

# Doing Business in Singapore 2007

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*20 October 2007*

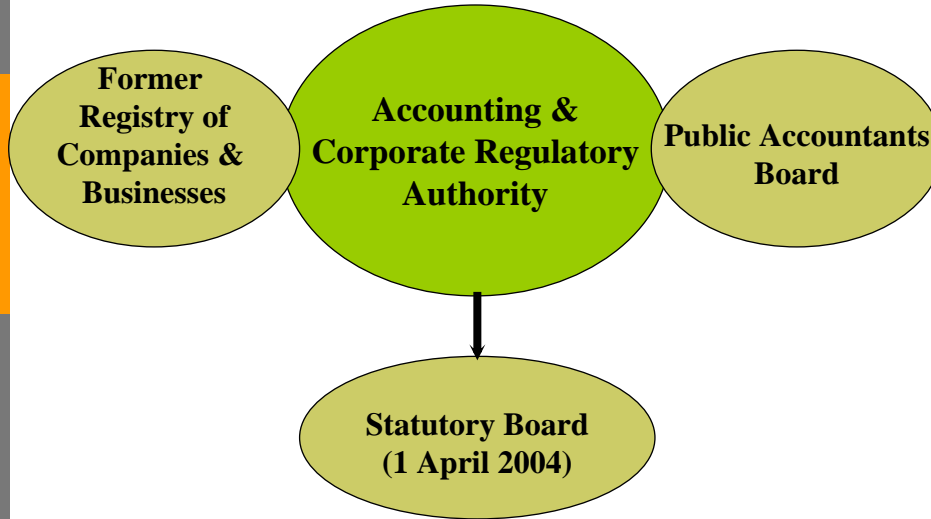


**ACRA**

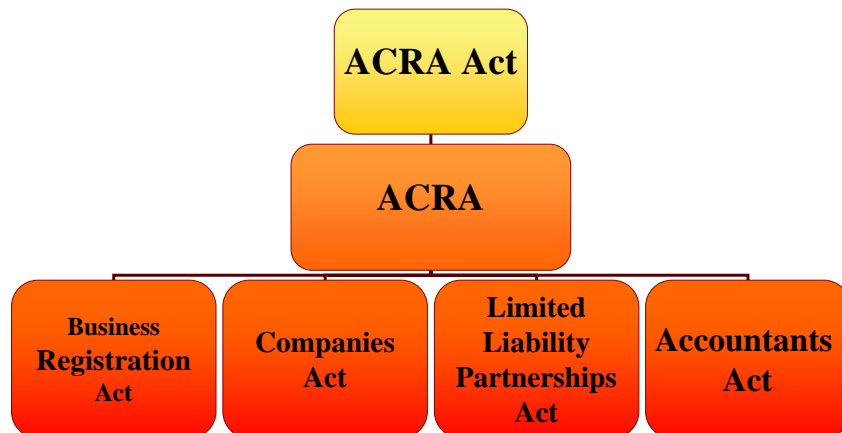


**Accounting and Corporate  
Regulatory Authority**

# ACRA



# Legislation



# What is our Vision & Mission?

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## VISION

Singapore: The trusted and best place for business!



## MISSION

To Provide a Responsive and Trusted  
Regulatory Environment  
for Businesses & Public Accountants

# ACRA's Main Activities

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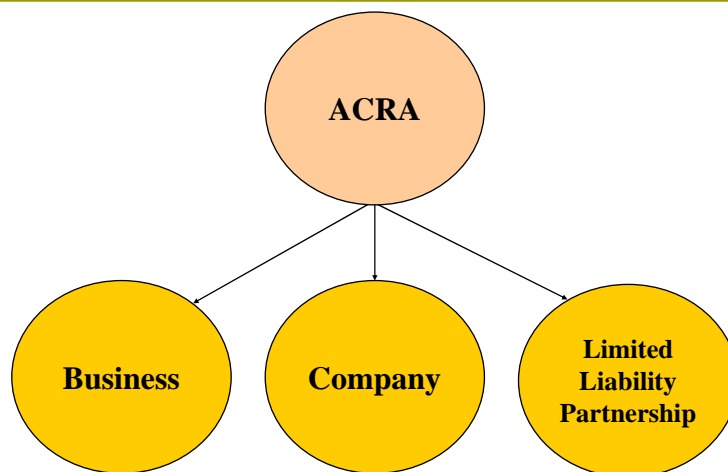


- ❑ To register business entities and public accountant
- ❑ To ensure compliance with legal requirements
- ❑ To enforce and prosecute offenders
- ❑ To provide information on registered entities

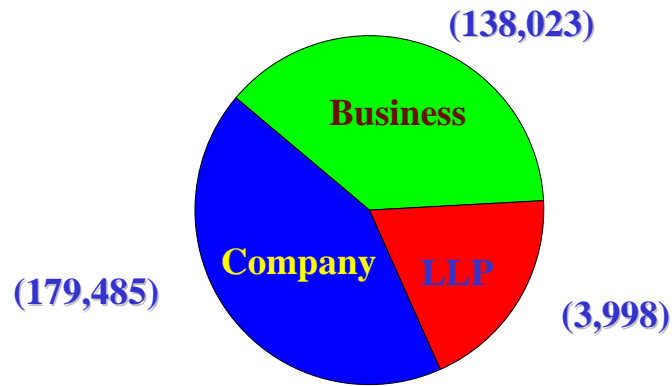
# Business Entities



# Types of Business Entities



## No of “Live” Business Entities



As at 15 October 2007

## Who must register with ACRA?



Any person who wants to carry on business for the purpose of gain (profit) must register a business, company or a limited liability partnership in Singapore before carrying out such business.



## Do I need to register an online business activity?

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Any activity that is carried out continuously for the purpose of gain/profit is required to be registered with ACRA.



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# Business

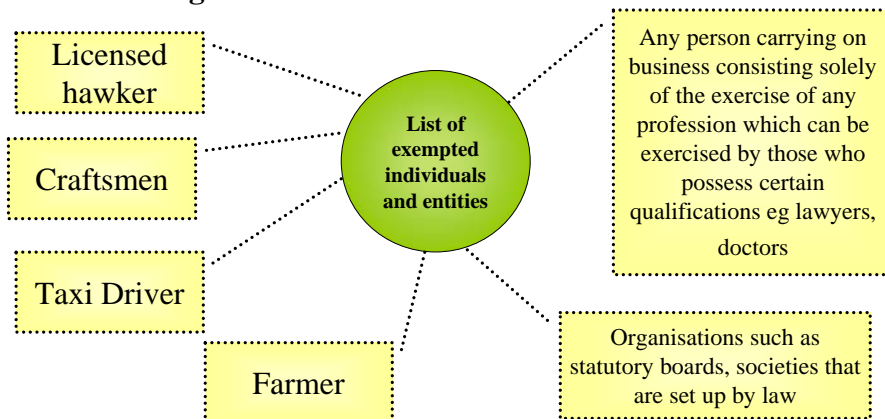
## What is a Business ?

A business is an entity registered under the Business Registration Act. It includes every form of trade, commerce, craftsmanship, calling, profession & any activity carried on for the purposes of gain.



## List of Exempted Individuals & Entities

There are certain individuals, professionals and organisations that are not required to register with ACRA under the Business Registration Act:



## Features of a Business

### Business



- is easy to register, easy to close
- is not a legal entity
  - *It cannot sue or be sued*
  - *It cannot own property*
- owners are personally liable for debts
  - *Unlimited liability*

## Types of Businesses

### ■ *Sole-Proprietorship (1 owner)*

- *Natural Person*
- *Company*



Sole-Proprietorship

### ■ *Partnership (2 to 20 owners)*

- *Natural Persons*
- *Companies*
- *Natural Person and Company*



Partnership



## Requirements for Registration



- **Age**
  - Must be 21 years and above
- **Nationality**
  - Singaporean/PR/EP Holder/DP Holder
  - Foreigner residing overseas
    - *Can partner with locally resident person or*
    - *Appoint local manager*
- **Medisave must be paid up**



## Registration of New Business



- Log into BizFile ([www.bizfile.gov.sg](http://www.bizfile.gov.sg)) using ID No and SingPass
- Registration fee of \$65
- Registration is valid for 1 year
- Annual Renewal - \$20



# Closing a Business

## ■ Termination

- Voluntary Process
- Before expiry date
- Filing fee of \$20

## ■ Cessation

- Voluntary Process
- After expiry date
- No fee payable



# Business Cancellation

If the business registration is not renewed, the Registrar has the authority to **cancel the business.**



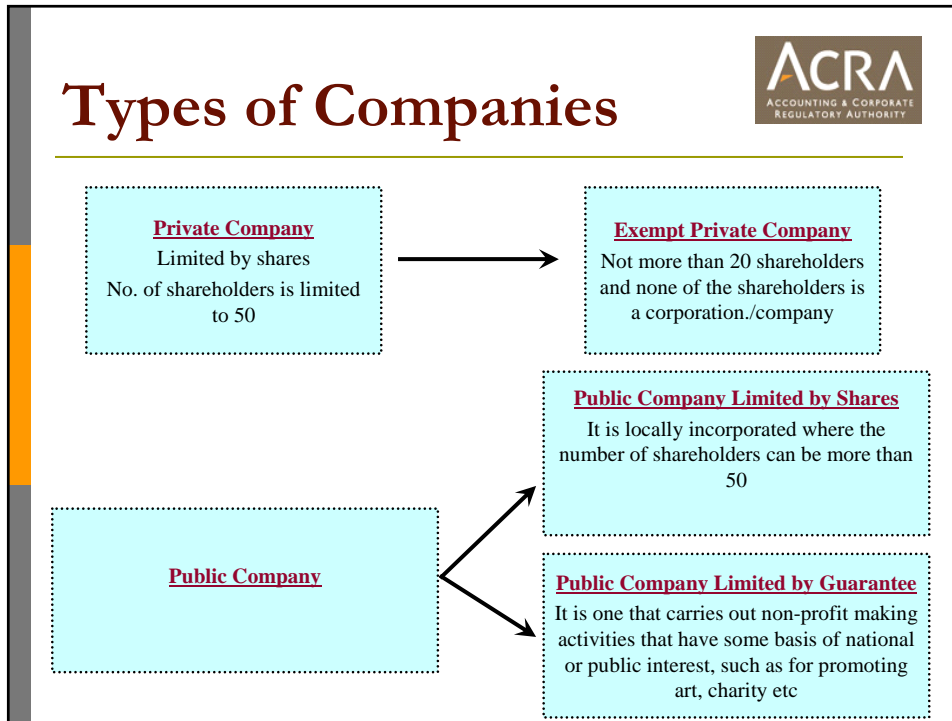
# Company

## What is a Company?

A company is a business entity incorporated under the Companies Act. It usually has the words 'Pte Ltd' or 'Ltd' as part of its name.



# Types of Companies



# Features of a Company?

## Company

- ◆ is a legal entity e.g. has the right to buy & own property, can sue and be sued
- ◆ shareholders own the company/Directors manage the company
- ◆ has perpetual succession
- ◆ is easy to incorporate but not easy to close

## Requirements for Incorporation



- ◆ **Age**
  - ◆ *Must be 21 years and above*
- ◆ **Nationality**
  - ◆ *Singaporean/PR/EP Holder/DP Holder*
- ◆ Incorporation can be done by *professionals* or by the *directors* themselves



## Incorporation of Company



- ◆ Login to Bizfile to apply for a new company name
- ◆ Pay \$15 when name is approved
- ◆ Submit application to incorporate company
- ◆ Fee payable is \$300.
- ◆ Total fee to incorporate a company is **\$315**



## Who is a director?

Sleeping Director, Shadow Director, Active Director,  
Nominee Director, Non-Executive Director.. ?

**Is there a difference???**



## Director Qualifications?

- ◆ Natural person of `full age` and capacity
- ◆ CANNOT be an undischarged bankrupt
- ◆ Age limit of 70 yrs for public companies (unless reappointed by a resolution at AGM)



## Director Duties

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- ◆ A director
  - ◆ shall at all times act honestly in carrying out the duties of his office.
  - ◆ shall not make improper use of any information acquired as an officer of the company to make a profit, directly or indirectly, an advantage for himself or for any other person.



## Director Duties – Cont'd

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A Director is required :-

- ◆ to appoint a secretary with requisite knowledge and experience
- ◆ to prepare accounts in accordance with accounting standard
- ◆ to hold AGM
- ◆ to file Annual Returns



## Annual Filing

- ◆ First Annual General Meeting (AGM) - 18 months from the date of incorporation.
- ◆ Subsequent AGMs - once every calendar year but not later than 15 months from the date of the last meeting
- ◆ Accounts – not more than 6 months old
- ◆ Annual Return – must be filed within one month after the date of the AGM

## Annual Filing - Exemptions

*\*Dormant companies and exempt private companies with annual revenue below \$5 million are exempted from audit requirements for financial year on or after 1 June 2004*





# Closing your Company



## Company

### ◆ Winding up:

- ◆ The members or creditors of the company can wind up the company voluntarily; or
- ◆ The court can compulsorily wind up the company



# Closing your Company



## Company

### ◆ Striking off:

- ◆ The company must fulfill all criteria for striking off before applying to ACRA for its name to be struck off the register, such as:-
  - ⊙ *no longer trading*
  - ⊙ *must have no assets and liabilities*
  - ⊙ *No outstanding tax liabilities*
- ◆ The fee is only **\$35**

# Limited Liability Partnership

## What is an LLP?



An LLP or limited liability partnership is a new business entity introduced in April 2005 registered under the Limited Liability Partnership Act.

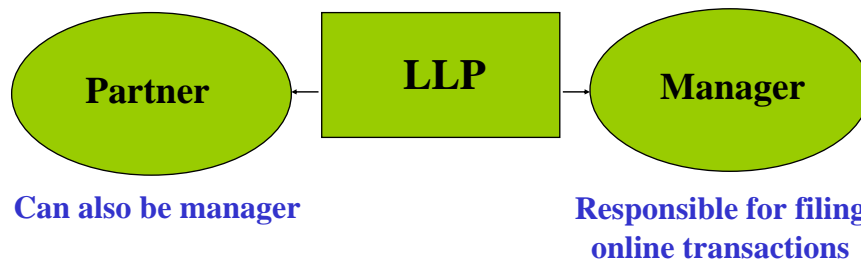
LLP can be created by:

- Registration of a new LLP
- Conversion from Business to LLP
- Conversion from Company to LLP

## Features of an LLP

- has the features of partnership & company
- is easy to register but not easy to close
- is a legal entity e.g. has the right to buy & own property, can sue and be sued
- has perpetual succession

## LLP Structure



Partners are not personally liable for any business debts incurred by the LLP

but however are liable for losses resulting from his own wrongful act or omission

# Requirements for Registration



## *Partner*

- at least 2; no limit to maximum
- must be 21 years and above
- can be natural person or body corporate



# Requirements for Registration



## *Manager*

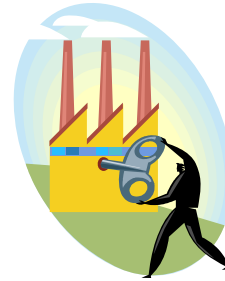
- at least 1; no limit to maximum
- must be a natural person
- at least 21 yrs old
- Locally resident
- Not a bankrupt
- Not disqualified under Companies Act



## Registration of LLP



- ◆ Login to Bizfile to apply for a new LLP name
- ◆ Submit application to register LLP
- ◆ Total fee to register an LLP is **\$165**



## Annual Filing



- Submit Annual Declaration to state whether The LLP is:
  - ★ Solvent (Able to pay debts) or
  - ★ Insolvent (Unable to pay debts)
- 15 months from the date of registration
- Thereafter once in every calendar year, interval of not more than 15 months
- Filing fee of \$10

## Closing your LLP



### ➤ Winding up:

- ★ The members or creditors of the LLP can wind up the LLP voluntarily; or
- ★ The court can compulsorily wind up the LLP

### ➤ Striking off:

- ★ The LLP must fulfill all criteria for striking off before applying to ACRA for its name to be struck off the register.
- ★ The fee is only \$35

## Choosing a name



You should avoid the following:



- **Identical name** – a name that is identical to that of another business entity e.g. “ABB Beauty Salon” and “AB&B Beauty Salon”
- **Undesirable names** – a name that is offensive, abusive or obscene
- **Restricted names** – a name that the Minister has directed ACRA not to accept for registration, e.g.. “Temasek”

## Licenses & Profile

- Licenses - Spring
- Business Profile - A computer report that contains information on business entity
  - Proof of registration
  - Cost of profile - \$5



## Things to do after Registration

All registered businesses, companies and LLPs will need to adhere to certain rules after registration.

Examples of such rules:

- ◆ Notification/Updates in Company particulars
- ◆ Printing of Company registration number on all letterheads, invoices, bills or other documents used for purpose of the business, etc.



## Business Address

- The Home Office Scheme allows business owners to use their residential address as the business address.
- Need to obtain prior approval from HDB ([www.hdb.gov.sg](http://www.hdb.gov.sg)) or URA ([www.ura.gov.sg](http://www.ura.gov.sg))



## Useful Resources

- For more information, you may visit:

- ACRA's homepage: [www.acra.gov.sg](http://www.acra.gov.sg)

- Ask ACRA website:  
[www.acra.gov.sg/askacra](http://www.acra.gov.sg/askacra)

(An interactive FAQ service where users are able to receive prompt answers to queries.)





**End of Presentation**

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