

INTRODUCTION

Singapore sits off the southernmost tip of Peninsular Malaysia about 137 kilometers north of the equator. The Republic is made up of the island of Singapore, which is 42 kilometers long and 23 kilometers wide, together with about 60 smaller islands. The population is approximately 3,015,000.

Singapore has a history as a thriving port even prior to the arrival of Sir Stamford Raffles in 1819. From 1819 to 1823, Singapore was under British rule. In 1824 the East India Company gained sovereignty and in 1826 Singapore, together with Penang and Malacca, formed the Straits Settlements. After four years of military occupation and administration Singapore became a Civil administration and a British Crown Colony in 1946.

Self government came in 1959 and in 1963 Singapore joined in forming the Federation of Malaysia. In 1965 Singapore became an independent and sovereign republic and a member of the United Nations.

Singapore has a written constitution that provides for an elected Parliament of one house and a President. Parliament has a maximum term of five years. The President is the Head of State and is elected by the citizens for a term of six years.

Parliament passes Bills that become law once approved by the President. The Supreme Court has unlimited original jurisdiction in civil and criminal cases and consists of the High Court and the Court of Appeal. The Court of Appeal is the final appellate court of Singapore.

THE FINANCIAL INDUSTRY

The backbone of Singapore's modern economy was for some time high technology manufacturing industries. More recently Singapore has made successful efforts to develop as a financial and business centre. Various incentives and treaty arrangements have assisted this development. Singapore is now one of the world's leading foreign exchange centres, has well established securities and insurance industries and offers a wide range of banking services.

SINGAPORE COMPANY

Name of Company

Before a Company can be registered, a proposed name must first be reserved and approved by the Registrar of Companies ('RCB'). Once the name is approved by the RCB, the reservation of the name is effective for 2 months and an application can be made to extend the reservation further.

If the name is identical to that of the holding company or any other companies, the respective companies will have to provide a letter of consent to the RCB for the use of the name. The RCB normally takes about 1 day to process the application. However, if clearance is required from other government authorities, the application may take up to 2 months.

For existing business e.g. sole-proprietorship converted into Pte Ltd, a letter of consent from the sole-proprietorship is needed and the letter must state when the sole-proprietorship would be terminated, usually 3 months from the date of incorporation.

Business Activities

Certain types of business activities need the necessary approval and/or license from the other government authorities before the business can begin. Listed below are examples of some types of businesses for which approval/license is required: -

<u>Business</u>	<u>Relevant Authorities</u>
Banking, Finance and Insurance	The Monetary Authority of Singapore
Employment Agencies	Ministry of Manpower
Travel Agents	Singapore Tourist Promotion Board

First Directors and Subscribers

There must be two directors who must be natural persons and for reason expediency, these two individuals should also act as the subscribers. The subscribers are required to take up at least one share each to form the company and the 2 subscribers' shares can be transferred to the beneficial owners (e.g. holding company) after incorporation. The subscribers and the directors are required to sign the incorporation documents. In addition, the first directors of the company will be named in the Memorandum of Articles. The Companies Act requires a minimum of two directors and at least one of them must be a 'resident' of Singapore and any of the following persons can act as a resident director;

- A Singapore citizen
- A permanent resident of Singapore
- An expatriate holding an employment pass in Singapore

If required, we may be able to arrange for one of our business associates to act in such capacity at a fee of US\$1,200 per annum. A deposit of US\$1,200 is required for the provision of nominee director.

Registered Office

The company will need to have a registered address in Singapore as from the date of its incorporation and if required, we can assist you. Our fee for the provision of registered address is US\$200 per annum.

Authorised and Issued Share Capital

The company must have an authorised share capital. A capital registration fee of S\$300/-, is payable to the RCB. For the issued share capital, we suggest that one share each for the subscribers be issued and subsequently we can increase the paid-up share capital after the incorporation of the company and the opening of the bank account.

Memorandum and Articles of Association

The company must adopt a set of Memorandum and Articles of Association for incorporation purpose. If there is no special requirement, standard Memorandum and Articles of Association model after the Table A of the companies Act can be used. The Memorandum and Articles of Association are the basic constitutional document of a company, which mainly set out the company's objects, aim, structure and the regulations by which the company is governed.

Auditor

Every company must appoint an Auditor within 3 months from the date of incorporation. We suggest you to appoint the Auditor during the incorporation stage, as this will lower cost of filing and also avoid any breach of company's act if we overlook to appoint an Auditor later and also expedite the completion of the administrative and secretarial works after the incorporation.

Company Secretary

Every company must appoint a secretary within 6 months from the date of incorporation. The secretary must possess at least one of the qualifications set out in Section 171 (1A) of the act. e.g. must be a lawyer, a qualified accountant, a qualified Company secretary etc. If required we may be able to arrange for a qualified company secretary to act in such capacity at a fees of US\$500 per annum. We also suggest appointing the company secretary of the incorporation stage, as per the same reason as Auditors.

Incorporation Documents

The following documents are to be lodged with the RCB to incorporate the company: -

- Memorandum and Articles of Association
- Form 6 - Statutory Declaration of Compliance
- Form 7 - Certificate of Identity
- Form 24 - Return of Allotment of Shares
- Form 45 - Consent to Act as Director
- Particulars of First Directors / Subscribers
- Form 44 - Notice of Situation of Registered Office
- Form 49 - Return giving Particulars in Register of Directors

Time Schedule

The timetable for the incorporation process, under normal circumstances is set out as follows: -

- Application for approval and reservation of name with the RCB - 2 day
- Preparation and execution of the incorporation documents in Singapore (if the directors / subscribers are available in Singapore to sign the documents) - 3 to 6 days
- Issue of the Certificate of Incorporation by RCB - 1 day

However, if the documents have to be sent overseas for execution by the directors/ subscribers, the time taken will depend on when these documents can be returned for submission to the RCB.

Employment Pass

Expatriate staff intending to work with the company in Singapore will have to apply for an employment pass with the Controller of Immigration ('COI'). From our experience, the COI does look forward to companies to have financial commitment in terms of issued and paid-up share capital when considering employment pass application. If the applicant is duly qualified and experienced in his line of business, financial commitment in terms of issued and paid-up share capital of around S\$100,000 and S\$200,000 is normally expected. The company will therefore have to consider increasing its issued and paid-up share capital if so required by the COI for the purpose of the employment pass. As it may take a few months for the result of the application to be known, it is advisable to submit the application early. The expatriate should only relocate to Singapore when approval of the employment pass is granted. We can advise on the application for employment passes, if required.

Incorporation Questionnaire Letter of Consent

If it is intended that a company be incorporated, the following attached documents must be returned to us, duly completed and signed: -

- Incorporation questionnaire
- Photocopies of NRIC or passport of the directors/shareholders.

Our Fees

Our fees to be approximately US\$900/-, inclusive of registration and filing fees, initial secretarial works, issue of share certificates, creating and updating minutes book and company registers, and one company kit.

Total Costs

The total cost for the registration of a company in Singapore therefore is US\$1,600. The costs include:

1. Capital registration fee of S\$300.
2. Our incorporation charge
3. Registered address (one year)
4. Company secretary (one year)
5. One company kit

Terms of Payment

We require a US\$500/- non-refundable deposit to be paid to us before we commence the incorporation work and the full payment made before we file the incorporation documents upon the approval of the proposed company's name.

For information, assistance or incorporation, please contact:

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