

Doing Business in Singapore

Overview

Singapore is an island country located near the southern tip of the Malay Peninsular. With a multicultural population and the presence of major ethnic groups within the nation, Singapore has 4 official languages: English, Malay, Mandarin, and Tamil, although the main language of business is English. As a highly developed country, Singapore currently has one of the highest GDP per capita in the world. It is one of the major aviation, financial and maritime shipping hubs. This article examines the significant reasons why doing business in Singapore is a great choice for those seeking success and growth.

Taxation

The Singapore government offers a tax exemption scheme for new start-up companies to reduce their taxes. All new start-up companies that are tax resident in Singapore and have no more than 20 shareholders (where all the shareholders are individuals or at least 1 shareholder is an individual holding at least 10% of the issued ordinary shares) are eligible for the tax exemption scheme, except for:

- Companies whose principal activity are that of investment holding; and
- Companies that undertake property development for sale, investment, or both.

Further, Singapore has robust Double Taxation Avoidance Agreements with numerous other countries.

Trade Agreements

Businesses can trade freely as Singapore has a wide network of free trade agreements (FTAs) with major economies worldwide. Over the years, the country has developed its network of trade agreements within over 20 bilateral and regional FTA's and 41 investment guarantee agreements.

Global Connectivity

Singapore is one of the world's most connected countries, located within a 6-hour radius of any Southeast Asian country. Each year, more than 62 million passengers pass through Changi airport. Further, the country is also linked to more than 600 ports globally, with 200 shipping lines passing through it.

Financial hub

Singapore is one of the largest financial centres in the world. There are at present over 150 banks and deposit-taking institutions, and 45 banks with representative offices in Singapore. These financial institutions offer a wide range of services, including wealth management, corporate banking, and investment banking.

Gateway to Asia's tech hubs

Singapore's strategic geographical location serves as a gateway to Asia. With well-developed infrastructure and world-class connectivity, the country facilitates efficient trade and commerce, making it a global hub for companies looking to expand their reach across Asia-Pacific.

Business-friendly environment

Singapore's political stability, government grants and firm intellectual property protection laws also contribute to Singapore's business-friendly environment. According to the World Bank rankings of doing business, Singapore ranks second for the third straight year in the ease of doing business.

Conclusion

The combination of the above factors positions Singapore as a highly favorable destination for businesses looking to establish a strong and successful presence in Asia.

With our extensive experience in advising clients at every stage of the growth of their businesses, Gateway is able to assist their clients with incorporating companies, corporate and regulatory compliance, corporate secretarial services, employment matters, obtaining grants and licensing, and much more.

Should you have any queries as to how this update may affect you or your organisation or require further information, please do not hesitate to email us.



Shruti Sood
Corporate Secretarial Executive
Gateway Law Corporation

Email: shruti.sood@gateway-law.com



Josephine Tan
Associate
Gateway Law Corporation

Email: josephine.tan@gateway-law.com

This article is intended to discuss doing business in Singapore, and it is not intended to be comprehensive nor should it be construed as legal advice. This article is updated as of 7 February 2024.