



YOUR SINGAPORE COMPANY REGISTRATION CHECKLIST

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OVERVIEW OF **SINGAPORE COMPANY REGISTRATION**

01

Company Name



New company names are frequently approved or disapproved in less than an hour. The proposed name contains words (such as bank, finance, law, media, etc.) that may need to be evaluated and approved by a relevant government entity. In that case, it might occasionally cause a delay to the approval procedure by a few days or weeks. In general, to get approval for your proposed company name, make sure that your business name complies with these:

- Your business name cannot be obscene
- The name of your business cannot violate existing trademarks.
- Your business name cannot be the same as another Singaporean firm that already exists.
- No other business already reserved your company's name.

Assuming you comply with that simple criteria, The Accounting and Corporate Regulatory Authority (ACRA) can authorise your business name in less than an hour. If your business is in a field that requires a license, such as law, medicine, or finance, it may take a few weeks for the name to be approved. Following approval, ACRA will keep your company name for 120 days. But if you let it expire, someone else might be able to use it.

PICKING A NAME

A company name can be different from your business name. You can get your singapore company name check [here](#).

Example:

We do business as Sprout Asia, but our business entity is Sprout Corporate Services Pte. Ltd.

IF YOU ENGAGE WITH COMPANY REGISTRATION PROVIDER

Your company registration service provider must also perform "Know Your Customer" due diligence on your business under anti-money laundering rules (KYC). It should be straightforward because your chosen Singapore company incorporation provider will guide you through the registration documents. The completion and approval of these registration documents must occur within one day.

02

Company Type



What are the differences between the standard business structures in Singapore, and what would be the ideal structure for you?

	Sole Proprietorship	Public Company Limited by Guarantee	Limited Liability Partnership	Private Limited
Definition	Business being operated by one person	Company that carries out non-profit work	Business being operated by at least two partners	Business is a legal entity separate from its directors and shareholders
Registration Requirements	<ol style="list-style-type: none">1. Business name2. Description of principal activities3. Local manager who is at least 18 years old if owner is not a Singapore resident4. A registered address in SG	<ol style="list-style-type: none">1. Company secretary2. At least one local director who is at least 18 years old3. Draft a constitution which includes the company name, objective, and amount each member pledges to pay in the event of winding up	<ol style="list-style-type: none">1. A registered address in SG2. At least 2 partners3. At least one local manager, who is at least 18 years age4. A registered address in SG	<ol style="list-style-type: none">1. Company secretary2. Local director who is at least 18 years old3. At least one shareholder4. Paid-up capital of at least \$15. A registered address in SG
Ownership and Members	Owned by one person	Requires at least 2 directors and 2 members	At least 2 partners (i.e. any natural person, company or another LLP)	A minimum of 1 and a maximum of 50 shareholders
Liabilities	The Sole Proprietor is responsible fully for the debts and losses incurred under him	The liability of CLG members in the event of liquidation is limited to the amount of money they undertake to contribute	The individual partner's own liability is limited	The liabilities of the shareholders are limited to their investments into the Company and nothing else
Taxes	The profit of a Sole Proprietor is assessed as if it is the owner's own earnings at the personal income tax rate	<p>A CLG is liable to pay corporate tax at a rate of 17% and there are some tax exemptions available</p> <p>For full tax exemption, a CLG may apply for charity status</p>	<p>Where the partner is an individual, his share of income is taxed based on his personal income tax rate</p> <p>Where a partner is a company, its share of income will be taxed on the tax rate for companies (17%) and tax exemptions are available</p>	A Company is taxed based on the corporate income tax rate of 17% and there are tax exemptions available

WHAT IS SOLE PROPRIETOR?

A sole proprietorship is a company that one person founds. The entrepreneur solely owns the risks; no distinct legal organisation is provided. For instance, you would need to obtain a bank loan in your name and make the debt payments on your own. The good news is that it's straightforward to start and run. It may initially cost less than a Pte Ltd because the owner deducts their personal taxes from the income.

A Sole Proprietor is a business operated by one person. It:

- not a separate legal entity from the business owner
- cannot own either assets or properties
- cannot enter either into agreements or contracts
- ceases operations upon the natural operator's demise
- can sue or be sued only in the owner's name i.e., a lawsuit against the Sole Proprietor is one against the owner

The business owner has unlimited liability (i.e. the business owner is personally liable for all the debts and losses of the sole proprietorship). A Company, on the other hand, is a legal person/ entity incorporated by law. It:

- Is a body corporate capable of exercising the functions of an incorporated company
- Can own assets and properties in its name
- Can enter into agreements or contracts
- Can sue and be sued in its name
- It has a perpetual succession
- Members of the company have limited liability

WHAT IS PUBLIC COMPANY LIMITED BY GUARANTEE?

Non-profit organisations in Singapore can operate as a Public Company Limited by Guarantee (CLG). Becoming a CLG is available to companies that carry out non-profit work. They are usually bodies carrying out charity activities. Those activities will generally need to have a national or public interest. While there's no strict list of the type of organisations that may benefit from registering as a CLG, examples include religious bodies, universities, and trade associations. The National University of Singapore and The Temasek Foundation are both examples of CLGs. In short, they are mostly used by non-profit organisations requiring corporate status. Here are some more characteristics of a CLG:

- It does not have shareholders. Instead, it has guarantors.
- Any profits made reinvested in the company
- Members do not receive any payment outside of their salary.
- Liability of members in the event of liquidation is limited to the amount of money they undertake to contribute - this is usually a nominal amount and can be as little as \$1

WHAT IS LIMITED LIABILITY PARTNERSHIP?

A Limited Liability Partnership (LLP) is a business operated by at least two people or partners. A partner is any natural person, company, or another LLP, who is in an LLP agreement and admitted as a partner. An LLP:

- Require the sale of each of the assets, licenses, and permits individually for the transfer of ownership
- Can own property as an entity
- Protects the liabilities of individual partners - this means that any losses incurred by the wrongful actions of one partner will be liable to that individual only

WHAT IS PRIVATE LIMITED COMPANY?

A Private Limited (Pte Ltd) company or a limited liability company (LLC). Some characteristics of a company:

- it can sue and be sued in its name
- Company's directors and shareholders are not liable for its debt (i.e., their assets are safe)
- A minimum of 1 and a maximum of 50 shareholders
- Can own assets and properties in its name
- Eligible for tax exemptions and incentives

There are also statutory requirements for a company. You will need the following if you're a Private Limited company:

- Company secretary
- Local director who is at least 18 years old
- At least one shareholder
- Paid-up capital of at least \$1 (although we advise that you have at least a few thousand dollars)
- A registered address in Singapore



MORE DETAIL COMPARISON,
PLEASE REFER TO [HERE](#)
SOURCE FROM: [ACRA](#)

03

Business Activities

The Singapore Standard Industrial Classification, commonly referred to as SSIC, is a five-digit code the government uses to classify business activities in Singapore. The system is based on a similar one used internationally, the International Standard Industrial Classification (ISIC) system.

WHY DO YOU NEED A SSIC CODE?

- Due to the nature of your business's operations, the SSIC code might assist you in establishing whether you require such a license. The Accounting and Corporate Regulatory Authority (ACRA) will notify you if your code indicates that your business needs a license.
- SSIC codes assist in figuring out whether your company qualifies for certain tax advantages, subsidies, or other government assistance programmes. The Inland Revenue Authority of Singapore (IRAS) uses it to notify you if you are eligible for these government aid programmes.

HOW DO I SELECT AN SSIC CODE?

Business owners must first understand the definition of economic activity. An economic activity occurs when a company uses resources (e.g., physical capital, labour, goods, and services) to produce goods and services. There are three types of economic activities:

- Principal activity. This is the activity with the highest value-added and/or generates the most revenue from the goods and services your company produces.
- Secondary activity. As the name suggests, this is not your principal activity but one that your company still does occasionally.
- When selecting an SSIC code for your company, the most important thing to understand is that it should reflect its principal economic activity. If your company engages in two or more principal business activities, select the SSIC codes for the two economic activities that generate the most revenue for your company. Furthermore, please note that you must register your code with ACRA.

WHERE CAN I FIND MY SSIC CODE?

1. Visit Singapore's online portal through ACRA or [our website](#)
2. Enter your company's business activities in the search box.
3. Find the result that matches your business best.
4. If the description is too generic, you may elaborate more on your business activity type during the incorporation process.

04

Company Director



The Singapore Companies Act requires that all companies incorporated in Singapore have a least one director who is resident in Singapore. A Singapore citizen, Singapore permanent resident, EntrePass holder or Employment Pass holder, and who has a local residential address are readily accepted as resident directors.

WHO CAN OR CANNOT BE A COMPANY DIRECTOR

The individual must:

- Be a natural person (which means that corporations cannot be directors);
- Be at least 18 years old;
- Be of sound mind;
- Have at least 30% shareholding for foreigners (holding a DP LOC). Suppose the individual has experienced any of the following circumstances. In that case, he is automatically disqualified from being a local or foreign company director and has to seek permission from the High Court to overturn this verdict.

Specifically, the individual cannot:

- Be convicted of criminal offenses involving fraud or dishonesty;
- Be convicted of three or more filing-related offenses under the Companies Act within five years.
- Have received an order by the Court that disqualifies them from being a director;
- Be bankrupt. The individual must receive permission from the court official who presided over the bankruptcy (i.e., the Official Assignee) to be allowed to be a director;
- Have a company wound up for reasons of national security;
- Have three or more High Court Orders made against them requiring compliance with the relevant requirements of the Act within the past five years.

HOW DO YOU APPOINT COMPANY DIRECTOR

In general, the appointment of directors through an ordinary resolution passed during a general meeting. Such a resolution must receive at least 50% of the votes cast at the meeting.

Once the director is appointed, the company must notify the Accounting and Corporate Regulatory Authority (ACRA) within 14 days of the date of appointment through the BizFile+ website. The company must provide ACRA with the following information about the director:

- Name
- Address
- Identification number
- Appointment date
- Contact details
- Nationality
- Have a record of a signed board resolution that approves the appointment
- Have a record of a declaration of consent to act as a director (Form 45)
- Have a record of the director's disclosure of any other directorships or shareholdings (s)he has

UNABLE TO FIND ONE?

[Sprout](#) provides nominee director services if you are unable to identify a resident director for your company!



05

Work Visa



A foreigner (non-Singapore citizen and non-Singapore permanent resident) who wish to work in Singapore will need to apply for an EntrePass or Employment Pass.

EMPLOYMENT PASS

An Employment Pass is a work visa issued by the Ministry of Manpower (MOM) in Singapore. It is directed to foreign professionals with a job offer within Singapore who meet the eligibility criteria, it may also allow for the process of applying for Permanent Residence (PR) to be simpler. The Employment Pass possesses a 2 year long duration for first-time candidates but renewals allow for up to 3 years in length.

Applicant Eligibility

In order to be eligible to receive an Employment Pass a foreign professional must possess the following:

- You must earn over S\$5,000 per month and have adequate qualifications, and your salary should reflect your qualifications and work experience (applicants with more experience require higher salaries)
- From September 2022, applicants working within the financial services sector must earn a minimum of \$5,500 for new applications
- You should have a job offer from a company based in Singapore
- You should work in a specialised, executive, or managerial job
- You should have a degree from a respected university, acceptable qualifications, professional experience, or technical skills

ENTREPRENEUR PASS

The Entrepreneur Pass (EntrePass) scheme is for international serial entrepreneurs, well-known innovators, and seasoned investors interested in starting a company in Singapore. Relocating to Singapore is also included in this.

Applicant Eligibility

Under one of the three predetermined groups, the candidate must fulfill the following minimum eligibility requirements:

1. Entrepreneur
 - A venture capitalist (VC) or angel investor receiving at least S\$100,000 in finance or investment on behalf of the applicant's business has been properly accredited by a Singaporean government body.
 - The Singapore government-approved incubator or accelerator is responsible for the company's incubation.
 - The candidate has a well-established business network and a successful track record as an entrepreneur.
2. Entrepreneur
 - The applicant is in ownership of intellectual property.
 - The applicant has partnerships with reputable research institutes or institutions of higher learning in Singapore.
 - In the primary areas of competence, there is a track record of outstanding accomplishments.
3. Investor
 - There is a history of successful investments.

WHAT IF YOU ALREADY HAVE A VISA?

If you already hold a work visa, you can be a shareholder of a new company. You will need to obtain a Letter of Consent from the Ministry of Manpower.

[TALK TO SPROUT FOR ASSISTANCE IN APPLYING FOR THE APPROPRIATE PAPERWORK!](#)

06

Company Secretary



A Corporate Secretary is a requirement under Section 171 of the Companies Act for all Singapore businesses. This important officer is in charge of preparing the relevant legal paperwork and submitting it to the appropriate authorities. Therefore, the Secretary is responsible for ensuring that the corporation complies with the law and is liable if it does not.

Appointment of the company secretary must be within the first six months following the business registration. The officer must be a resident of Singapore. Hence they can also be a Permanent Pass, EntrePass, Employment Pass, or Dependant's Pass holder. A single director and a company secretary cannot be the same individual. However, the Secretary can combine the two functions if there are multiple directors.

THE RESPONSIBILITIES

- Board meetings
- Annual general meetings
- Staying compliant with legal matters
- Maintaining statutory registers and records
- Communicating adequately with shareholders
- Guiding directors to fulfill their statutory duties and remain compliant

DO I REALLY NEED ONE?

It is mandatory to hire a company secretary when you're setting up a company as stipulated by the Singapore Companies Act.

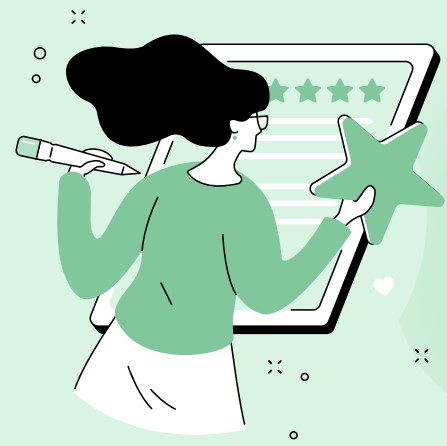
This has to be done within six months of business incorporation.

HOW DO I HIRE A COMPANY SECRETARY?

[Outsource your compliance & reporting requirements with Sprout!](#)

07

Financial Year-End



It is required to inform ACRA of the Company's financial year end during company registration. The FYE is typically 12 months long, but you need to decide whether your accounting period covers 12 months or over 52 weeks.

HOW DO YOU DECIDE ON A FINANCIAL YEAR-END

It is typically a date that is the last day of the month. The Accounting and Corporate Regulations Authority (ACRA) reports that businesses in Singapore frequently choose the following dates: March 31st, June 30th, September 30th, or December 31st. According to the Singapore Companies Act, a fiscal year typically starts on the day a business is incorporated and ends on your chosen day. However, your first financial year cannot last longer than 18 months (unless the Registrar allows you to extend it). Any following fiscal year should last 12 months, begin the day after the end of the prior fiscal year, and end on the anniversary of the end of your first fiscal year.

For instance, if a business is incorporated on January 1st, 2022, and its first financial year (FYE) is set for December 31st, 2022, the subsequent FYE would begin on January 1st, 2023, and end on December 31st, 2023, which would be the anniversary of the first FYE.

We recommend choosing the last day of the previous month if you don't have any particular preference (e.g. If we are in the middle of May, we recommend April 30th). This will maximise your tax breaks as a start-up company.

08

Shareholding Structure



A shareholder is the owner of shares in a company and is accorded rights to vote on the company's matters and to share in the company's profit. Shareholder rights and engagement in Singapore are legally governed. Companies must have one existing shareholder and must be at least 18 years old (which may be a legal entity or a natural person) to be incorporated.

HOW TO DETERMINE THE SHAREHOLDING OF A COMPANY

Shareholder	Number of Shares	Percentage of Shares	Price per Share	Paid-up Capital
Superman	5,000	50%	\$1	\$5,000
Batman	3,500	35%	\$1	\$3,500
Robin	1,500	15%	\$1	\$1,500
Total	10,000	100%	\$1	\$10,000
	$A = D / C$	$B = A / \text{Total A}$	C	D

With this information, investors and companies should have an empowered knowledge of the shareholding structure. There is no fixed manner to determine this, but we try our best to provide you with a recommended approach!

- Determine the desired split percentage of shares between you and your co-founders. You can determine this percentage based on who will manage the business daily as the CEO and should have a more significant say in the business. This can also be determined based on capital contribution to the company. However, if the major contributor of capital is not going to be running the business actively, the capital can also be invested as preference shares, which gives the major contributor preferred returns but lesser voting rights.

- Determine the total amount of capital invested as paid-up capital at incorporation to get the business going. While this can be as low as \$1, we recommend starting with at least a few thousand dollars of paid-up capital to show that the company has some substance and is not purely a shell company.
- Decide on the price per share to calculate how many shares will be issued. For simplicity, we recommend a \$1 price per share. You will give 10,000 shares for \$10,000 in paid-up capital.



09

Registered Address



A registered office address is where all official letters to the company are sent and where the company's register and records are kept. The address must be provided during your incorporation application and be accessible to the public during regular office hours, but it need not be where the company conducts its activities.

DO I NEED TO RENT A SPACE THEN?

Technically, you may choose to use your home address [if you meet certain criteria](#). However, this will come with the cost of your privacy as your business address is public information.

However, you won't need to be renting an office space because [Sprout's Launch and Offshore Incorporation packages can provide you with a registered address!](#)

10 Bank Account



Singapore is arguably Asia's foremost financial centre, with every major international financial institution. Of the 120 foreign banks, 28 are foreign banks, 55 are wholesale banks, and 37 are offshore.

Among those, these locally-incorporated entities (and most popular banks) are the most commonly opted-for choices:

- Development Bank of Singapore (DBS)
- United Overseas Bank (UOB)
- Oversea-Chinese Banking Corporation (OCBC)
- DBS Bank Limited
- Far Eastern Bank Limited

Some prominent foreign banks present that are also worth considering Neobanks include:

- Standard Chartered Bank
- HSBC
- Citibank

WHAT SHOULD YOU EXPECT?

- Bank will conduct Know Your Customer (KYC) procedures
- For foreigners need to show invoices, contracts, or bank statements to prove genuine business needs in Singapore
- To verify the identity and background of your company's key personnel, your fund sources, profits, the company's organisational structure, etc.

For foreigners, opening a corporate bank account typically takes around three to four weeks. The process can take longer if you're from one or more sanctioned countries mentioned earlier.

DOCUMENTS REQUIRED TO OPEN A CORPORATE BUSINESS ACCOUNT IN SINGAPORE

Some banks in Singapore require that the account signatories and directors be physically present to sign official documentation at the time of account opening. Whereas other banks may accept documents that are signed in person at one of their overseas branches or in front of a notary. Generally speaking, these are the documents that are commonly required when opening up a corporate business account in Singapore:

- A resolution by the company's board of directors
- Copy of the company's certificate of incorporation
- Copy of the company's business profile
- Copy of company's Memorandum and Articles of Association (MAA)
- Copies of passports or Singapore national identification cards of all the company directors
- Proof of residential addresses of the directors and ultimate beneficial owners of the company



Singapore Company Registration

CHECKLIST

- Choose a company name
- Determine your company type
- Choose the right SSIC codes
- Appoint a resident director
- Apply for work visa's if necessary
- Appoint a company secretary
- Determine your Financial Year-End
- Determine your shareholding structure
- Have a registered address
- Open a bank account

Let Your Business Sprout

Give us a call today!

We provide company formation services to guide you through the registration of your Singapore company.



www.sproutasia.com

+65 6016 6399

