

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)

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

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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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