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# Setting up a Local Company in Singapore



## Setting up a Local Company in Singapore

Requirements, procedure and the fee structure for setting up a local company using BizFile.

### **Types of Companies**

Different company structures or set ups are required because of various types of businesses. Before starting your own business or establishing a company, it's important to learn which type of company would be most suitable for your particular business.

### **Private Company limited by shares**

#### (i) Private Company

A private company is a type of company, which has a maximum number of the shareholders that is limited to 50.

#### (ii) Exempt Private Company

An Exempt Private Company (EPC) is a type of private company, which has at a maximum 20 shareholders and no shareholder is a corporation. It could also be a company, which the Minister has gazetted as an EPC (see section 4(1) of the Companies Act).

### **Public Company**

#### (i) Public Company limited by shares

A public company limited by shares is allowed to have more than 50 shareholders. This type of company is allowed to raise capital by offering shares and debentures to the public. A public company needs to register a prospectus with the Monetary Authority of Singapore (MAS) prior to making any public offer of shares and debentures.

#### (ii) Public Company limited by guarantee

A public company limited by guarantee is the one in which its members contribute or decide to contribute a pre-determined or fixed sum to the company liabilities by way of guarantee. It is usually formed for conducting some non-profit making activities like promoting art, charity etc.

### **Company Directors, Secretary, Chief Executive Officer (CEO) and Auditors**


This section provides information on directors, company secretaries (CS), CEOs and company's auditors.

#### Directors

A director is an individual who is responsible for running the administration and affairs of the company and guiding it with his directions. A director should take all the decisions very objectively, act in a manner that is best for the interest of the company and be sincere and diligent in conducting his responsibilities and duties.

As per the regulations of the Companies Act, the minimum number of directors needed is one.

A company should mandatorily have at least one director, who is ordinarily resident in Singapore.

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The term “ordinarily resident in Singapore” means that the director’s residence or where he/she usually stays is in Singapore. A Singapore Citizen, a Singapore Permanent Resident or an EP or EntrePass' holder are considered as a person who is “ordinarily resident” here. Depending on the compliance with the current and prevailing laws and policies regarding employment of overseas manpower, an Employment Pass holder may be appointed as a director who is ordinarily resident here. EP holders' who want to assume a secondary directorship spot in some other company (other than the company' his EP is approved for), would have to 'apply' for and then be granted a Letter of Consent (LOC) before' he can get registered as a director with ACRA.

Any individual over 18 years of age can be appointed as a director of an entity or company. There is policy or maximum age limit for holding the position of a director. However, some individuals (for example, someone who has gone bankrupt and individuals who are convicted of crimes involving fraud or dishonest acts) are disqualified from getting a director position.

### Secretary

Every company has to necessarily appoint a secretary within six months of its incorporation. The company secretary (CS) should be a local resident in Singapore and he or she should not be the sole or only director of the company.

The Secretary can also be held liable and responsible if the company fails to comply with some laws in specific situations.

The Secretary of a public company should mandatorily comply with section 171(1AA) of the Companies Act, that is, he or she should possess a minimum of one of the following qualifications:

Should have been a Secretary of any company for at least three of the five years immediately prior to his/her appointment as a Secretary of the public company.

He or she should also be a:

- J Qualified individual under the Legal Profession Act (Cap. 161).
- J Public accountant who is registered under the Accountants Act (Cap. 2).
- J Member of the ICPA or Institute of Certified Public Accountants of Singapore.
- J Member of the esteemed Singapore Association of the Institute of Chartered Secretaries and Administrators.
- J Member of the Singapore branch of Association of International Accountants.
- J Member of the ICA or Institute of Company Accountants, Singapore.

### Chief Executive Officer (CEO)

“Chief Executive Officer” or CEO in terms of a company, means any one or more individuals, by whatever term or name described, who:

- (a) is in direct employment of, or is acting for or by agreement with, the company; and
- (b) is chiefly responsible for the overall management and conducting the company's business, or part of the company's business, as the case may be.

It is not mandatory for a company to appoint a CEO. It is completely the company's judgment to choose whether to appoint a CEO or not. Such an individual could be appointed as both the company's director and CEO. The company's officers would be the director, CEO, and Secretary and if the CEO is appointed in an executive capacity.

The role of the company's Managing Director may or may not be similar to the CEO's role, and it would also depend on the specific designations used in a particular company. A Managing Director might be appointed separately from the CEO's appointment.

#### Auditor

A company needs to hire an auditor within three months of its incorporation date, unless it has got an exemption from the necessary audit requirements under Section 205B, or 205C of the Companies Act.

### **How can a foreigner set up a company?**

This section provides information on how foreigners can incorporate a company.

#### Requirements

A foreigner, who wants to start his own company in Singapore, has to appoint a minimum of one director who is ordinarily resident in Singapore. Being "ordinarily resident in Singapore" simply means that the director should be residing in Singapore or his/her place of residence usually is in Singapore. A Singapore Citizen, Singapore Permanent Resident or an EntrePass holder can be appointed as an individual who is ordinarily resident here. Depending on the compliance with the current and prevailing laws and policies aroid employment of overseas manpower, an Employment Pass holder could be hired as a director who is ordinarily resident here. EP holders who want to assume a secondary directorship place in any other company (other than the company his EP is approved for), would have to 'apply' for and then obtain a Letter of Consent (LOC) before getting registered for the directorship position with ACRA. The foreigner is permitted to continue to live or reside outside of Singapore.

Foreigners who want to establish a company and also reside in Singapore to run its business operations are advised to obtain an approval from the Ministry of Manpower (MOM) before they get a registration.

The foreigner should take on the professional services of any registered filing agent (for example, a law firm, an accounting firm or any corporate secretarial company) for submitting the online application on his behalf.

Individual professionals could register the company themselves by filling the application online through BizFile (ACRA's online filing system) using SingPass or CorpPass.

Any individual who is over 18 years of age is allowed to hold the director's position in a company.

#### Incorporating a company

This section talks about all the procedures in setting up a company using BizFile

To establish a company and do any business in Singapore, the first step is to incorporate a company. For this, you have to submit an online application via BizFile after the approval of the company name.

### **How to register a company?**

The application to register a new company should be submitted online through BizFile, which is ACRA's electronic filing and information retrieval system. You can set up a company in the following ways:

1. Log into BizFile by using your SingPass or CorpPass and then submit the online transaction. All proposed directors, shareholders, and secretary are required to provide their consent online via BizFile.

2. Employ the professional services of any registered filing agent (for example, a law firm, an accounting organization or a corporate secretarial company) to help you fill and submit the online application on your behalf.

### **Registration Fee Details**

Name Application Fee	\$15
Registration Fee	\$300
<b>Total</b>	<b>\$315</b>

### **Usual Processing Time**

The application is typically processed very quickly, say within 15 minutes after you pay the name application fee.

It usually takes anywhere between 14 days to about two months in case the application is required to be referred to any other agency for a review or an approval. For example, if the company has the intent to conduct business activities which involve setting up a private school, then the application would be referred to the Ministry of Education.

For detailed information on various referral authorities, please refer to this link: [Referral Authorities](#)

The company is permitted to start its business activities only after it is registered with ACRA. This is based on the condition that the company is not requiring any licenses or approvals from any other government agencies for conducting its business activities.

### **Model Constitution**

Section 19(1) of the Companies Act mandates the Constitution of the suggested company to be duly submitted to the Registrar. In case it is a private company that is limited by shares, then Section 18 of the Companies Act mandates the company's Constitution to (1) confine the right of transferring its shares, and (2) limit its total members to at the most 50.

For accessing the model constitution, please click [here](#).

### **Endorsement for company incorporation**

A company that is incorporated by its directors themselves would require that its proposed director, secretary and shareholder should give their consent online through BizFile within a time frame of 120 days from the date of name application approval.

### **Reservation of company name**

A company name which is approved would be reserved for a time period of 120 days from the date of name approval. Further extension of the name reservation period is not allowed.

### **An alternate address**

The directors and other officers of the company could report an alternate address for a fee of \$40 with the Registrar. The alternate address should be located in the same jurisdiction as the person's

residential address. Therefore, in case the officer or individual is residing locally, then his alternate address cannot be any foreign location or address. The alternate address also cannot be a P.O. Box address and should be an address where the individual can be contacted.

### **Unique Entity Number (UEN)**

After successful incorporation, every company is issued with a system-generated Unique Entity Number (UEN). The UEN is a special identification number that is required to be used by all the business entities while transacting with any government agencies.

### **Special UEN (SUN)**

The Special UEN (SUN) service provides the entity owners the alternative to opt, at a fee, a preferred UEN from a list of some reserved UENs when they are incorporating a company. There are two categories available: Tier 1 number which costs about \$3,000 and Tier 2 number costing \$1,000. Those who do not want to choose for the SUN service would be issued with a free system-generated UEN.

For more detailed information, please click [here](#).

### **Free Business Profile**

Starting from 2 June 2017, all newly-established or incorporated companies could get a free Business Profile, which is an electronic report with details such as business registration information of that particular entity. After the successful incorporation of the company, an email is sent to the person who filed the incorporation with a URL to download the free Business Profile.

For more information, please visit [https://www.acra.gov.sg/Free\\_Business\\_Profiles/](https://www.acra.gov.sg/Free_Business_Profiles/).


## Sample Forms

Form No.	Types of Form and Section Number of Companies Act
63A	Petition for Judicial Management Order (PDF, 31KB)
63C	Affidavit of Service of Petition for Judicial Management Order (PDF, 35KB)
63D	Affidavit Verifying Petition for Judicial Management Order (PDF, 25KB)
63E	Notice of Intention to appear on Petition for Judicial Management Order (PDF, 24KB)
63F	List of Parties Wishing to attend the Hearing of a Petition for Judicial Management Order (PDF, 22KB)
63G	Notice to Judicial Manager of Judicial Management Order (PDF, 21KB)
63H	Notice of Judicial Management Order for Publication (PDF, 368KB)
63I	Order of Court for Judicial Management (PDF, 7KB)
63L	Notice of Judicial Manager to Creditors of First Meeting (PDF, 21KB)
63M	Notice of Judicial Manager to Directors and Officers of Company to attend First Meeting of Creditors (PDF, 19KB)
63N	Notice of Judicial Manager's Meeting of Creditors (PDF, 19KB)
63O	Affidavit of Posting of Notices of Meeting (PDF, 20KB)
63P	Memorandum of Adjournment of Meeting of Creditors in relation to Judicial Management (PDF, 13KB)
63Q	Memorandum of Proceedings at Adjourned First Meeting of Creditors in relation to Judicial Management (PDF, 14KB)
63R	List of Creditors Present at a Meeting of Creditors (PDF, 18KB)
63S	Notice to Prove Debt or Claim for Publication (PDF, 14KB)
63T	Notice to Creditors of a Company under Judicial Management to Prove Debt or Claim (PDF, 20KB)
63U	Notice to Persons claiming to be Creditors of a Company under Judicial Management to Prove Debt or Claim (PDF, 19KB)
63V	Notice of Rejection of Proof of Debt (PDF, 20KB)
64	Notice by Inspector Investigating the Affairs of a Company (PDF, 28KB)
67	Notice of Meeting of Creditors (PDF, 28KB)
76	Particulars of Unclaimed Assets Payable to Companies Liquidation Account (PDF, 45KB)
77	Proof of Debt Form (PDF, 73KB)



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