

**REQUIREMENTS FOR FORMATION OF A
PRIVATE LIMITED COMPANY IN SINGAPORE**

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| 1. Company Name | Application for clearance of proposed name should be made before incorporation. It may be reserved for two months. The words "Private Limited" or its abbreviated form "Pte. Ltd." should form part of name of private company. |
| 2. Issued Share Capital | Minimum of one share should be issued at incorporation. |
| 3. Ownership | Issued share capital must be held by at least one individual, OR one or more corporate entities. No restriction against whole of issued share capital being held by non-residents. |
| 4. Directors | Minimum of one natural person (at least 18 years of age). This director must be ordinarily resident in Singapore. No restriction on foreigners acting as directors. We recommend that you have at least two directors, one of whom must be a ordinarily resident in Singapore. |
| 5. Company Secretary | Must be natural person principally resident in Singapore. To be appointed within six months of incorporation. |
| 6. Auditors | To be appointed within three months of incorporation. This requirement does not apply to private companies who are exempt from audit requirements pursuant to S205A of the Companies Act (Cap.50) i.e. dormant companies and exempt private companies with a turnover of not more than S\$5 million in respect of a financial year. |
| 7. Registered Office | Address in Singapore. Need not be the place of business. |
| 8. Government Approval | May be required if company desires to carry on certain businesses (eg. banks, finance companies, insurance companies, etc.) |
| 9. Accounting Requirements | <p>Accounts to be audited and filed annually. Dormant companies and exempt private companies (EPC) with a turnover of not more than S\$5 million in respect of a financial year are exempted from the requirement to audit their accounts but they must maintain proper accounting records and may file unaudited accounts.</p> <p>An EPC means a private company in the shares of which no beneficial interest is held directly or indirectly by any corporation and which has not more than 20 members.</p> |
| 10. Annual General Meeting | First AGM to be held within 18 months of incorporation or six months from financial year end, whichever is the earlier and annually thereafter. Private companies may elect to dispense with this requirement by way of a unanimous shareholders' resolution passed at a physical general meeting. |

11. Taxation
- 17% of taxable income for Year of Assessment ("YA") 2013.
- Under the start-up tax exemption scheme, a newly incorporated company that satisfies certain qualifying conditions (as set out below) can claim full tax exemption on the first S\$100,000 of normal chargeable income for each of its first three (3) consecutive YAs. Additionally, a further 50% exemption is given on the next S\$200,000 of the normal chargeable income for each of the first three consecutive YAs.
- To qualify for the start-up tax exemption, the company must:
- (a) be incorporated in Singapore;
 - (b) be a tax resident in Singapore for that YA; and
 - (c) have no more than 20 shareholders throughout the basis period for that YA where:
 - i. all of the shareholders are individuals beneficially and directly holding the shares in their own names; or
 - ii. at least one shareholder is an individual beneficially and directly holding at least 10% of the issued ordinary shares of the company.
12. Processing Time
- Company can normally be incorporated within 1 working day of lodgement of the incorporation documents, after its name has been cleared.
13. Employment of Expatriates
- Persons who are not Singapore citizens or permanent residents cannot be employed in Singapore unless they hold employment passes. Processing time for such applications is about six weeks.
14. Membership to the Singapore Business Federation ("SBF")
- Pursuant to the SBF Act 2001, every local company which has a paid up share capital of S\$500,000 or above shall automatically become a member of the SBF. The Annual subscription range from S\$300 to S\$800, depending on the company's paid up share capital.