Overview

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• Ease of Establishing Business in Singapore
• Competitive Tax Regime
• Singapore Government Incentives & Programmes
• Intellectual Property Protection
• Skilled Workforce
• Efficient Dispute Resolution
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Singapore Facts & Figures

- **Location**: Southeast Asia
  - Strategic location at the crossroads of east-west trading routes
  - Heart of Asia – 7 hour flight radius to fast growing markets such as China and India

- **Area**: 719.2 sq km

- **Climate**: Tropical. Average maximum of 31°C and a minimum of 23°C
Singapore Facts & Figures

- **Population**: 5.607 million as of 2016
  - Singapore Citizens 61%, Permanent Residents 9.3%, Non-residents 29.7%
  - Chinese 74.3%, Malay 13.4%, Indian 9.1%, Others 3.2%

- **Main religions**: Buddhism, Taoism, Christianity, Islam and Hinduism

- **Currency**: Singapore Dollar

- **Languages**:
  - English (language of business)
  - Malay, Mandarin, Tamil
Why Singapore?

Economy

- Gateway to Southeast Asia
- Strong international trade links and one of the most open for international trade and investment
- Pro-business environment
- Excellent infrastructure
- Highly skilled and cosmopolitan labour force
- Global business city
Why Singapore?

Legal

- Robust legal/judicial system
- One of the most competitive tax regimes in the world
- Major arbitration hub in Asia
Why Singapore?

Global Rankings

• World’s easiest place to do business
  (Source: Doing Business 2016 Report, World Bank)

• Ranked 1st as an investment destination
  (Source: Business Environment Risk Intelligence Report 2016-I)

• 2nd most competitive economy in the world

• Best quality of overall infrastructure set up for investors – both physical and digital
  (Source: fDi Asia-Pacific Cities of the Future 2015/16)

• World’s most “network ready” country

• Top city in Asia with highest quality of life; best city infrastructure in the world
  (Source: Mercer’s 2017 Quality of Living Survey)
Ease of Establishing Business

Ranked 6th for ease of starting a business
(Source: Doing Business 2017 Report, World Bank)

- Incorporation of new company
- Registration of branch of foreign company
- Registration of representative office
- Other structures:
  - Limited Liability Partnership
  - Limited Partnership
Ease of Establishing Business

- Incorporation of new company (1 to 2 days)
  - Separate legal entity
  - Registration fees: approximately S$300
  - No minimum share capital prescribed
  - At least one local director “ordinarily resident” in Singapore
  - Company secretary
  - Annual returns
Ease of Establishing Business

• **Incorporation of new company (1 to 2 days)**
  
  o Exemption from audit for **small** company
    1. Private company for that financial year
    2. Meets any 2 of the following criteria:
      1. Revenue does not exceed $10 million for 2 preceding financial years
      2. Total value of company’s assets does not exceed $10 million for 2 preceding financial years
      3. Company has not more than 50 employees at the end of each of the 2 preceding financial years
  
  o Exemption from audit for **dormant** company
    1. Where no accounting transaction occurs
Ease of Establishing Business

• Registration of branch of foreign company (1 to 2 days)
  o Extension of parent; not a separate entity
  o Registration fees: approximately S$300
  o At least one “ordinarily resident” authorised representative
  o Annual returns
Ease of Establishing Business

- Registration of branch of foreign company (1 to 2 days)
  - Accounts to be filed
    - Head office financial statements
      - If required to be prepared under law of incorporation in accordance with accounting standards – audit requirement depends on that law
      - Otherwise, audited unless foreign company is dormant in Singapore
  - Branch office balance sheet and P&L
    - Audited unless foreign company is dormant in Singapore
    - Filing requirement may be waived in certain circumstances (e.g. impractical to comply having regard to nature of operations in Singapore or would involve expense unduly out of proportion to value)
Ease of Establishing Business

- **Registration of Representative Office**
  (1 to 2 weeks)
  
  - Temporary set up and activities are confined to market research and feasibility studies
  
  - Registration renewable yearly at annual processing fee of S$200
  
  - Foreign entity must be established for at least 3 years with sales turnover > US$250,000
  
  - Max. 3 years; thereafter registration as other business entities required
  
  - No. of staff < 5 people
Competitive Tax Regime

Top 10 countries with lowest total tax rate
(Source: Global Competitiveness Report 2016-2017 by the World Economic Forum)

• Annual Compliance and Maintenance Costs

• Taxes
  o Corporate Tax (17%)
  o Capital Gains Tax (exempt)
  o Withholding Tax
    ▪ Dividends (exempt)
    ▪ Interest (15%)
    ▪ Royalty payments (10%)
    ▪ Management fees (17%)
  o Personal Income Tax (0% to 22%)
  o Goods and Services Tax (7%)
Singapore Government Incentives & Programmes

- **Productivity and Innovation Credit scheme**
  - 400% tax deductions/allowances on up to S$400,000 (up to S$600,000 until YA 2018) of spending per year OR 40% cash rebate for qualifying expenses of up to S$100,000
  - In 2018, the PIC scheme is to be replaced by the Industry Transformation Maps (ITMS), which aims to build on the good work that was done by the PIC scheme to further improve the productivity of Singapore workers
  - ITMS focuses on 3 core areas:
    - Productivity
    - R&D
    - Intellectual Property
Intellectual Property Protection

4th in the world and 1st in Asia for the best protection of intellectual property

• Specialised IP Court since February 2002
  o In 2012, Supreme Court formally designated judges with considerable expertise and experience in IP cases as IP Judges

• World Intellectual Property Organisation (WIPO) established an Arbitration and Mediation Centre in Singapore in May 2010
  o WIPO’s only center outside Geneva

• Intellectual Property Hub Master Plan 2013
  o To guide next phase of efforts to develop Singapore as an Asian IP Hub in the next decade (i.e. to 2023)
Skilled Workforce

Highest Proportion of high-skilled employment in Asia Pacific
(Source: Human Capital Report 2015 by Mercer and the World Economic Forum)

- Workforce
  - Focus on knowledge-based economy
  - Sound education policies
  - Ready availability of training programmes
  - Attractive incentives for local and foreign talent
  - Top 10 in Asia for most motivated workforce

(Source: IMD World Competitiveness Yearbook 2015)
Skilled Workforce

*Top 3 in the world for best labour/employer relations*
(Source: The Global Competitiveness Report)

- **Tripartism**
  - Collaboration among **unions** (National Trades Union Congress), **employers** (Singapore National Employers Federation) and the **Government** (Ministry of Manpower)
  
  - Promotes harmonious labour-management relations
    - Job re-creation
    - Raising the effective retirement age
    - Training and upgrading the workforce
    - Fair and progressive employment practices
    - Flexible wage system
Skilled Workforce

Relevant Legislations for Employment

• Employment Act
  o Covers every employee (regardless of nationality) who is under a contract of service with an employer, except:
    ▪ any person employed in a managerial or executive position earning more than $4,500 basic monthly salary;
    ▪ any seaman;
    ▪ any domestic worker; and
    ▪ any person employed by a Statutory Board or the Government.
Skilled Workforce

Relevant Legislations for Employment

- **Employment Act**
  - Prescribes *minimum conditions* relating to:
    - Salary;
    - Overtime entitlement;
    - Leave entitlement (annual leave, sick leave, maternity and paternity leave, childcare leave);
    - Termination and notice; and
    - Restructuring and retrenchment.
Skilled Workforce

Relevant Legislations for Employment

- **Other legislations**
  - Workplace safety and health (Workplace Safety and Health Act)
  - National Service leave (Enlistment Act)
  - Child-related leave (Child Development Co-Savings Act)
  - Central Provident Fund contribution (Central Provident Fund Act)
  - Retirement (Retirement Act)
Skilled Workforce

Immigration

• Professionals
  
  o **Employment Pass (EP):** Fixed monthly salary of at least S$3,600 and acceptable qualifications. Must be cancelled on termination of employment.

  o **Personalised Employment Pass (PEP):** For high-earning EP holders earning at least S$12,000 a month or overseas foreign professionals earning at least S$18,000 a month. Granted on applicant’s merit and not tied to employer.

  o **EntrePass:** For foreign entrepreneurs intending to start a business in Singapore. No stipulated minimum salary but business needs to meet certain requirements.
Skilled Workforce

Immigration

- **Mid-level (e.g. technicians)**
  - **S Pass**: Applicable to mid-level skilled workers who earn a fixed monthly salary of at least $2,200. Applicants are assessed based on salary, education, skills, job type and work experience.

- **Unskilled and Semi-skilled workers**
  - **Work Permit**: Issued to foreign unskilled workers generally for 2 years depending on worker’s passport validity, Banker’s/Insurance Guarantee, worker’s employment period.
Skilled Workforce

Immigration

• Others

  o **Dependant’s pass**: Issued to legally married spouse or unmarried children under 21 years of EP or S Pass holders earning at least S$5,000 per month.

  o **Long Term Visit pass (LTVP)**: EP and S Pass holders earning at least S$5,000 per month can apply for an LTVP for their spouse, unmarried step children or unmarried handicapped children above 21 years.
Efficient Dispute Resolution

- Litigation
- Arbitration
- Mediation
Efficient Dispute Resolution

• Litigation
  
  o International reputation for transparency, efficiency and neutrality
  
  o Singapore International Commercial Court (SICC)
    ▪ Officially launched on 5 January 2015
    ▪ Designed to deal with transnational commercial disputes where parties have submitted to SICC’s jurisdiction under a written jurisdiction agreement and are not seeking any relief in the form of a prerogative order
    ▪ Panel of experienced judges comprising specialist commercial judges from Singapore and international judges from both civil law and common law traditions
Efficient Dispute Resolution

**Top 5 most preferred and widely used seat of arbitration**
(Source: Queen Mary University of London - White & Case, 2015 International Arbitration Survey: Improvements and Innovations in International Arbitration)

- **Arbitration**
  - Singapore International Arbitration Centre (SIAC)
    - Commenced operations in 1991
    - In 2016:
      - 343 new case filings - highest since SIAC commenced operations in 1991
      - New records set for the total sum in dispute for all new case filings, the total sum in dispute for SIAC-administered cases, and the highest ever sum in dispute for a single administered case
  - Party to the 1958 New York Convention on enforcement of arbitration awards
  - Legislation on international commercial arbitration based on UNCITRAL Model Law and is regularly updated
Efficient Dispute Resolution

- **Mediation**
  - Traditionally strong judicial support for mediation
  - Singapore Mediation Centre (SMC)
    - Established in 1997
    - Over 3300 matters were referred to the SMC, with about 70% of disputes successfully settled
    - Of cases settled, more than 90% are concluded within 1 working day
  - Singapore International Mediation Centre (SIMC)
    - Established in 2014
  - Mediation Bill was passed on 10 January 2017
    - Applies to mediations conducted partly or wholly in Singapore or where mediation agreement stipulates that Singapore law applies
    - Enforceability of mediated settlement agreements as an order of court
    - Statutory preservation of confidentiality and basis for stay of court proceedings
Overview of CNP

INTRODUCTION

• Established since 1988

• Independent mid-sized full service firm

• Top 15 local firms by size
  (Source: Singapore Business Review 2016)

• 15 partners across all practice areas
Overview of CNP

PRACTICE AREAS

1. Arbitration
2. Asset & Project Finance
3. Banking
4. Compliance & Regulatory
5. Construction, Engineering & Infrastructure Projects
6. Corporate Advisory
7. Corporate Finance
8. Employment/Immigration
9. Funds
10. Insolvency & Restructuring
11. Intellectual Property
12. Litigation
13. Mergers & Acquisitions
14. Real Estate & Conveyancing
15. Private Clients
16. Professional Liability & Insurance
17. Technology, Media & Telecommunications
18. Corporate Secretarial Services
Overview of CNP

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Questions?
Thank You