



The Singapore Private Limited Company

General

Singapore is located at the southern tip of the Malay Peninsula, lies between Malaysia (north) and Indonesia (south) and consists of 63 islands.

For international companies the tax system in Singapore is very attractive. It is based on the territoriality principle, meaning that there are no taxes on offshore business, as long as the funds are not remitted inside Singapore. Singapore has been rated as the most business-friendly economy in the world.

Singapore has a highly developed market-based economy, which historically revolves around extended entrepot trade. Singapore is the world's fourth largest exchange trading centre after London, New York City and Tokyo and is very well established as a strong financial centre. Almost every international financial institution is located on the island. The banking secrecy is mainly based on the Swiss banking secrecy and is in some points even more restrictive.





Characteristics of the Singapore Private Limited Company

Company name	Before a company is incorporated, an application for approval of the proposed corporate name must be conducted with the Accounting & Corporate Regulatory Authority (ACRA). Names of a sensitive nature or names similar to Statutory Boards or Government Departments are not allowed.
Share capital	With effect from 30 January 2006, all companies incorporated in Singapore will no longer have authorized capital. At the same time, the share capital of Singapore Companies is no longer defined by par value. Generally when processing employment passes for foreigners, the Immigration Department will require the employer to have a minimum paid-up capital of SGD 100'000 (approx CHF 80'000, EUR 48'000, USD 66'000).
Shareholder	A Singapore company must have a minimum of one registered shareholder holding at least one issued share.
Shares	Only registered shares are allowed.
Board of Directors	A Singapore incorporated company must have a minimum of one director who must reside in Singapore. Such director must be either a Singapore citizen, a permanent resident, or a holder of a valid employment pass. Corporations are not permitted to be directors of Singapore companies. A company secretary who is resident in Singapore is required.





Registered Office

A registered office must be maintained in Singapore. All government and official correspondence will be directed to the registered office.

Accounting

All companies must keep proper accounting records and have the records and financial statements audited annually by an external auditor. The auditor must be resident in Singapore and appropriately qualified under local law. The following categories of Singapore companies are exempt from the legal requirement of having their accounts audited by external auditors:

- Dormant companies
- Exempt private companies with annual revenues of less than SGD 5 Million.

Annual General Meeting

Each Singapore Company is required to hold an annual general meeting. A private company does not need to hold an annual general meeting if all its shareholders agree that a meeting is not required.

Redomiciliation

A foreign company incorporated under the laws of any country other than Singapore may apply to be registered as being continued in Singapore.

Non-resident companies

Where the Singapore Company is to be structured as non-resident for Singapore tax purposes; we recommend that the minimum member of directors should be three. One Singapore resident director is required to comply with the local company law and the remaining directors should be resident outside Singapore. All board meetings should be held outside Singapore and others steps taken to ensure that the central management and control of the company's business is outside Singapore.





Highlights of a Singapore Company

- ✓ Politically and economically very stable
- ✓ No taxes on offshore business (principle of territoriality)
- ✓ Special tax incentives are available for companies which qualify under various economic incentive programmes.
- ✓ Low onshore tax rates
- ✓ Legally protected banking and professional secrecy
- ✓ Efficient Commercial Register
- ✓ No limitations of capital amount which needs not be paid up previous to incorporation
- ✓ No minimum or maximum of shareholders
- ✓ Singapore is allocated as Asias best place relating to quality of living and working conditions.

This information is of a general nature and does not provide financial, tax or legal advice. The information was put together with best possible care, but we cannot guarantee completeness and accuracy. A consultation from an authority on this subject is still necessary. The publication can be mentioned under the declaration of the source.

