

# Key Benefits of Singapore Companies

**Key Benefits of setting up companies in Singapore from a corporate and tax perspective include:**

## **CORPORATE**

- A company can be incorporated within a day
- One resident director and shareholder allowed, but that director must be Singapore resident
- The same individual can be the resident director as well as the shareholder
- A corporate body can be the sole shareholder of the company
- Audit exemption for a small private exempt company (EPC) and a dormant company. A small EPC is a private company of which no beneficial interest in its shares is held, directly or indirectly, by any corporation and having not more than 20 members, and has annual revenues of S\$5 million or less
- No disclosure of beneficial ownership. Only registered members, names of directors and company secretary are filed with the Registry
- Minimum share capital SGD1 or equivalent and this can be in any recognisable currency
- A flat capital duty of SGD300 is payable to the Registrar irrespective of the amount of share capital
- No limitation on share capital
- Company Secretary need not be professionally qualified. However the need to appoint a Singapore resident as company secretary remains
- Financial statements can be prepared in the company's functional currency

## **TAX**

- Standard corporate income tax rate (currently 17%) applies to Singapore sourced income and some remitted foreign income
- With the benefit of partial tax exemption, the effective tax rate for the amount of chargeable income is 4.25% for 1st SGD10,000; 8.5% for next SGD290,000; and 17% in excess of SGD300,000
- Full tax exemption on the first SGD100,000 of chargeable income is available for qualifying new start up resident companies (including companies limited by guarantee) which has no more than 20 shareholders of which at least one individual shareholder holds at least 10% of total number of issued ordinary shares. The full tax exemption is available for the first 3 consecutive years
- Exemption for qualifying foreign-sourced dividends, branch income and service fees earned and remitted to Singapore
- Tax incentivised schemes available for new or incremental business
- Group relief available
- Carry back of losses up to 3 years and carry forward of losses with no limit
- Double deductions available for prescribed expenditure
- Generous capital allowances
- No taxation of capital gains
- No withholding tax on dividend payments
- No thin capitalisation or earnings stripping rules
- No controlled foreign company rules
- No capital duty
- Extensive treaty network
- No estate duty

March 2010

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