



imc

INTUIT
MANAGEMENT
CONSULTANCY

ASIA • MIDDLE EAST • AFRICA

Setting up a Company in Singapore

A Comprehensive Guide for Setting up a Company in Singapore

This article collates all the imperative information you will need to know while setting up a business in Singapore.

Here is what all you can know more about:

1. Registering a company or entity
2. Types of business structures
3. Selecting a business structure suiting your requirements
4. Deciding an apt business or company name
5. Company's official address
6. Requisite approvals from relevant authorities
7. Accounting and Corporate Regulatory Authority's (ACRA's) Pro-business services
8. Information on Taxes, Licenses and CPF

The first step is to register or incorporate an entity.

Who needs to do a registration?

Any business operation which is conducted on a regular basis for the objective of gaining profits is needed to be registered with ACRA.

Every individual, before setting up a business in Singapore, should register with ACRA. The only exception is for those who have been exempted under the Business Names Registration Act.

The minimum age for an individual to register a business or company is 18 years. The application for registration of a new business has to be submitted online via BizFile, which is ACRA's online filing and information retrieval system.

To register a new company or business, the applicant has to log into BizFile by entering his or her identification number and also the SingPass. The applicant can also take the services of a registered filing agent (for example some reputed law firm, corporate secretarial company, or an accounting firm) especially in case the applicant does not have a SingPass.

Cases of exemption from the registration

The following individuals are not needed to be registered for doing a business or setting up a company in Singapore:

- J any individual proprietor who is conducting a business only under the individual proprietor's full name;
- J any firm that consists of two or more persons carrying out a business under the full names of all the persons;
- J subject to subsection (2), any professional or firm of two or more persons conducting a business including only the exercise of any occupation or profession which, under the guidelines of any

written law, could be exercised only by those who have certain qualifications set by the written law and whose names are registered or otherwise recorded in the way approved by any written law;

- J an individual (A) in respect of or for whom another person (B) conducts or runs the business completely or mainly as a nominee or trustee if B has given the details needed under section 7(1);
- J any statutory authority or other body set up by or under any public act for a public purpose;
- J any institution, authority, individual or fund listed in the First Schedule to the Income Tax Act (Cap. 134);
- J any society, which is registered under the Societies Act (Cap. 311);
- J any society, which is registered under the Co-operative Societies Act (Cap. 62);
- J any mutual benefit organisation that is registered under the Mutual Benefit Organisations Act (Cap. 191);
- J any trade union, which is registered under the Trade Unions Act (Cap. 333);
- J the Public Trustee or an Official Assignee of the property of a bankrupt;
- J any foreign organization conducting business in Singapore, which is registered under the Companies Act (Cap. 50) and runs the business under its registered name;
- J any company conducting the business under its corporate name;
- J any limited liability partnership, which is registered under the Limited Liability Partnerships Act (Cap. 163A) conducting business under its registered name;
- J subject to section 42(3) of the Limited Partnerships Act (Cap. 163B), any limited partnership, which is registered under that Act;
- J any other individual or class of individuals for the time being who are exempted by the Minister under specific regulations under section 43; and
- J any individual proprietor who runs any business, which is specified in the First Schedule to the Business Names Registration Act just before the date of commencement of this Act and who is alive and regularly carries on the same business on and after that date.

Various Types of Business Structures

The following business entities or structures are available for registration:

- J Sole Proprietorship
- J Partnership
- J Company
- J Limited Liability Partnership
- J Limited Partnership

Please refer to the [table summary](#) (PDF, 223KB) of the differences between various types of entities.

Who all can register?

Professionals or companies could set up and possess a sole-proprietorship or a company in partnership.

A sole-proprietorship or partnership, which is not a separate legal entity, is not permitted to register another sole-proprietorship or partnership.

A foreign organization is also not permitted to register a sole-proprietorship or partnership till it has registered itself under the Companies Act, Cap. 50.

Sole Proprietorship

A sole-proprietorship is a type of business, which is owned by one individual or one company. As there are no partners in this type of business structure, the sole-proprietor has a complete say in the operations of the business.

Features of a Sole Proprietorship

Partnership

A partnership is a type of business firm, which is established by at least two to up to 20 partners. If there are over 20 partners, the partnership needs to be registered as a company under the Companies Act, Cap. 50.

Features of a Partnership

Company

A company is a business entity, which is registered under the Companies Act, Chapter 50. It has a legal persona, that is, it has legal right to own properties, can sue or be sued in its own name and has perpetual succession. It mostly has the words 'Pte Ltd' or 'Ltd' as part of its name.

Features of a company

Limited Liability Partnership

A Limited Liability Partnership or an LLP is a type of structure for doing business in Singapore. An LLP gives its owners the flexibility of functioning as a partnership although having a separate legal identity such as a private limited company.

The LLP is usually considered as a body corporate and possesses a legal personality, which is separate from its partners. The LLP has perpetual succession, meaning, if there is any change in its partners, there will be no affect to its existence, rights or liabilities.

The partners of the LLP cannot be held personally liable for any debts of the business, which are incurred by the LLP. However, a partner may be held personally liable for claims from losses ensuing from his own omission or wrongful act but cannot be held personally liable for any such wrongful acts or omissions of any partner of the LLP.

An LLP has to mandatorily maintain accounting records, financial details such as profit and loss accounts and balance sheets, which adequately justify the transactions and also financial position of the LLP. In case the LLP does not comply with this, the LLP and all the partners would be prosecuted, and the penalty could be a fine or even an imprisonment, or both in certain cases. Besides this, the LLP would need to submit an annual declaration of either solvency or insolvency to the Registrar (that is, being able or not able to pay its debts respectively) which is made available to the public.

Features of a Limited Liability Partnership

Limited Partnership

A Limited Partnership (LP) is a type of structure for carrying out business in Singapore. It is a partnership firm consisting of at least two partners, with one general partner and at a minimum one limited partner. An LP usually does not have a separate legal entity, which is different from its partners.

A person or a corporation might be a general partner or a limited partner of the LP. It is not mandatory to appoint a local manager unless all its general partners are living outside of Singapore.

A general partner is usually accountable for the events and actions of the LP and is also responsible for all the debts and obligations. A limited partner is not legally responsible for the debts and obligations of the LP further than what his agreed contribution, as long as he does not take part in the management of the LP.

In case there is no limited partner registration done with ACRA, the LP registration would be suspended for the time being and the general partner will be considered registered as per the Business Names Registration Act. After the new limited partner does the registration with ACRA, the LP registration would be restored and the registration as per the Business Names Registration Act will be terminated.

While the registration process of the LP, the lodger is needed to specify if the proposed LP could be categorized under Regulation 12 of the LP Regulations. He is also needed to specify the name of the licensed fund manager in his application.

The regulation 12 of the Limited Partnership (LP) Regulations applies in case:

- ⌋ An LP largely sets up a fund for investment, and
- ⌋ A "licensed fund manager" (be it a general partner or a general partner's appointee) manages this fund.

A "licensed fund manager" has to be licensed under the Securities and Futures Act (Cap. 289) to conduct any business of fund management. He could also be exempted from being licensed under Section 99 of that Act.

Features of Limited Partnership

	Limited Partnership (LP)
Definition	A partnership that consists of two or more individuals, with a minimum of one general partner and one limited partner.
Owned By	A minimum of two partners, out of which one is a general partner and one is a limited partner. There is no maximum limit.
Legal Status	Is not a separate legal entity General partner owns unlimited liability Limited partner has only limited liability Cannot own any property in the LP's name General partner is liable personally for the debts and losses of the LP

	Limited partner is not personally liable for the debts or obligations of the LP beyond the amount of his agreed contribution.
Registration Requirements	<p>A minimum of one general partner and a limited partner. Both can be professionals (of at least 18 years of age) or a body corporate (company or any other LLP)</p> <p>At least one manager who is ordinarily resident in Singapore (at least 18 years of age) if all the general partners are not “ordinarily resident” in Singapore.</p>
Formalities and Expenses	<p>Quick and very simple to set up</p> <p>Easy to run and manage</p> <p>Registration cost is quite low</p> <p>Less administrative duties</p> <p>Should get the registration renewed before the expiry date</p>
Set Up Fee	<p>\$115 (\$15 is the name application fee and \$100 is the registration fee) for 1-year registration</p> <p>\$175 (\$15 is the name application fee and \$160 is the registration fee) for 3-year registration</p>
Taxes	Profits are taxed at partners' personal income tax rates (if individual or professional) and corporate tax rate (if it's a corporation)
Continuity & Transferability	<p>Exists for as long as the partners consent to it and as long as all the general partners stay in the partnership</p> <p>The partnership is suspended if there is no limited partner, and is converted to a company registered under the Business Names Registration Act</p> <p>After a new limited partner has been appointed, the registration of the LP is restored to “live”</p>
Closing the Business	<p>By the general partner - cessation of LP</p> <p>By the Registrar – if the registration is expired and has not been renewed</p>

Selecting a Business Structure

You need to select the most suitable business structure depending on your requirements and your business needs.

Ask yourself some of the following questions prior to deciding the structure:

-] What is the capital you are prepared to invest?
-] What is the number of owners in your business?
-] What are the liabilities and responsibilities you are prepared to take on?
-] Which all risks are you geared up to take?
-] What are the pros and cons of various business vehicles?
-] Is the particular business vehicle you zero down, easy to shut or close?

Opting for a Business or Company Name

Here are some points to remember while naming your company or business.

To look for some options, you could search on BizFile to find out if your selected name options have already been taken by someone else. You also have to make sure that the proposed name is not:

-] undesirable
-] identical to any name of a sole-proprietorship or any partnership, existing company, corporation, limited liability partnership or limited partnership or a charity,
-] identical to a name, which is being reserved as per the Business Names Registration Act, the Companies Act, the Limited Liability Partnerships Act or Limited Partnerships Act
-] directed by Minister to the Registrar as not to accept for registration; for example, Temasek

Please refer to Practice Direction No.4 of 2003 (PDF, 81KB) to learn the details about the selection of names.

A name application could be referred to the Regulatory Authorities for comments in case the name application is of their interest.

If you are also planning to apply for charity status, do click here for more information on the naming criteria and governing instruments.

Selecting your Business or Entity's Address

You are also required to identify or look for an address to conduct your business operations. A P.O. Box address is not permitted to be used as the company's or business address across the entities.

If you want to use your home address as your business address, then you should first check with the relevant authorities. All the eligible flat owners and occupants should request for a prior approval from HDB, the owners of a private residential property should request for a prior approval from URA.

Under the Home Office Scheme, the residents are permitted to make use of their residence address as their business or company address. This scheme is applicable to both HDB and the private properties. Flat owners and occupants can request for an approval from HDB by filling and submitting their Home Office application through the [Housing and Development Board website](#). The private owners of residential properties could seek an approval from URA by filling and submitting their Home Office application through the [Urban Redevelopment Authority website](#).

For all companies, the registered office based in Singapore should be operational and within reach to the public during the normal office hours.

Approval from the Requisite Referral Authorities

This section provides all the information on the list of various regulatory authorities that is to be referred to for getting an approval or review while applying for registration of a business entity.

Applications for name reservation, incorporation of a company, registration of business, or change of company particulars may be referred to the regulatory authorities for comments because of various reasons. The time of review could vary between 14 days to 2 months in case these applications are being referred.

This information will help the business owners in scheduling their timetable for submitting applications to ACRA. Please note that the proposed name should not have the words "National" or "of Singapore" unless justified, for example, only in case of government-run or big organizations.

The referrals listed in the below table are non-exhaustive. Business and company owners should remember that there may be other referrals needed by statutory or government authorities that are not included in this table.

List of Referral Authorities

Referral Authority	When is the referral needed
Board of Architects (BOA) Singapore http://www.boa.gov.sg/	Depending on the provisions of the Architects Act, no individual is permitted to verbally use or otherwise the word "architect" or any of its derivatives in relation to his business designation, or any other such words, name or designation that could lead to the belief that the individual is an architect unless the person is actually a registered architect. SSIC Code: 71111 (Architectural services)
Council for Estate Agencies (CEA) http://www.cea.gov.sg/	Proposed business activities connected to "Real Estate Agent" or "Real Estate Agency", and the applications for change of name by companies already dealing in real estate agency activities. SSIC Codes: 68201 (Real estate agencies and valuation services) 68209 (Real estate activities on a fee or contract basis nec.)
Enterprise Singapore www.enterprisesg.gov.sg	Names and activities that involve "Physical Rubber", "Commodity futures" for example, "Commodity brokers", "Rubber trading", "Commodity Futures Exchange", "Futures brokers", "Commodity and Commodities Exchange", "Commodity Futures", "Clearing Exchange, House, House Exchange". SSIC Codes: 66124 (Commodity, futures brokers and dealers)
Majlis Ugama	Proposed names and business activities involving "Islam", "Muslim", "Halal" and

<p>Islam of Singapore (MUIS)</p> <p>www.muis.gov.sg</p>	<p>their derivatives.</p>
<p>Ministry Of Defence (MINDEF) (Defence Industry & Systems Office-DISO)</p> <p>www.mindef.gov.sg</p>	<p>Proposed names containing the words, "Military" or "Defence".</p>
<p>Ministry of Education (MOE) (Private Schools Section)</p> <p>www.moe.gov.sg</p>	<p>Establishments that are functioning as a "school", "learning centre", "education institute or centre", "training centre", excluding any such which offer instruction of a "non-academic" nature, for example, beauty care, dress-making, culinary or cooking, any sports or games, driving, or recreation-related, etc.</p> <p>Names containing the words, "Academy", "Institute", "College", "Institution", "University"; and "Singapore", "National" are usually disallowed.</p> <p>SSIC Codes:</p> <p>85211 (Secondary schools)</p> <p>85212 (Junior colleges and centralized pre-university institutes)</p> <p>85213 (International and foreign system secondary schools)</p> <p>85214 (Schools for the handicapped or differently-abled and educationally sub-normal - secondary)</p> <p>85221 (Technical or vocational education)</p> <p>85223 (Specialized trade schools)</p> <p>85301 (Polytechnics)</p> <p>85302 (Universities)</p> <p>85303 (Teachers' training institutes)</p> <p>85304 (Commercial schools which offer higher education programmes)</p> <p>85494 (Academic tutoring services)</p>
<p>Ministry of Foreign Affairs (ASEAN National Secretariat, Singapore)</p> <p>www.mfa.gov.sg</p>	<p>Proposed names containing the words, "Association of Southeast Asian Nations" or "ASEAN".</p> <p>More information on the conditions governing the use of the name, "ASEAN" (PDF file attached) (PDF, 17KB)</p> <p>Kindly ensure that your application includes the relevant information describing how these conditions are being met or satisfied.</p>
<p>Ministry of Law (Legal Services Regulatory Authority)</p> <p>www.minlaw.gov.sg</p>	<p>Applications that contain the following are referred to the Legal Services Regulatory Authority ("LSRA"):</p> <p>(a) SSIC code: 69100 (Legal Activities); and/or</p> <p>(b) Law-related terms or acronyms such as "Law", "Counsel", "Legal", "Chamber",</p>

	<p>"Solicitor", "Advocate", "Law Corporation", or "LLC".</p> <p>If it is planned that the proposed company or business will be a law practice, the applicant needs to apply for a law practice license to the LSRA via LSRA e-Services, and get an in-principle approval prior to registering the business with ACRA. For more detailed information, kindly refer to the following links: Types of licence or registration Application process for a law practice licence For more information on the LSRA, kindly refer to the Ministry of Law's website.</p>
<p>Monetary Authority of Singapore (MAS)</p> <p>www.mas.gov.sg</p>	<p>Proposed names including the terms or words such as: "Bank" and its derivatives; (Examples of derivatives of word "Bank" could be: "banking", "banque", "banco", "Bancaire", "Banca" and "Banche") "Finance Company" and "Finance"; "Futures Exchange", "Clearing House" and "Securities Exchange" or any titles, which are resembling to these titles or give the impression that the applicant or his business is a securities or futures exchange or a clearing house; (Examples of such titles, which could resemble "Clearing House", "Futures Exchange", and "Securities Exchange", would include "stock exchange", and "clearing corporation" and "clearing organization") Applications for registration of entities whose activities are counted under the Banking Act (Cap 19), the Finance Companies Act (Cap 108), and the Monetary Authority of Singapore Act (Cap 186). This includes companies and entities which carry on banking business, finance company business or merchant banking.</p> <p>SSIC Codes: 6412, 6413, 6414, 6415, 64992</p> <p>MAS would consider the applications and, if necessary, will liaise directly with the people who have applied regarding any information MAS might require about the applicants and their proposed company or business.</p> <p>*****</p> <p>The following types of applications are not required to be referred to MAS. However, if the applicant plans to conduct any activities, which require licensing, registering, or approval by MAS, the requisite license, registration or the approval can be sought from MAS. The approval of the entity's registration by ACRA will not be understood as a reflection on the company or entity's appropriateness to be licensed, registered or get an approval by MAS.</p> <p>(A) If the proposed names contain the terms or words like:</p> <p>"Futures", "Futures Trading Adviser", "Futures Broker", "Futures Pool Operator", "Securities", "Fund manager", "Stockbroker", "Asset management", "Fund management", "Venture management", "Insurance" or any names that are</p>

	<p>resembling with these titles; "Financial", "Financial Adviser", "Financing", "Insurance Broker", "Assurance", "Reinsurance Broker", "Reinsurance", "Insure", "Reassurance", "Insuring", "Insuritz".</p> <p>Applications for registration of the entities whose operations are under the purview of the Securities and Futures Act (Cap 289) and the Financial Advisers Act (Cap 110). This includes various entities, which conduct trading of securities or futures contracts, provision of financial advisory services or fund management activities.</p> <p>Applications for registration of entities who are involved in money-changing or remittance businesses. SSIC Codes: 64993, 64994</p> <p>Applications for registration of entities whose business activities include issuing credit cards or any charge cards in Singapore. SSIC Codes: 64922</p> <p>Applications for registration of the entities whose operations fall under the Insurance Act (Chap 142). This includes the entities which do activities such as insurance, reinsurance business; insurance broker (life and general); any insurance-related activities or businesses including insurance adjusters and surveyors who act as insurance agents. SSIC Codes: 6511, 6512, 6520, 6530, 6622, 6629</p>
<p>Professional Engineers Board (PEB)</p> <p>https://www.peb.gov.sg</p>	<p>Proposed names that contain terms like "Professional Engineering", "Professional Engineers" and "PE".</p> <p>Depending upon the requirements of the Professional Engineers Act, no individual is permitted to verbally use or otherwise -</p> <ul style="list-style-type: none"> (a) the term "professional engineer" or any abbreviation or derivative of this term in connection with his designation; (b) the word "engineer" or its abbreviation such as "Er." or "Engr." as a title before his name; or (c) any term, name or designation that will make people believe that the individual is a registered engineer, unless he/she is a registered professional engineer.
<p>Singapore Police Force (Licensing Division)</p> <p>https://www.police.gov.sg/</p>	<p>Any business activities related to arms, explosives, or ammunition.</p> <p>SSIC Codes: 20299 (Manufacture of other chemical products nec.) 25200 (Manufacture and repair of any weapons and ammunition; for example, ordance and accessories)</p>
<p>Singapore Tourism Board (STB)</p> <p>www.stb.gov.sg</p>	<p>Usage of the Merlion symbol or name is strictly controlled by STB. Any company wishing to use the Merlion symbol or the name has to enquire with STB through the following link: https://www.stb.gov.sg/assistance-and-licensing/resources/Pages/STB-owned-</p>

	<p>Assets-Merlion-Symbol.aspx</p> <p>Any company wishing to conduct business as a travel agent should apply for a licence through the following link:</p> <p>http://trust.yoursingapore.com</p>
--	--

List of various regulatory authorities that the applicants require to take prior approval from before they register with ACRA

Referral Authority	When is the prior approval required
<p>Institute of Singapore Chartered Accountants</p> <p>www.isca.org.sg</p>	<p>Names and business activities that contain words as "Accountancy", "Accounting", "Audit", or any derivatives of the terms, are supposed to get an approval from ISCA.</p>
<p>Ministry of Health (MOH)</p> <p>www.moh.gov.sg</p>	<p>Names and business activities that contain the words, "hospital", "medical clinic/centre", "surgery", "dental clinic/centre", "healthcare establishment", "medical/clinical laboratory", or any other term which shows similarity to these terms. The applicant needs to get an approval from MOH.</p>
<p>Registry of Co-operative Societies</p> <p>www.mccy.gov.sg</p>	<p>Names and business activities that contain words or terms like "Co-op" or "Co-operative". The applicant needs to get an approval of Registrar of Co-operative Society.</p>

What are the Pro-Enterprise Services offered by ACRA?

Here is the information on the business facilitation activities that ACRA offers.

GST Registration

ACRA has launched an interface with the Inland Revenue Authority of Singapore (IRAS) to permit companies and business entities to [register for Goods and Services Tax \(GST\)](#). Registering for GST is mandatory in most cases, if the company's turnover is over \$1 million for at least 12 months OR when the individual operating the business is expecting the turnover to go above \$1 million for the coming 12 months.

How to open a Corporate Bank Account?

Business entities or companies can apply for a corporate bank account with DBS, Bank of China, Maybank, State Bank of India, OCBC, or UOB via BizFile.

Application of CPF Submission Number (CSN)

Employers or companies will require a CSN to do monthly CPF contributions to their employees. Employers can use the ACRA's interface with the Central Provident Fund Board (CPF Board) to apply for a new CSN after registering successfully with ACRA.

Compensation Insurance in case of Work Injury

As per the Work Injury Compensation Act (WICA) all the employers have to cover Work Injury Compensation Insurance (WICI) for all their local and foreign staff members who are serving a service contract or a contract of apprenticeship, irrespective of their salary, age or nationality. You could apply for WICI, which is administered by NTUC Income Co-operative on Bizfile.

Taxes, Licenses, Permits and CPF

Here is some information on taxes, licenses, permits and CPF.

For the purposes of income tax, an entity or company is taxed in its own name.

GST registration is done in the name of the business or company. The entity has to calculate its total turnover of all its sole-proprietorship businesses (if any) to find out its accountability for GST registration.

Permits

After the registration of your entity or business, you must make sure that you get all the necessary approvals, licenses and permits from relevant government agencies before you can start your business operations. If you need any more information on licences and permits, and relevant online application procedures, please refer to the SME Portal.

Medisave Contribution for Self-employed Individuals

All self-employed individuals who are earning an annual net trade income of over \$6,000 have to contribute to Medisave. This is only applicable to all the Singaporean Citizens and also to Permanent Residents.

If you need more information, you could refer to the [Central Provident Fund Board website](#).

Employment Obligations for all the Employers

The WorkRight initiative enables the staff members and the employers to understand both their rights and their obligations as per the Employment Act and CPF Act. Please visit the [WorkRight website](#) in case if you are looking for more information.


Some Tax-Savvy Record-Keeping Tips especially for the Self-Employed

You can improve the tax compliance of your business and improve the overall record-keeping standards for your entity and business by:

- 1) [Keeping the records in a healthy way](#)
- 2) [Maintaining proper records](#)
- 3) [Keep a tab of some commonly made mistakes](#)

Contact Details


Call us:

 +65-91269927

Email:

 bc@intuitconsultancy.com

Address:

 One Raffles Place,
Tower 2
#19-61,
Singapore - 048616

