from corruption.
- Always among the top 10 for most motivated and skilled workforce in Asia.
- Excellent government support, promoting investments in the region. The government is regarded as truly business-centric.
- Corporate taxes, immigration requirements and banking regulations are all user friendly.
- Considered the best place in Asia to live, work and play.

Singapore has always maintained a pro-business, pro-enterprise outlook with the government maintain a close rapport with the private sector. Unlike other business hubs, Singapore doesn't levy any dividends or capital gains tax on businesses. No wonder the city is ranked the best in terms of investment potential, whether it is economic performance, strategic business location, competitiveness in business environment or returns on investments



Setting Up a Business in Singapore

According to the Singapore Companies Act, any foreigner above the age of 18 can incorporate a company in Singapore. Most businesses register as private limited liability companies. This option is considered to be tax efficient, since the shareholders are not liable for the company's debts beyond their respective contribution to the company's capital. If you want to relocate to Singapore to operate your company, you must obtain an entrepreneur pass from the Singapore embassy. Also, Singapore law does not allow foreigners to self register a company, so you need to hire a professional firm to set up your business in the city.

Company Registration Procedure

Registering a company in Singapore is quick and efficient, and doesn't involve any red tape or bureaucracy. The procedure of incorporation is fully computerized by the Singapore Registrar of Companies and it takes only one or two days to register a company. The two main steps involved in the company registration procedure are:

- **Company name approval:** The first step in company registration is getting your company name approved by the Company Registrar. The professional firm handling your company's incorporation would fill the application form on your behalf with the Company Registrar. Generally the name approval process takes 1-2 hours unless the name contains any reference to external or government authority, or contains words like banks, finance, law, etc. To make sure that the process is hassle free, choose a name that is not identical to that of any other company, does not infringe on any trademarks and is not reserved.
- **Company Registration:** After the company name is approved, the incorporation request form has to be submitted to the Registrar of Companies. A fee of 300 Singapore dollars needs to be paid to the Singapore Registrar of Companies. The application form should be accompanied by supporting documents that have been signed by the shareholders and directors of the company. The process takes only a few hours, unless all the supporting documents are not submitted.

Supporting Documents Required for Company Registration

The documents that need to be submitted along with the company incorporation request form to the Registrar of Companies include:

- Company name approval
- Business description
- Shareholders particulars
- Director particulars
- Registered address
- Memorandum and articles of association
- Minimum capital requirements

After the documents have been submitted along with the incorporation request form, the Registrar of Companies will issue a certificate of incorporation to the company. The Company Registrar will also issue an email notification confirming the incorporation.

Legal Forms of Doing Business in Singapore

Most investors find it very easy to start a business in Singapore because of its pro-business environment. You just have to be aware of the regulations of the city and the different legal forms available for doing business. Each business form is different from the other in terms of legal and regulatory requirements. The choice of a particular form depends on economic considerations, extent of a member's liability and many other factors. The four legal forms of doing business in Singapore are:

- Companies
- Partnerships
- Representative Office
- Trusts

All companies, representative offices and partnerships have to register with the ACRA before they can commence business activity in Singapore.

Companies

A company is considered a separate legal entity from its owners. The different forms of registering a company in Singapore include:

- Private company limited by shares
- Exempt private company
- Public company limited by guarantee
- Public company limited by shares

Private Company Limited by Shares

This legal form is most widely used by investors in Singapore. The regulations that need to be fulfilled for the establishment of a private company limited by shares are as follows:

- Must have less than 50 shareholders
- Can be incorporated with at least one shareholder and director
- Is exempt from appointing professionally qualified secretaries
- The director and shareholder can be the same person
- At least one director must be a resident of Singapore
- Companies with more than 50 shareholders must be converted to public company limited by shares

Exempt Private Company

The regulations that need to be fulfilled for the establishment of an exempt private company are as follows:

- Must have less than 20 individual shareholders with no corporate shareholder
- If the revenue is less than five million Singapore dollars, there is no need for its accounts to be audited
- Private firms filing on behalf of EPC may require exempt certificates from directors for record purposes
- None of its shares are held by other companies

Public Company Limited by Guarantee

This type of company is generally formed for charity purposes, promoting art etc. The regulations that need to be fulfilled for the establishment of a public company limited by guarantee are as follows:

- Carries out non-profit activities that have some sort of national or public interest
- There is no share capital
- Must have a registered office in Singapore
- The registered office doesn't have to be located at the business place of the company

Partnerships

This type of business is chosen by investors who carry out the same business module with a view of common profit. The different forms of registering a partnership in Singapore include:

- General Partnership
- Limited Liability Partnership
- Limited Partnership

General Partnership

A general partnership has to be registered under the business registration act. The regulations that need to be fulfilled for the establishment of a general partnership are as follows:

- A general partnership can consist of individuals and companies
- Minimum number of partners is two and maximum twenty
- If there are more than twenty partners, the business has to be registered as a company
- All partners are jointly liable for the debts of the company
- General partnership is not considered a separate legal entity

Limited Liability Partnership

This form of partnership combines the liability aspect of companies, along with the flexibility aspect of partnerships. The regulations that need to be fulfilled for the establishment of a limited liability partnership are as follows:

- Must have a minimum of two partners
- A partner cannot be held personally liable for malpractices of other partners
- A partner can only be held liable for his own negligence or misconduct
- Commonly used by professional firms or start ups
- Personal assets of partners are protected



Limited Partnership

The regulations that need to be fulfilled for the establishment of a limited partnership are as follows:

- Must have at least two partners, with one being a general partner and the other a limited partner
- Partners can be individuals, registered companies or unregistered companies
- The general partner has unlimited personal liability, while the limited partner is only liable to the extent of the contribution made by him towards the company's capital
- General partner can be appointed as manager
- If a limited partner has to participate in management activities, he will have unlimited liability towards the company's debts and obligations
- Is not considered a separate legal entity

Representative Office

Foreign companies looking to conduct limited business activities like market research and feasibility studies can choose this business form. The regulations that need to be fulfilled for the establishment of a representative office are as follows:

- Registration is subject to periodic renewal
- Can undertake promotional and liaison activities on behalf of the head office
- May not engage in any trading or business activities (contracts, providing services, etc.)
- Is considered a temporary establishment for foreign companies looking to assess Singapore's business environment before investing

Trusts

A trust is a collaboration where a trustee holds property for the benefit of other entities. The trust collaboration may be used for public purposes (charity, etc.) or private purposes (wealth succession planning, etc.). This type of business form is usually preferred for charitable purposes.

Taxation

According to a report published by PriceWaterhouseCoopers in 2011, Singapore was ranked as the fourth easiest place in the world for paying taxes and 11th when it came to low tax misery. Taxes are levied on the income of companies, individuals and property. There is no capital gains tax in Singapore. Companies are subject to tax for income accruing or derived from Singapore and for income received in Singapore from outside Singapore. In the city of Singapore, income tax is levied on companies based on the prevailing corporate rate model.

How is Corporate Tax Applied?

The corporate tax rate in Singapore is 17%. Some of the norms governing tax regulations in Singapore are:

- Tax exemption granted to companies for the first \$300,000 of taxable income resulting in a tax rate of 8%.
- Newly incorporated companies qualify for a special tax exemption, reducing their tax rate to 0% to 5.6% for the first \$300,000 of taxable income.
- Dividends distributed by companies of Singapore are not subject to further income tax in the hands of its shareholders.
- Losses of up to \$100,000 incurred by the company in the current year can be transferred to the next year.
- Exemption from income tax is possible if income is remitted from a country with a tax rate of not less than 15%.

The Economic Development Board of Singapore offers many tax incentive programs for companies, with the government also encouraging a user friendly and pro-business environment in the city-nation.

Immigration and Visa Requirements

Whether you are travelling to Singapore on business or holiday, proper permission from the Singapore Embassy needs to be taken. Singapore offers tailor made visas for investors looking to set up a business base in the city and for those looking to explore the market opportunities. The city offers a global investment program, which assists companies by linking them with local business networks. To kick start the visa procedure, you have to take the appropriate visa form, either from online sources or the embassy, fill it and submit it with the following documents:

- Passport and relevant identification documents
- Two photographs that need to be tagged to the application form
- Business letter stating your business purpose
- Proof of sufficient funds to support your business purpose
- Tax and financial statements
- Proof of stay (hotel reservation, rental facility, etc.)
- Travel documents (tickets, etc.)

Investors looking to set up a long term base in the city can apply for a long term visa, while those looking to explore the business opportunities can consider applying for a multiple journey visa. Those looking to stay for a period of up to two years have to apply for EntrePass.



Banking Requirements

After successful registration of your company, you can open a corporate bank account in Singapore with any major bank. For the account opening procedure, banks require the physical presence of the directors and shareholders of the company. Some of the documents that need to be submitted to bank officials to ensure that your bank account gets approved quickly include:

- Financial statements, along with credit worthiness proof
- Business plan, stating business purpose, along with the funds to support the plan
- Documents verifying the quality of shareholders and reputation of management members
- Legal form of establishment and information on administration & infrastructure
- Tax statements

The World Economic Forum has ranked Singapore 1st in terms of foreign market access, import export procedures, regulatory environment and customs administration. With a low tax rate and stable political and economic business environment, Singapore is all set to rule the hearts of worldwide investors.

Reference

Singapore Government	www.gov.sg
International Monetary Fund	www.imf.org
Central Intelligence Agency	www.cia.gov

Contact

Website: www.cmltrust.com

Email: inquire@cmltrust.com

Tel: +852 2162 7371