

# DOING BUSINESS IN SINGAPORE





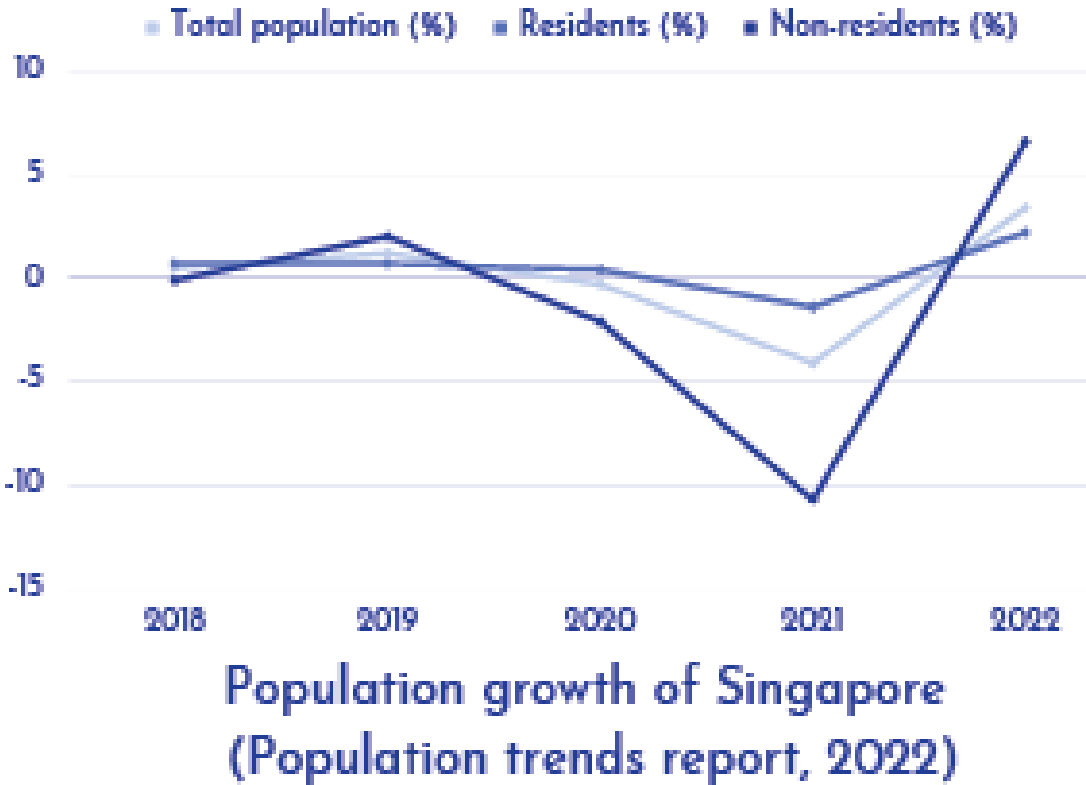
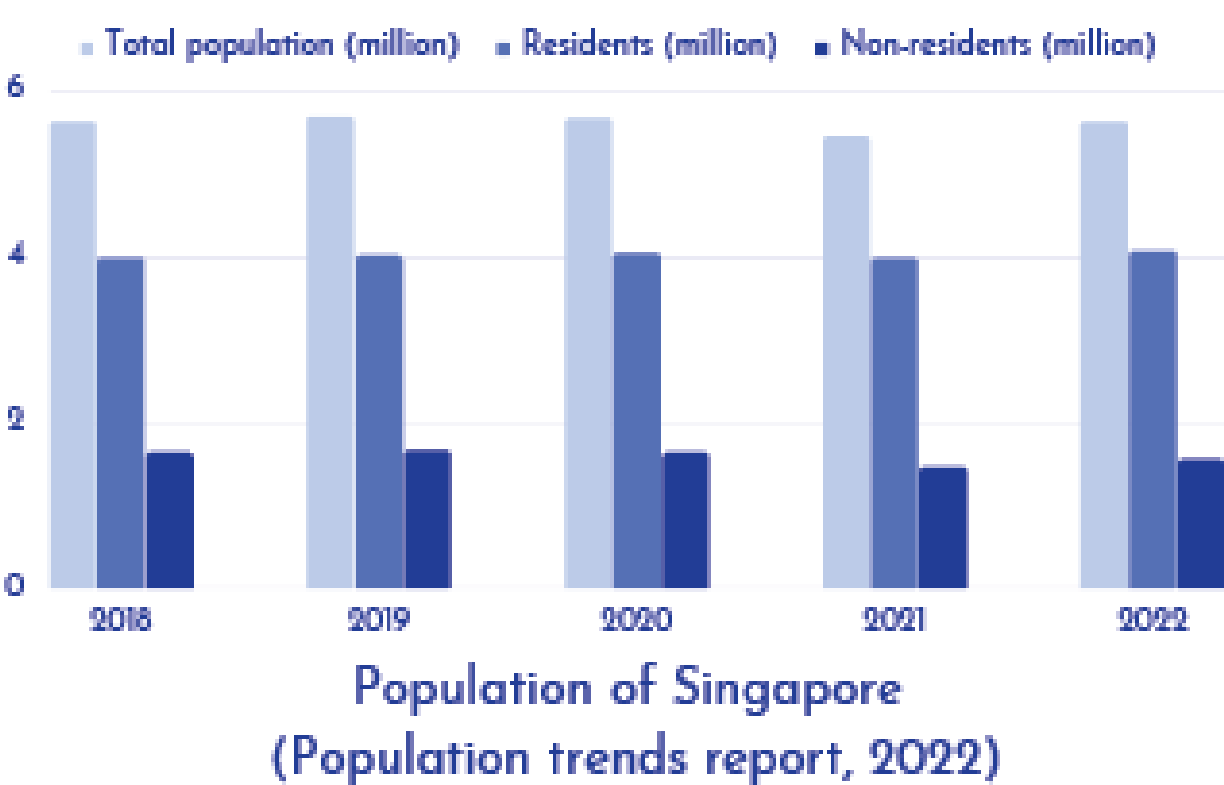
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# EVERYTHING YOU NEED TO KNOW ABOUT SINGAPORE

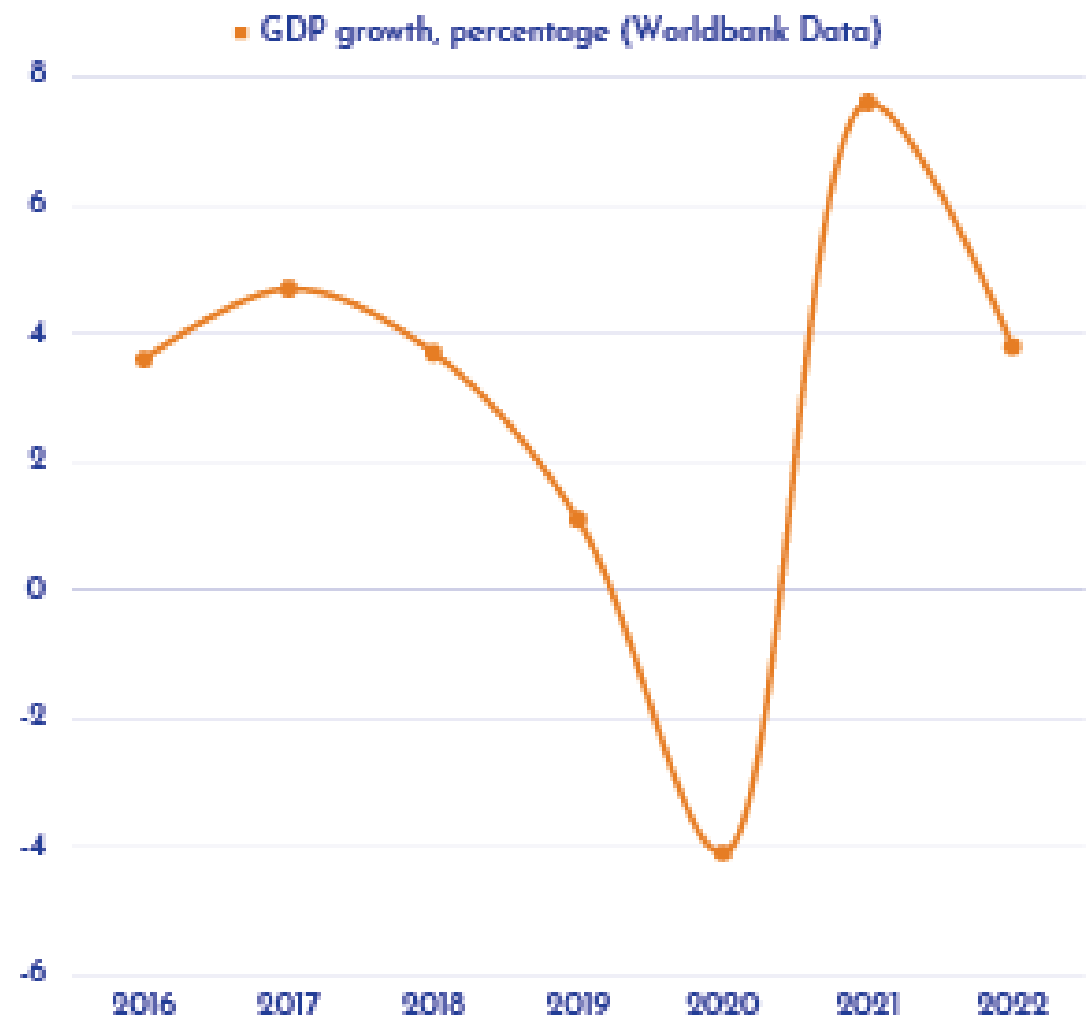
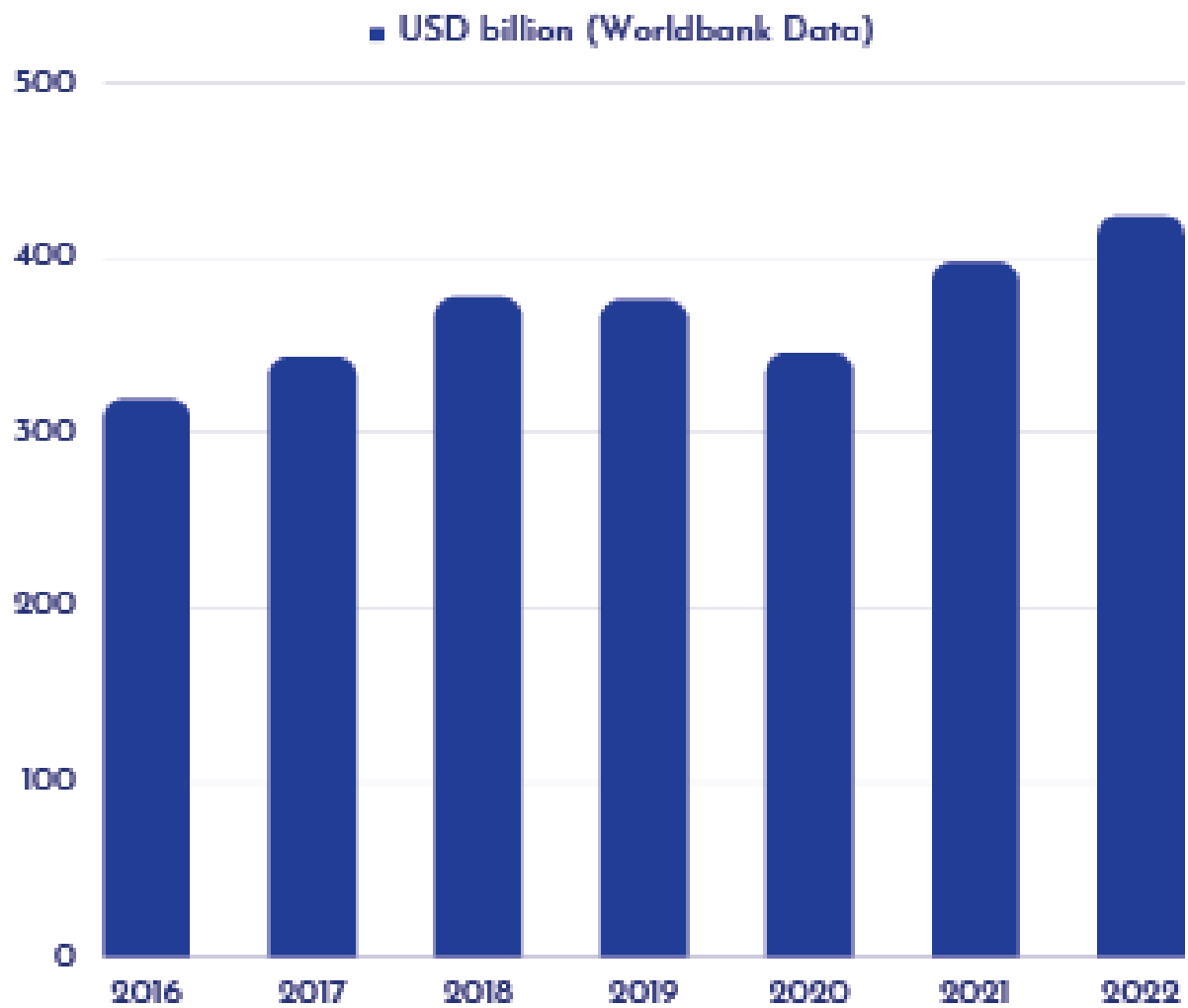
# FACTSHEET OF SINGAPORE

## Population



## Economic growth

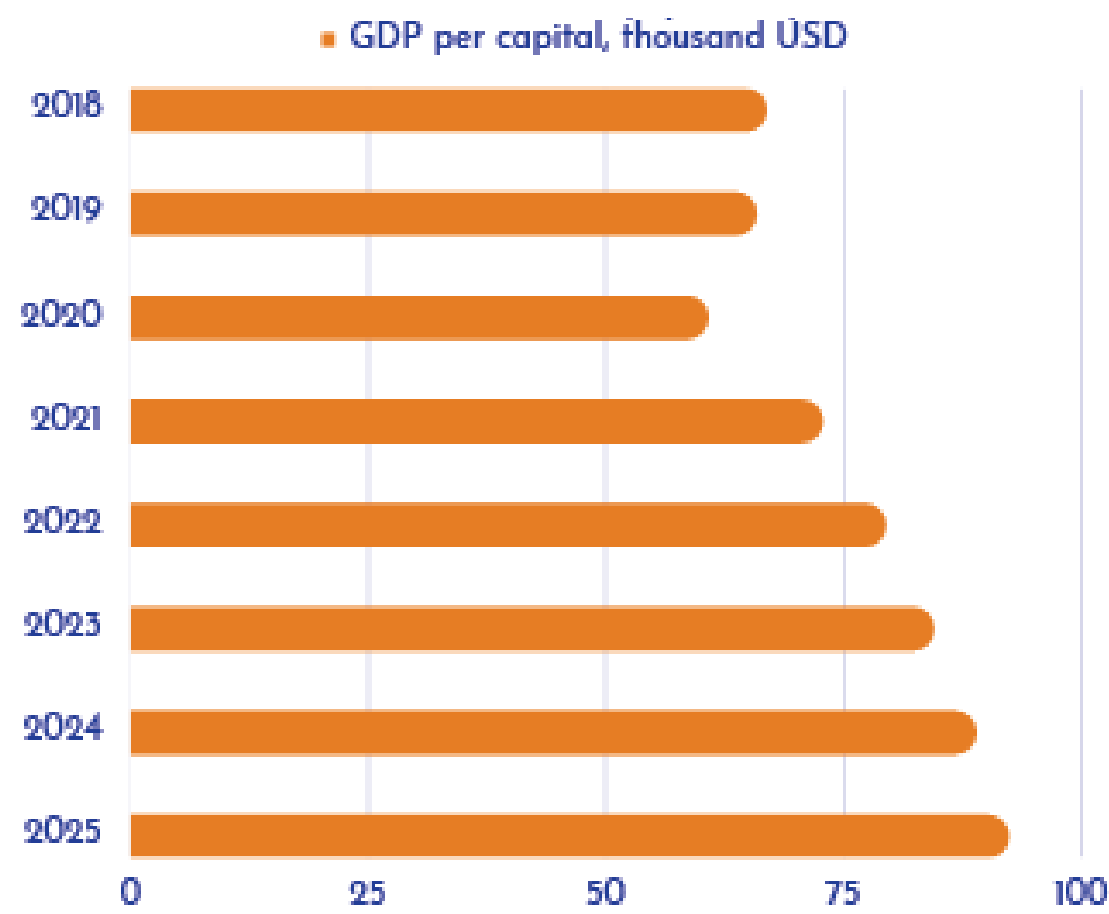
## Gross Domestic Product (GDP) (as of 2022)



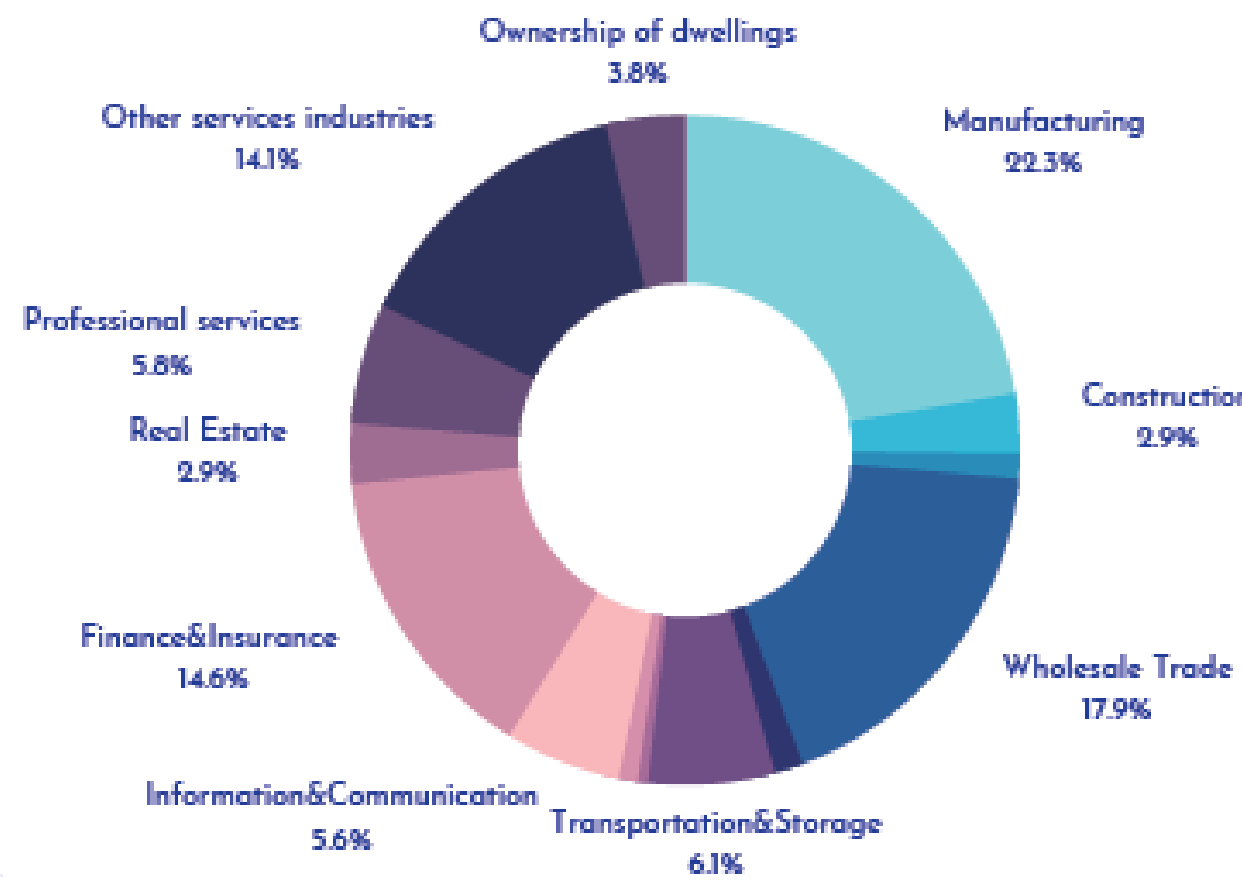
Singapore's real Gross Domestic Product is expected to grow by **2.3% year-on-year in 2023** (Savills, 2022). Meanwhile, The Ministry of Trade and Industry in Singapore expects GDP growth of between **0.5% and 2.5% in 2023**.



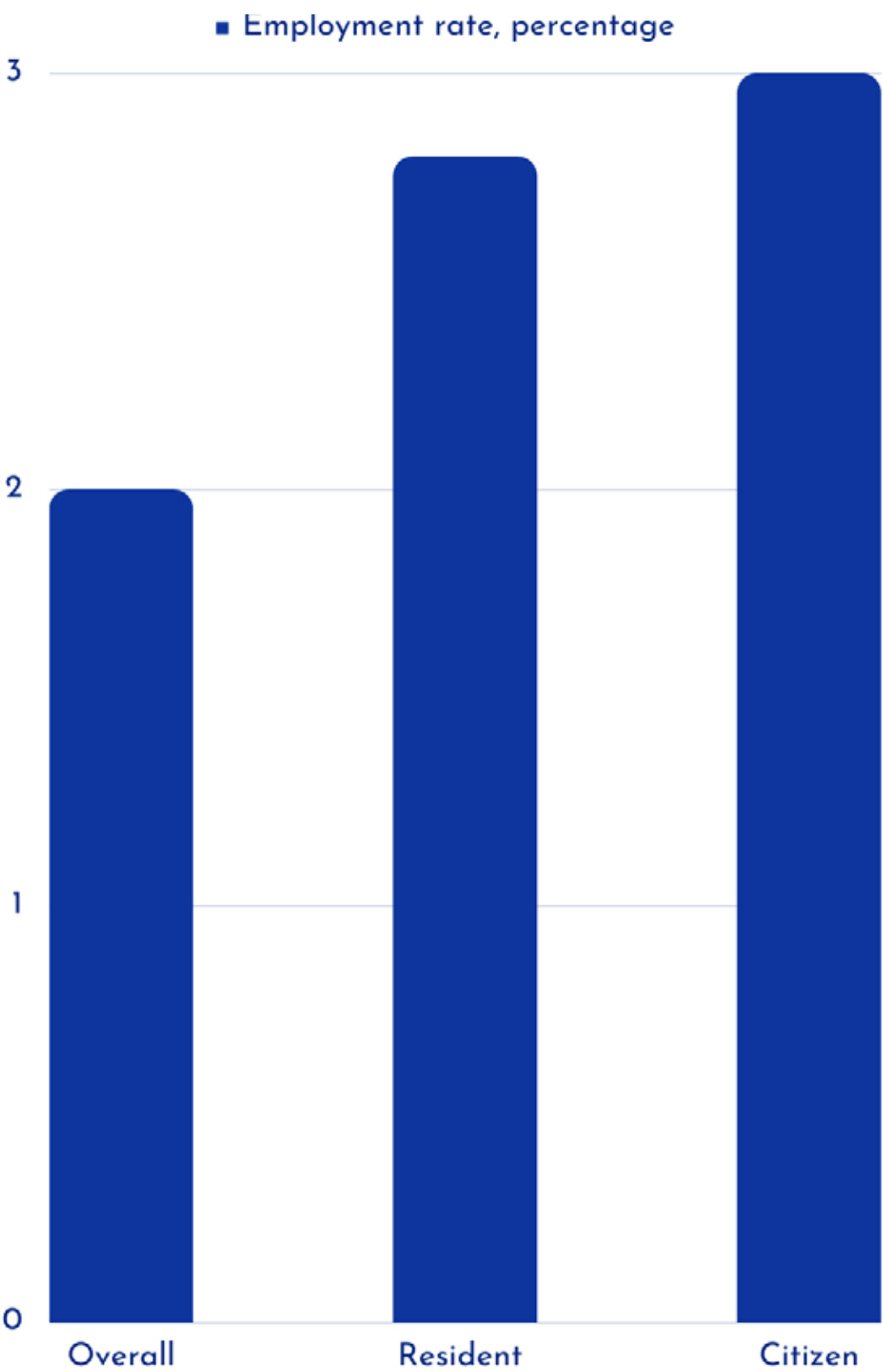
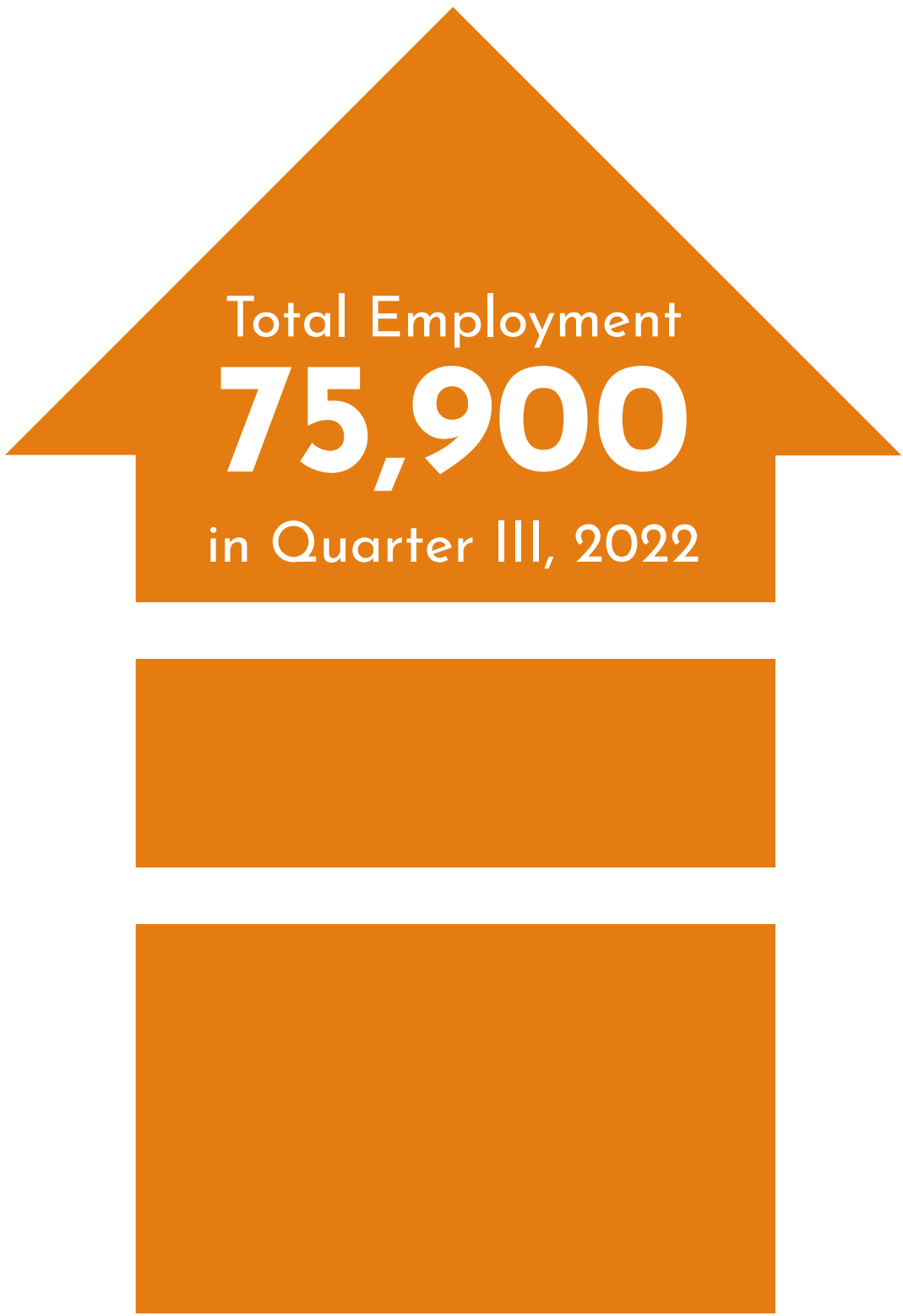
### GDP per capital (IMF)



### Economic structure (% GDP, as of 2021)



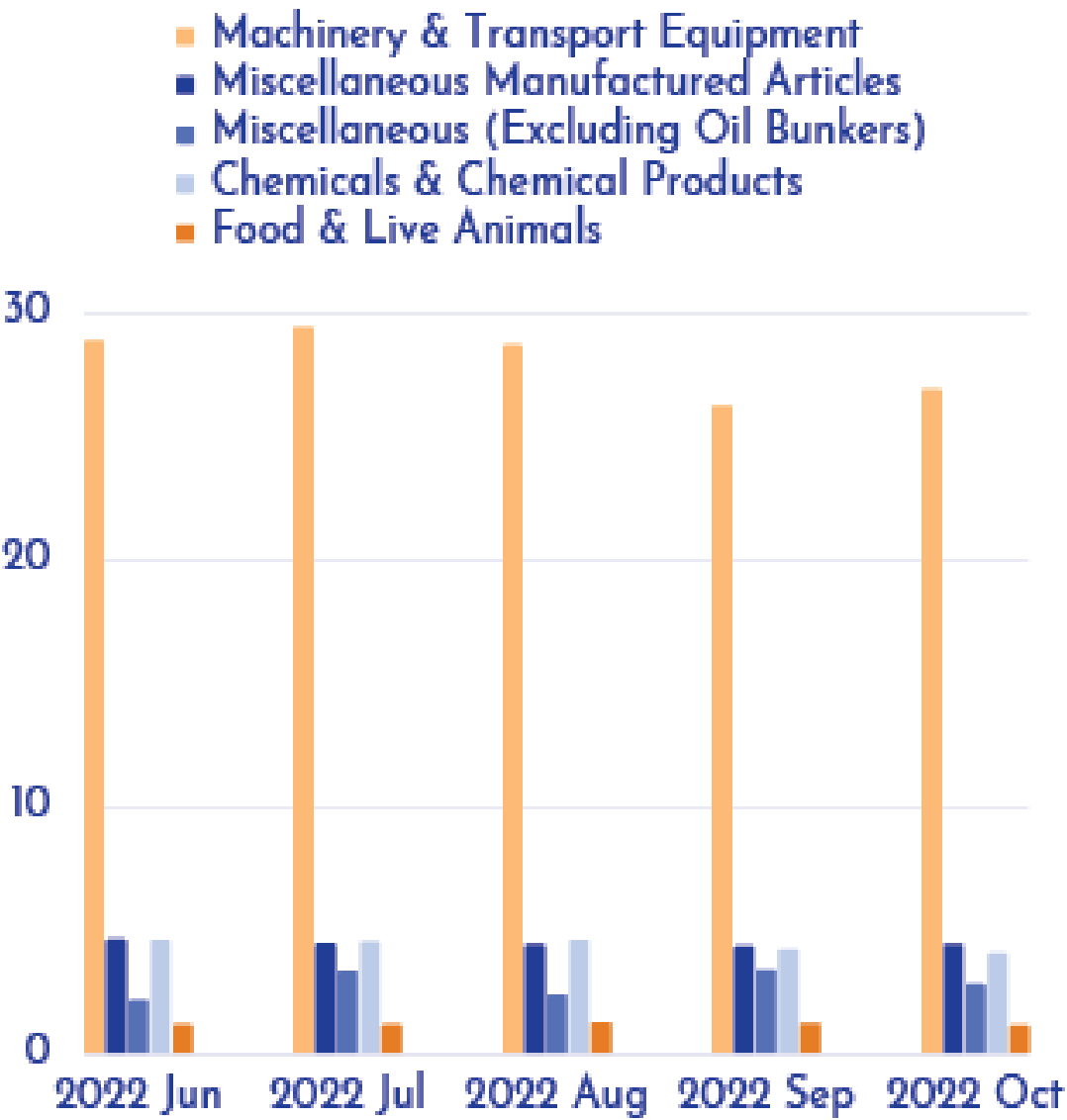
### Labor Market (as of QIII, 2022)





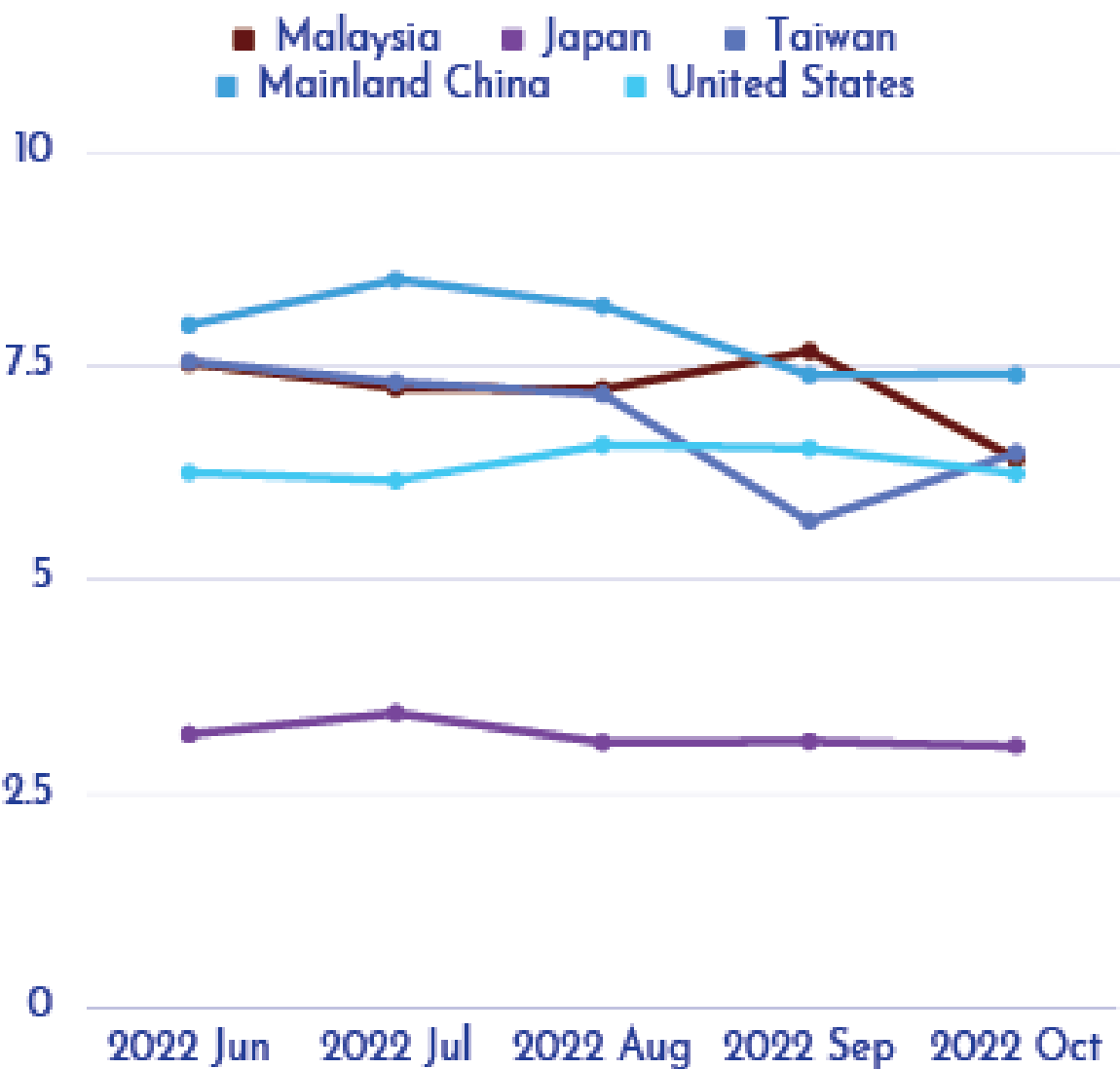
# Import and Export

## Imports Of Merchandise



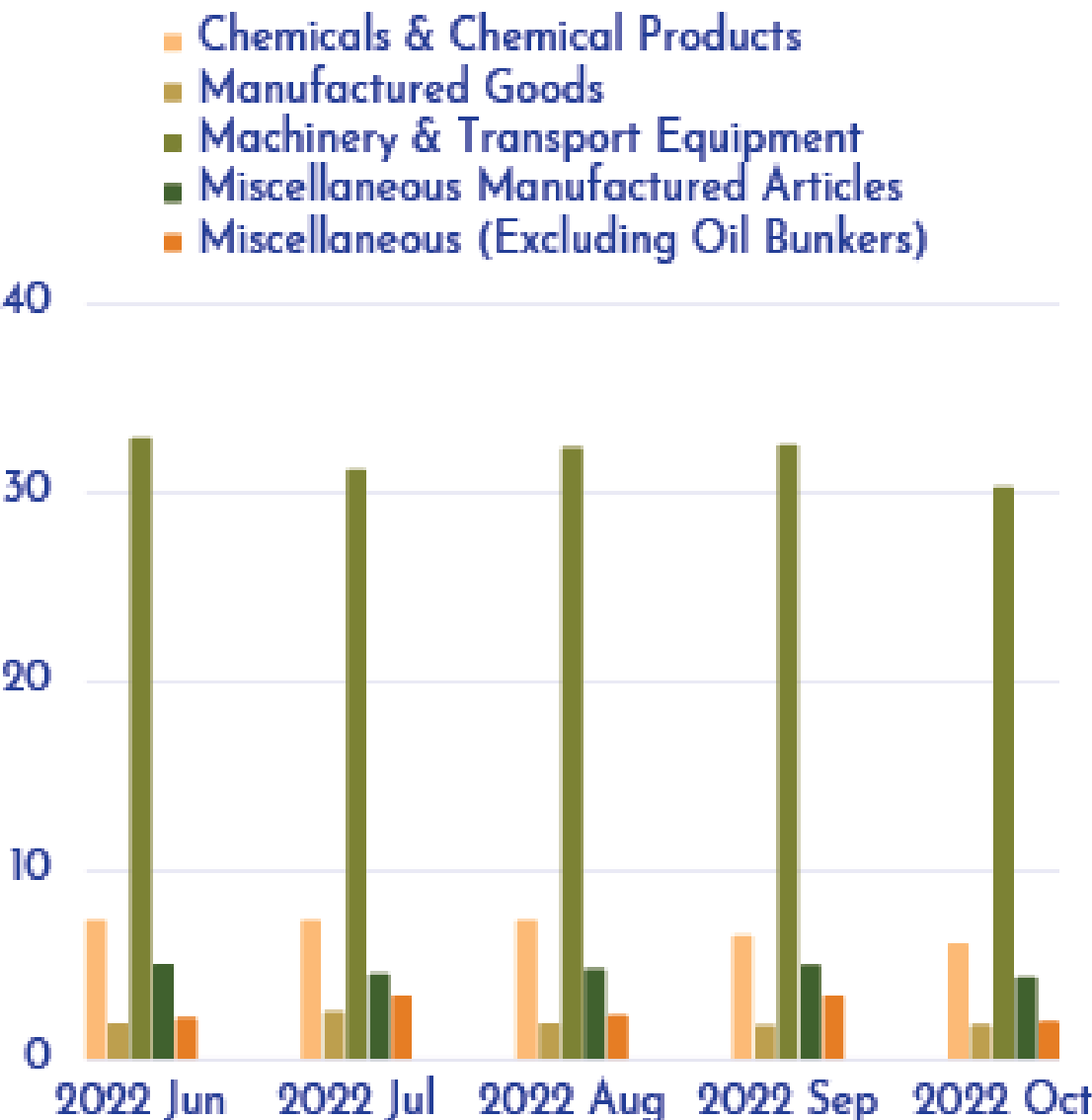
Top 5 Import of merchandise, billion USD  
(SINGAPORE DEPARTMENT OF STATISTICS, 2022)

## Merchandise Trade (as of October, 2022)

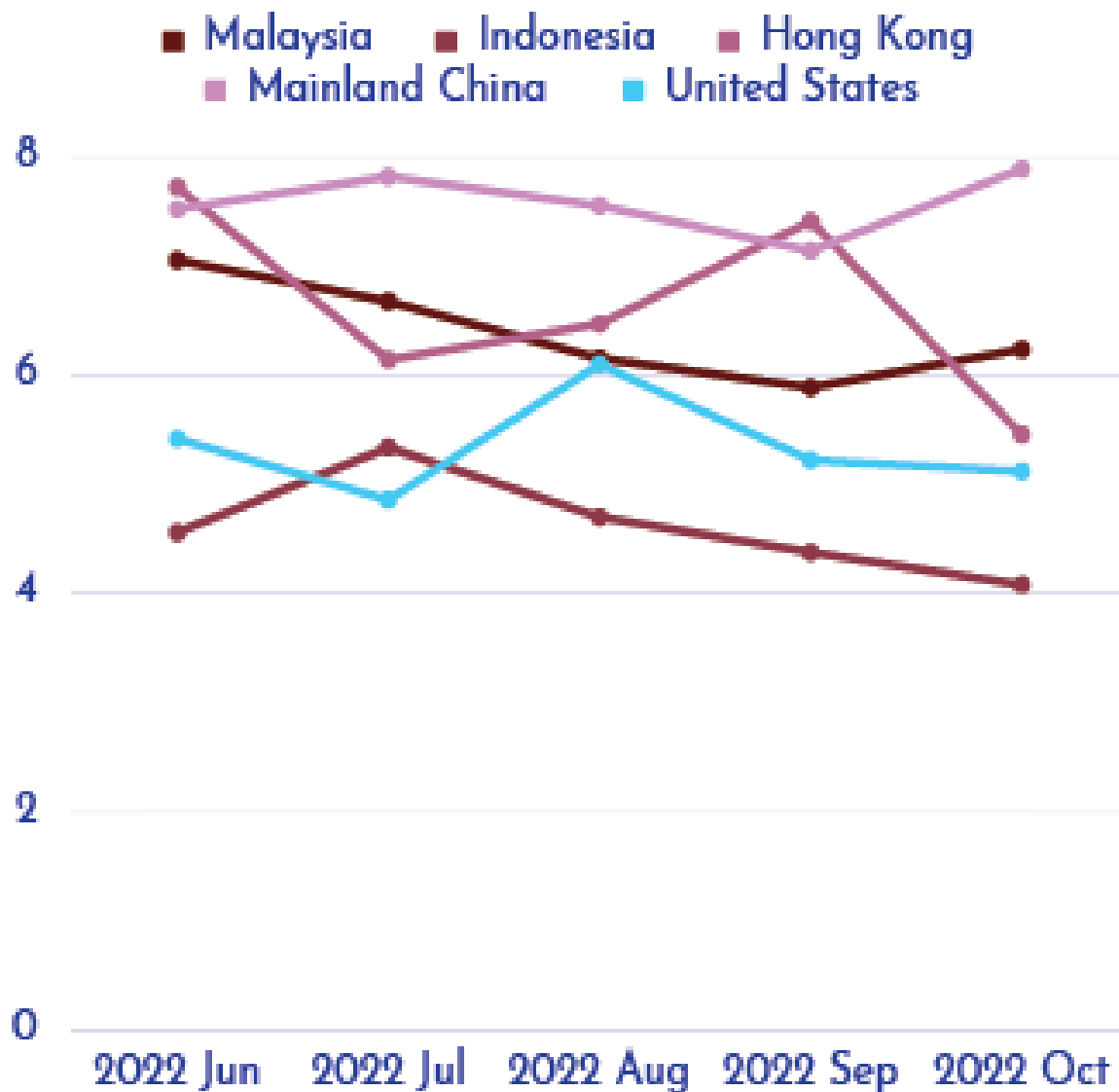


Top 5 trading partners, billion USD  
(SINGAPORE DEPARTMENT OF STATISTICS, 2022)

## Exports Of Merchandises



Top 5 Import of merchandise, billion USD  
(SINGAPORE DEPARTMENT OF STATISTICS, 2022)



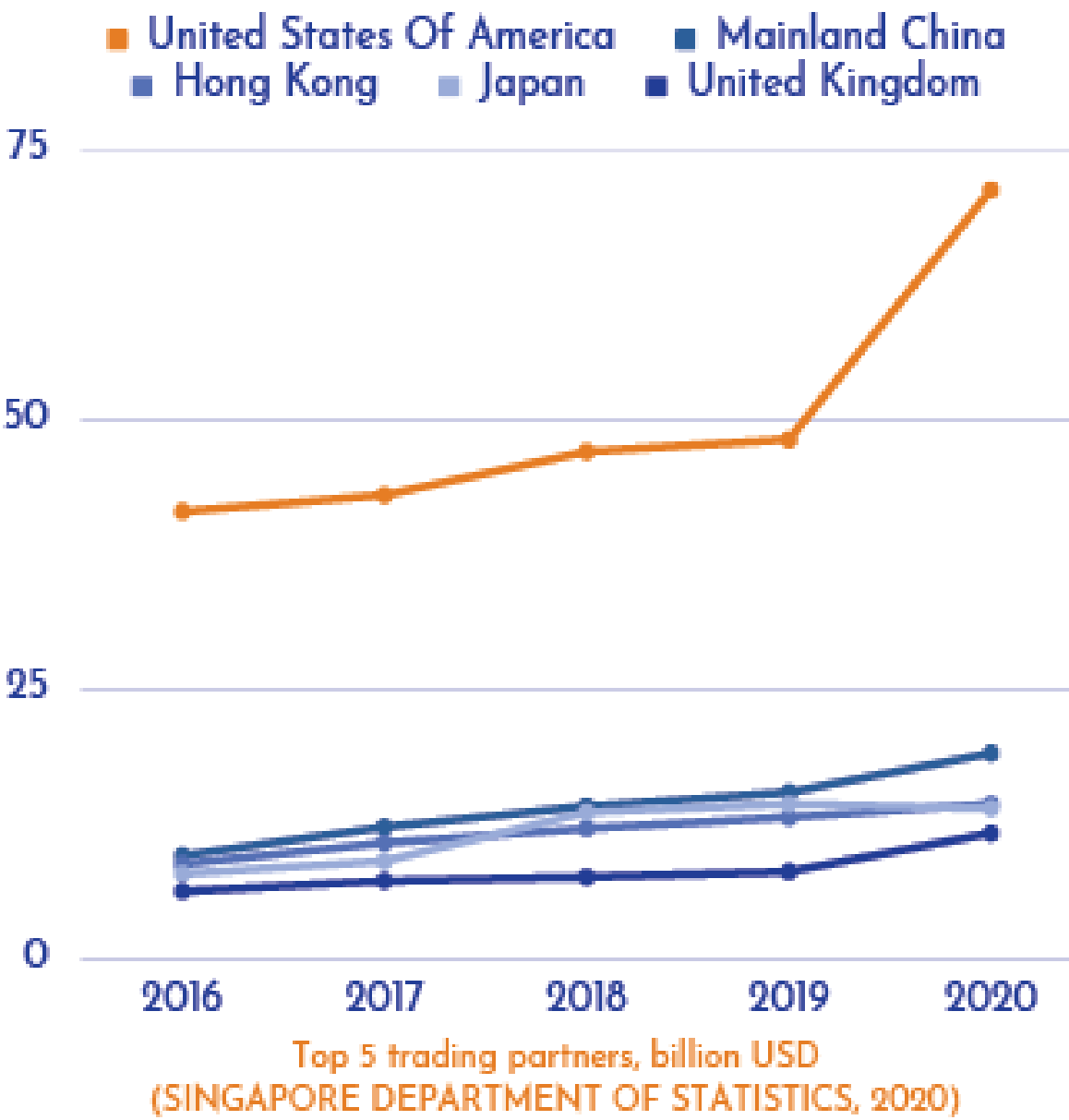
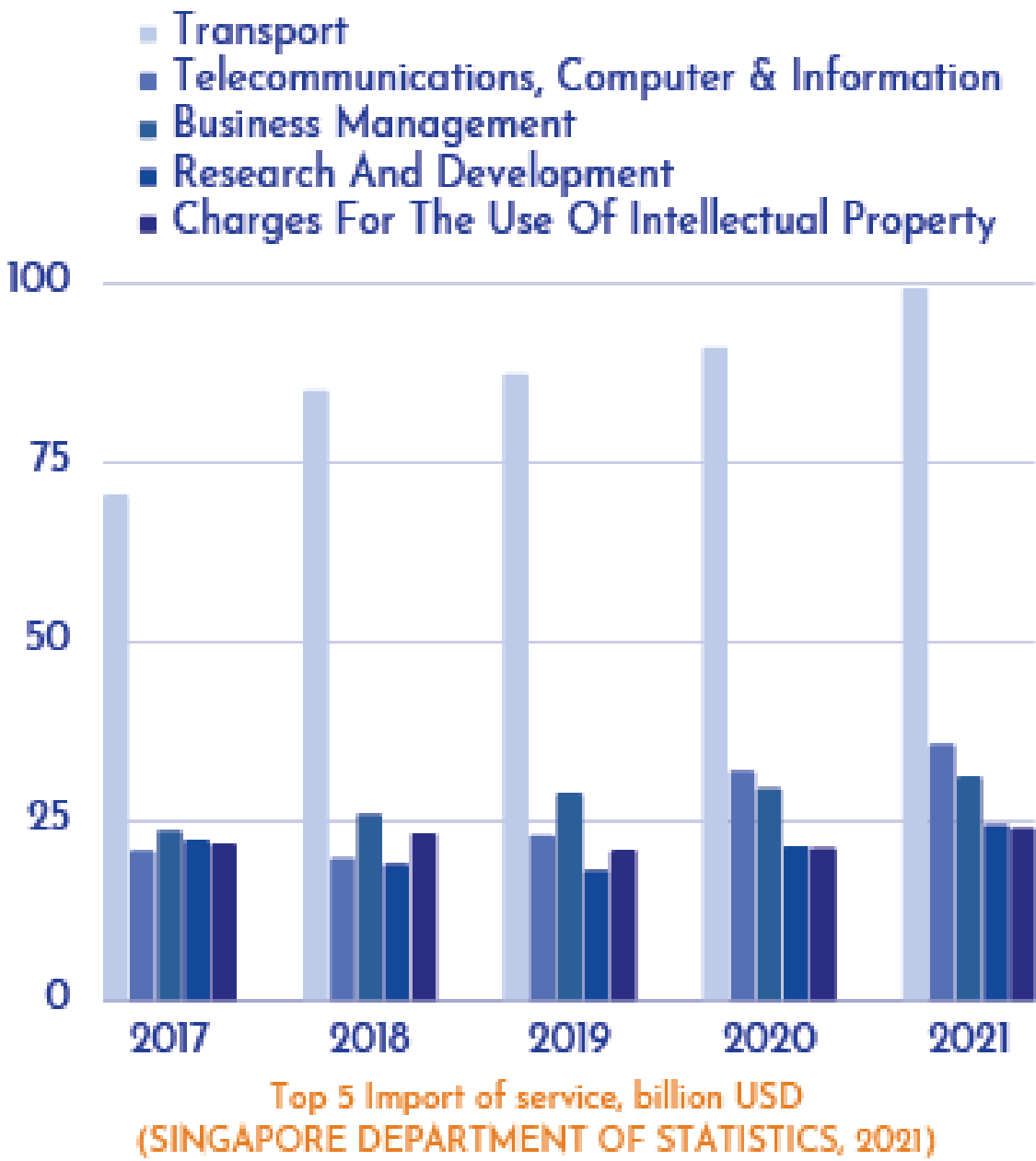
Top 5 trading partners, billion USD  
(SINGAPORE DEPARTMENT OF STATISTICS, 2022)



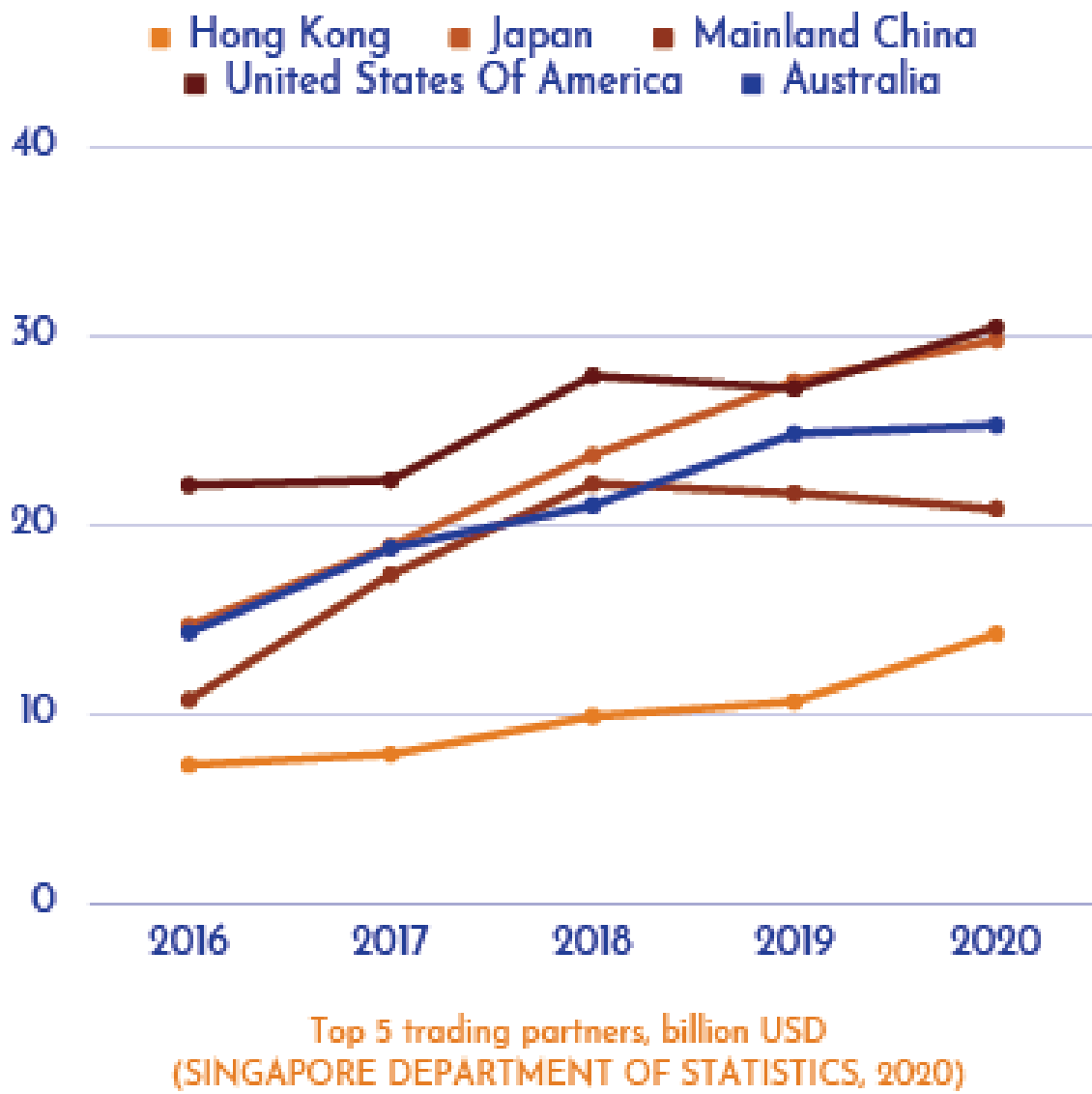
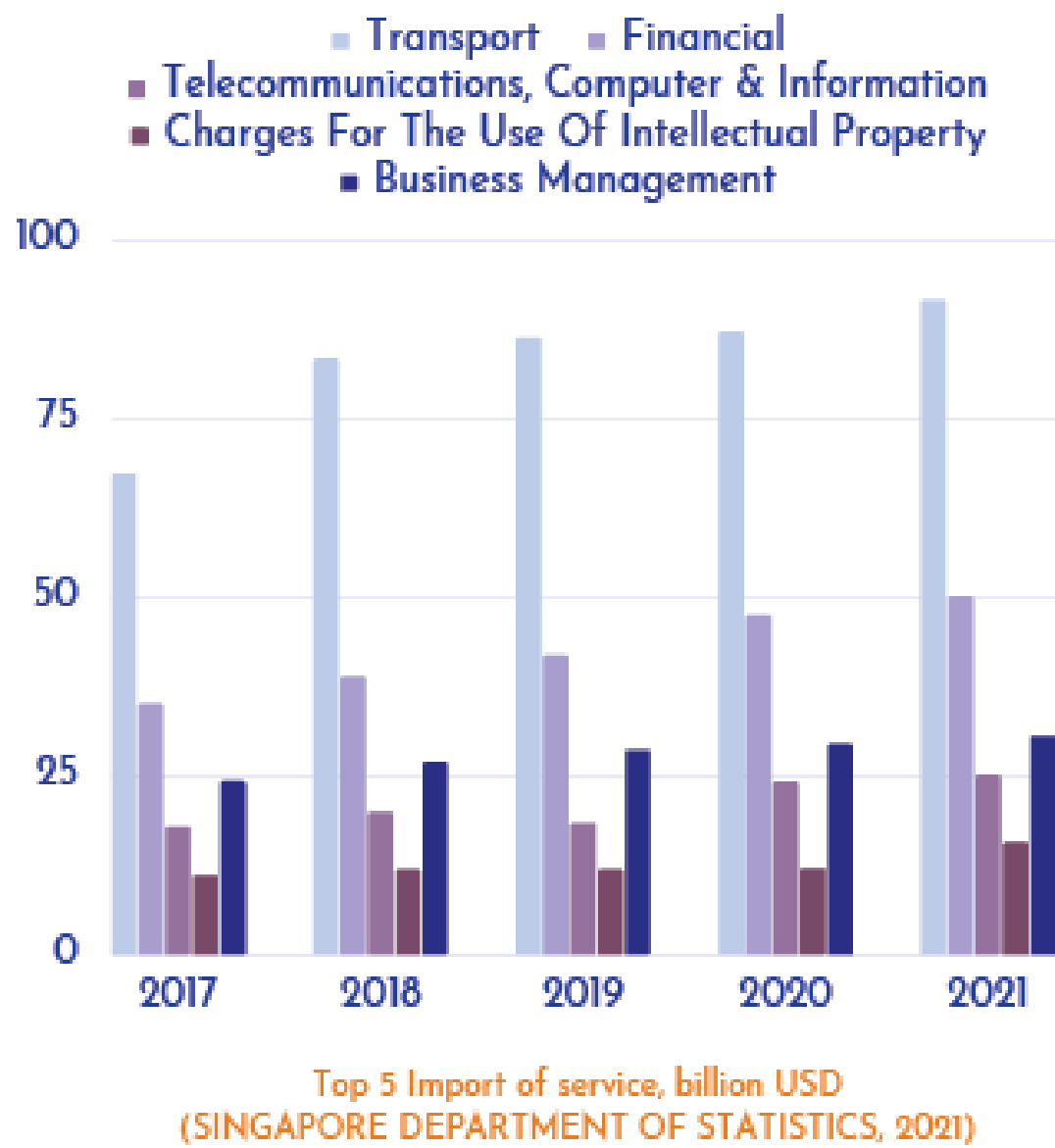
# International Trade in Services

(As of 2021)

## Imports Of Services



## Exports Of Services



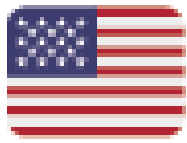


## Foreign Direct Investment

(as of Lastest Update, DOS)



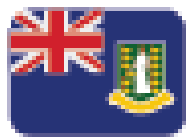
Top 5 FDI investors of Singapore in 2021



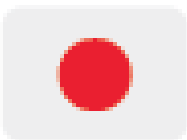
549.8 Billion SGD



291.8 Billion SGD



184.4 Billion SGD



160.5 Billion SGD



127.0 billion SGD



Top 5 FDI destinations of Singapore in 2020



149.9 billion SGD



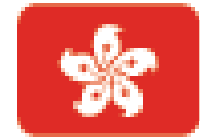
103.3 billion SGD



66.6 billion SGD



66.2 billion SGD



64.2 billion SGD

Inward FDI

2,441 BILLION SGD

Outward FDI

1,040 BILLION SGD



# REASONS TO DO BUSINESS IN SINGAPORE

According to the World Bank's Doing Business 2020 report, Singapore was the best place to do business in Asia and the second best place to do business out of 190 countries and territories around the world.

## 1. Ease of doing business

The tiny island of Singapore has established a unique position in the global economy and a pivotal role as an Asian business epicenter. The country's economic openness is explicitly demonstrated through **notable legal transparency and regulatory efficiency (especially for foreign investors), and efficient capital market and portfolio investment.**

### Transparency and efficiency in regulation for foreign investors

#### Transparency

Singapore has one of the most well-regarded and stable political environments in the world, offering entrepreneurs and investors a strong sense of security and comfort. In 2021, the World Justice Project's Rule of Law Index ranked Singapore **17th out of 139 countries** in terms of adherence to the law, and 1st regionally in the absence of corruption as well as civil and criminal judicial regulations. In the context of Asia's rising economic prominence, Singapore's sound legal infrastructure equips it well to serve as **a hub for cross-border and multi-jurisdictional dispute resolution.**





## Efficiency

### GUARANTEED RIGHTS TO PRIVATE OWNERSHIP AND ESTABLISHMENT

In Singapore, both foreign and domestic entrepreneurs and investors are **openly welcome to set up, operate, and dissolve their own legal enterprises in the most rapid and standardized manner**. There are virtually no constraints on carrying out remunerative activities, aside from representative offices, which are not allowed to conduct commercial transactions in the country. This offers significant advantages for investors from all around the world who are conducting global businesses.

### SIMPLICITY AND SPEED IN ADMINISTRATIVE PROCEDURES

Compared to many other countries that are considered as business centers, it is easier and quicker to register a company in Singapore since the application is usually processed within 15 minutes after the name application fee is paid.

Generally, resolving a commercial dispute in Singapore through a mediation session takes within 2 weeks. Disputes are normally settled within 1 working day, or at most between 3 to 4 sessions. Yet, dispute resolution through court could take around 9-18 months in a typical case (assuming there is no appeal).

As a comparison, on average, a court case in U.S. district court could take longer (over 2 years) to get to trial than cases under arbitration (11.6 months). Furthermore, U.S. district and circuit court cases require at least 21 months longer than arbitration to resolve if the case goes through appeal.



### DO YOU KNOW

"In Singapore, efficient dispute resolution is paired with good institutions (such as specialized courts), effective case management, and sophisticated court automation tools. And litigants can submit their claim online, pay court fees online and serve the initial summons electronically,"

- The World Bank's report

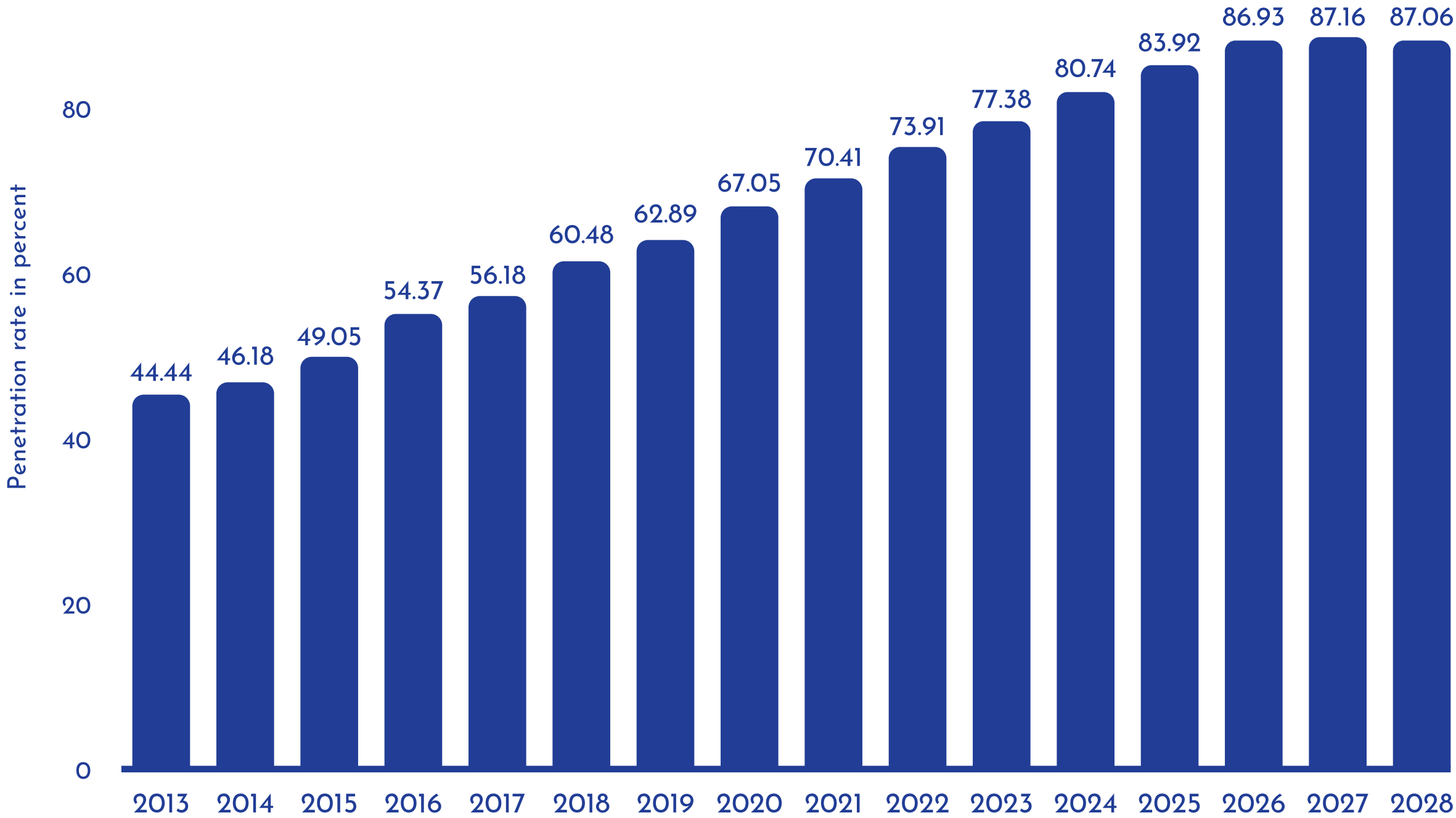


## Efficient capital market and portfolio investment

In the last quarter of 2022, the information & communications, finance & insurance and professional services sectors collectively posted a 1.8% growth. According to the Global Financial Centres Index (GFCI 32, September 2022)<sup>1</sup>, Singapore is still **one of the most efficient capital markets** globally, taking the lead in the region as **Asia's top financial center**. The country also **ranked third** in the global index, only after New York and London.

The high ranking of Singapore financial markets can be attributed to the efficiency of the financial ecosystem, which include banking, fintech, regulators, among others. In particular, the banking system of Singapore is well-regulated by the Monetary Authority of Singapore (MAS)<sup>2</sup>, serving as a financial hub for the region. Singapore banks have a high domestic penetration rate with over 97% of the Singapore population having financial accounts. At the same time, the online banking penetration rate in Singapore was forecast to reach 13.2% growth between 2022 and 2028.

Under Singapore law, banks are prohibited from engaging in non-financial businesses. Yet, they can hold as much as 10% in non-financial institutions as an "equity portfolio investment." Meanwhile, foreign banks must adopt licenses to operate in Singapore.



Forecast of the online banking penetration in Singapore from 2013 to 2028 (Source: Statista)

<sup>1</sup> [https://www.longfinance.net/media/documents/GFCI\\_32\\_Report\\_2022.09.22\\_v1.0\\_.pdf](https://www.longfinance.net/media/documents/GFCI_32_Report_2022.09.22_v1.0_.pdf)

<sup>2</sup> <https://www.state.gov/reports/2022-investment-climate-statements/singapore/>

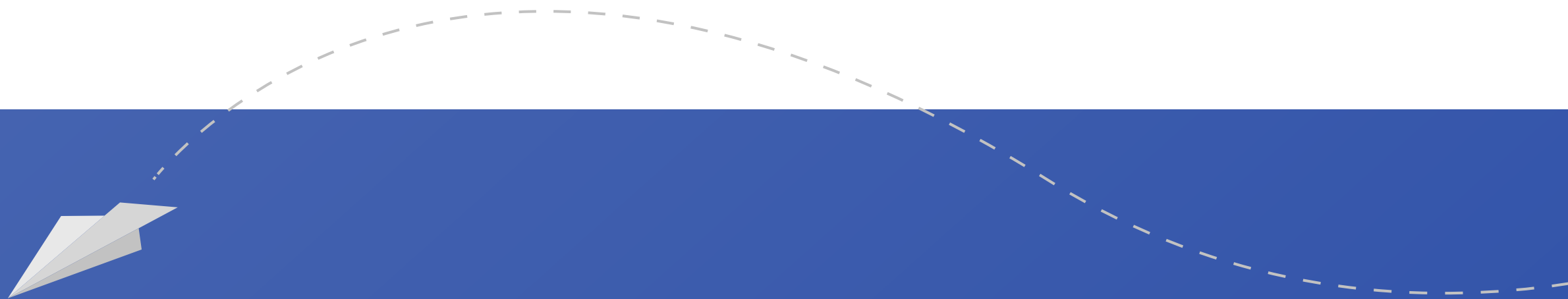


Fintech investments in Singapore retained its strong foothold to secure the lion's share of ASEAN Fintech funding in 2022 **(43%)**.<sup>3</sup> Of the 163 funding deals regionally this year, more than half (55%) went to Singapore-based Fintech firms. Thus to strengthen Singapore's position as a global Fintech hub, **MAS has encouraged the experimentation and promotion of an open API in the financial industry.**

Alternative financial services include retail and corporate non-

bank lending. In January 2020, the Singaporean government passed **the Payment Services Bill**, which requires all cryptocurrency service providers to be licensed and provide more user protection. Whereas, smaller payment firms are normally less heavily regulated.

With a sophisticated ecosystem of financial players, technology providers, innovators who both support and lead change, and a deep pool of talent and expertise, Singapore is forging ahead as an innovative financial hub.



## 2. HOME TO INNOVATIVE TECHNOLOGY

**Global and Regional big techs have set their presence in Singapore:** To date, around 80 of the world's top 100 tech firms have a sizeable presence in Singapore, including Google, Facebook, and Alibaba, as well as regional leaders such as Garena, Grab, and Razer, many of which leverage Singapore's infrastructure to reach global markets.

**Technology Patent:** Singapore has consistently ranked first in Asia and second in the global market for having the best IP protection according to the World Economic Forum's Global Competitiveness Report 2019. Over the 5-year period from 2015-2020, patents published by the country have increased by nearly 30% with a total of 7,872 units.

**Commercialization of technology:** Commercialization of technology is crucial in sharpening Singapore's competitive edge in IP and the overall business landscape, said Mr. Wong, CEO of Intellectual Property Intermediary (IPI) Singapore. IPI, an affiliate of Enterprise Singapore, is responsible for promoting tech-driven open innovation among businesses. Its online marketplace has aggregated over 600 technology offers available for licensing and commercialization from its network of technology partners.

**Technical human resources:** The number of tech professionals in Singapore has grown over 200,000 in 2021, with the number of tech-related jobs increasing by around 10,000 annually over the last 3 years. To ensure a strong core of dedicated tech and media talent, the government has introduced a variety of incentive programs, including scholarships and attractive salaries for both undergraduate and postgraduate levels.

## 3. SINGAPORE IS THE CENTER WHERE ANY BUSINESSES AIM TO SET UP HEADQUARTERS

The so-called Lion City, home to an array of large regional companies and multinationals, is especially well-positioned in the eyes of investors who are looking to capitalize on business growth and resilience of Southeast Asian markets, leading to venture to other countries. At the end of 2021, there are an estimated 700 single family offices (SFOs) operating in the country. This surge encompasses new Asian Family Offices (FOs) as well as satellite offices of FOs from Europe and North America keen to tap into regional growth and explore co-investment opportunities.

With the base of (1) a conducive business environment supported by a well-regulated system and strong bilateral relations with 54 countries, especially benefits from FTAs within ASEAN; (2) abundance of wealth management talent; (3) being home to Asia's largest forex center; and (4) high standard of living and quality of life, Singapore will continue to serve as an ideal launchpad for numerous regional FOs.

<sup>3</sup> <https://www.uobgroup.com/uobgroup/newsroom/2022/asean-fintech-report-2022?page?path=datauobgroup/2022/255&cr=segment>

# WAYS TO DO BUSINESS IN SINGAPORE



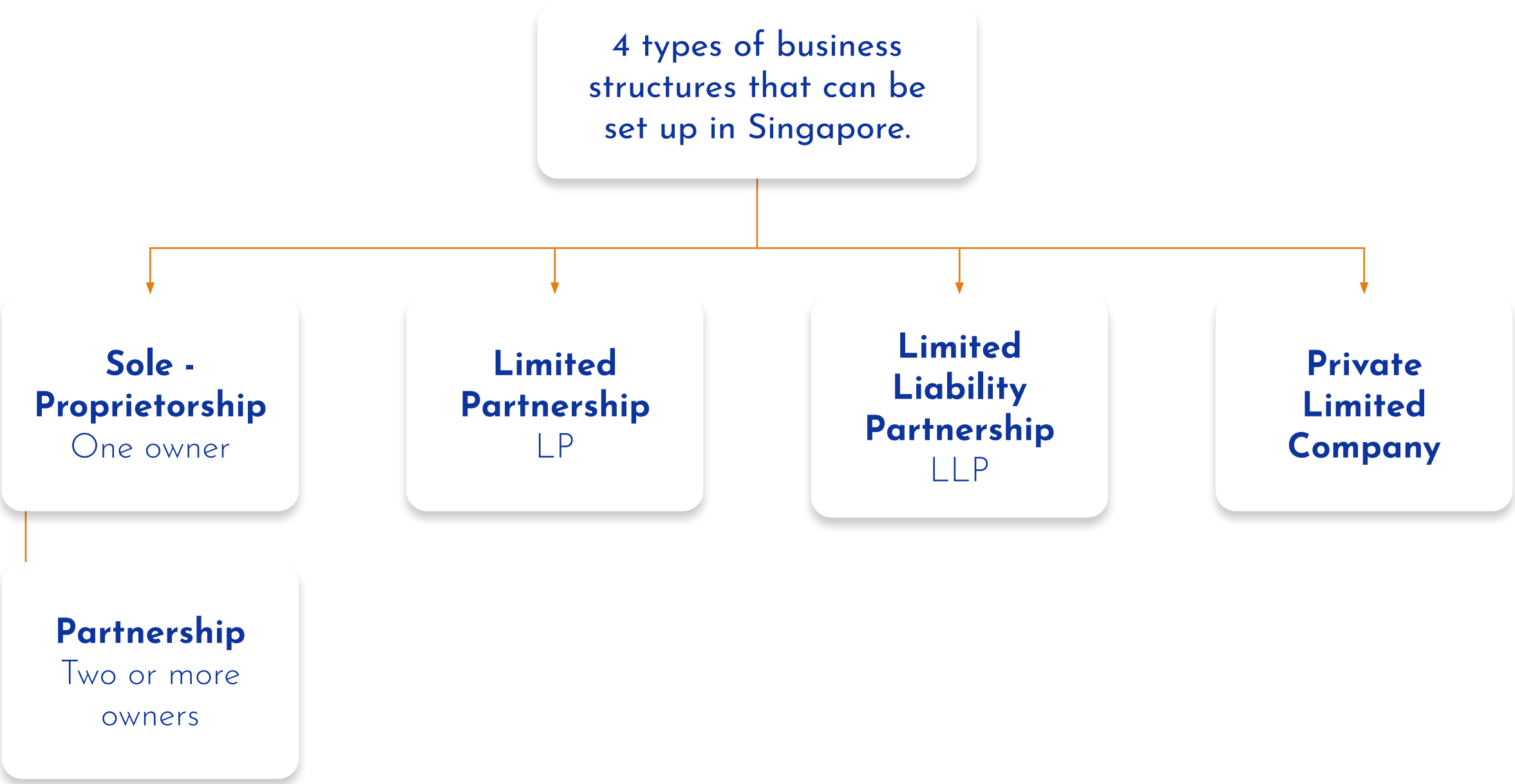
## 4 BASIC STEPS TO SET UP YOUR BUSINESS IN SINGAPORE



### Step 01

#### Choose a business structure

The Accounting and Corporate Regulatory Authority (ACRA) licenses and regulates business entities in Singapore



### Step 02

#### Register the business on Bizlife



Obtain an Entrepreneur Pass (EntrePass) or Employment Pass (E-Pass)



Reserve a company name

①

Choose a name

②

Submit via Bizlife



Register company via Bizlife, using SingPass passwords

It costs **SGD 15 (USD 10)** to register the name, which will be reserved for **120 days**.

If the name is not incorporated within this time, it will no longer be reserved and is made available to the general public.

## Step 03

### Register a Corppass Administrator

#### 2 Ways for a Corppass Administrator Account

##### Register via GoBusiness

- Log in with your Singpass
- Use the e-Advisor for Starting a Business to create a Guided Journey
- Apply for Corppass Administrator Account.

##### Register via Corppass portal



corppass



#### DO YOU KNOW

Corppass is a single corporate digital identity for your business. You can access your Corppass via your personal Singpass. Each business entity can have up to 2 Corppass Admins

## Step 04

### Open a Corporate Bank Account

- If you intend to set up a Company or a Limited Liability Partnership, you must open a Corporate Bank Account (CBA).
- If you go for Sole Proprietorships, Partnerships and Limited Partnerships, opening CBA is optional.

However, with a CBA, you are able to separate your business expenses from your personal savings, and also track your business cash flows, which will be more convenient when filing taxes.





<https://dashboard.gobusiness.gov.sg/login>  
[https://www.corppass.gov.sg/cpauth/loginhomepage?URL=%2FCorppass%2Fcommon%2Ffindoutmore&TAM\\_OP=login](https://www.corppass.gov.sg/cpauth/loginhomepage?URL=%2FCorppass%2Fcommon%2Ffindoutmore&TAM_OP=login)



## Types of business you can set up in Singapore

	Sole - Proprietorship One owner	Partnership Two or more owners	Limited Partnership LP	Limited Liability Partnership LLP	Private Limited Company
 <p>Definition</p>	Owned by an individual, a company or a limited liability partnership	Owned by 2 to 20 partners.	A minimum of 2 partners, with at least 1 general partner and 1 limited partner	A partnership type while the partners' liabilities are generally limited.	Registered under the Companies Act, Chapter 50.
 <p>Who can set up</p>	<p>Singapore citizens/ Singapore Permanent residents/ Employment Pass/ Dependant Pass Holder/ Foreigner</p> <p>A foreigner must appoint a local manager</p>	<p>At least 2 Singapore citizens/ Singapore Permanent residents/ Employment Pass/ Dependant Pass Holder/ Foreigner</p> <p>A foreigner must appoint a local manager</p>	<p>Any foreign and/ or local individual and/ or company</p> <p>Must appoint a local manager if all General Partners reside outside Singapore</p>	<p>Any foreign and/ or local individual and/ or company</p> <p>Must appoint a local manager</p> <p>If a foreigner wishes to act as a local director, he can apply for a EntrePass</p>	<p>Any foreign and/ or local individual and/ or private limited company</p> <p>Must appoint a local director</p>
 <p>Advantages</p>	<p>Low risk business can be run by an individual</p> <p>Second most popular options</p>	<p>Low risk business can be run by no more than 20 partners</p>	<p>Popular with professional firms where one partner is ready to bear with unlimited risks</p>	<p>Hybrid structure with the combination of partnerships and companies</p> <p>Popular with professional firms</p>	<p>Most advanced and flexible business entity</p> <p>Most popular option due to eligibility for tax exemption and ease of raising capital.</p>
 <p>Legal rights</p>	<p>It can sue or be sued in the owner's name</p>	<p>It can sue or be sued in the partners' names</p>	<p>It cannot sue or be sued or own property in the entity's own name.</p>	<p>Suing and being sued in the entity's name</p> <p>Having a common seal in its name</p> <p>Violating acts in its name, as bodies corporate may lawfully do and suffer</p>	<p>Suing and being sued in the entity's name</p>

Types of business you can set up in Singapore

	<div>Sole - Proprietorship <small>One owner</small></div>	<div>Partnership <small>Two or more owners</small></div>	<div>Limited Partnership <small>LP</small></div>	<div>Limited Liability Partnership <small>LLP</small></div>	<div>Private Limited Company</div>
<div> Legal status</div>	Not a separate legal entity from the business owner	Not a separate legal entity from the business owner	Not a separate legal entity from the business owner	A separate legal entity	A separate legal entity
<div> Personal Liability</div>	The business owner has unlimited liability (i.e. the business owner is personally liable for all the debts and losses of the sole proprietorship)	The partners are personally liable for all the debts and losses of the partnership	An individual or a corporation may be a general partner or a limited partner of the LP.  Appointing a local manager is not mandatory unless all the general partners are residing outside Singapore.	The LLP has perpetual succession, which means any change in the partners of an LLP will not affect its existence, rights or liabilities.	Members have limited liability
<div> Set-up fee</div>	SGD 115 for one-year registration  SGD 175 for three-year registration	SGD 115 for one-year registration  SGD 175 for three-year registration	SGD 115 for one-year registration  SGD 175 for three-year registration	SGD 115 for one-year registration	SGD 175 for three-year registration
<div> Tax</div>	Taxed at PIT rates	Each partner will be taxed at PIT rates	Each partner will be taxed at PIT rates, except for corporate partner who will be taxed at CIT rates	Each partner will be taxed at PIT rates, except for corporate partner who will be taxed at CIT rates	Taxed at CIT rates

## Other ways you can choose to set up in Singapore

### Open a Singapore representative office

For registering a Singapore representative office, all new applications of the foreign commercial entity must satisfy the following criteria:

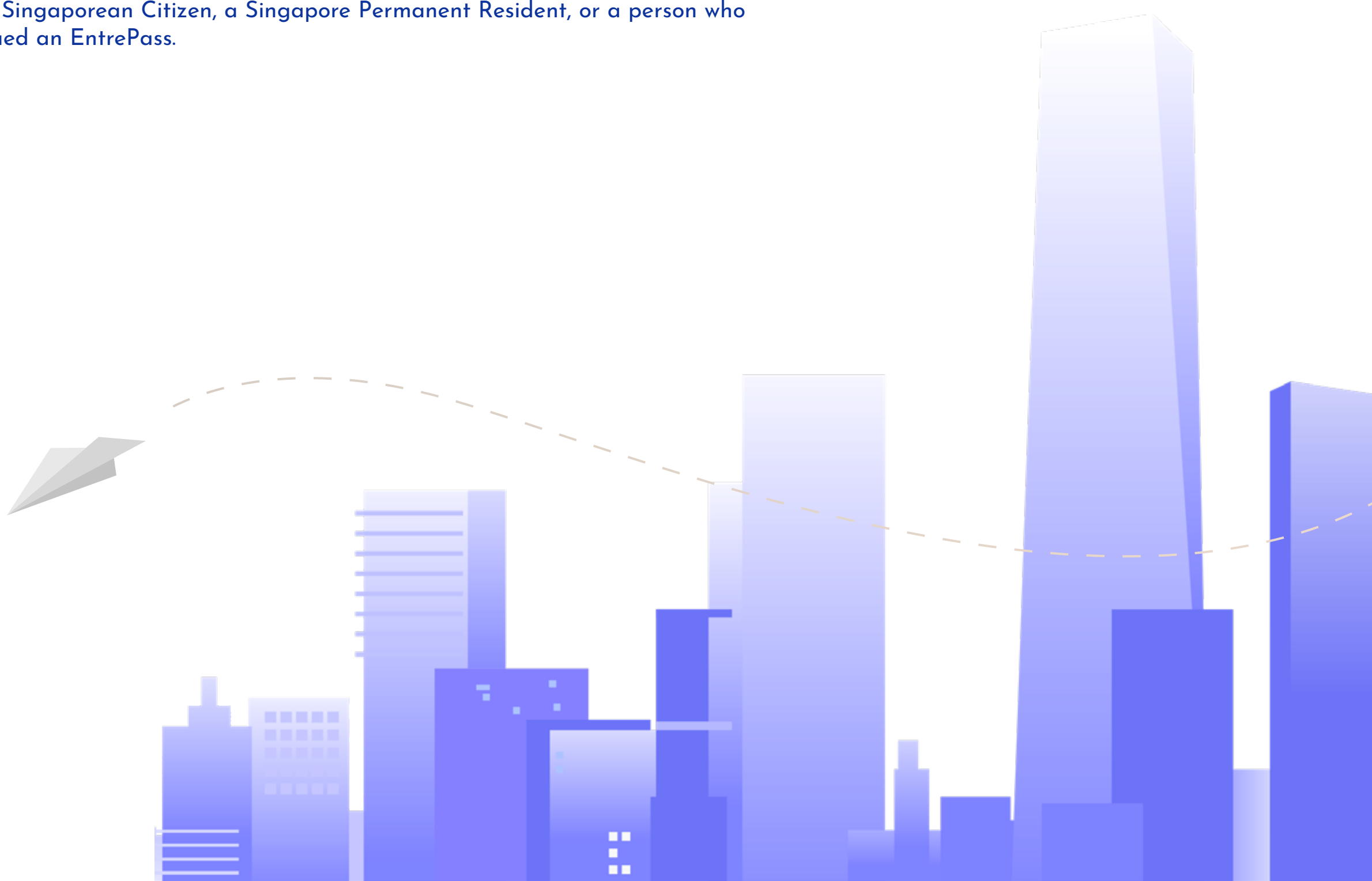
- 1 The foreign parent company must have a sales turnover in excess of more than SGD 335,550
- 2 The foreign parent company must be established for three years or more
- 3 The proposed number of employees for the Singapore representative office must be maximum five

Once approved, registration of a Singapore representative office is valid for a period of 1 year. After this time, it must be renewed. Letter of Approval will be issued to confirm the registration of your representative office.

### Establish a branch office in Singapore

A foreign investor can choose to establish a branch in Singapore. A head office can be incorporated overseas through a branch. Thus, the legal liabilities of a branch in Singapore are extended to its parent company. This is different from setting up a local business which has its own legal liabilities and personality. A branch is not eligible for the same tax benefits or rebates as a local entity.

For Branch Offices, the Companies Act requires a foreign company to appoint a minimum of one authorized representative who is ordinarily resident in Singapore, i.e. one who is a Singaporean Citizen, a Singapore Permanent Resident, or a person who has been issued an EntrePass.





# TIPS FOR INVESTORS DOING BUSINESS IN SINGAPORE



## 1. Regulation Highlights

In general, Singapore has efficient regulations and open markets. Under the law, foreign and domestic enterprises are treated equally, and practically all sectors of the economy are accessible to 100% foreign ownership.

In lieu of investment law for foreign and domestic investors, investment is governed by laws of general application—for example, the common law of contract and the Singapore Companies Act—and sector-specific legislation.



### Expropriation and Compensation

Singapore has been under investment promotion and protection agreements with various countries, following which nationals and/or companies are mutually protected against certain non-commercial risks, namely expropriation and nationalization.

In addition, the Lion City has no laws in regulating the expropriation of foreign-owned property, or in forcing investors to make ownership transfer to local interests.

In accordance with Singapore's **Land Acquisition Act**<sup>4</sup> and the Act Amendment Notifications, foreign investors interested in the intended expropriation must be fully informed about the same. At the same time, the regulations clearly specify market-rate compensation, ensuring the benefits of foreign investors.

### Dispute settlement

The common method in dispute resolution in Singapore is litigation. Yet, due to the growth of expertise in arbitration, alternative mechanisms are increasingly being used.

When conflicts arise, Singapore relies on Law Society Arbitration Scheme (LSAS), Law Society Mediation Scheme (LSMS), Law Society Neutral Evaluation and Determination Scheme (LSNEDS), Law Society Family Law Mediation and Neutral Evaluation Scheme, Conveyancing and Law of Property (Conveyancing) Rules 2011 ('CLPR') to solve the dispute.

An active case management system has also been established by Singapore's Registry of the Courts, allowing courts to play a greater role in minimizing all unnecessary delays in proceedings.

Additionally, Singapore's civil justice system originated from the Common Law adversarial model. This means the applicable standard of proof for civil claim to succeed is based on the balance of probabilities.

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<sup>4</sup> <https://sso.agc.gov.sg/Act/LAA1966>



## Goods and services tax<sup>5</sup>

Goods and Services Tax (GST), known as Value-Added Tax (VAT) in other countries, is levied on imports of products as well as practically all supplies of goods and services in Singapore. In the case of most financial services, the supply of digital payment tokens, the sales and lease of residential properties, and the import and local supply of investment precious metals, GST are exempted. Meanwhile, **exported goods and international services are taxed at 0%.**

In Budget 2022, the Ministry of Finance announced that the GST rate will be increased from 7% to 8% from 1 January 2023, and from 8% to 9% with effect from 1 January 2024.

The current GST rate is 8% or 0%, as follow:

Type	Standard-rated supplies (8% GST)	Zero-rated supplies (0% GST)
Goods	<ul style="list-style-type: none"><li>- Most local sales</li><li>- Sale of imported low-value goods (from 1 Jan 2023)</li></ul>	Export of goods
Services	<ul style="list-style-type: none"><li>- Most local services provision</li><li>- Imported Services</li></ul>	Services that are categorized as international services

<sup>5</sup> [https://www.iras.gov.sg/taxes/goods-services-tax-\(gst\)](https://www.iras.gov.sg/taxes/goods-services-tax-(gst))



## Carbon tax

Industrial facilities with direct greenhouse gas (GHG) emissions equal to or greater than 25,000 per tonne of GHG emissions (tCO<sub>2</sub>e) per year must register as a taxable facility and submit an annual Monitoring Plan and Emissions Report.

Furthermore, taxable facilities must pay a carbon tax for measurable GHG emissions beginning January 1, 2019, which is imposed at SGD 5 tCO<sub>2</sub>e from 2019 to 2023. Singapore's carbon tax rate will be reviewed in 2023, with intentions to raise it to between SGD 10 and SGD 15 tCO<sub>2</sub>e by 2030.

## Intellectual property (IP) acquisition expenses

A tax deduction of 200% is available for companies registering IP for the years of assessment from 2019 to 2025 as follows:

- The first SGD 100,000 of qualifying expenditure incurred to register qualifying intellectual property and
- The first SGD 100,000 of cost expended to license qualifying intellectual property.

## Free trade zones/ Free ports

Currently, Singapore has **nine free trade zones**<sup>6</sup> (FTZ), which allow the import, sale, and export of goods without accounting for customs, excise duties, or goods and services tax. These FTZs encourage trade and facilitate the transshipment of goods to and from Singapore.

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<sup>6</sup> [https://www.worldfzo.org/Portals/0/OpenContent/Files/487/Singapore\\_FreeZones.pdf](https://www.worldfzo.org/Portals/0/OpenContent/Files/487/Singapore_FreeZones.pdf)



2. Investment incentives

Tax incentives

Types of  
tax incentives

Content

Double Tax Deduction Scheme for  
Internationalisation (DTD<sup>7</sup>)

Singapore has signed Avoidance of Double Taxation Agreements (“DTAs”), limited DTAs and Exchange of Information Arrangements (“EOI Arrangements”) with 106 countries around the world. Especially, Singapore has signed DTAs with 96 jurisdictions. The DTD<sup>7</sup> offers a 200% tax deduction on eligible expenses for international market expansion and investment development operations, which is advantageous for businesses looking to expand internationally.

Venture Capital Fund Incentive<sup>8</sup>

The Fund Management Incentive for VCFI Approved Funds (FMI) and Venture Capital Fund Incentive (VCFI) incentive programs work to promote investments in Singapore-based startups and businesses. The VCFI offers a tax exemption up to a maximum of 15 years for income streams that satisfy the scheme’s requirements.

Fund Management Incentive (FMI)

- The FMI offers a 5% tax break on (i) management fees and (ii) performance bonuses received from managing VC funds approved under the VCFI program.
- The FMI is open to fund managers who have obtained the required MAS license.
- The FMI shall be given to qualified fund managers for a term of up to five years, with the possibility of renewal in tranches of up to five years, provided that the requirements are met.

Tax exemptions

Types of  
tax exemptions

Content

Tax exemption scheme for new  
start-up companies<sup>9</sup>

Both local and foreign companies are taxed at a flat rate of 17% of its chargeable income. Yet, there are also tax exemptions. The tax exemption scheme for new start-up companies and partial tax exemption scheme are available to relieve the tax bills of businesses.

- Section 43 of the Income Tax Act of 1947 introduced the tax exemption program for new start-up businesses.
- The first three years of assessments are for enterprises that qualify for the tax exemptions (YAs). Companies can take advantage of the partial tax exemption beginning with the fourth YA.
- From YA 2020 onwards, 75% of the first SGD 100,000 of normal chargeable income will be excluded starting from YA 2020 (after which time it will be taxed at the current corporate income tax rate of 17%).
- A further 50% of the next SGD 100,000 in normally taxable income is exempt. Each YA is only allowed a maximum exemption of SGD 125,000.

Partial tax exemption

- Under Section 43 of the Income Tax Act of 1947, all businesses, including firms limited by guarantee, are eligible for partial tax exemptions (PTE), unless they are claiming the tax exemption for new start-up businesses.
- From YA 2020 onwards, 75% of the first SGD 10,000 of normally chargeable income will be excluded starting in YA 2020.
- A further 50% exemption is granted on the next SGD 190,000 of normal chargeable income. Each YA is eligible for a maximum exemption of SGD 102,500.

<sup>7</sup> <https://www.enterprisesg.gov.sg/financial-assistance/tax-incentives/tax-incentives/double-tax-deduction-for-internationalisation>

<sup>8</sup> <https://www.startupsg.gov.sg/programmes/4893/startup-sg-investor/venture-capital-fund-incentive-fund-management-incentive-vcfi-fmi>

<sup>9</sup> <https://www.iras.gov.sg/taxes/corporate-income-tax/basics-of-corporate-income-tax/corporate-income-tax-rate-rebates-and-tax-exemption-schemes>



Financial assistance

Types of  
financial assistance

Content

Startup SG Equity

With the help of the Startup SG Equity program, the private sector is encouraged to invest in cutting-edge, Singapore-based technology firms with the potential to reach a large worldwide market. In accordance with the Startup SG Equity scheme, the government would:

- Co-invest with independent, qualified third-party investors into eligible startups; and
- Invest in selected venture capital firms that will invest in eligible startups using a fund of-funds model.

As part of Startup SG Equity, SEEDS Capital and SGInnovate have been designated to supervise the co-investment modality.  
The fund-of-funds mode under Startup SG Equity will be managed by EDBI.

SEEDS Capital

SEEDS Capital co-invests with institutional investors in creative firms with high intellectual substance and potential for a large global market. Advanced Manufacturing & Engineering (AME), Health & Biomedical Sciences (HBMS), and Urban Solutions & Sustainability are just a few of the emerging and key areas that SEEDS Capital works on (USS). The fund also analyzes other cutting-edge technologies, including those in the fields of agri-tech, artificial intelligence, blockchain, quantum computing, and space technology.

Enterprise Financing  
Scheme (EFS)

EFS will simplify the process for Singaporean businesses to obtain financing at all phases of their growth starting from October 29, 2019, upon meeting the following requirements:

- Being a legally recognized firm with a physical presence in Singapore.
- A minimum of 30% local equity held directly or indirectly by Singaporean(s) and/or Singapore PR(s), as determined by final individual ownership
- Having annual group sales turnover not exceeding SGD 500 million.

EFS addresses seven areas to meet the financial needs of businesses: Green, SME Working Capital Loan, SME Fixed Assets Loan, Venture Debt Loan, Trade Loan, Project Loan, Mergers & Acquisitions Loan. For “SME Working Capital” and “SME Fixed Assets” benefits, the SME definition is either Group Revenue of up to SDG 100 million or Maximum Employment Size of 200 employees.





## Non-financial assistance

(Free Trade Agreements)

Singapore has 15 bilateral and 12 regional free trade agreements (FTAs) currently in force. Investors enjoy preferential investment commitments from its FTA partners, including national treatment, most-favored-nation treatment, prohibition of performance requirements.

Out of 27 FTAs, 4 key agreements that Singapore has participated in are the ASEAN - Australia - New Zealand Free Trade Area (AANZFTA), Singapore-European Free Trade Association (ESFTA), ASEAN-China Free Trade Area, and ASEAN Free Trade Area. These agreements highlight the most significant trading markets to Singapore, opening tremendous market entry opportunities for investors while offering a myriad of benefits such as tariff concessions, preferential access to certain sectors, and Intellectual Property protection, among others.

FTAs	Content
ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)	<p>It is the first comprehensive FTA that ASEAN signed with a Dialogue Partner, which is committed in all three pillars of goods, services, and investments.</p> <p>It includes trade in goods; rules of origin; customs procedures; services (financial and telecommunications services); electronic commerce; movement of natural persons; investments; sanitary and phytosanitary (SPS) measures; standards, technical regulations, and conformity assessment procedures; intellectual property; competition; economic cooperation; and a dispute settlement mechanism.</p>
Singapore-European Free Trade Association (ESFTA)	<p>The EFTA is a free trade area including Switzerland, Iceland, Liechtenstein and Norway.</p> <p>The tariff of Singapore's domestic exports to the EU is removed by 99.8%.</p> <p>Singapore businesses have benefited from zero-tariff sectors consisting of chemical and petroleum products, electrical and electronic products, fabricated metal products, instrumentation equipment, pharmaceuticals, plastic products and transport equipment.</p>
ASEAN-China Free Trade Area (ACFTA)	<p>ACFTA creates more opportunities for ASEAN businesses to enter the Chinese market. Sectors that companies can have easy access to China include chemicals, electronics, food and beverage and petrochemicals.</p>
ASEAN Free Trade Area (AFTA)	<p>The AFTA helps to eliminate tariffs and non-tariff barriers in the region. Singapore exporters can now export to other ASEAN members with low tariffs from 0% to 5%.</p>

<https://www.mti.gov.sg/Trade/Free-Trade-Agreements>  
<https://www.enterprisesg.gov.sg/non-financial-assistance/for-singapore-companies/free-trade-agreements/ftas/singapore-ftas>



3. Business etiquette and culture



DOs

Build a professional business network with colleagues and clients

Use both hands to show respect when exchanging business cards.

Singaporeans value their time, so being punctual is the basic principle to do business with them.

Be careful about different greeting styles as Singapore is a multicultural nation.

- Malaysian women often do not shake hands
- Malaysian and Indian use the ‘salaam’ or ‘namaste’ greetings
- When addressing a Chinese individual, use their title, followed by their surname. Meanwhile, a Malaysian or Indian person might introduce themselves by their first name, followed by their professional title.

Exchange a small gift during the negotiation process

Avoid saying “No” directly

Maintain the relationship harmonious by keeping face for others

Keep an open, receptive, and “can-do” mindset

DON'Ts



Exchange tattered or unclean business cards

Place business cards in back pocket

Communicate with negativity and criticism

Solely rely on emails as the main communication channel

Arrive at meetings unprepared as all meetings are outcome-driven

Suggest ideas and plans that favor just one side of the negotiating table, as Singaporeans aim towards win-win

Act emotionally, raise your voice, or initiate/intensify conflicts

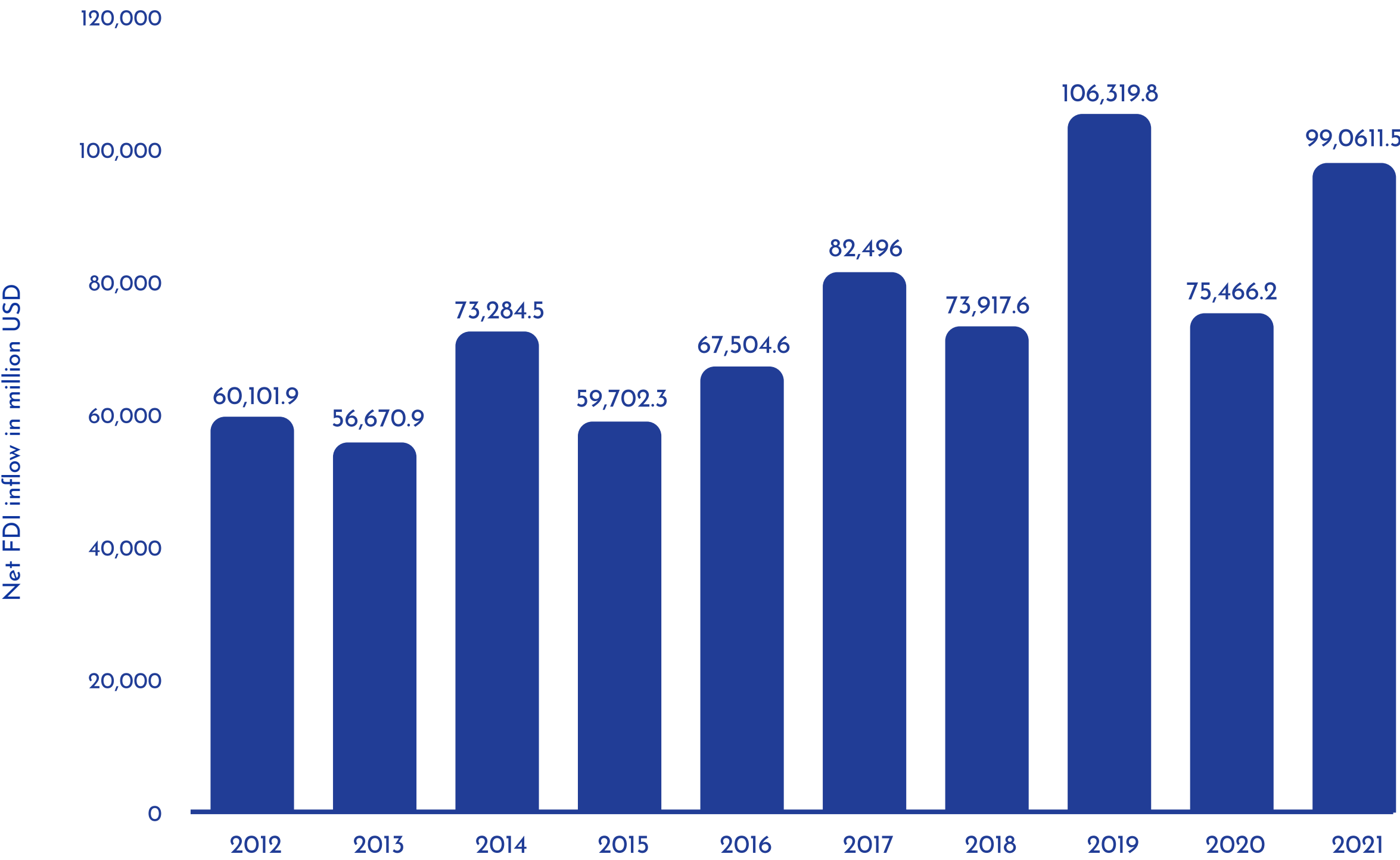


4. What sectors seem promising in the next few years?

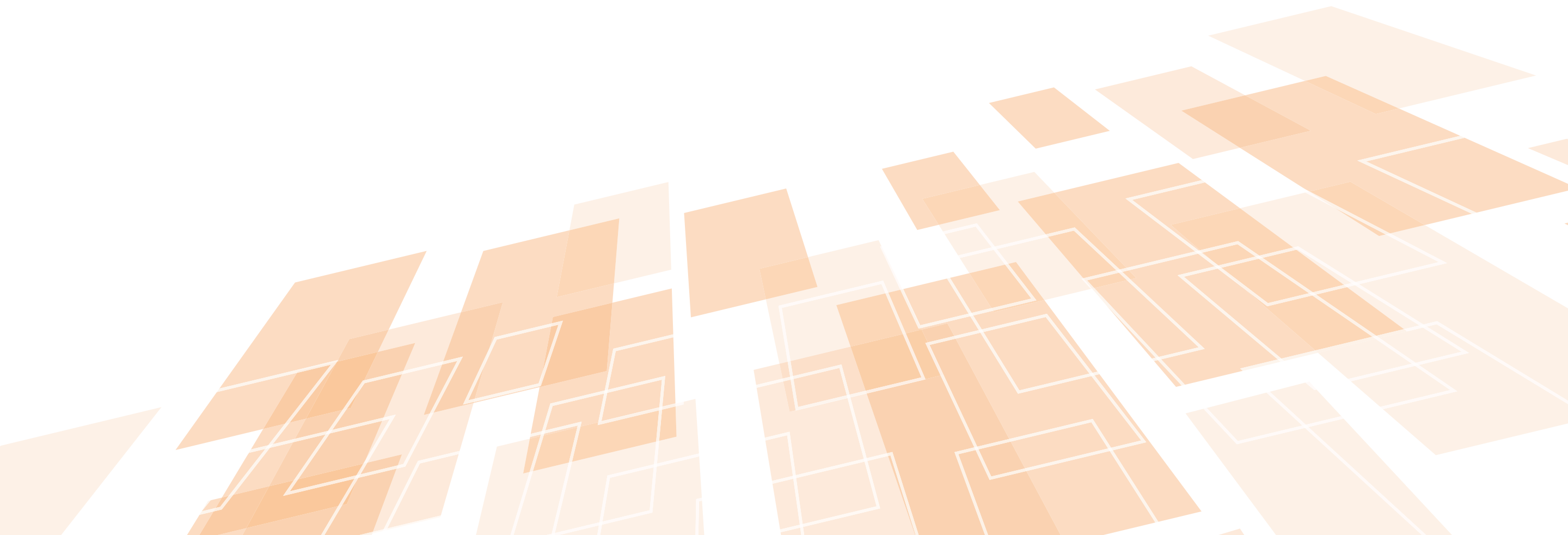
A thriving FDI destination

Singapore was the leading destination for greenfield FDI in the first half of 2022 within the ASEAN trade bloc. The same is also reflected in the data of previous years as companies continued to choose the Lion city-state for their capital-intensive expansion plans.

The first half of 2022 saw a surging investment wave from foreign lenders pouring into the country with a reported 142 projects worth USD 8.2 billion, following 2 consecutive half-year periods in which FDI exceeded USD 9 billion, as cited in the latest report conducted by Investment Tracker FDI Markets.



Foreign direct investment net inflows in Singapore from 2012 to 2021 (in million USD)



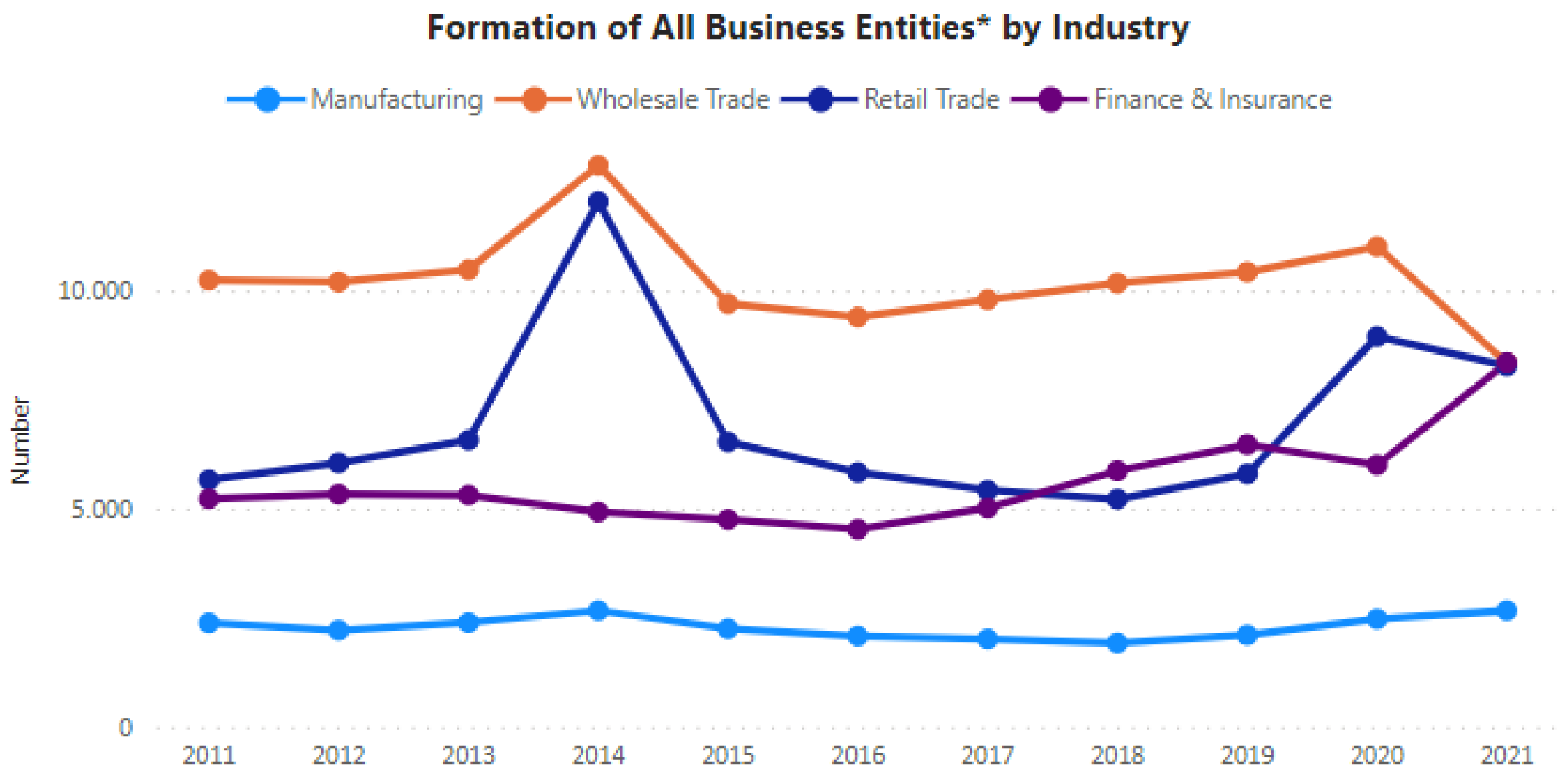


## Promising FDI sectors in Singapore

### Largest FDI sectors

Rank	Largest FDI sectors	2018 (SGD)	2019 (SGD)	2020 (SGD)
1	Finance and Insurance	908,790.2	1,035,220.4	1,189,336.9
2	Wholesale & Retail Trade	277,298.5	280,420.4	317,755.9
3	Manufacturing	235,944	241,740.1	257,025.7

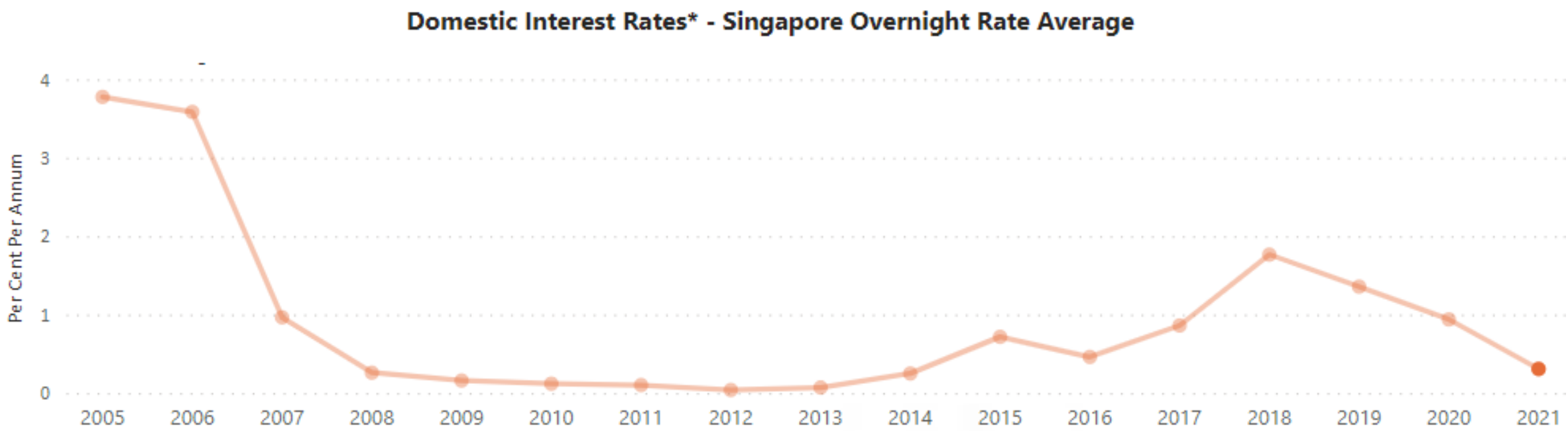
In the period of 2018 - 2020, Finance & Insurance, Wholesale & Retail Trade, and Manufacturing have consistently remained at the top 3 sectors pulling in the largest amount of FDI.



According to DOS, the Financial and Insurance services sector claimed the first spot in terms of FDI volume. The sector attracted approximately SGD 1,189,336 million (stock as of Year-end) foreign capital, accounting for 55.5% of the total FDI value in 2020 alone, which marked the sector's upsurge at a rate of 30.9% compared to 2018.

Explaining this upward trend where Singapore is becoming a prime hub for offshore wealth management are several factors as follows.

The country has built up an effective regulatory and pro-business environment, along with the prevalence of highly skilled and experienced finance experts. Over the past few years, Singapore's derivatives exchange has gained global recognition as an ideal regional risk management center for overseas and domestic venture capitalists. Specifically, the Monetary Authority of Singapore (MAS), with its stringent adherence to international standards and best practices, has won over investors' confidence in Singapore's financial system.



According to recent data by the Life Insurance Association, Singapore (LIA), in Q1 2022, Singapore’s life insurance industry recorded a total of SGD 1.21 billion in weighted new business premiums.

The data also indicated that Life Insurance was one of the few sectors that grew over the past two years despite the Covid-19 pandemic. In addition to that, consumers’ rising awareness of the necessity of life insurance as a critical component of financial planning and protection also played a key role in the blooming of the sector.

“As the country progressively rises up from the pandemic’s headwinds, insurance companies have noted the sustained popularity of single-premium products due to their attractive yields.” said Khor Hock Seng, president of the Life Insurance Association of Singapore (LIA).

Also, as cited from DOS, the Wholesale & Retail Trade had successfully made it to second place in the chart with roughly SGD 317,755 million (stock as of Year-end) in 2020, accounting for 14.8% of the total FDI value.

As a key contributor to Singapore’s economy, Wholesale trade accounted for SGD 81 billion, equivalent to 18% of the country’s total Gross Domestic Product (GDP) in 2020, providing more than 300,000 jobs to around 8% of Singapore’s workforce. The prominence of this sector can be attributed to the country’s strong trade infrastructure, Asia’s fast growing consumer market, numerous incentives for wholesale and retail traders, and the rise of digital marketplaces.

Landing in third place is the Manufacturing sector with SGD 257,025 million (stock as at Year-end) as of 2020, accounting for 12% of the total FDI value. The sector has continuously grown since 2014 and attracted generous FDI flow thanks to Singapore’s cutting-edge R&D manufacturing centers. In 2020 alone, the total manufacturing output is estimated at around SGD 313,409 million with 9,175 establishments as reported by DOS.



## Fastest growing FDI sectors

Based on the market demands, the DOS study<sup>10</sup> has identified the fastest growing FDI fields as follows:

Data Series	2018
Professional And Administrative & Support Services	48.9%
Construction	39.6%
Manufacturing	29.7%

Data Series	2019
Professional And Administrative & Support Services	35.2%
Finance & Insurance	13.9%
Construction	8.9%

Data Series	2020
Transportaion & Storage	32.4%
Accomodation & Food Services	16.6%
Information & Communications	15.5%

Prior to the pandemic, specifically during the period of 2018-2019, Professional and Administrative & Supportive Services (PASS) and Construction had experienced drastic growth thanks to the country’s rising high-skilled and experienced consultants. The preliminary total construction demand was largely driven by public housing and infrastructure projects, as well as an improvement in investment sentiments, said BCA (Building and Construction Authority).<sup>11</sup>

Manufacturing as well as Finance & Insurance services, on the other hand, attracted mass attention for their burgeoning growth since the sectors continuously pulled in generous capital investment from both domestic and foreign lenders.

<sup>10</sup> <https://www.singstat.gov.sg/find-data/search-by-theme/trade-and-investment/foreign-direct-investment/visualising-data/foreign-direct-investment-in-singapore-dashboard>  
<sup>11</sup> <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2022/01/26/sustained-construction-demand-in-2022-supported-by-public-sector-projects>



However, the Covid-19 pandemic broke out in late 2019 and has completely changed the whole country's economic scenery. In general, the pandemic has opened tremendous opportunities for ASEAN countries, especially increasing the competition among members when the capital and manufacturing base of global "giants" have been moving out of China. Singapore is without an exception!

Despite the pandemic, Singapore's ports operated the second-highest container throughput at 36.9 million TEUs. According to MarineTraffic, 33,133 vessels with a tonnage of over 5,000 tons docked in Singapore in 2020. The city-state also holds its position as the leading bulk port, having handled 49.83 million tons of cargo in 2020, and achieving the second highest sales from year-to-date and an increase of 5% over 2019.

Such a dramatic shift in the FDI distribution can be partially explained by the country's strategic location in the middle of Southeast Asia, where its port is a significant player and always bustling with activity. Besides, with its excellent logistic services and a well-supported shipping business climate, the Port of Singapore has retained the No.1 position for 8 consecutive years, following the Xinhua-Baltic International Maritime Center Development Index (ISCD).

The burgeoning growth of Singapore as a center for international shipping has been strongly supported by the local government. The integration of the maritime supply chain, the growth of the port industry, and the adoption of green and smart port technology are just a few of the areas where the government has set up future plans and frequent guidance. These initiatives have all played a key role in the emergence of Singapore as a major international maritime epicenter.

## Restricted and Conditional businesses in Singapore

### Key sectors where foreign investment controls are imposed are:

#### • Real estate:

Certain types of residential property are subject to specific legislative restrictions, including vacant land; land zoned for residential purposes; landed residential properties; public residential units known as HDB housing, and other real estate such as workers' dormitories.<sup>12</sup>

#### • Broadcasting:

Restrictions and other controlling conditions on investing in broadcasting are specified under Broadcasting Act (Cap. 28) (BCA). Following, foreign investors control a broadcasting company with over 49% of shares or voting power, the company will not be granted a broadcasting license.

#### • Domestic media:

Similar to the broadcasting sector, domestic media companies with foreign ownership in Singapore are regulated by the Newspaper and Printing Presses Act (Cap. 206) (NPPA). Under the NPPA, a media company must have two classes of shares, with one class of shares held only by Singapore citizens or approved corporations.

#### • Financial services and banking:

A bank incorporated in Singapore must not acquire or hold any equity in a single company, the value of which exceeds in the aggregate 2% of the capital funds of the bank or such other percentage as prescribed.

#### • Professional services:

(Law, Accountant)

All law practices are subject to a licensing regime that determines the Singapore law-related services that they can offer. All entities that provide public accountancy services must be under the control and management of partners who are public accountants residing in Singapore.

<sup>12</sup> <https://www.pinsentmasons.com/out-law/guides/singapores-foreign-investment-regime>

# FINDING YOUR **BEST** **PARTNER**

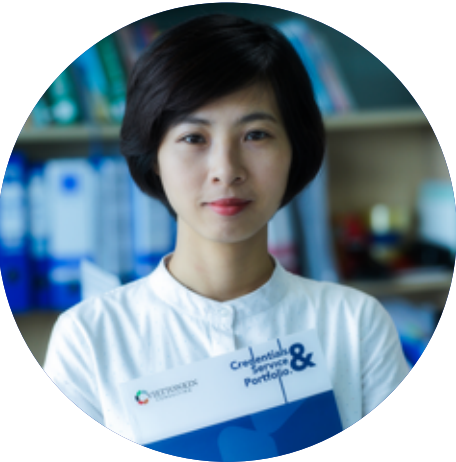
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## Our happy clients

Since 2009, Viettonkin has succeeded in supporting more than 3,000 projects to enter the Vietnamese market by providing professional consulting and one-stop solutions. Our typical clients are:





## Our Services



### Audit & assurance

- Statutory Audit
- Due Diligence
- Internal Audit
- Risk Advisory



### Legal

- Tax Litigation
- Labor Law
- Corporate Law
- Mergers and Acquisitions (M&A)



### Accounting and Tax

- Tax Compliance
- Tax Planning & Advisory
- Accounting and Bookkeeping
- International assignments



### Market Readiness Assistance

- Business Development Consulting
- Pre-Feasibility Study
- Feasibility Study
- Market Research
- Business Matching
- Business Travel



### Linguistic

- Localisation
- Transcreation
- Interpretation
- Copywriting



### Global Incorporation

- Corporate Banking Service
- Nominee Services
- Administrative Services
- Incorporation
- Corporate Secretarial Services
- Compliance Services

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