SFM

SFM CORPORATE FACT SHEET

Singapore Fact Sheet

GENERAL INFORMATION

Company type	Private Limited Company (Pte Ltd)
Timeframe for company formation	3 to 5 days
Legislation	Singapore Companies Act 1963
Legal system	Common Law
Corporate taxation	17% above SGD 300,000, 8.5% below. However, there is no taxation on the profits earned abroad or from financial securities.
Accessibility of records	The names of directors and shareholders appear in the Public Registry. One of the directors must be resident in Singapore
Time zone	GMT +8
Currency	Singapore dollar (SGD)

SHARE CAPITAL

Standard currency	SGD
Standard authorised capital	Not applicable
Minimum paid up	SGD 1

SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

Minimum number of Shareholders	1
Minimum number of Directors	2
Locally-based requirement	Yes, one local director is required. SFM can offer nominee services to meet this requirement
Requirement to appoint Company Secretary	Yes

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ACCOUNTING REQUIREMENTS

Requirement to prepare accounts	Yes
Requirement to appoint auditor	Yes, but exceptions exist
Requirement to file accounts	Yes, but exceptions exist
Accessibility of accounts	Yes, but exceptions exist

DOCUMENT REQUIREMENTS

Notarised copy of valid passport (or national identity card)
Notarised proof of address (issued within the last 1 month) in English or translated into English

INCORPORATION FEES

Initial set-up and first year	EUR 4200
Per year from second year	EUR 3200

GOOD TO KNOW

For the past decade, Singapore is the only Asian country with the top AAA sovereign rating from all major credit rating agencies, including S&P, Moody's, and Fitch.

JURISDICTION INFORMATION

Singapore is a global city in Southeast Asia and the world's only island city-state. Lying one degree north of the equator, at the southernmost tip of continental Asia and peninsular Malaysia, Singapore's territory consists of the diamond-shaped main island and 62 islets. It is one of the most economically and socially developed countries in the world, and has been independent since 1965. Also called, "The Switzerland of Asia" because of its high quality of life, Singapore's other standings include: "Easiest place to do business" (World Bank) for ten consecutive years, most "Technology-ready" nation (EIU), top "International meetings city" (UIA), city with "Best investment potential" (BERI), 2nd-most competitive country (WEF), 3rd-largest foreign exchange centre, 4th-largest financial centre, 3rd-largest oil refining and trading centre, and one of the top two busiest container ports since the 1990s. Thanks to its particularly advantageous maritime position, which has allowed it to become a real financial and trade hub between the Pacific and Europe, Singapore has experienced exceptional growth.

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POLITICAL STRUCTURE

Singapore is a parliamentary republic with a Westminster system of unicameral parliamentary government representing constituencies. The country's constitution establishes a representative democracy as the political system. Executive power rests with the Cabinet of Singapore, led by the Prime Minister and, to a much lesser extent, the President. The President is elected through a popular vote, and has veto powers over a specific set of executive decisions, such as the use of the national reserves and the appointment of judges, but otherwise occupies a largely ceremonial post. The Parliament serves as the legislative branch of the government. Members of Parliament (MPs) consist of elected, non-constituency, and nominated members. Elected MPs are voted into the Parliament and represent either single-member or group representation constituencies. The People's Action Party has won control of Parliament with large majorities in every election since self-governance was secured in 1959. Singapore is one of the world's most politically stable and corruption-free countries.

ECONOMY

Singapore has a highly developed market economy, based historically on extended entrepôt trade. Along with Hong Kong, South Korea, and Taiwan, Singapore is one of the original Four Asian Tigers, but has surpassed its peers in terms of GDP per capita — it has the third highest per-capita GDP in the world in terms of Purchasing Power Parity (PPP). The Singaporean economy is known as one of the freest, most innovative, most competitive, most dynamic, and most business-friendly the world over. The 2015 Index of Economic Freedom ranks Singapore as the second freest economy in the world and according to the Corruption Perceptions Index, the country is consistently ranked as one of the least corrupt in the world, along with New Zealand and the Scandinavian countries. Exports, particularly in electronics, chemicals, and services, including the fact that Singapore is the regional hub for wealth management, provide the main source of revenue for the economy. Moreover, Singapore is considered a global financial hub with Singapore banks offering world-class corporate bank account facilities. These include multiple currencies, internet banking, telephone banking, checking accounts, savings accounts, debit and credit cards, fixed term deposits, and wealth management services.

POPULATION

As of mid-2015, the estimated population of Singapore was 5,535,000 people, 60.98% of whom are citizens, while the remaining 39.02% are permanent residents or foreign students/foreign workers/dependants. According to the country's most recent census in 2010, nearly 23% of Singaporean residents were foreign born (which means about 10% of Singapore citizens were foreign-born naturalised citizens); if non-residents were counted, nearly 43% of the total population were foreign born. The same census also reports that about 74.1% of residents are of Chinese descent, 13.4% are of Malay descent, 9.2% are of Indian descent, and 3.3% are of other (including Eurasian) descent.

LANGUAGE

Singapore has four official languages: English (80% literacy), Mandarin Chinese (65% literacy), Malay (17% literacy), and Tamil (4% literacy). English is the common language, and is the language of business, government, and the medium of instruction in schools. Public bodies in Singapore conduct their business in English, and official documents written in a non-English official language typically have to be translated into English to be accepted for submission. Singaporeans are mostly bilingual, with English as their common language and usually the mother-tongue as a second language taught in schools, in order to preserve each individual's ethnic identity and values. Mandarin, however, is the language that is spoken as the native tongue by the greatest number — half of them — of Singaporeans.

TAXATION

The creation of an offshore company in Singapore offers several tax advantages.

Regarding profits earned in the territory, for instance, in the first three years of the company, profits of up to SGD 100,000 are exempt from taxes. On profits between SGD 100,001 and SGD 300,000, the company will have to pay 8.5% tax, and on profits above SGD 300,000, 17% tax.

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To benefit from this exemption, the company must satisfy the following criteria:

- Be incorporated in Singapore.
- Be tax resident in Singapore.
- Not have more than 20 shareholders, at least one of which holds a minimum of 10% of the shares.

Regarding profits earned overseas, on the other hand, companies are completely exempt from all taxes on all profits, as well as profits from financial securities. Additionally, Singapore has opted for a single level tax policy; that is, if the company was taxed on the profits, dividends may be distributed to the shareholders, which will be free of taxes.

Tax Declaration

Every year Singapore companies must provide the following documents to the Inland Revenue Authority of Singapore (IRAS):

- Estimate of the company's taxable income (ECI) – this must be sent within 3 months following the end of the company's financial year; and that date must be notified to IRAS if it isn't 31 December. If the ECI is submitted well within the time limits, the company will have the opportunity to pay its taxes in several instalments; the earlier the ECI is sent, the more opportunity the company will have to spread the payments
- The declaration of taxes on the company's income (Form C) – in March or April of each year, the IRAS sends Form C, which is the company's declaration of income. The declaration must be completed by 30 November each year. The tax declaration must be accompanied by the company's accounts, audited or not, in accordance with the level of profits earned. Singapore allows companies to declare their income directly online, on the IRAS website.

Double Tax Treaty

Singapore has an extensive investment protection agreement and double tax treaty network. This includes most countries in the Asia-Pacific region, Europe, Africa, and the Middle East. These countries includes: Australia, Belgium, China, Finland, France, Germany, India, Indonesia, Japan, Korea, Malaysia, the Netherlands, New Zealand, the Philippines, South Africa, Sweden, Switzerland, Thailand, the United Arab Emirates, the United Kingdom, and Vietnam. Singapore is also one of the very few countries to have a tax treaty with Taiwan.

COMPANY FORMATION INFORMATION

INCORPORATION PROCEDURE

Upon receipt of the client's KYC documents (notarised passport copy and notarised proof of address issued within the last 1 month) and description of the intended business activity, and after our legal department's due diligence checks, SFM will incorporate the Private Limited Company (Pte Ltd) via our Singapore-based agent as it is necessary for the registered office of the company to be maintained in Singapore at the address of a licensed management company.

INCORPORATION TIMEFRAME

Three to five days.

TRADING RESTRICTIONS

There are generally no restrictions on Singapore Private Limited Companies except for financial services, education, media related activities, or other politically sensitive businesses.

NAME RESTRICTIONS

A Singapore Private Limited Company's name must end with Private Limited or Pte Ltd. Other restrictions are placed on names that resemble names of existing companies or which are undesirable or politically sensitive. Additionally, "bank", "financial institution", "insurance", "fund management", "university", "Chamber of Commerce", and other similar names would require a consent or license.

CORPORATE DOCUMENTS LANGUAGE

English.

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