

A photograph of two women walking on a modern, multi-level office building. The woman in the foreground is walking up the stairs, looking to her right. She is wearing a dark t-shirt and light-colored pants, and is carrying a black bag. The woman in the background is walking down the stairs, also carrying a black bag. The building has large glass windows and a modern architectural style. The overall tone is professional and modern.

Doing Business in Singapore 2020-2021

Mazars in Singapore

mazars



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Welcome to Singapore

Considering Singapore as a potential location for your business is a smart choice.

In 2019, Singapore was ranked No. 2 in the world for its ease of doing business by The World Bank.

Indeed, Singapore offers many outstanding advantages: a highly qualified workforce, a strategic location in Asia, a stable political environment, low tax rates, business friendly legislation, significant investment incentives, world-class infrastructure with top-ranking port and airport, strong alliances with other ASEAN member states, a high quality of life with world-class international schools and a state-of-the-art medical environment.

This guide offers you an overview of the main features of Singapore as a potential location for your business.

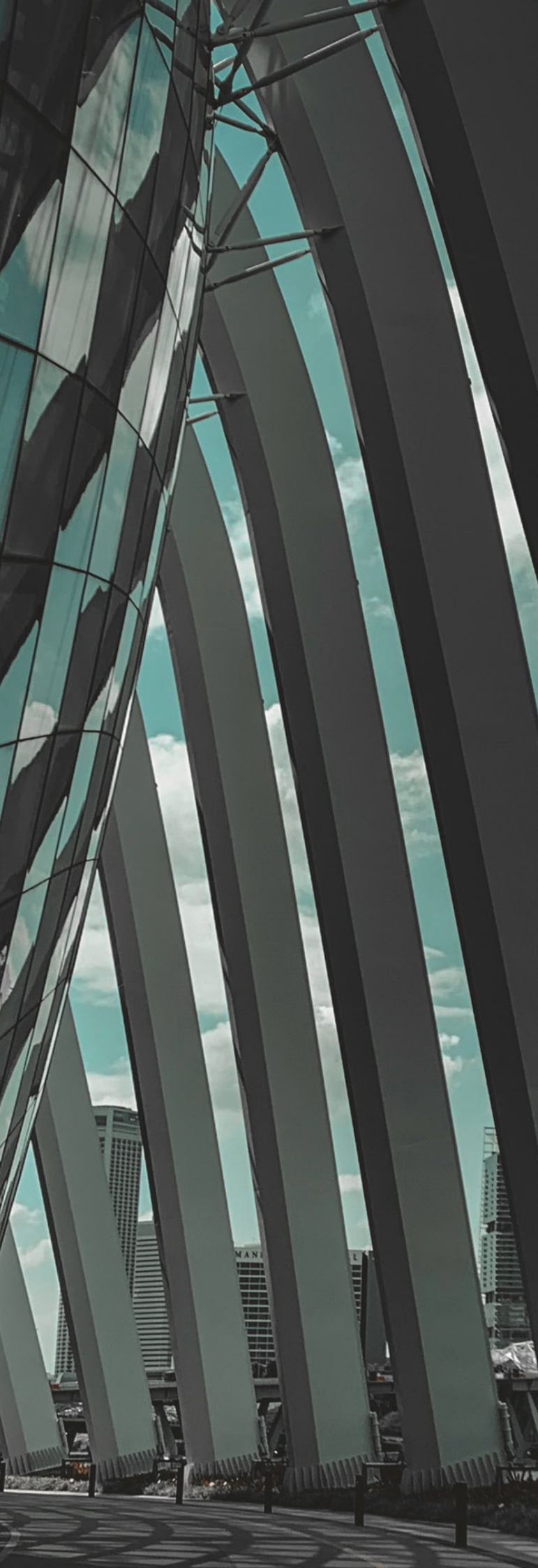
This guide is meant to be a practical resource and will be updated regularly. For more details and specific advice relating to your business, please contact us using the details on the last page of this guide.

We look forward to welcoming you to Singapore. In the meantime, we hope you enjoy our guide.



Rick Chan
Managing Partner, Mazars in
Singapore





We, at Mazars, are dedicated to delivering tailor-made solutions and services to our clients wherever they are in the world. International, integrated and independent, we are a partnership specialising in audit, tax and advisory services. We care about the success of our clients and people, we preserve the integrity of our industry, and we are committed to passing on a just and prosperous world to future generations.

Our values guide us in everything we do: how we work with our clients, how we develop our people and what role we play in our communities. Not only have our values contributed to our firm's decades-long story of growth, they also demonstrate our commitment to going above and beyond what is expected of us – today and tomorrow.

Integrity

Responsibility

Diversity and respect

Technical excellence

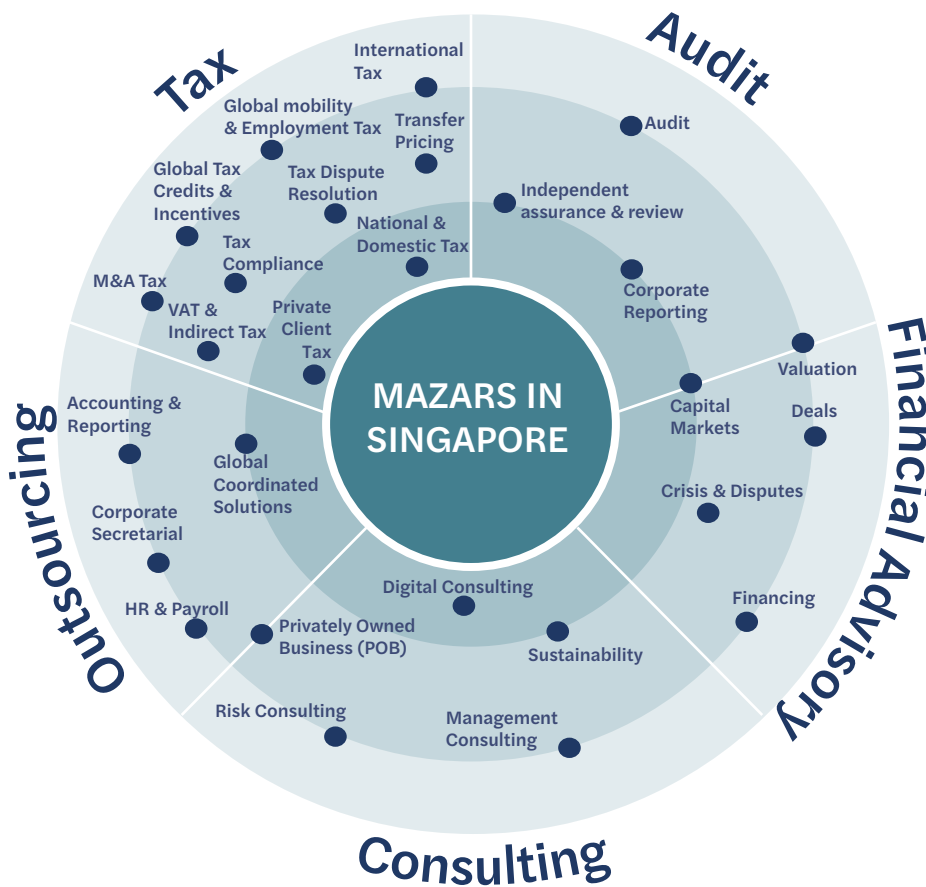
Independence

Stewardship

What we do

Services tailored to our clients' needs

We operate as one team, taking a collaborative, integrated approach that allows us to deliver consistent and personalised services to our clients – large and small – across all sectors and geographies. We use our expertise and our independence to do what is right.



Audit & Assurance

We have the technical knowledge, commitment to quality and dedication to service to provide clients with a first-class audit.

Consulting

With unprecedented levels of disruption, we aim to guide our clients through business issues and find opportunities. From managing risk to introducing new, complex technology, we have it covered.

Financial Advisory

We provide certainty and clarity to clients during critical business lifecycle events – whether it's raising funds, developing an acquisition strategy, restructuring or carrying out an investigation.

Outsourcing

We have a strong track record in helping businesses internationalise. Our outsourcing services are flexible and scalable, enabling you to react quickly to change in your business or markets.

Tax

We provide bespoke advice in all areas of taxation, helping corporates and private clients at both national and international levels.

What we do

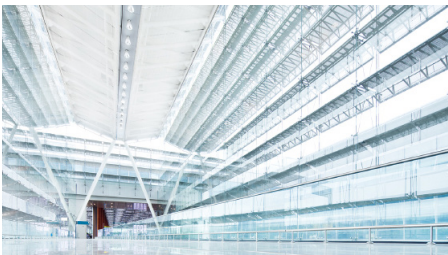
Serving clients of all sizes

We are on the side of our clients every day, helping them achieve growth, minimise risk and turn potential opportunities into reality.



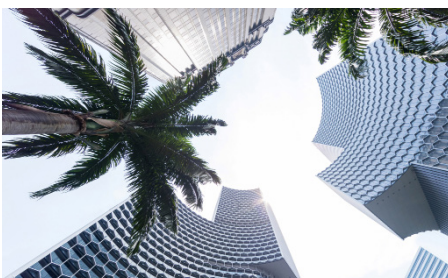
Large Caps

A proven track record of supporting large, listed and regulated companies – including state-owned enterprises and financial services providers.



International Mid-sized companies

We help mid-sized companies grow and go global.



Privately Owned Businesses (POB)

We work with over 50,000 privately owned businesses, including start-ups, well-established and family-run businesses.



Public Bodies

We work with the full range of public entities, including hospitals, not-for-profit organisations and NGOs.

*Segments defined by revenue: Privately owned businesses: < €200m, Mid-size: < €1bn, Large caps: > €1bn

General Information

Key country facts

Singapore's strong market economy and economic performance over the years is testimony to the nation's open and outward-oriented development strategy. The country, which is Triple-A rated, has more than USD 1.9 trillion in assets under management and a market capitalisation of USD 751 billion.



Currency

Singapore Dollar (SGD)

Languages

English (most widely used),
Mandarin, Malay and Tamil

Government

A republic with a
parliamentary system of
government

Population

5.7 million (of which Chinese
make up 74% of the ethnic
composition)

Religions

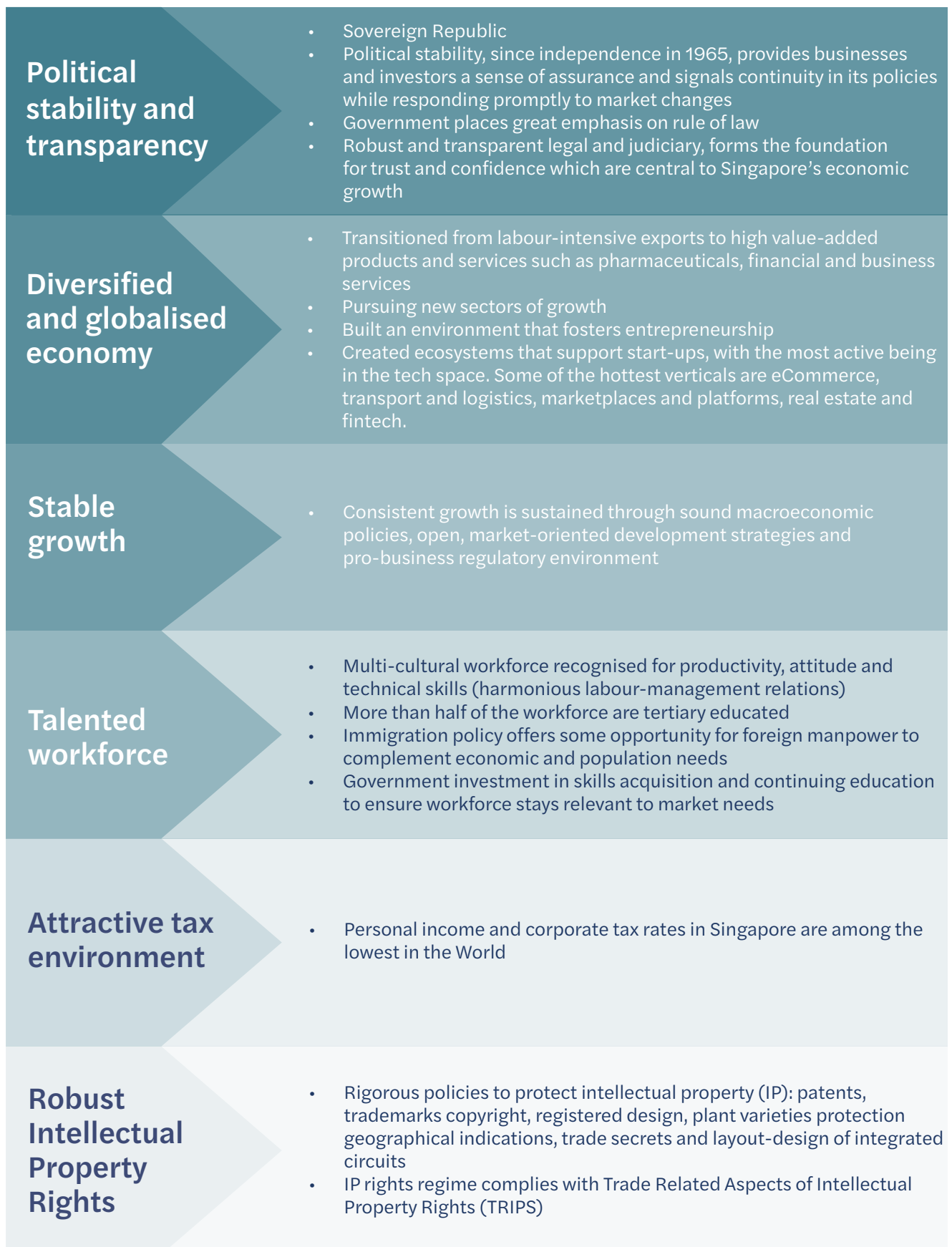
Buddhism, Christianity,
Hinduism, Islam

Legal

The Legal system has its roots
in the English Common Law
System

General Information

A trusted regional hub



General Information

A trusted regional hub



- 1 China-Singapore FTA
- 2 India-Singapore CECA
- 3 Japan-Singapore EPA
- 4 Korea-Singapore FTA
- 5 Panama-Singapore FTA
- 6 Turkey-Singapore FTA
- 7 Peru-Singapore FTA
- 8 New Zealand-Singapore CEP
- 9 Singapore-Jordan FTA
- 10 Singapore-Australia FTA (Tariff elimination: 100%)
- 11 USA-Singapore FTA (Tariff elimination: 100%)
- 12 Singapore-Costa Rica FTA (Tariff elimination: 95%)
- 13 GCC-Singapore FTA (Tariff elimination: 99%)
- 14 EFTA-Singapore FTA
- 15 ASEAN FTA (Tariff elimination: 100%)
- 16 ASEAN-Australia-NZ FTA (Tariff elimination: 99%)
- 17 ASEAN-China FTA (Tariff elimination: 85%)
- 18 ASEAN-India FTA (Tariff elimination: 90%)
- 19 ASEAN-Japan CEP (Tariff elimination: 96%)
- 20 ASEAN-Korea FTA (Tariff elimination: 80%)
- 21 Comprehensive & Progressive Agreement for Trans-Pacific Partnership (Tariff elimination: 90%)

Creating a company in Singapore

An investor planning to establish a presence in Singapore needs to determine whether the proposed operations create a requirement to register with the Singaporean authorities.

Whether the intended operations create a legal presence will be determined by reference to the specific activities and whether these activities can be interpreted as 'carrying on business' in Singapore.

A person who is carrying on business in Singapore will have to register its business with the Accounting and Corporate Regulatory Authority of Singapore (ACRA).



Creating a company in Singapore

Types of business organisations available for foreigners

	For Who	Representative	Classification
Branch	A foreign corporation which intends to carry on business in Singapore, but does not wish to incorporate a Singapore company.	There must be at least one authorised representative resident who is duly appointed by the Head Office.	Being a part of a foreign corporation and not a separate legal entity, a branch is classified as a foreign company under the Singapore Companies Act.
Limited Liability Company (LLC)	The limited liability company, with share capital, is the most common vehicle contemplated by a foreigner interested in investing in Singapore.	They must have a minimum of one director resident in Singapore and may have only one shareholder.	A LLC incorporated under the Companies Act is a separate entity from its shareholder(s). Equity participation by Singaporeans isn't a requirement.
Sole Proprietorship or Partnership	A person or an association of people carrying on business common with a view to profit.	Required to appoint a manager who must be a Singapore Resident.	These are the simplest forms of business more suitable for small-scale businesses.
Limited Liability Partnership (LLP)	An LLP gives owners the flexibility of operating as a partnership whilst also offering them limited liability.	Every LLP shall have at least 2 partners. The partners may be individuals, a local company, a foreign company or another LLP.	It combines the benefits of a partnership with those of a private limited company.
Limited Partnership	Limited Partnerships are useful in "labour-capital" partnerships where one or more of the financial backers prefers to contribute money or resources while the other partner performs the work.	The structure must comprise at least one or more general partners and one or more limited partners (LP). The LP and each partner is required to be registered with ACRA.	An LP does not have a separate legal entity from its partners.
Representative Office (RO)	Foreign entities that are keen on exploring the viability of Doing Business in Singapore or are interested in using Singapore as a launch pad into the APAC.	The proposed number of staff for the RO should be less than 5 people.	All RO should be registered with Enterprise Singapore.

Legal Conditions	Continuing Requirements
<ul style="list-style-type: none"> • Name: The branch name must correspond to the name of the Head Office. • Activities: The branch can only engage in legal activities authorised by the foreign corporation. 	<p>If an Annual General Meeting (AGM) is not required to be held, the audited Singapore Branch accounts and its Head Office Accounts should be filed with ACRA within 7 months from its financial year end.</p>
<ul style="list-style-type: none"> • Name: Every Limited Liability Company must have the word “Limited” or “Ltd.” at the end of its name and a Private Limited Company must have the word “Private” or “Pte”. • Activities: All companies have to include their unique registration number in company documents, but they aren’t required to display their company name on the outside of their office premises. 	<ul style="list-style-type: none"> • A LLC should hold its AGM within 6 months from its financial year end. • The annual return together with the audited financial statements in XBRL format should be filed within 7 months from its financial year end. • Every LLC is required to appoint an auditor unless it is a dormant LLC or a small company.
<ul style="list-style-type: none"> • Partners: For most businesses, the maximum number of partners permissible is 20. • Restrictions: The number of partners permissible is different in the case of certain professional partnerships regulated by law. 	<p>Both the sole proprietor and the partners are subject to unlimited liability.</p>
<ul style="list-style-type: none"> • Legal personality: An LLP is a body corporate and has a legal personality separate from its partners. • Legal Safeguards: Minimise abuse and provide protection to parties who deal with the LLP. • Partners: LLP Partners must have their contributions to MediSave paid up to date with the Board of the Central Provident Fund at the time of registration of a new LLP. 	<ul style="list-style-type: none"> • Keep such accounting and other records that will sufficiently explain its transactions and financial position. • Keep such records for 5 years and the Registrar of Companies may require the LLP to produce the accounting records for inspection. • Must submit to ACRA an annual declaration of solvency which will be made available to the public.
<ul style="list-style-type: none"> • Name: The LPA requires that the name of the LP contains the words “Limited Partnership” or “LP” in order to put third parties on notice of the limited liability status of its limited partners. • General Partners: They are responsible for the day-to-day management and operation (liable for the debt/obligations) • Limited Partners: They play a passive role and are limited to the extent of their investment in the LP. 	<ul style="list-style-type: none"> • Whilst an LP is not required to file its account or have them audited, it is required to keep proper accounting and other records that will sufficiently explain its transactions and financial position. • Required to keep such records for 5 years and the Registrar of Companies may require the accounting records.
<ul style="list-style-type: none"> • Criteria: The foreign company’s sales turnover must exceed US\$250,000 and must have been established for at least 3 years. • Activities: The activities of a representative office are strictly limited to “market research and feasibility studies”. • Restrictions: A RO should not act on behalf of other companies in the same group. 	<p>A representative office may operate in Singapore for a maximum of 3 years from its commencement date, provided that the representative office status is renewed annually after evaluation by Singapore.</p>

Corporate and Individual Tax

The chargeable income and the associated income tax are determined on a preceding year basis (Year of Assessment).



Corporate and Individual Tax Residency

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

As a general rule, the place where the Board of Directors manage and control the company's business and hold board meetings is the place where the company is tax resident.

Other factors and circumstances may/can be considered as establish whether control and management of the company was in Singapore or not.

Notwithstanding the above, please note that due to COVID-19 and where a company has not been able to hold its Board of Directors meeting in Singapore, due to the imposed travel restrictions, the FY2020 tax residency may subject to meeting all qualifying conditions be considered a tax resident of Singapore (company was a tax resident in FY2019 and there was no change in economic circumstances of the company). The Singapore Inland Revenue may request for documentation and/or records to support any such claim.

An individual, who is not a Singapore citizen or Singapore Permanent Resident, will be considered a tax resident in Singapore if he/she is physically present or has exercised employment in Singapore for 183 days or more during the calendar year preceding the year of assessment (YA).

This rule is applied on a calendar year basis. Under IRAS' administrative concessions, such an individual will also be regarded as tax resident in Singapore if certain conditions are met:

- **2 Years:** The employee exercises an employment (including physical presence) in Singapore for a continuous period of at least 183 days over 2 calendar years. The employee will be treated as tax resident for both YA.
- **3 Years:** If the employee exercises an employment (including physical presence) in Singapore for at least 3 consecutive assessment years, he/she will be treated as tax resident for all 3 YA.



Corporate and Individual Tax

Corporate Tax

Singapore companies and branches are subject to Singapore corporate income tax on all income derived from sources in Singapore, and income from sources outside Singapore if received in Singapore.

Remittances of Foreign Income

Remittances of foreign income in the form of dividends, branch profits and services income (“specified foreign income”) into Singapore by companies’ resident in Singapore are exempt from tax if prescribed conditions are met. For remittances of specified foreign income that does not meet the prescribed conditions, companies may be granted tax exemption under specific scenarios or circumstances on an approval basis.

Corporate Income Tax Rate

The prevailing standard corporate income tax rate is 17%. A partial tax exemption applies on chargeable income (excluding Singapore franked dividends) up to \$200,000 as follows:

- 75% of the first \$10,000 of chargeable income; and
- 50% of the next \$190,000 of the chargeable income.

There are various tax incentives, exemptions and tax reductions available, depending on the investment level and activities performed in Singapore. A tax exemption for new start-up companies on chargeable income up to \$200,000 is also available upon meeting the qualifying conditions.

In addition, a 25% Corporate Income Tax Rebate capped at S\$15,000 has been granted for the FY 2019 (i.e. YA 2020).

Repatriation of profits

There is no withholding tax on payment of dividends by Singaporean companies or repatriation of profits by branches. Dividends paid by a Singaporean tax-resident company are exempt from income tax in the hands of shareholders, regardless of whether the dividends are paid out of taxed income or tax-free gains.

Tax losses

Unused trading losses may be carried forward indefinitely, subject to the shareholding test (see below). Excess capital allowances can also be offset against other chargeable income of the same year and carried forward indefinitely, subject to the shareholding test and to the requirement that the trade giving rise to the capital allowances continues to be carried on (same trade test). An enhanced three-year carryback relief announced in Budget 2020 on tax losses and capital allowances could carryback up to an aggregate of S\$100,000 is subject to meeting the same conditions as explained above.

In order to meet the shareholding test, the shareholders of the loss company must remain substantially (50% or more) the same at the relevant comparison dates. If the shareholder of the loss company is itself another company, look-through provisions apply through the corporate chain to the final beneficial shareholder.

Transfer Pricing

Transfer Pricing (TP) refers to the rules and methods for pricing transactions between related parties. Such transactions can be sale or purchase of goods, provision or receipt of services, borrowing or lending of money, use or transfer of intangibles, etc. As per the IRAS, all related party transactions should be transacted at arm's length i.e. treating the related parties as if they were unrelated third parties. While applying the arm's length principle for pricing their transactions with related parties, taxpayers should also prepare and maintain contemporaneous documentary records as evidence and to demonstrate that the pricing of such transactions is at arm's length; such records are also known as "TP documentation".

In Singapore, it is compulsory to maintain TP documentation for taxpayers with a gross revenue of more than S\$ 10 million and having related party transactions which exceed certain prescribed thresholds from 1 Jan 2018 onwards. With the adoption of the arm's length principle, taxpayers and tax authorities will have a common basis to deal with related party transactions.

Singapore is also a part of the Inclusive Framework (IF) for the global implementation of the Base Erosion and Profit Shifting (BEPS) project.

"As part of the IF, Singapore is committed to implementing the 4 BEPS minimum standards, in the areas of countering harmful tax practices, preventing tax treaty abuse, transfer pricing documentation and country-by-country reporting requirements for transfer pricing and improvements in cross-border tax dispute resolution."



Gene Kwee
Partner, Head of Tax



Corporate and Individual Tax

Singapore Tax Incentives meet International Agreements

Double Taxation Agreements (DTA)

A double taxation agreement (DTA) signed between Singapore and another country serves to relieve double taxation of income earned in one country by a resident of the other country. The DTA specifies the taxing rights between Singapore and the treaty country on certain cross-border income and may also provide for reduction or exemption of tax. Only Singapore tax residents and tax residents of the treaty country can enjoy DTA benefits. Singapore has a wide tax treaty network that involves more than 80 countries including Japan, China, Malaysia, Indonesia, and the United Kingdom.

Country-by-Country Reporting (CbCR)

In line with the OECD's recommendations, CbCR is implemented in Singapore for Singapore-headquartered multinational enterprises (MNEs) that meet certain criteria. The ultimate parent entity of the Singapore MNE group with consolidated revenue of at least \$1,125 million will be required to prepare and file a CbC Report to IRAS for all entities in the group.

Common Reporting Standard (CRS)

CRS is an internationally agreed standard for the automatic exchange of information (AEOI) on financial accounts between jurisdictions for tax purposes.

The objective of AEOI is to enhance tax transparency, detect and deter tax evasion through the use of offshore bank accounts. Under the CRS, Singapore-based Financial Institutions (SGFIs) are required to establish the tax residency status of all their account holders, report the financial account information of relevant account holders to IRAS.

Investment Guarantee Agreement

An Investment Guarantee Agreement (IGA) is designed to promote greater investment flows between two countries by providing a legal framework that clearly sets out investment norms and protection when investing in the other country. The usual provisions of an IGA include the principle of fair and equitable treatment, the principle of non-discrimination, compensation in the event of expropriation, free transfer of funds, and an investor-state dispute settlement mechanism.



Corporate and Individual Tax

Individual Tax

In general, individuals are liable to Singapore income tax only on income accruing in or derived from Singapore. Various categories of personal investment income from qualifying unit trusts, real estate investment trusts, bonds and bank deposits are exempt from tax. Under the law, an individual's business income is determined in the same way and subject to the same deductions as a corporation. However, the conditions are typically more stringent for an individual to claim certain business deductions (i.e. to substantiate the close nexus between business expense incurred and Income generated).

Employment Income

Employment income is deemed to be sourced in Singapore if the employment is exercised in Singapore.

Salaries, wages, leave pay, commissions, bonus, gratuity, pension, perquisites or allowances paid or granted, whether in money or otherwise, in respect of the employment exercised in Singapore, are generally subject to tax in Singapore.

Benefits-in-kind (i.e. benefits provided in lieu of cash) provided by employers are taxable in the hands of the employees unless they are specifically exempt from tax or covered by the administrative concessions granted by the IRAS. Fringe benefits such as education allowance, provision of accommodation, home leave passage and cars, long-service awards, and overseas pension contributions are generally taxable.

In respect of housing benefits, if a cash allowance is paid to the employee to meet his housing cost, the full allowance is considered a taxable income. But if the employer provides a furnished accommodation to the employee, the assessable benefit is computed based on the annual rent paid by employer less amount paid by employees. Otherwise, for instances where furniture and fittings are not included in the rent, certain prescribed formulas/rates apply. The housing benefits provided in a place of residence or serviced apartments within a hotel building will generally be taxed based on the actual costs incurred by the employer less amount paid by employee.

An employee can claim certain revenue expenses — such as subscriptions to a professional body as well as travelling and entertainment expenses — that are incurred in the course of exercising his employment

for tax deduction against his employment income. The onus is on the employee to prove to the satisfaction of the IRAS that the expenses in question are necessarily incurred in the discharge of his employment duties.

Not Ordinarily Resident (NOR) Scheme

Once the application is approved, the qualifying individual will be granted NOR status for five consecutive years of assessment with the following benefits, subject to certain conditions and capping limits:

- Taxability of employment income based on time apportionment of Singapore employment income by reference to time spent in Singapore on business, and/or
- Tax exemption of employer's contributions to non-mandatory overseas social security schemes or pension funds (available only to non-Singapore citizens/non-Singapore permanent residents).

The NOR scheme will lapse after 2019. The last NOR status will be granted for YA 2020 and expires in YA 2024.

An individual may qualify for the NOR scheme for any year of assessment if the following conditions are satisfied:

- The individual is a tax resident of Singapore for that year of assessment, and
- The individual was not a tax resident of Singapore for the three years of assessment before that year of assessment.



Personal Deductions

Resident individuals are entitled to claim personal reliefs such as the following if certain prescribed conditions are met. However, with effect from year of assessment 2018, the total amount of personal income tax reliefs will be capped at S\$80,000 per year of assessment.

- Earned income relief ranging from S\$1,000 to S\$8,000 depending on the age of the taxpayer.
- Spouse relief of S\$2,000 if the spouse was living and supported by the taxpayer and the spouse's annual income did not exceed S\$4,000 in the previous year.
- Child relief of S\$4,000 per child if the unmarried child maintained by the taxpayer is below 16 years of age or studying full time and did not have an annual income of more than S\$4,000 in the previous year.
- Relief on employee's compulsory contributions to the Singapore Central Provident Fund.
- Life insurance relief on annual insurance premiums paid for life assurance policies. (The total quantum of the individual's employee CPF contribution and life insurance relief should not exceed S\$5,000.)
- Course fee relief of up to S\$5,500.
- Foreign maid levy relief of twice the amount of the domestic foreign worker levy paid in the previous year on one foreign domestic worker. (Applicable only to married female taxpayer / separated, divorced or widowed female taxpayer who had children living with her and on whom she could claim child relief.)
- Grandparent caregiver relief (applicable to working mothers) in respect of children under 12 or a unmarried handicapped dependent child, regardless of the child's age, if they have met all other conditions take place in the year 2019 (YA 2020).

Taxation of personal investment income

Singapore-sourced investment income, such as rental and loan interest, is generally taxable. However, interest on deposits with approved banks or licensed finance companies in Singapore is tax-exempt. Dividends received from Singapore resident companies are also tax-exempt in Singapore. All foreign-sourced income received in Singapore is not subject to tax in Singapore, unless the income is received by resident individuals through a partnership in Singapore.

Generally, there is no requirement for employers to withhold income taxes from an individual employee's monthly salary.

Once an individual file his income tax return, the IRAS will raise a notice of assessment to the individual to collect the amount of tax due. The tax due in the notice of assessment must be paid within one month from the date of the notice of assessment, notwithstanding any objection. Taxpayers may request for the amount of tax due to be settled by monthly instalments (up to a maximum of 12 instalments), subject to IRAS's approval. Nonetheless, due to the COVID-19 outbreak, tax deferment plans have also been introduced to help ease cash flows.

If the taxpayer does not agree with the tax assessed in the notice of assessment, the taxpayer may lodge a notice of objection with the IRAS within 30 days from the date of the notice of assessment.



Corporate and Individual Tax

Goods and Services Tax (GST)

GST is a broad-based consumption tax which applies to goods and services supplied in Singapore and to goods imported into Singapore.

Singapore currently charges a standard rate of 7% GST (9% by end of 2025), imposed on goods and services supplied in Singapore as well as on importation of goods. A business is required to register for GST if its annual taxable supplies is SGD1 million or more. A GST-registered business is required to file GST returns on a quarterly basis.

From 1 Jan 2020, import of services from overseas (B2B) and payment for digital services provided by non-resident entities to consumers in Singapore (B2C) may be subjected to GST.

Overseas suppliers with a global turnover exceeding S\$1 million, who supply digital services to customers in Singapore (B2C) exceeding S\$100,000, are required to register for GST in Singapore.

Stamp Duty

Stamp duty is payable only in relation to the acquisition or disposal of property, lease/tenancy of property and transfer of shares/stocks. Stamp duty exemption/relief is available on certain transactions such as corporate restructuring and mergers, subject to conditions.

Property Tax

Payable by all property owners, property tax is a tax on immovable properties, calculated based on a percentage of the annual value of the properties. Property tax is levied based on 10% of the annual value of the immovable commercial or industrial property. For owner-occupied and non-owner-occupied residential properties, the property tax rate is on a progressive basis depending on the annual value of the properties.

Customs and Excise Duties

In Singapore, customs and excise duties are imposed principally on intoxicating liquors, tobacco products, motor vehicles and petroleum products based on certain prescribed rates.

Estate Duty, Gift Tax and Exchange Control

There are no estate duties or gift taxes in Singapore. There are generally no exchange control restrictions in Singapore.

Employment & Immigration

The Singapore government has adopted the policy of encouraging well-qualified and skilled foreigners who can contribute to the country's economy to join the workforce in Singapore.

Foreign nationals intending to enter Singapore to take up employment or to engage in business must obtain the relevant pass from the Ministry of Manpower (“MOM”).

The type of work pass required depends on the job type, skill level and salary level of each employee.



Employment & Immigration

Types of work pass in Singapore

	For Who	Salary
Personalised Employment Pass (PEP)	High earning Employment Pass Holder or overseas foreign professionals	<ul style="list-style-type: none"> • Current EP Holder: At least S\$12,000 a month • Overseas Foreign Professionals: At least S\$18,000 a month
Employment Pass (EP)	Foreign professionals, technical personnel and skilled workers in managerial, executive or specialised jobs	<ul style="list-style-type: none"> • At least S\$4,500 per month. • For financial services, at least S\$5000 per month.
S Pass	Foreigners who are mid-skilled, with relevant qualifications and work experience	At least S\$2,500 per month
Work Permit (WP)	Foreigners who are semi-skilled or unskilled foreigners	No minimum required
Dependant's Pass	For a legally married spouse and unmarried children under 21 years old	The associated EP/S Pass holder must earn at least S\$6,000 per month
Entrepreneur Pass (EntrePass)	Foreigners who intend to start a business in Singapore.	No stipulated minimum salary.
Permanent Resident (PR)	Foreign investors under the Global Investor Programme and holders of the above mentioned passes under certain conditions	<ul style="list-style-type: none"> • Employer and employee must make contributions to the CPF • Obligation for PR's sons to enlist for national service when they are 18

Key Information	Duration
<ul style="list-style-type: none"> The PEP is linked to the individual employee and is granted based on merits. The pass holder can take on employment in any sector and change between jobs freely without making a new pass application. 	<p>The PEP is valid for 3 years and is non-renewable.</p>
<ul style="list-style-type: none"> Foreigners will need to possess acceptable degrees, professional qualifications and specialist skills. Application: MOM exercises its discretion in granting EPs to expatriates on a case-by-case basis. 	<p>The first EP may be valid for up to 2 years. Renewals of an EP may be for up to 3 years. The EP is linked to a specific employer and any change in employer requires a fresh application.</p>
<ul style="list-style-type: none"> S Pass applicants will be assessed on a points system, taking into account various criteria such as salary, educational qualifications, skills, job type and work experience. Levies and quotas apply, which vary by sector. The number of S Pass holders an employer can employ is capped at 13% of its workforce for the service sector (10% from 1 Jan 2021) and 20% for the other sectors. 	<p>The first S Pass is valid for up to 2 years. Renewals of the S Pass may be up to 3 years.</p>
<ul style="list-style-type: none"> An employer who wishes to bring workers from North Asian Sources, Non-Traditional Sources and The People's Republic of China needs to furnish a security bond of S\$5,000 per worker and pay foreign worker levies for them. You need to buy medical insurance for each foreign worker you employ. 	<p>The first WP may be valid for up to 2 years. Renewals of the S Pass may be up to 2 years.</p>
<ul style="list-style-type: none"> DP holders cannot get the following services on their own accord: a mobile phone contract, an internet provider or a TV provider. 	<p>A DP is granted by MOM for period ranging from 1 to 3 years, and are renewable upon expiry. The timing is synchronised with that of the main pass holder.</p>
<ul style="list-style-type: none"> Own at least 30% of a new Private Limited company that is registered under ACRA for less than 6 months at the time of application. Meet the innovative criteria for application as an entrepreneur, innovator or investor. 	<p>The new pass or first renewal may be valid for 1 year. Subsequent renewals may be up to 2 years.</p>
	<p>Capacity to stay in Singapore for an extended period of time.</p>

Employment & Immigration

Employment Law

The Employment Act (EA) is the main legislation governing employment in Singapore. It applies generally to persons who have entered into or work under a contract of service. Professionals, managers and executives earning a basic monthly salary of up to S\$4,500 are also covered under the general provisions of the EA.

In general, the employer and employee are free to negotiate and agree on the terms of employment.

Where the EA does not apply, terms and conditions of employment are left to be agreed between and written into a contract of service signed by the employer and the employee. Other statutes dealing with aspects of employment include but are not limited to the:

- Central Provident Fund Act
- Companies Act
- Employment of Foreign Manpower Act
- Immigration Act
- Income Tax Act
- Industrial Relations Act
- Retirement and Re-employment Act
- Child Development Co-Savings Act
- Personal Data Protection Act
- Protection from Harassment Act
- Skills Development Levy Act
- Trade Unions Act
- Unfair Contract Terms Act
- Work Injury Compensation Act
- Workplace Safety and Health Act

Employment & Immigration

Central Provident Fund (CPF)

The Central Provident Fund (CPF) is a social security savings plan that covers health care, retirement and home ownership.

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The contribution rate varies depending on the age, the wage band and the status of the employee (i.e. Singaporean citizen or Permanent Resident). The maximum amount of CPF contribution payable on Ordinary Wages is based on a monthly salary ceiling of \$6,000. Voluntary contributions can be paid in addition to the mandatory contributions.

The employee's share of CPF contribution is deducted from their salary by the employer during the monthly payroll processing. The employer is then required to pay the employer's and employee's share of CPF contributions monthly for all employees (Singapore Citizens and Singapore Permanent Residents) at the rates set out in the CPF Act.

The contributions payable should be based on the employee's Ordinary and Additional wages earned for the month.

CPF contributions are not allowed for:

- Foreigners working in Singapore under an Employment Pass, S Pass or a Work Permit; and
- Directors' fees



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