

SINGAPORE COMPANY SETUP GUIDE

Singapore is one of the world's most business-friendly jurisdictions.

This guide walks foreign founders—especially from China, Vietnam, and Indonesia—through the step-by-step process of setting up a company in Singapore, including compliance, banking, and immigration considerations.

1. Choose the Right Business Structure

Most foreign entrepreneurs choose a Private Limited Company (Pte. Ltd.).

Why Pte. Ltd.?

- Separate legal entity
- 100% foreign ownership allowed
- Limited liability
- Eligible to sponsor Employment Pass (EP)
- Favoured by banks, investors, and partners

Other structures (sole proprietorship, partnership) are generally not recommended for foreigners planning long-term operations or EP applications.

2. Company Name Reservation

Before incorporation:

- Propose 1-3 company names
- Name must be unique and not infringe trademarks
- Avoid restricted or sensitive terms (e.g. "bank", "finance, Crypto") unless approved

Name approval typically takes minutes to 1 day.

3. Appoint Key Company Officers

Every Singapore company must have:

a) Directors

- Minimum 1 director
- Must be ordinarily resident in Singapore
- (Citizen, PR, EP holder, or Nominee Director)

Foreigners can be directors but must appoint a local resident director initially.

b) Shareholders

- Minimum 1 shareholder
- Can be 100% foreign-owned
- Individuals or corporate entities allowed

c) Company Secretary

- Must be appointed within 6 months
- Must be a qualified Singapore resident

4. Determine Share Capital

- No minimum paid-up capital required
- Common starting capital: SGD 1,000 – 100,000
- Higher capital may support:
 - EP applications
 - Banking credibility
 - Business expansion

Capital can be increased later.

5. Registered Business Address

Requirements:

- Must be a Singapore address
- Cannot be a PO Box
- Can be:
 - Commercial office
 - Serviced office
 - Home office (with approval under Home Office Scheme)

6. Prepare Incorporation Documents

Typical documents include:

- Company Constitution
- Directors' and shareholders' details
- Identification & KYC documents
- Shareholding structure

Incorporation can usually be completed within 1-2 business days once documents are ready.

7. Post-Incorporation Compliance

After incorporation:

- Receive Certificate of Incorporation
- Obtain ACRA Business Profile
- Issue share certificates
- Open statutory registers

8. Open a Corporate Bank Account

Banks will conduct strict KYC.

Prepare:

- Company documents
- Business plan
- Source of funds explanation
- Directors' & shareholders' KYC

Options:

- Traditional Singapore banks
- Digital banks
- Foreign banks with SG presence

Account opening may take 2-6 weeks, depending on bank and profile.

9. Apply for Business Licences (If Required)

Some businesses require licences:

- Food & Beverage
- Education
- Financial services
- Travel agencies
- Medical & healthcare

Licences must be approved before operations begin.

10. Tax & Accounting Setup

Key points:

- Corporate tax rate: 17% (flat)
- GST registration required if turnover > SGD 1 million
- Annual filing requirements:
 - Estimated Chargeable Income (ECI)
 - Corporate Income Tax Return
 - Annual Return with ACRA

Engage a professional accountant early.

11. Employment Pass (EP) Planning for Founders

If the foreign founder plans to work in Singapore:

- Company must be operational
- Role must be genuine and justified
- Salary must meet COMPASS requirements
- Business plan & activities matter

Company setup alone does not guarantee EP approval.

12. Set Up Operations

Depending on business type:

- Office lease
- Staff hiring
- Vendor contracts
- Accounting systems
- Corporate insurance

13. Ongoing Compliance Responsibilities

- Annual General Meeting (AGM)
- Annual filings
- Bookkeeping
- Employment regulations
- CPF compliance (if hiring locals)

Non-compliance may affect:

- Banking
- EP renewal
- PR eligibility

14. Common Mistakes to Avoid

- Setting up a company without a real business plan
- Under-capitalising the business
- Using nominee structures incorrectly
- Ignoring tax obligations
- Applying for EP too early