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Singapore Company Incorporation

Q: What is the incorporation procedure, and how long does it take?

A: Firstly, we need to do a name check for the availability of the proposed company name. Assuming the name is available, it is then reserved online through the Accounting and Corporate Regulatory Authority (ACRA) website. An approved name will be reserved for 60 days from the date of application. Details of the Director(s), issued/paid-up capital, shareholder(s) and primary business activities, and contact email address are submitted for the name reservation application. Upon name application approval, the new company can then be incorporated.

The time frame for incorporation is usually around 3 working days (Subject to all requested information made available to Heritage Fiduciary Services (HFS) at the time of submission and receipt of payment on our invoice).

Upon incorporation, the First Board of Directors' meeting is held to determine and confirm the financial year of the company, appointment of additional company officers, tax agent and auditor (if necessary) and approved the matters.

A hard copy of the Certificate of Incorporation can be purchased, if required.

Q: What information is required prior to incorporation?

A:

- Name, Address and certified true copy of identification document (i.e. passport, NRIC) of proposed Directors and shareholders. For corporate shareholders, we would require the Certificate of Incorporation, M&AA and updated registers of Directors and Shareholders of this corporation.

- Details of issued/paid up capital, with share allocation/percentage.

- Primary activities of the company.

- Registered office address & location of the register of members and index is kept.

Q: Are there restrictions on names?

A: Yes, certain names including references to Government bodies and professional bodies will need justification. A name cannot be registered if it is identical to an existing company – unless via successful appeal based on some clear distinction (e.g. by trade) with that of an existing company.

Q: What is the minimum number of Directors permitted?

A: One Local Resident Director. (A local Director must be a Singapore Citizen, Permanent Resident, or a person who has been issued an EntrePass/ Approval-in-Principle letter or a Dependant Pass)

Q: What is the maximum number of Directors permitted?

A: There is no limitation on the maximum number of Directors on board. However, amendments to the Company's M&AA may be required if the number of Directors exceeds the number prescribed in the standard M&AA.

Q: Any residential, nationality requirements or professional qualifications for Directors?

A: No there are no general requirements of residence or qualification (although one of the Directors must be ordinarily resident in Singapore.) Any person above the age of 21 years may be appointed as a Director. Un-discharged bankrupts or persons subject to disqualification under the Companies Act Cap 50 cannot act as Director.

Q: Can the Company act through power of attorney?

A: Yes.

Q: Are corporate Directors permitted?

A: No.

Q: What is the minimum issued paid up capital?

A: \$1.00 per shareholder (congruent with currency of paid up capital).
Issued shares can be partially paid up at the time of allotment.



Q: What is the permitted currency of share capital?

A: Any currency, although issued shares must be in same currency as the paid up capital. The Singapore Dollar is the preferred currency of choice and convenience.

Q: Registered or bearer shares allowed?

A: Only registered shares are allowed. Bearer shares are not allowed.

Q: What is the minimum number of shareholders?

A: One. The shareholder(s) can be corporation or individual.

Q: What is the minimum authorized capital?

A: There is no requirement to state your authorized capital.

Q: Are licenses required?

A: Yes, for certain specified groups, which include for banking, insurance, financial services, consumer credit related services and employment and maid agencies.

Q: Is a resident company secretary required?

A: Yes. However, the only one Director cannot act as the company secretary.

Q: Is a corporate company secretary permitted?

A: No.



Q: Is a registered office required?

A: Yes, a company incorporated in Singapore must have a registered office in Singapore which must be open and accessible to which the public during normal office hours.

Q: Is there a standard Memorandum and Articles of Association of the Company (M&AA)?

A: Generally, companies can be incorporated using ACRA's standard M&AA template. Specially customized M&AA's are also acceptable providing the provisions in the Articles are in compliance with the Companies Act Cap 50.



Company Maintenance / Compliances

Q: What documents are available to public?

A: All documents filed are accessible to public, such as business people & accounts.

Q: Where has the first, and subsequent board meeting of directors have to be held?

A: Anywhere. Although, in order for the Company to be considered as a tax resident in Singapore, the tax comptroller requires board meetings to be held in Singapore as one of the criteria to determine the control & management is in Singapore.

Q: Where is the location for general meetings of shareholders?

A: Anywhere.

The first annual general meeting must be held within 18 months from the date of incorporation or 6 months from the financial year end, whichever is earlier to approve the Directors Report and audited/FRS accounts.

Subsequential AGMs must be held every calendar year and the interval between these meetings should not be more than 15 months after the date of the last AGM.

Q: When must an auditor be appointed?

A: A company shall appoint an auditor within 3 months from the date of incorporation, unless it is exempted from audit requirements under the Companies Act. Cap 50.

Q: Are there requirements for annual audited accounts to be filed with the local tax (IRAS) and corporate (ACRA) authorities?

- A:** An audit is only mandatory if:
- A company is not private exempt.
 - Its turnover exceeds SGD 5 million.
 - Any shareholder with a stake of at least 5% requests one.

However, all private exempt companies must prepare a report with annual account according to Singapore Financial Reporting Standards (FRS), signed by Director on behalf of the company.

FRS accounts have to be filed with tax authorities (IRAS).

Q: Must the company hold its AGM even though it is dormant?

- A:** Every company is required to hold its AGM and file its annual return even though it is dormant. However, the law has been amended to allow companies to dispense with AGMs if all the shareholders pass a resolution to do so. Notwithstanding this resolution, a shareholder may still at any time require an AGM to be held even though the resolution to dispense with the holding of the AGM has been passed.
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Q: What is filing of annual return?

- A:** The law requires every company to hold its AGM & file its Annual Return in XBRL with ACRA within one month after the holding of the AGM. For more information on filing of Annual Return in XBRL, please contact HFS for assistance.
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Q: What annual tax is levied, and when is it payable?

- A:** All companies carrying on a trade or business in Singapore need to file Form C annually to report their income. Even if the company is making losses, it is required to file the form C. Net profits before taxes are taxed at 18% (YA2008). Although, for all newly incorporated Exempt Private Limited companies, there is tax exemption on the first \$100,000.00 of taxable income (net profit after tax allowances and tax adjustments), for the first 3 consecutive years of assessment (qualifying conditions apply).

Q: What are the residential and professional qualifications for the company's appointed Auditor?

A: The auditor must be a Singapore Certified Public Accountant.

Q: Is there tax on bank deposits in local banks?

A: No.

Q: What is required to set up a bank account in Singapore?

A: Firstly, a Director's Resolution must be passed to approve and appoint the signatory(s) (and, administrator(s) in the case of Internet banking), of the company bank account.

Secondly, the authorized signatory(s) and the Directors who signed the resolution for opening the bank account are required to be present in person to open a new account, with a recent copy of the Company's business profile, M&AA and Directors' Resolution and proof of address. (In the case of a sole Director who is also the signatory, the Company Secretary will be required to attend.)

Most local banks require a minimum deposit to be placed once the account is approved.

Q: How to close a Singapore incorporated company?

A: 1. Striking off – A company may apply to ACRA to strike its name off the Register provided if satisfy certain criterias for striking off.

2. Members' voluntary/ Creditors' voluntary/ Compulsory winding up/ Receivership/ Judicial Management – please seek HFS professional advice.