



Setting Up a Business in Singapore

The foreign investor's guide to navigating
complexity in this exciting jurisdiction



We are the business behind business®.

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Jurisdiction profile

Singapore has built a reputation as one of the most business-friendly jurisdictions in the world. The city-state benefits from a strategic location at the heart of Southeast Asia, political stability, a trusted legal system, an attractive tax regime, and pro-business policies. The country is a parliamentary republic where four main communities coexist—Chinese, Malay, Indian, and Eurasian—offering different perspectives in culture, food, and language. Skilled workers are encouraged to stay and are given the opportunity to become permanent residents or citizens. Manufacturing is one of Singapore's twin economic pillars along with services, including advanced industry clusters in electronics, chemicals, biopharmaceuticals, logistics, transport engineering, and financial services. The banking sector has been key to Singapore's role in facilitating trade, corporate finance, and the building of infrastructure in the region. Other financial services in Singapore include asset management centers as well as insurance firms. In recent years, Singapore has been focusing on energy research, particularly on energy storage, green buildings, smart grids, and solar energy—and has already achieved several of the United Nations Sustainable Development Goals (SDGs) including no poverty, quality education, affordable and clean energy and industry, innovation, and infrastructure. The country is on track to achieve further SDGs by 2030, according to current UN estimates.

Top takeaways for investors in Singapore

A business-friendly jurisdiction—and a skilled, educated workforce

The World Bank has consistently ranked Singapore as the best country in Asia and second-best globally to do business.¹ It offers an attractive corporate tax rate, tax exemptions for newly incorporated businesses, no tax on dividends, and an extensive network of tax treaties. There are no minimum capital requirements or foreign exchange controls, and registering a business is a quick, straightforward process. As a result, Singapore ranks fourth globally for ease of starting a business.² Not to mention, Singapore has the world's second-highest proportion of high-skilled employment,³ with two-thirds of the country's 3.7 million-strong workforce in professional, managerial, executive, and technical roles, earning a median monthly income of \$4,534 SGD. Over 70% of Singapore residents communicate in two or more languages.⁴

Strong connections with the rest of Asia and stable political environment

Singapore is well connected to the Asia-Pacific region thanks to its international airport hub, Changi, the third busiest in Asia for passenger traffic. The port is a key shipping hub at the center of main shipping lines, connecting with 600 ports in 120 countries. It's also the second biggest transshipment hub in the world—unloading goods from one ship and loading them into another to complete the journey to their destination.⁵ The island has strong business, cultural, and linguistic links to the emerging Southeast Asian market. Helping Singapore rank highly on the international business scale is the 2020 Global Innovation Index rank of first in the world in political and operational stability. This reflects its trusted and competent leadership, which over the years has promoted a pro-business environment, the rule of law, and pro-innovation regulations.

A highly competitive economy and thriving financial hub

Singapore is ranked as the world's most competitive economy, according to the World Economic Forum's Global Competitiveness Report for 2019. The country tops global rankings for infrastructure, health, labor market, and financial systems, in addition to macroeconomic stability. Singapore is the fifth most competitive financial center globally, with well over 800 financial institutions.⁶ Over the past two decades, the country has grown into a key financial hub offering a comprehensive range of sophisticated fund and wealth management entities. Around 68% of the total assets under management invested in the Asia-Pacific region originate from Singapore.⁷

¹ World Bank Doing Business 2020 report

² World Bank

³ World Economic Forum

⁴ Singapore Department of Statistics

⁵ Maritime and Port Authority Singapore

⁶ Monetary Authority of Singapore (MAS)

⁷ MAS Singapore Asset Management Survey 2020



Singapore at a glance

**Capital**

Singapore City

**Currency**

Singapore dollar (SGD)

**Business languages**

English

**Official languages**

Malay, Tamil, English, and Singaporean Mandarin

**Population**

5.8M (2024)

**GDP**

\$525.23B USD (2023)

**GDP per capita**

\$84,734 USD (2023)

**Time Zone**

Singapore Standard Time

**Telephone country code**

+65

**Legal system**

Singapore's legal system is based on the English common law system and is generally more evident in certain traditional common law areas, such as contract, tort, and equity, versus other statute-based areas such as criminal law and company law.

Sources:

Britannica
World Population Review
World Bank

How to do business in Singapore

Singapore-based business entities can be set up as any of the following structures:

Sole proprietorship	A sole proprietorship is a business owned by one person, one company, or a limited liability partnership.	\$100 SGD for one-year registration \$160 SGD for three-year registration \$30 SGD per year renewal fee \$15 SGD for name application \$40 SGD for conversion from business or company to LLP \$60 SGD for lodgement of Notice of Error (NOE)
Partnership	A partnership is a business formed by a minimum of two or a maximum of 20 partners. The partners can be an individual, a company, or a limited liability partnership.	\$100 SGD for one-year registration \$160 SGD for three-year registration \$30 SGD per year renewal fee \$15 SGD for name application \$40 SGD for conversion from business or company to LLP \$60 SGD for lodgement of Notice of Error
Limited partnership (LP)	An LP consists of a minimum of two partners, with at least one general partner (GP) and one LP.	\$100 SGD for one-year registration \$160 SGD for three-year registration
Limited liability partnership (LLP)	An LLP consists of at least two partners who have limited liability and are not personally liable for any business debts incurred by the LLP. The LLP is a separate legal entity from its partners.	\$100 SGD for registration
Company limited by shares	<p>A company limited by shares is registered under the Companies Act and is a separate legal entity from its shareholders.</p> <p>There are three types of companies: exempt private company (up to 20 individual shareholders); private company (up to 50 shareholders); and public company (more than 50 shareholders). Find out from CSC why most foreign businesses opt for private companies.</p>	\$300 SGD incorporation fee \$1,000 SGD transfer of registration (re-domiciliation) fee
Variable capital company (VCC)	A VCC is a legal vehicle for collective investment schemes (CIS).	\$8,000 SGD incorporation fee \$9,000 SGD transfer of registration (re-domiciliation) fee Plus additional \$400 SGD fee for each sub-fund that is re-domiciled
Foreign companies (Branch)	Foreign companies are an extension of their overseas head office and their liabilities are extended to their parent company.	\$300 SGD registration fee
Transfer of registration—foreign corporate entities	Foreign companies can opt to transfer their registration to Singapore. Once a foreign entity re-domiciles to Singapore, it becomes a Singapore company.	\$1,000 SGD transfer of registration (re-domiciliation) fee
Representative office (RO)	A RO operates in Singapore as a temporary set up, enabling entities to explore opportunities in Singapore. A RO cannot engage in trading or business activities in Singapore.	\$200 SGD processing fee

Source of SGD: Singapore Economic Development Board (EDB)



Registering a business in Singapore

After registering with the Accounting and Corporate Regulatory Authority (ACRA) and choosing a suitable business structure, investors also need to choose and submit a name application to ACRA. Name applications can be approved almost instantly if the name is available, however, it may take between 14 working days and two months. Once a name has been approved, required documents and information needs to be submitted for registration. Foreign individuals and entities must engage the services of registered filing agents, such as law, accounting, or corporate secretary firms to submit the name and registration application on their behalf.

Taxation

An entity is considered a resident in Singapore for tax purposes if its management and control are exercised in Singapore. Tax residency for individuals is based on the number of days spent in the country. An individual who stays or works in Singapore for 183 days or more in one year is considered a resident for tax purposes.

Type of tax	Rate
Corporate tax	Corporate tax is set at 17%. The rate applies to tax-resident companies, Singapore-incorporated subsidiaries, and branches of foreign companies.
Income tax	Income tax for resident employees ranges between zero and 24% depending on their remuneration. Tax-resident employees may be eligible for personal allowances as well as the benefits of double taxation treaties. Non-resident employees pay a flat rate of 15% or the progressive resident tax rate, whichever is higher. Non-tax resident employees are not entitled to personal allowances but can be exempt from income tax in Singapore by an applicable double taxation treaty. Non-resident directors' fee are subject to withholding tax of 24%.
Dividend tax	Dividends paid to foreign corporate shareholders by a company resident in Singapore are not subject to tax. Foreign dividends received by resident individuals are not taxable.
Withholding tax	Interest paid to a person who is not a resident in Singapore can be subject to withholding tax of 15% of the gross amount of interest. Royalties paid to a non-resident are subject to withholding tax of 10% of the gross amount of royalties.
Goods and services tax	The goods and services tax (GST) is levied at a 9% rate on all goods and services in Singapore and most products imported into the country. Zero-rated goods and services include international services (such as air tickets), financial services, the supply of digital payment tokens, the sale and lease of residential properties, and the importation and local supply of precious metals. Businesses with an annual turnover above \$1M SGD must register for GST. They can also claim the GST incurred on business purchases and expenses.
Overseas vendor registration regime	Since January 1, 2023, imported non-digital services supplied in the context of business to customers (B2C) are subject to GST. All B2C supplies of imported services, whether digital or non-digital, are known as remote services and are taxed under the overseas vendor registration regime (OVR) if the services can be supplied and received remotely.
Real estate tax	There are two different property tax rates for owner-occupied and non-owner-occupied residential properties. Both are applied on a progressive scale based on the property's annual value, which is the estimated gross annual rent of the property if it were to be rented out. All other properties, such as commercial and industrial buildings, are taxed at 10% of their annual value. Stamp duty is levied on property transfers on a progressive scale, depending on the value and type of the property.
Tax treaties	Singapore has an extensive network of Double Tax Treaties (DTAs), limited treaties, and Exchange of Information (EOI) Arrangements, which may benefit investors with a reduction in dividend, interest, and capital gains tax. (See Appendix for more information.)
Tax relief	The government offers several tax relief options. All new start-up companies can enjoy partial tax exemption on income of up to \$200,000 SGD. Some companies are eligible for 75% tax exemption on the first \$100,000 SGD of income and 50% exemption on the next \$100,000 SGD of income during the first three consecutive years after incorporation. There are other tax incentives and exemptions.
Customs policy	All goods imported into Singapore—except precious metals or goods that are imported into free trade zones for re-export—are subject to GST on their taxable value at a 9% rate. The taxable value includes: <ul style="list-style-type: none"> • Insurance and freight • Commission on the sale • Customs duty (if applicable) • Delivery of the goods to the port or place of importation • Cost
Free trade zones	There are nine free trade zones (FTZs) warehouses in Singapore, providing facilities and services to store and re-export goods with minimum customs formalities. Duty and GST are suspended for goods stored inside an FTZ. They become payable when the goods are consumed within the FTZ or leave the FTZ for local consumption.

Six important employment regulations in Singapore

The Employment Act is Singapore's main labor law, providing for the basic terms and working conditions for most employees. Employees working less than 35 hours a week are covered by the Employment of Part-Time Employees Regulations.

1 Employment regulation

Employment agreements can be in writing or verbal. However, employers are required to provide key employment terms in writing to all employees within 14 days from the start of employment. They must include:

- The employer's name and trade name
- The employee's name
- Job title and description of main duties and responsibilities
- Duration of employment (if the term is fixed)
- Daily working hours, working days per week, and rest days
- Basic rate of pay, overtime pay and any other salary, if applicable
- Leave entitlement and medical benefits
- Probation period, if applicable
- Notice period

All employers must issue fully itemized pay slips to employees covered by the Employment Act and are required to keep a record of all pay slips issued.

Seafarers, domestic workers, civil servants, and those in management positions are not covered by the Employment Act. Their terms and conditions of employment are set by their employment contract.

2 Termination and severance

Employers can terminate employment contracts by giving notice or payment of salary in lieu of notice. The notice period is set by the employment contract. If the contract doesn't specify the notice period, the minimum period set by the Employment Act will apply. This depends on the length of the employee's service. Any obligations for the employer to make a severance payment are set out in the employment contract.

Employees can also be dismissed without notice if they breach a condition of the employment contract. Employees who believe they have been unfairly dismissed can make a claim for reinstatement in employment or compensation. Companies that employ at least 10 employees must notify the Ministry of Manpower if five or more employees are made redundant within a six-month period.

3 Social security system

Singapore citizens or permanent residents, as well as their employers, are required to pay into the Central Provident Fund (CPF), a savings and pension plan that funds retirement, healthcare, and housing needs. Contribution rates depend on the age of the employee and are based on monthly wages. The employee's share of CPF contribution is deducted by the employer. Foreign employees in Singapore and directors' fees are exempt from CPF contributions.

Employers are required to pay a Skills Development Levy (SDL) for all employees working in Singapore. The SDL is channeled to the Skills Development Fund, which is used to support workforce training programs and to provide training grants to employers.¹

4 Foreign employees

Foreign individuals in Singapore must obtain a valid work permit before they can start working in the country. There are several work passes depending on the role of the foreign employee.

Types of passes:

- Employment pass (EP)
- Personalized employment pass (PEP)
- EntrePass
- Overseas networks and expertise pass
- Tech pass
- S pass
- Work permit
- Dependant's pass

¹ Ministry of Manpower

5 Business hours, minimum wage, and overtime

Office hours are usually between 9 a.m. and 5 p.m., Monday to Friday, and 9 a.m. and 1 p.m. on Saturday.

There is no government-set minimum wage in Singapore. Employees who earn below \$2,600 SGD a month cannot work more than eight hours a day, or 44 hours per week. Including overtime, employees cannot work more than 12 hours per day except in certain exceptional cases, such as accidents or unforeseeable circumstances. However, shift workers are not allowed to work beyond 12 hours a day under any circumstances.

Employees are entitled to one rest day per week. Overtime work is paid at a minimum of 1.5 times the hourly basic rate of pay. Overtime for employees who earn above \$2,600 SGD per month is set by the terms of their employment contract.

6 HR legislation

All employers in Singapore must comply with laws and regulations on fair hiring and adopt good human resource practices. Employers are not allowed to discriminate based on age, gender, nationality, or race. Employment legislation applies to all employees who work in Singapore, including foreign citizens.

How CSC can help you invest in Singapore

Entering the Singaporean market, foreign investors should seek advice from professionals who understand local rules, culture and customs, and how they affect legal and regulatory requirements. Working with a trusted partner is essential.

Who we are

CSC provides knowledge-based solutions for every phase of the business life cycle, helping businesses form entities, maintain compliance, execute transaction work, and support real estate, M&A, and other corporate transactions in hundreds of U.S. and international jurisdictions.

We work with some of the world's largest banks and commercial lenders to reduce risk in their lien portfolios, improve their transaction speeds, and create a secure environment for their financial processing needs. We also provide solutions for secure real estate document preparation and recording.

We are the trusted partner for 90% of the Fortune 500®, nearly 10,000 law firms, and more than 3,000 financial organizations. Headquartered in Wilmington, Delaware, USA, since 1899, we are a global company capable of doing business wherever our clients are—and we accomplish that by employing experts in every business we serve.

What we can do

CSC provides a wide range of financial and administrative services to clients operating and investing in the international business environment. We help companies expand globally, offering support with restructuring, outsourcing, and further developments.

We're experts in management and administration services to operational companies and holding structures across the globe.

In Singapore, we help clients incorporate their company in this exciting jurisdiction and keep up with its regulatory requirements. Our services allow foreign investors to focus on growing their business in Singapore and beyond.



Entity solutions

- Corporate services
 - Formations and incorporations
 - Corporate secretary
 - Global treasury management
 - Domiciliation
 - Accounts and reporting
 - Director services
 - Tax Compliance services
- Special purpose vehicles (SPVs)
- Global subsidiary management
- Global payroll
- Private Client services



Fund solutions

- Fund administration
 - Private equity
 - Private debt
 - Real estate
 - Infrastructure
 - Fund of funds
 - Hedge fund
- Shadow accounting
- Outsourcing
 - Middle office outsourcing
 - Loan administration
 - Reconciliation
 - Treasury management
- Regulatory and governance
 - Anti-money laundering (AML) and Know Your Customer (KYC)
 - Regulatory reporting
- Technology and consulting



Digital brand and cyber risk

- Domain security
- Domain management
- Online brand protection



Business administration and compliance

- Transaction filings
 - Charitable filings



Capital markets

- Trustee services
 - Indenture and note trustee
 - Successor trustee
 - Bankruptcy, insolvency, and restructuring
 - Specialized Trustee services
 - Delaware Statutory Trust
- Escrow services
- Independent director
- Loan agency
 - Administrative and facility agent
 - Collateral and security agent
 - Depositary agent and account bank
- SPV services
 - Transaction structuring and compliance
 - Domiciliation and management

Appendix

List of tax agreements currently in force

Singapore has signed avoidance of DTAs, limited DTAs, and Exchange of Information Arrangements (EOI Arrangements) with approximately 100 jurisdictions. A DTA is a treaty between two countries that aims to prevent double taxation and fiscal evasion. DTAs typically cover income tax, withholding tax, and residency. The benefits include reduced tax liability, increased certainty, and encouraged cross-border investment. Tax rules differ from jurisdiction to jurisdiction. While some aspects of taxation may be universal or largely similar across different tax systems, there will inevitably also be significant differences.

In Singapore, we help clients incorporate their company in this exciting jurisdiction and keep up with its regulatory requirements. Our services allow foreign investors to focus on growing their business in Singapore and beyond.

Albania	Georgia	Mauritius	Saudi Arabia
Australia	Germany	Mexico	Serbia
Austria	Ghana	Mongolia	Seychelles
Bahrain	Guernsey	Morocco	Slovak Republic
Bangladesh	Hungary	Myanmar	Slovenia
Barbados	India	Netherlands	South Africa
Belarus	Indonesia	New Zealand	Spain
Belgium	Ireland	Nigeria	Sri Lanka
Brunei	Isle of Man	Norway	Sweden
Bulgaria	Israel	Oman	Switzerland
Cambodia	Italy	Pakistan	Taiwan
Canada	Japan	Panama	Thailand
China	Jersey	Papua New Guinea	Tunisia
Cyprus	Kazakhstan	Philippines	Turkey
Czech Republic	Korea	Poland	Turkmenistan
Denmark	Laos	Portugal	Ukraine
Ecuador	Latvia	Qatar	United Arab Emirates
Egypt	Libya	Republic of Kuwait	United Kingdom
Estonia	Liechtenstein	Romania	Uruguay
Ethiopia	Lithuania	Russian Federation	Uzbekistan
Fiji	Luxembourg	Rwanda	Vietnam
Finland	Malaysia	San Marino	
France	Malta		



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