



SINGAPORE

Introduction

Singapore is one of the leading international financial centers in the world and with dominant role in Asia, with most of the major banks present along with numerous financial institutions, investments, investment management companies and accounting and legal firms.

The developed financial market, the highly educated labour market combined with the extensive network of double tax treaties with European countries as well as China and India make the Singapore companies popular in international tax planning structures. We highlight below some of the most important features of the Singapore company.

Company Administration Guidelines

The majority of Singapore Company Incorporations are formed as private limited companies (commonly known as limited liability company). A limited liability company is a separate legal entity in its own right therefore shareholders are not liable for the company's debts beyond the amount of share capital they have put into the company. The name of a limited private company has to include the following abbreviation Pte Ltd.

All private limited companies must comply with the statutory regulations set out by ACRA (Accounting and Corporate Regulatory Authority) and the IRAS (Inland Revenue Authority of Singapore)

Authorized and Issued Share Capital The concept of authorized share capital was abolished in January 2006. The minimum number of issued shares is 1

Classes of shares permitted Ordinary Shares & Preference Shares

Directors A minimum of one director is required however at least one must be a Singapore resident individual.

Shareholders A minimum of one shareholder is required. Shareholders may be corporate or individuals and 100% foreign ownership is permitted

Secretary - It is obligatory to have a secretary. This must be a natural person who is a resident of Singapore. The company secretary is responsible for keeping and filing corporate documents with ACRA

Registered Office Every company in Singapore is required to have a registered general office where a register of directors, shareholders, secretary and minutes of general and director meetings are kept

Confidentiality details of the directors, shareholders and company secretary are placed on public record however it is permitted to use nominees to maintain confidentiality

Taxes

Personal Income Tax has a tier system that starts from 3.5% up to 20% for income above SG\$ 320,000
 Corporate Tax of Singapore private limited companies with profits up to SG\$ 300,000 is 8.5% (subject to IRAS approval) and is capped at 17% for profits above SG\$ 300,000

IT and Financial companies have a preferential corporate rate of just 10%.

First 3 years of Income Tax Filing:

<u>Taxable Income (S\$)</u>	<u>Tax Rate</u>
0-100,000	0%
100,001-300,000	8.5%
300,001-2,000,000	17%

After the First 3 years of Income Tax Filing:

<u>Taxable Income (S\$)</u>	<u>Tax Rate</u>
0-300,000	8.5%
300,001-2,000,000	17%

- No restriction on the free entry and repatriation of funds
- Any income which is not Singapore source income and has been remitted into Singapore by a non-Singapore company is Exempt from Singapore taxation
- Companies with a turnover of less than S\$5 million are not required to undergo audit and accounts can be filed without audit. It however the company has individual rather than corporate shareholders an audit is required
- Singapore has over 60 comprehensive Double Taxation Agreements signed
- Singapore is the major centre for business and trade within the region and has a highly regarded international Reputation. Singapore is on the OECD White list, this identifies Singapore as a transparent offshore jurisdiction.

For further information or advice please contact us

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