

INFORMATION KIT

This information kit is prepared as part of our continuous support to our clients, associates, business partners and potential clients. It contains the following information:

1 Starting your business

- ▶ Legal forms of business ownership in Singapore;
- ▶ Licensing requirement;
- ▶ Foreign entities

2 Managing and growing your business

- ▶ Singapore tax regime:
 - Personal tax;
 - Corporate tax;
 - Withholding tax;
 - GST.
- ▶ Employment matters:
 - Work passess for foreign employees;
 - Central Provident Fund Contributions;
- ▶ Government Incentives.

3 Exit strategies

4 Due dates

5 Other useful information

We sincerely hope that the information here will prove useful to you. Feel free to email us at konglim@internalaudit.com.sg if you have any queries or suggestions.

The information contained here should be used for guidance only and further information should be sought from us. No liability can be accepted for any action taken as a result of reading the contents without consulting us with regard to all relevant factors.

For further information, please call us at (65) 6227 4180 or email us at konglim@internalaudit.com.sg

KONG, LIM & PARTNERS

CERTIFIED PUBLIC ACCOUNTANTS

1 Starting Your Business

Legal Forms of Business Ownership in Singapore

- Company - private company and public company (Limited By Shares)
- Business - sole proprietorship and partnership
- Limited liability partnership

(For more information on Business or Limited Liability Partnership, please contact us).

Characteristics of company limited by shares

Characteristics

Ownership

private: 50 or less shareholders. An exempt private company has no more than 20 shareholders and the shareholders must not be owned directly or indirectly by a corporation.

public: No limit on the number of shareholders

Liability

Liability limited to the amount of unpaid shares or portion of unpaid amount subscribed for.

Taxation

corporate tax rates (Refer to Page 9 for more information)

Accounts

must submit annual returns

exempt private company can choose to file a Certificate of an Exempt Private Company instead of its accounts at the time of filing its annual return.

Audit

audited accounts required with the exception of a dormant company and an exempt private limited company, which is exempt from audit requirements in respect of a financial year if its revenue in that year does not exceed the prescribed amount S\$5 million (Company's Act Section 205C)

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Legal Forms of Business Ownership in Singapore

Characteristics of company limited by shares

Company Secretary must have at least one secretary appointed within 6 months from the date of incorporation. However, a private company need not appoint a professionally qualified company secretary, unless required by the Registrar under Section 171(1AB) of the Companies Act

Annual General Meeting must hold AGM within 18 months of incorporation. Thereafter, AGM must be held once every calendar year and not more than 15 months after the holding of the last AGM to present audited accounts to the shareholders.

Director Any person above the age of 21 years can incorporate a local company.
With effect from 1 April 2004, a company can have one director who must be "ordinarily resident in Singapore" ie, a Singapore Citizen, a Singapore Permanent Resident, a person who has been issued an Employment Pass / Approval-In-Principle letter or a Dependant Pass.

Licensing Requirement

Some businesses may need to apply for other licenses in order to conduct the business activities, for example, public entertainment licence, food shop licence and others.

More detailed information on the licencing can be found at:

<https://licences.business.gov.sg>

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Foreign Entities

Types of Business Setup:

- Register a branch of a foreign company;

Requirements: The Companies Act requires a foreign company to appoint 2 local agents in Singapore to act on behalf of the company. The agents must be locally resident in Singapore, ie Singapore Citizen, Singapore Permanent Resident, a person who has been issued an Employment Pass / Approval In Principle letter / Dependent's Pass
- Register a representative office ("RO") in Singapore;

Requirements: RO is approved by International Enterprise Singapore (IE). RO needs to appoint at least one authorised representative who must be locally resident in Singapore (ie Singapore Citizen, Singapore Permanent Resident or Singapore Employment Pass Holder).
- Register a new company;

Requirements: Refer to page 2 & 3 for the information.

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2 Managing and Growing Your Business

Singapore tax regime

Personal Tax

Resident Individual Income Tax Rates

(Year of Assessment 2007 to 2008)

	Chargeable Income	2007		2008	
		Rate %	Tax \$	Rate %	Tax \$
		On the first	20,000	0.00	-
On the next	10,000	3.50	350	3.50	350
On the first	30,000		350		350
On the next	10,000	5.50	550	5.50	550
On the first	40,000		900		900
On the next	40,000	8.50	3,400	8.50	3,400
On the first	80,000		4,300		4,300
On the next	80,000	14.00	11,200	14.00	11,200
On the first	160,000		15,500		15,500
On the next	160,000	17.00	27,200	17.00	27,200
On the first	320,000		42,700		42,700
On income above	320,000	20.00		20.00	

With effect from Year of Assessment 2008, there will be an income tax rebate of 20% for all resident taxpayers. The rebate is capped at \$2,000.

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Personal Tax (Cont'd)

Resident Taxpayer's Personal Reliefs

Tax reliefs and rebates are given as a recognition for individuals' efforts. Instead of compensating taxpayers for certain type of expenses fully, reliefs and rebates are given to promote certain social objectives. Hence there are reliefs available to encourage family formation, filial piety and upgrading of skills and reliefs given in support of individuals saving for retirement and serving National Service. The main reliefs and rebates are as follows: -

	Normal	Handicapped
• Earned Income Relief		
< 55 years old	\$1,000.00	\$2,000.00
55 - 59 years old	\$3,000.00	\$5,000.00
60 years old and above	\$4,000.00	\$6,000.00
• Wife Relief	\$2,000.00	\$3,500.00
• Qualifying Child Relief (QCR)		
1st - 3rd Child	\$2,000.00 each	
4th child born after 1987	\$2,000.00 each	
• Handicapped Child Relief (HCR)		\$3,500.00
• Dependant Relief		
Parent Relief		
staying with taxpayer	\$5,000.00	\$8,000.00
not staying with taxpayer	\$3,500.00	\$6,500.00
Handicapped Siblings Relief		\$3,500.00 each
• Grandparent Caregiver Relief (GCR)	\$3,000.00	
	Amount of Relief	
• Working Mother's Child Relief (WMCR)		
1st child	5% of earned income	
2nd child	15% of earned income	
3rd child	20% of earned income	
4th child	25% of earned income	
Maximum per child (WMCR + QCR/HCR)	\$25,000.00	
• Relief for foreign maid levy for married women, divorced women and widow with children		Twice levy paid for 1 maid only
• Parenthood Tax Rebate		Rebate
2nd		\$10,000.00
3rd & 4th Child		\$20,000.00
• Central Provident Fund (CPF) Relief		
Compulsory CPF		Full Statutory Amount
(subject to monthly cap of \$4,500/annual cap of \$76,500 for Year Assessment 2007-2008)		
Voluntary CPF		
(subject to annual cap of \$25,987.50 & \$26,393 for Year Assessment 2007-2008 & 2008-2009 respectively)		
• Life Insurance Premiums		
Compulsory CPF contribution less than \$5,000, taxpayer may claim qualifying life insurance premiums on his/wife's life as deduction; capped \$5,000 (total deduction for CPF contributions and life insurance premium)		
• Relief for course fees		Maximum \$3,500.00
	Inactive	Wife
• Relief for NS men	\$1,500.00	\$750.00
		Parent
• Supplementary Retirement Scheme (SRS)		
Singapore citizens and permanent residents	15% of contributions	
Foreigners	35% of contributions	
(subject to annual cap of \$76,500)		

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Personal Tax (Cont'd)

Tax Treatment of Employment Fringe Benefits

Note: This list is not exhaustive. Some variations may apply.

Benefit	Assessable Income to Taxpayer
Company-provided ho	Lower of 10% of total remuneration (including other benefits) or annual value of premises. Variations exist for directors.
Hotel accomodation	2% of basic salary plus: (a) \$250 per month per adult (includes child above 20 years of age) (b) \$100 per month per child between eight and 20 years of age; (c) \$50 per month per child between three and seven years of age; and (d) \$25 per month per child under three years of age
Household furnishings	Nominal rates predetermined by the Inland Revenue Authority of Singapore
Round sum allowances	Total amount paid by employer
School fees	Actual cost to employer
Leave passages	20% of leave passage cost paid by employer. Concession restricted to: (a) one home trip for taxpayer and spouse, and (b) two home trips for each child
Income tax reimburse	Actual amount paid by employer, grossed up
Interest subsidy for loa taken up by employee	Actual cost to employer
Interest-free loans pro by employer	Not taxable. Variations exist for directors.

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Personal Tax (Cont'd)

Tax Treatment of Employment Fringe Benefits

Note: This list is not exhaustive. Some variations may apply.

Benefit	Assessable Income to Taxpayer
Gains from exercise of stock options and share ownership plans	Market value at the end of the moratorium (if any) less amount paid by employee. Note: tax exemptions available for some schemes
Car benefits	Benefit to taxpayer based on IRAS formulae which take into account the cost of the car and private use. The main formulae are: <ul style="list-style-type: none">- Company owned car (Q-plate or S-plate): $3/7 \times (\text{car cost} - \text{residual value})/10 + \text{private mileage} \times \text{fixed rate};$- Employee owned car: $\text{Private mileage}/\text{total mileage} \times \text{total expense paid by employer};$- Leased / Rented car $3/7 \times \text{rental cost} + \text{private mileage} \times \text{fixed rate}$- Driver provided by employer: $\text{Annual cost of driver} \times \text{private mileage}/\text{total mileage}$ The fixed rate for private mileage (per km) for motor cars are: <ul style="list-style-type: none">(a) \$0.55 if petrol is borne by the employer;(b) \$0.45 if petrol is borne by the employee;(c) \$0.10 for the use of leased car if petrol is provided;(d) Nil for use of leased car if petrol is not provided.

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Corporate Tax

Corporate Tax Rate (Year of Assessment 2008 onwards)

Corporate Tax	Rate																		
Normal rate	18%																		
<p>Note: exemption applies as follows:</p> <p>Partial tax exemption:</p> <ul style="list-style-type: none"> - First \$10,000 @ 75% = \$7,500 - Next \$290,000 @ 50% = \$145,000 <p>Total partial exemption for the first \$300,000 is \$152,500</p> <p>Tax exemption scheme for new start-up companies</p> <p>The tax exemption scheme for new start-up companies was introduced in Year of Assessment (YA) 2005 to support entrepreneurship and to help our local enterprises grow.</p> <p>Under this scheme, a newly incorporated company that satisfies the qualifying conditions can claim full tax exemption on the first \$100,000 of normal chargeable income* (excluding Singapore franked dividends) for each of its first three consecutive Year of Assessment.</p> <p>Starting from YA 2008, a further 50% exemption is given on the next \$200,000 of the normal chargeable income* (excluding Singapore franked dividends) for each of the first three consecutive Year of Assessment.</p> <p>The exempt amount for each YA is summarised as follows:</p> <table border="1" data-bbox="347 1108 1040 1310"> <thead> <tr> <th>Year of As</th> <th colspan="3">Exempt amount for new start up companies</th> </tr> </thead> <tbody> <tr> <td>2005 to 20</td> <td>First \$100,000 @ 100%</td> <td>=</td> <td>\$100,000</td> </tr> <tr> <td rowspan="3">2008 onwards</td> <td>First \$100,000 @ 100%</td> <td>=</td> <td>\$100,000</td> </tr> <tr> <td>Next \$200,000 @ 50%</td> <td>=</td> <td>\$100,000</td> </tr> <tr> <td>Total \$300,000</td> <td></td> <td>\$200,000</td> </tr> </tbody> </table> <p>To qualify for the full tax exemption for a particular YA, a company must:</p> <ul style="list-style-type: none"> (a) be incorporated in Singapore (other than a company limited by guarantee); (b) be a tax resident of Singapore for that YA; and (c) have all its share capital beneficially held, directly or indirectly, by not more than 20 individual shareholders, throughout the basis relating to that YA. <p>With effect from YA 2009</p> <p>To qualify for the tax exemption for new start-ups companies, your company must:</p> <ul style="list-style-type: none"> (a) be incorporated in Singapore (and not incorporated as a company limited by guarantee); (b) be a tax resident in Singapore for that YA; (c) has total share capital which is beneficially held, directly or indirectly, by no more than 20 persons <ul style="list-style-type: none"> (i) all of whom are individuals, or (ii) of which at least one is an individual shareholder holding at least 10% of total number of issued ordinary shares throughout the basis period for the YA. <p>YA 2C</p>		Year of As	Exempt amount for new start up companies			2005 to 20	First \$100,000 @ 100%	=	\$100,000	2008 onwards	First \$100,000 @ 100%	=	\$100,000	Next \$200,000 @ 50%	=	\$100,000	Total \$300,000		\$200,000
Year of As	Exempt amount for new start up companies																		
2005 to 20	First \$100,000 @ 100%	=	\$100,000																
2008 onwards	First \$100,000 @ 100%	=	\$100,000																
	Next \$200,000 @ 50%	=	\$100,000																
	Total \$300,000		\$200,000																

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Corporate Tax (Cont'd)

Tax incentives for fixtures and fittings

In an effort to help business, especially SMEs to keep their cost down, the Government has proposed to grant a special allowance for cost incurred on all fixtures, fittings and installations, except those relating to structural works and expansion space to be written off over three years. This allowance is subject to a cap of \$150,000 every three years per business entity. This will be applicable to qualifying expenditure on attached fixtures incurred during the period 16 February 2008 to 15 February 2013. Since it is only valid until 2013, the maximum allowance that any business entity can claim will be \$300,000.

Tax deduction on medical expenses

With effect from Year of Assessment 2008, employers who provide their employees with inpatient medical insurance benefits in the form of portable medical shield plans can also qualify for tax deduction at 2% of the total wage bill for medical expenses they incur for their employees.

Employers can provide such portable medical shield plans, either by paying the insurance premiums on behalf of their employees to the insurance companies directly or by reimbursing the premiums into the employees' Medisave accounts.

To qualify, the employer must provide the portable medical shield plans for at least 20% of existing local employees employed as at the first day of the basis period for the Year of Assessment and every local employee who commences his employment during the basis period for that Year of Assessment.

Tax deduction of employers contribution to top up employees' Supplementary Retirement Scheme

With effect from Year of Assessment 2009, employers will be allowed to claim full deduction for the contributions they make to their employees Supplementary Retirement Scheme (SRS) accounts.

Tax deduction of employers contribution to top up employees' CPF minimum sum

Employers may now make voluntary top-up contributions to the minimum sum of an employees' CPF account. Employer can claim tax deduction for such payments. This will take effect from Year of Assessment 2009.

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Withholding Tax

Under Singapore tax system, withholding tax applies to the following income and payments, which are either sourced or deemed to be sourced in Singapore, to non-residents subject to tax exemption approved by the Minister of reduced rates per treaty provision:

Types of income and payments	Tax Rate
Interest	15% ^a
Royalties	10% ^{a b}
Technical assistance and service fee	Prevailing corporate tax rate ^c
Management fees	Prevailing corporate tax rate ^c
Rent or other payments for the use of movable properties	15% ^a
Charter fees	1% - 3%
Proceeds from sales of any real property by a non-resident property trader	15%

^a The withholding tax at 15% or 10% on the gross payment is a final tax. These rates apply when the income is not derived by the non-resident person through its operations carried out in Singapore. For operations carried out in Singapore, the tax rates applicable on the gross payment are as follows: -

Non-resident person (other than individuals): Prevailing corporate tax rate (with effect from 1 January 07, the prevailing corporate tax rate has been reduce to 18%)

Non-resident individuals: 20%

^b The reduced withholding tax rate of 10% applies to payments due to and payable on or after 01 Jan 05

^c For payments made to non-resident individuals, tax rate is to be withheld at 20% on the gross payment

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Goods and Service Tax ("GST")

GST is a tax on domestic consumption. GST is chargeable on any supply of goods or services made in Singapore if it is a taxable supply made by a taxable person in the course of a business carried on by him.

Registration

A person is required to register for GST if the total value of his taxable supplies exceeds or is expected to exceed S\$1 million. A person who is not liable to register for GST may also choose to register for GST voluntarily subject to the approval from the Comptroller of Income Tax. Once a person voluntarily registered for GST, the person must remain registered for at least 2 years.

GST Tax Rates

Type of supplies	Tax Rate
Supply of goods and services in Singapore	7%
Export of goods and international service from Singapore	0%
Certain financial service	Exempt

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Employment matters

Work passes for foreign employees

Foreign workers who wish to take up employment or do business in Singapore must have valid work passes. There are 3 main types of work passes:

- Employment pass
- S pass
- Work permit
- Personalized Employment Pass

Employment pass (EP) is a work pass issued to foreign professionals and executives who holds acceptable degrees, professional qualifications or specialist skills and if he / she wishes to work or do business in Singapore.

There are three categories of EP: -

- **P1** - Fixed monthly salary more than \$7,000 and employed and working as professional, managerial, executive jobs.
- **P2** - Fixed monthly salary more than \$3,500, employed and working as professional, managerial, executive jobs and holding recognised qualifications.
- **Q1** - Fixed monthly salary more than \$2,500 and holding recognised qualifications. In lieu of recognised qualifications, the Ministry may also consider compensatory factors such as skills and years of experience.

S pass is for foreigners who earn a fixed monthly salary of at least S\$1,800. S Pass applicants will be assessed on a points system, taking into account multiple criteria including salary, education qualifications, skills, job type and work experience.

Work permit (WP) is for foreigners who:

- Want to work in Singapore
- Earn a monthly basic salary of not more than S\$1,800.

Personalised Employment Pass (PEP) is for existing and new P1 Pass holders, P1-calibre foreigners without having to fulfil any minimum work period. Other groups are eligible given the following criterias: -

- P2 Pass holders with at least two years working experience on a P2 Pass.
- Q1 Pass holders with at least five years working experience on a Q1 Pass.
- Foreign graduates from institutions of higher learning in Singapore with at least two years working experience on a P2 or Q1 Pass.

PEP will issued only once with a validity of 5 years non-renewable. A PEP holder will retain the privileges of his original EP type and the minimum fixed salary requirement of S\$30,000 will continue to apply throughout the 5-year duration.

For more information on work passess, please visit Ministry of Manpower (MOM) website at:

www.mom.gov.sg

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Employment matters

Central Provident Fund Contributions

The Central Provident Fund (CPF) is a comprehensive social security savings plan. Below is the rate of contributions payable to the Fund from 1st July 2007.

Note that foreign employees are exempted from CPF contributions.

Contribution rate (from 1 July 2007) for employees who are Singapore citizens or Singapore Permanent Residents (3rd Year onwards)

Employee's monthly wages	Employee's contribution						Employer's contribution					
	Age of Employee (Years)						Age of Employee (Years)					
	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65
\$50 or less	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
>\$50 to \$500	Nil	Nil	Nil	Nil	Nil	Nil	14.50%	$(\text{Total wages} - \$50) \times 0.0964$	$(\text{Total wages} - \$50) \times 0.0697$	$(\text{Total wages} - \$50) \times 0.0498$	$(\text{Total wages} - \$50) \times 0.0332$	$(\text{Total wages} - \$50) \times 0.0332$
>\$500 to \$750	$(\text{Total wages} - \$500) \times 0.4$	$(\text{Total wages} - \$500) \times 0.4$	$(\text{Total wages} - \$500) \times 0.4$	$(\text{Total wages} - \$500) \times 0.3$	$(\text{Total wages} - \$500) \times 0.1$	$(\text{Total wages} - \$500) \times 0.1$	14.50%	$(\text{Total wages} - \$500) \times 0.09$	$(\text{Total wages} - \$500) \times 0.06$	$(\text{Total wages} - \$500) \times 0.04$	$(\text{Total wages} - \$500) \times 0.03$	$(\text{Total wages} - \$500) \times 0.0332$
>\$750 to \$1,200	$(\text{Total wages} - \$750) \times 0.2$ + \$120	$(\text{Total wages} - \$750) \times 0.2$ + \$120	$(\text{Total wages} - \$750) \times 0.2$ + \$108	$(\text{Total wages} - \$750) \times 0.1$ + \$75	$(\text{Total wages} - \$750) \times 0.0$ + \$45	$(\text{Total wages} - \$750) \times 0.06$ + \$30	14.50%	$(\text{Total wages} - \$750) \times 0.1966$ + \$6	$(\text{Total wages} - \$750) \times 0.1315$ + \$4	$(\text{Total wages} - \$750) \times 0.0825$ + \$3	$(\text{Total wages} - \$750) \times 0.0416$ + \$2	$(\text{Total wages} - \$750) \times 0.0416$ + \$2.25
>\$1,200 to \$1,500	$(\text{Total wages} - \$750) \times 0.1$ + \$120	$(\text{Total wages} - \$750) \times 0.1$ + \$120	$(\text{Total wages} - \$750) \times 0.1$ + \$108	$(\text{Total wages} - \$750) \times 0.1$ + \$75	$(\text{Total wages} - \$750) \times 0.1$ + \$45	$(\text{Total wages} - \$750) \times 0.06$ + \$30	14.50%	$(\text{Total wages} - \$1,200) \times 0.1$ + \$156	$(\text{Total wages} - \$1,200) \times 0.07$ + \$108	$(\text{Total wages} - \$1,200) \times 0.04$ + \$72	$(\text{Total wages} - \$1,200) \times 0.03$ + \$42	$(\text{Total wages} - \$1,200) \times 0.11$ + \$42
>\$1,500	20%	20%	18%	12.5%	7.5%	5%	14.50%	14.50%	10.50%	7.50%	5%	5%

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Employment matters (continued)

Central Provident Fund Contributions

Notes:

1 The maximum amount of CPF payable is based on a monthly salary ceiling of S\$4,500 for Ordinary Wages. It does not apply to additional wages.

2 Additional wage ceiling for CPF contributions:

From 2006 onwards

Maximum amount of additional wages subject to CPF

= \$76,500 - Total ordinary wages subject to CPF contribution in the year

3 Voluntary Contribution (VC) Limit

The maximum amount of contributions an employee may contribute voluntarily is \$26,393 for 2008. This amount includes mandatory contributions. If the employee mandatory contributions have already reached the VC limit, no voluntary contribution can be made.

Mandatory contributions (MC) by the employer and employee are compulsory contributions required under the CPF Act. This includes CPF contributions on the Ordinary and Additional Wages for employees, and Medisave contributions by self-employed persons.

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Employment matters

Central Provident Fund Contributions

CPF is payable once an employee obtains the Singapore Permanent Resident (SPR) status.

From 1 October 2002, SPR employees and their employers can jointly apply to CPF Board for approval to contribute at full employer CPF rate and graduated employee CPF rate during the employee's first two years of obtaining the SPR status.

Graduated employer & employee contribution rates (from 1 July 2007) for Singapore Permanent Resident during the 1st year of obtaining SPR status

Employee's monthly wages	Employee's contribution						Employer's contribution					
	Age of Employee (Years)						Age of Employee (Years)					
	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65
\$50 or less	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
>\$50 to \$500	Nil	Nil	Nil	Nil	Nil	Nil	4%	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.0232
>\$500 to \$750	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	4%	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.0232
>\$750 to \$1,200	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.06	4%	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0291
>\$1,200 to \$1,500	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.06	4%	(Total wages - \$1,200) x 0.0568 + \$4	(Total wages - \$1,200) x 0.0632 + \$4	(Total wages - \$1,200) x 0.072 + \$38	(Total wages - \$1,200) x 0.077 + \$29	(Total wages - \$1,200) x 0.077 + \$29.40
>\$1,500	5%	5%	5%	5%	5%	5%	4%	4%	4%	4%	3.5%	3.5%

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Employment matters

Central Provident Fund Contributions

Graduated employer & employee contribution rates (from 1 July 2007) for Singapore Permanent Resident during the 2nd year of obtaining SPR status

Employee's monthly wages	Employee's contribution						Employer's contribution					
	Age of Employee (Years)						Age of Employee (Years)					
	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65
\$50 or less	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
>\$50 to \$500	Nil	Nil	Nil	Nil	Nil	Nil	9%	(Total wages - \$50) x 0.05	(Total wages - \$50) x 0.05	(Total wages - \$50) x 0.03	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.0232
>\$500 to \$750	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	9%	(Total wages - \$500) x 0.05	(Total wages - \$500) x 0.05	(Total wages - \$500) x 0.03	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.0232
>\$750 to \$1,200	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$75	(Total wages - \$750) x 0.0 + \$45	(Total wages - \$750) x 0.06 + \$30	9%	(Total wages - \$750) x 0.1 + \$41.85	(Total wages - \$750) x 0.1 + \$41.85	(Total wages - \$750) x 0.0 + \$27.90	(Total wages - \$750) x 0.0 + \$16.275	(Total wages - \$750) x 0.0291 + \$16.275
>\$1,200 to \$1,500	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$75	(Total wages - \$750) x 0.0 + \$45	(Total wages - \$750) x 0.06 + \$30	9%	(Total wages - \$1,200) x 0.1276 + \$9	(Total wages - \$1,200) x 0.1416 + \$9	(Total wages - \$1,200) x 0.108 + \$57	(Total wages - \$1,200) x 0.077 + \$29	(Total wages - \$1,200) x 0.077 + \$29.40
>\$1,500	15%	15%	15%	12.5%	7.5%	5%	9%	9%	9%	6%	3.5%	3.5%

For further information, please call us at (65) 6227 4180 or email us at konglim@internalaudit.com.sg

Government Incentives for Enterprises

Note: The list is not exhaustive

Debt Financing Schemes

Local Enterprise Finance Scheme (LEFS)

The funds may be used for automating and upgrading factory and equipment, and / or purchasing factory and business premises (only JTC Corporation or Housing & Development properties). The schemes offers loans of up to S\$15 million.

Micro Loan Programme

With the Micro Loan Programme, the company may borrow up to S\$50,000 at a fixed or variable interest rate. The funds can be used for daily operations or for automating and upgrading the factory and equipment.

Loan Insurance Scheme (LIS)

LIS insures the company's loans against default risks. The insurance premiums will be co-shared between the government and the enterprise.

Equity Financing Assistance Scheme

Spring Startup Enterprise Development Scheme

An equity financing scheme for non-technology start-ups in their early stages of business.

Grant Schemes

Local Enterprises Technical Assistance Scheme (LETAS)

A scheme to help local enterprises defray cost incurred in modernising and upgrading their operation through the engagement of an external expert for a limited period of time.

Tax Incentive Scheme

Enterprise Investment Incentive (EII) Scheme

A scheme that will mitigate the risk of private equity investments in non-technology start-ups. This scheme essentially gives qualifying start-ups loss insurance for their investments.

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3 Exit Strategies

Common exit strategies option:

- Sell the business;
- Terminate the business
 - Strike off the companies

Requirements:

- the Company must have ceased trading
- the Company must not have assets and liabilities and outstanding tax issues with the Inland Revenue Authority of Singapore when the application is made;

● Liquidate the companies:

▶ members' voluntary winding up

The members of the company may pass a resolution that the company be wound up and that a liquidator be appointed. This mode of winding up is adopted where the company is able to pay its debts;

▶ creditors' voluntary winding up

If the company is not able to meet its liabilities, the directors of the company can wind up the company by way of creditors' voluntary winding up;

▶ compulsory winding up

the company itself, creditors, contributories, liquidator, judicial manager or the Minister may present a petition to the High Court for the winding up of the company.

Note that the liquidator appointed for the creditors' voluntary liquidation and the compulsory winding up must be an approved liquidator.

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KONG, LIM & PARTNERS

CERTIFIED PUBLIC ACCOUNTANTS

4 Due Dates

Types of Filing	Due Date
Annual General Meeting	Within 18 months of incorporation. Thereafter once on every calendar year and not more than 15 months after the last AGM
Individual income tax return Partnership income tax return Associations and clubs income tax return	15 Apr
Company income tax r - YA 2007 - YA 2008 - YA 2009 thereafter	31 Jul 30 Nov 31 Oct
Return of employee's remuneration (IR8A/8S/8C)	1 March
Notification of cessation of employment of an individual not a citizen or permanent resident of Singapore	One month before the date of cessation of employment
Returns relating to withholding tax on certain payments non residents	By the 15th of the month following the date of payment or deemed payment to non resident
GST Return	Within one month from end of prescribed accounting period.
Notification of estimate of chargeable income	Within three months after financial year end.
Notice of assessment to income tax from a trade of business	to lodge objection within 30 days of the if the Notice of Assessment if the assessment is disputed.
CPF contribution	Within 14 days of month end when payment is due

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