

Singapore is a top choice for business owners globally, thanks to its strong economy, strategic location, and supportive business environment. If you're thinking about starting a business in Singapore, here's why it's a smart decision and how you can begin.

# Why Singapore?

## Overview

<b>Business-Friendly Tax System</b>	<ul style="list-style-type: none"><li>• Singapore has one of the lowest corporate tax rates globally, at a flat 17%.</li><li>• Newly incorporated companies enjoy partial tax exemptions for the first three years.</li><li>• No capital gains tax, and dividends paid by companies are tax-exempted.</li></ul>
<b>Stable and Growing Economy</b>	<ul style="list-style-type: none"><li>• Singapore's Gross Domestic Product (GDP) is consistently high, reflecting its robust economic health. Over the past decade, Singapore's economy grew at an average rate of 3.3% In 2023, it had a GDP of approximately USD 447 billion.</li><li>• It is a global financial hub, with access to growing markets in Asia.</li></ul>
<b>Ease of Doing Business</b>	<ul style="list-style-type: none"><li>• Ranked as one of the easiest places to do business by the World Bank, benchmarked to May 2019.</li><li>• Fast and efficient company registration process, usually completed in 1-2 days.</li></ul>
<b>Attractive Incentives for Foreigners</b>	<ul style="list-style-type: none"><li>• 100% foreign ownership is allowed.</li><li>• Various government grants and incentives are available for startups and established companies.</li></ul>

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# Setting Up a Business in Singapore

## Choose a Business Structure

- Private Limited Company (Pte. Ltd.): Most common for foreigners due to tax benefits and liability protection.
- Sole Proprietorship or Partnership: Simpler but lacks liability protection.

## Appoint a Local Director

- You need at least one director who is a Singaporean citizen, Singapore Permanent Resident, EntrePass holder or an Employment Pass (EP) holder. You can also appoint additional foreign directors.

## Register Your Company Name

- Ensure the name is unique and not already in use. This can be done via Singapore's Accounting and Corporate Regulatory Authority (ACRA) website.

## Incorporate Your Company

- Submit incorporation documents to ACRA. Required documents include:
  - Company name approval
  - A registered local address
  - Details of directors, shareholders, and company secretary
  - Paid-up capital (minimum SGD 1)

## Open a Corporate Bank Account

- You can open a business bank account in Singapore after incorporation.

## Apply for Necessary Licenses

- Depending on your business type, you may need to apply for specific licenses.

## Hire and Apply for Employment Pass (if needed)

- If you plan to relocate to Singapore to manage your business, you will need to apply for an Employment Pass.

By focusing on these steps and taking advantage of Singapore's favorable tax environment and efficient registration process, you can quickly establish a thriving business in one of Asia's top financial centers.

# Overview of the Tax System in Singapore

Singapore's tax regime is designed to be business-friendly, attracting entrepreneurs and companies from around the world. It offers competitive tax rates, various exemptions, and incentives for both local and foreign businesses. Here's a detailed look at the different taxes applicable in Singapore.

## 1. Corporate Tax

- **Corporate Tax Rate:** The corporate tax rate is a flat 17% on chargeable income (i.e., taxable income).
- **Start-Up Tax Exemption:** Newly incorporated companies can benefit from tax exemptions:
  - First SGD 100,000 of chargeable income: 75% exemption.
  - Next SGD 100,000 of chargeable income: 50% exemption.
  - This is applicable for the first three consecutive years.
- **Partial Tax Exemption:** After the first three years, all companies enjoy:
  - **75% exemption** on the first **SGD 10,000** of chargeable income.
  - **50% exemption** on the next **SGD 190,000** of chargeable income.
- **No Capital Gains Tax:** Profits from the sale of assets and stocks are exempted from tax.
- **No Dividend Tax:** Dividends distributed by Singaporean companies to shareholders are tax-exempt.

## 2. Personal Income Tax

- Singapore operates a progressive tax system for personal income, with rates ranging from 0% to 24%.
- Resident Tax Rates (2024):
  - Up to SGD 20,000: 0%
  - SGD 20,001 to 30,000: 2%
  - SGD 30,001 to 40,000: 3.5%
  - SGD 40,001 to 80,000: 7%
  - Rates continue to increase progressively, with the highest rate of 24% on income above SGD 1,000,000.

## 3. Goods and Services Tax (GST)

- Current Rate: GST in Singapore is 9% (as of 2024).
- GST Registration: Mandatory if your annual taxable turnover exceeds SGD 1 million.
- GST is applied to the sale of goods and services within Singapore, but there is no tax on exported goods or services.
- Businesses are able to claim back Goods and Services Tax (GST) on imports and certain purchases through input tax credits if they are GST-registered.

## 4. Withholding Tax

- Withholding tax applies to certain payments of a specific nature made to non-residents, including foreign companies. Key rates include:
  - Interest: 15%
  - Royalties: 10%
  - Technical services/Management fees: 17%
- These rates may be reduced under applicable tax treaties.

## 5. Property Tax

- Property tax is levied on the ownership of land and buildings in Singapore.
- Residential Properties: Taxed based on the annual value of the property, with a progressive rate ranging from 0% to 16% for owner-occupied properties, and 12% to 20% for non-owner-occupied properties.
- Non-Residential Properties: Flat rate of 10% of the annual value.

## 6. Stamp Duty

- Stamp duty is applicable on certain transactions such as property purchases and shares.
- Buyer's Stamp Duty (BSD): Progressive rates based on the property's purchase price.
  - Residential property: 1% to 6%.
  - Non-residential property: 1% to 5%.
- Additional Buyer's Stamp Duty (ABSD): Higher rates for foreigners purchasing residential properties (up to 60% as of 2024).
- Seller's Stamp Duty (SSD): Applicable for properties sold within three years of purchase.

## 7. Customs and Excise Duties

- Customs duties are imposed only on a few goods, such as tobacco and liquor.
- Excise Duties: Levied on certain goods, including motor vehicles, petroleum, and alcohol.
- Goods and Services Tax (GST) is payable on non-dutiable goods. For dutiable goods (like alcohol and tobacco), both GST and customs duty are payable if these goods are imported for local consumption.

## 8. Double Taxation Agreements (DTAs)

- Singapore has an extensive network of DTAs with over 80 countries, ensuring that income is not taxed twice (once in Singapore and again in another country).
- These treaties typically provide for lower withholding tax rates on dividends, interest, and royalties.

## 9. Incentives and Schemes for Businesses

- Singapore offers various tax incentives to promote business investment and innovation:
  - Pioneer Certificate Incentive: For companies in key industries, offering corporate tax exemption for up to 15 years.
  - Development and Expansion Incentive: Reduced tax rates for expanding companies.
  - Productivity and Innovation Credit (PIC): Supports businesses investing in technology and innovation.

Singapore's tax system is structured to encourage growth, innovation, and investment, making it an attractive destination for businesses and individuals alike. By maintaining a low tax burden and offering a range of incentives, Singapore is an ideal location for foreigners looking to set up and expand their businesses.

# Registering Your Business in Singapore: A Step-by-Step Guide

Setting up a business in Singapore is a straightforward and efficient process. With a strong legal framework, business-friendly regulations and efficient procedures, Singapore is one of the most attractive destinations for business registration, especially for foreign investors.

## 1. Choose a Business Structure

Before registering your business, you need to decide on the type of business entity that best suits your needs. The most common business structures in Singapore are:

- Sole Proprietorship: Owned by a single person with unlimited liability.
- Partnership: Shared ownership by two or more individuals or corporations, either as a General Partnership (GP), Limited Partnership (LP), or Limited Liability Partnership (LLP).
- Private Limited Company (Pte. Ltd.): The most popular choice for foreign entrepreneurs due to its limited liability, tax incentives, and ability to raise capital. It requires at least one shareholder and has a separate legal identity from its owners.
- Public Company: Generally for larger businesses, either listed on the stock exchange or unlisted.

## 2. Requirements for Registering a Business in Singapore

Basic Requirements:

- At least one director who must be a Singapore resident (A Singapore citizen, Singapore Permanent Resident, EntrePass holder or Employment Pass (EP) holder).
- A registered address in Singapore for the business office.
- At least one shareholder (can be local or foreign) for companies.
- A minimum paid-up capital of SGD 1 (for private limited companies).
- A qualified corporate secretary must be appointed within 6 months of incorporation.

## 3. Company Name Reservation

The first step in registering your business is to choose a unique company name. You need to apply for the name reservation through Singapore's Accounting and Corporate Regulatory Authority (ACRA).

- Criteria for Approval:
  - The name must not be identical to an existing company.
  - It should not be obscene or vulgar.
  - It must not infringe on trademarks.
- If the name does not contain restricted or sensitive words, it will be approved in 1-2 hours. If it requires review by other government agencies (e.g., for the word "bank"), the process may take 1-2 weeks.

## 4. Register Your Company with ACRA

Once the company name is approved, you can proceed with the actual company registration through ACRA's online platform, BizFile+. The key steps are:

- Log into BizFile+: You can do this yourself if you have a SingPass, or you can hire a registered filing agent (e.g., a corporate services firm) to help you with the process.
- Submit required documents:
  - Company constitution (formerly known as Memorandum & Articles of Association).
  - Directors' and shareholders' details (identification and contact information).
  - Registered address in Singapore.
  - Consent to act as director (signed by each director).
  - Consent to act as company secretary.
- Registration Fee:
  - For a private limited company: SGD 300.
  - For other business types (e.g., sole proprietorship, partnership): lower fees apply, typically around SGD 115.
- The registration process typically takes 1 day for most companies, and once approved, you will receive an official Certificate of Incorporation via email.

## 5. Post-Registration Requirements

After successfully registering your business, there are a few additional tasks that must be completed to ensure your company operates legally in Singapore:

- **Open a Corporate Bank Account**
  - You'll need to open a corporate bank account with a Singaporean bank (e.g., DBS, OCBC, UOB). Most banks require:
    - The company's incorporation documents.
    - Resolution authorizing the opening of the account.
  - The minimum initial deposit can range from SGD 1,000 to SGD 100,000, depending on the bank.
- **Appoint a Corporate Secretary**
  - You must appoint a qualified corporate secretary within 6 months of incorporation. The corporate secretary ensures compliance with local regulations, helps maintain statutory records, and files necessary documents with ACRA.

- **Comply with Tax and Accounting Requirements**

- Register for Goods and Services Tax (GST) if your company's annual turnover exceeds SGD 1 million. GST is set at 9% (as of 2024).
- Prepare annual financial statements and ensure compliance with Singapore Financial Reporting Standards (SFRS) or International Financial Reporting Standards (IFRS).
- All companies are required to have a statutory audit of their financial statements unless they qualify for an exemption.

- **Audit exemption for small companies**

- A company qualifies as a small company if:
      - (a) it is a private company in the financial year in question; and
      - (b) it meets at least 2 of 3 following criteria for immediate past two financial years:
        - total annual revenue  $\leq$  \$10m;
        - total assets  $\leq$  \$10m;
        - no. of employees  $\leq$  50.
    - For a company which is part of a group:
      - (a) the company must qualify as a small company; and
      - (b) entire group must be a "small group"
    - For a group to be a small group, it must meet at least 2 of the 3 quantitative criteria on a consolidated basis for the immediate past two consecutive financial years.
  - File your company's annual tax return with the Inland Revenue Authority of Singapore (IRAS). Corporate tax rates are at a flat 17%, with various incentives for startups.
  - **ECI (Estimated Chargeable Income)**
    - ECI is an estimate of your company's taxable profits for a given Year of Assessment (YA), after deducting tax-allowable expenses. ECI helps the Inland Revenue Authority of Singapore (IRAS) determine the company's advance tax payments before the actual tax return is filed.
  - **Form C-S/ Form C-S (Lite)/ Form C**
    - In Singapore, companies use Form C-S, Form C-S (Lite) or Form C to file their corporate income tax returns with the Inland Revenue Authority of Singapore (IRAS). The type of form a company should use depends on its financial complexity and eligibility criteria.

- **Obtain Business Licenses (if applicable)**

- Depending on your industry, you may need additional licenses or permits. For example:
  - F&B businesses need a license from the Singapore Food Agency (SFA).
  - Financial institutions need approval from the Monetary Authority of Singapore (MAS).
  - Import/export companies need to register with Singapore Customs.

- **Hiring Employees (if applicable)**

- If you plan to hire employees, you must comply with Singapore's labour law, The Employment Act:
  - Work Passes: For foreign employees, you need to apply for the appropriate work visas, such as the Employment Pass (EP), S Pass or Work Permit.

- **Register for Central Provident Fund (CPF) Contributions**

- Once you start hiring Singaporean or Permanent Resident employees, you are required to register for CPF contributions. Both the employer and employee contributes a portion of the salary to the employee's CPF account.

- **Annual Filing Obligations**

- Annual Return: All companies must file an annual return with Accounting and Corporate Regulatory Authority (ACRA), including financial statements.
  - Filing to ACRA must be done within 6 months after the financial year end.
- Tax Filing: Corporate taxes must be filed annually with IRAS. Startups enjoy partial tax exemptions on their first SGD 100,000 of chargeable income for the first three years.
  - All companies must file **Estimated Chargeable Income (ECI)** within 3 months of their financial year-end, unless they meet both of the following criteria:
    - Annual revenue is SGD 5 million or below for the financial year.
    - ECI is nil for the Year of Assessment (YA).
  - **Self-Assessment of ECI Filing Waiver**
    - Companies must self-assess if they qualify for the waiver and do not need to notify IRAS.
    - Even if IRAS' myTax portal shows your ECI status as 'Ready to File', you do not need to submit the ECI if the company qualifies for the waiver.
  - The deadline for filing Corporate Income Tax Returns (**Form C-S/Form C-S (Lite)/Form C**) is 30 November of the Year of Assessment (YA).

Registering a business in Singapore is a streamlined process, supported by a pro-business environment and efficient government regulations. By choosing the right business structure, complying with local laws, and fulfilling post-registration obligations, foreign entrepreneurs can quickly and successfully establish their businesses in Singapore. For those unfamiliar with the process, professional corporate services firms can help with everything from registration to ongoing compliance.

# Stable Development of Finance and Foreign Exchange in Singapore

Singapore is recognized globally for its stable and highly developed **financial and foreign exchange (FX) sectors**, making it an ideal location for businesses and investors looking for a reliable financial environment. The country has successfully established itself as one of the world's top financial centers and a global hub for foreign exchange trading. Here's how Singapore maintains stability and growth in its finance and FX sectors:

## 1. Strong Financial Infrastructure

- Singapore's financial system is supported by a robust and well-regulated banking sector, which includes both local and international banks. These banks offer a wide range of services, from retail banking to wealth management and investment banking.
- The Monetary Authority of Singapore (MAS), the country's central bank and financial regulator, plays a key role in maintaining financial stability. It ensures that financial institutions comply with stringent regulatory standards, which helps build investor confidence.

## 2. Leading Foreign Exchange (FX) Hub

- Singapore is the third-largest foreign exchange center in the world, following London and New York. It accounts for around 9% of global FX trading, handling trillions of dollars in transactions every day.
- The city-state's strategic location in the Asia-Pacific region makes it a natural hub for FX trading, providing access to major currencies such as the US Dollar, Euro, Yen, Renminbi, and Australian Dollar.
- Singapore's time zone bridges the trading gap between Western and Eastern markets, ensuring liquidity and 24-hour trading opportunities for investors.

## 3. Diverse Financial Services

- Singapore offers a wide range of financial services, including:
  - Banking and wealth management: Home to many global banks like HSBC, Standard Chartered, Citibank, and DBS, which provide corporate, investment, and retail banking services.
  - Asset management: Singapore has a rapidly growing asset management industry, attracting global investment funds, private equity firms, and institutional investors.
  - Capital markets: Singapore is a regional leader in capital markets, offering a robust platform for equity and debt financing. The Singapore Exchange (SGX) facilitates trading in stocks, bonds, and derivatives.
  - Insurance and risk management: As a regional hub for insurance, Singapore's insurers provide a range of risk management solutions to businesses operating in Asia and globally.

## 4. Sound Monetary Policy and Stability

- The Monetary Authority of Singapore (MAS) uses an innovative exchange rate-based monetary policy, which focuses on managing the Singapore dollar's value against a basket of currencies to control inflation. This has provided consistent monetary stability, crucial for businesses and investors.
- The Singapore dollar (SGD) is one of the most stable currencies in the world, and the MAS manages its fluctuations carefully to avoid excessive volatility, ensuring that businesses operating in Singapore face minimal foreign exchange risk.

## 5. Low Taxation and Financial Incentives

- Singapore's competitive corporate tax rate (17%) and no withholding tax on dividends make it an attractive location for financial institutions and foreign investors.
- Government initiatives such as the Financial Sector Development Fund (FSDF) offer financial incentives to businesses that engage in financial innovation and infrastructure development.
- Programs like the Global Trader Programme (GTP) offer tax incentives for international trading companies, including those involved in commodities and foreign exchange trading.

## 6. Advanced Technology and FinTech Innovation

- Singapore is a global leader in FinTech and digital financial services, with the government promoting innovation in areas such as blockchain, AI, digital payments, and cybersecurity.
- The Singapore FinTech Festival is one of the largest events of its kind globally, bringing together financial institutions, tech firms, and startups to collaborate on new technologies and services.
- The development of digital banking in Singapore, with the issuance of digital bank licenses, allows for more innovative financial products and services that cater to businesses and consumers alike.

## 7. Global Financial Connectivity

- Singapore's strong global financial network connects it to key financial markets worldwide. It has established bilateral financial agreements and partnerships with major economies like the US, UK, Japan, and China, further enhancing cross-border trade and investment opportunities.
- The city-state has a growing role as a center for RMB internationalization, providing a platform for RMB-denominated financial services and positioning itself as a key offshore center for Chinese currency trade.

## 8. Regulatory Excellence and Transparency

- Singapore's financial regulatory environment is highly regarded for its transparency, integrity, and efficiency. The MAS works closely with financial institutions to ensure that Singapore remains compliant with international standards such as Basel III, providing investors with peace of mind.
- Singapore also adopts anti-money laundering (AML) and counter-financing of terrorism (CFT) measures that meet international standards, further enhancing its reputation as a safe and stable financial center.

## 9. Growing Financial Sector

- The financial sector is one of the key drivers of Singapore's economy, contributing significantly to its GDP. Singapore's finance sector has consistently shown steady growth due to the expansion of banking, asset management, insurance, and FinTech.
- The government's long-term focus on nurturing the financial sector through initiatives such as Industry Transformation Maps (ITMs) ensures continued development and growth in areas like wealth management, private banking, and sustainable finance.

## 10. Financial Talent and Expertise

- Singapore's financial industry is supported by a highly skilled workforce, including experts in banking, risk management, compliance, and financial technology.
- The government actively promotes talent development through initiatives like Finance Associate Management Scheme (FAMS), which helps financial institutions build a pipeline of skilled professionals for leadership roles in finance.
- Singapore's ability to attract top-tier global financial talent further enhances its role as a hub for complex financial operations, including foreign exchange trading and investment management.

Singapore's stable and highly developed finance and foreign exchange sectors make it a global financial powerhouse. The country's well-regulated financial system, innovative monetary policies, strong global connectivity, and advanced technology infrastructure create an ideal environment for businesses and investors. With low taxation, government support, and a skilled workforce, Singapore continues to lead in financial services and FX trading, making it a premier destination for international investment.

# Singapore's GDP Overview

Singapore has a dynamic and highly developed economy, known for its openness to global trade and investment. Here are key points about Singapore's GDP:

## GDP Size:

- In 2023, Singapore's Gross Domestic Product (GDP) was approximately USD 447 billion (SGD 605 billion).
- Singapore ranks among the highest in the world in terms of GDP per capita, at around USD 79,000.

## GDP Growth:

- Singapore's economy has shown steady growth, though it can be influenced by global economic conditions due to its high reliance on trade.
- The economy rebounded strongly after the pandemic, driven by manufacturing, trade, and the financial services sectors.

## Key Contributors to GDP:

### 1. Manufacturing:

- Contributes around 20% of the GDP, with electronics, pharmaceuticals, and precision engineering being dominant industries.

### 2. Financial Services:

- Singapore is a global financial hub, contributing a significant portion to GDP through banking, insurance, and wealth management sectors.

### 3. Information Technology & Communications:

- As a tech hub, the digital economy, IT services, and telecommunications contribute to a growing share of GDP.

### 4. Wholesale & Retail Trade:

- Contributing about 15% of GDP, Singapore's strategic location as a global trading hub enhances its position in international trade.

### 5. Tourism & Services:

- Though impacted by global events like COVID-19, tourism, real estate, and related services remain important contributors to GDP.

## GDP per Sector:

- **Services:** Around 70% of GDP.
- **Industry:** Approximately 25% of GDP.
- **Agriculture:** Minimal contribution (less than 1%).

Singapore's robust GDP reflects its strong global position in trade, finance, and high-tech industries.

# Visa-Free Entry to Singapore

For short-term visits, Singapore offers visa-free entry to nationals of many countries, allowing tourists, business travelers, and visitors to enter the country without the need for a pre-approved visa. Here are the details you need to know about visa-free entry to Singapore:

## 1. Visa-Free Countries

Citizens from more than 150 countries can enjoy visa-free entry to Singapore for tourism, business meetings, and social visits. The duration of visa-free entry depends on the visitor's nationality.

### Countries with 30-Day Visa-Free Entry

Visitors from the following countries can stay in Singapore for up to 30 days without a visa:

- ASEAN Countries: Brunei, Indonesia, Malaysia, Philippines, Thailand, and Vietnam.
- Asia-Pacific Countries: Hong Kong, South Korea, Japan, New Zealand.
- European Union: Most EU countries, including Germany, France, Italy, and Spain.
- Americas: United States, Canada, Mexico, Brazil.

### Countries with 90-Day Visa-Free Entry

Visitors from the following countries can stay in Singapore for up to 90 days:

- United States
- United Kingdom
- Australia
- Switzerland
- Norway
- South Korea
- Japan

## 2. General Conditions for Visa-Free Entry

While no visa is required for short stays, visitors must meet the following conditions:

- **Valid Passport:** Your passport must be valid for at least 6 months from the date of entry.
- **Return or Onward Ticket:** You may be asked to show proof of your onward or return travel.
- **Sufficient Funds:** Ensure that you have sufficient financial means for your stay in Singapore.
- **Accommodation:** Provide details of your accommodation, whether it's a hotel or a residence.
- **Purpose of Visit:** Visa-free entry is typically for tourism, business meetings, or social visits. Engaging in work or employment without the proper visa is not allowed.

### 3. Countries Requiring a Visa

Visitors from certain countries must obtain a visa before entering Singapore. These countries include:

- **South Asia:** India, Bangladesh, Pakistan, Sri Lanka.
- **Middle East and Africa:** Egypt, Nigeria, Sudan, Syria.

You can check specific visa requirements on Singapore's Immigration and Checkpoints Authority (ICA) website to confirm if your nationality requires a visa.

### 4. Extension of Stay

If you wish to stay longer than the permitted visa-free period, you may apply for a Short-Term Visit Pass Extension while in Singapore. The extension is generally granted for up to 89 days total, depending on your circumstances. Applications can be made online through ICA's website.

### 5. Entry for Business Travelers

For short-term business purposes like attending meetings, conferences, or setting up a business, many nationalities can enjoy visa-free entry. However, it's important to ensure that your activities do not require an Employment Pass (EP) or Work Permit. For longer stays or work-related purposes, the appropriate work visa should be obtained.

### 6. e-Visa for Certain Countries

Some countries that don't qualify for visa-free entry can apply for an e-Visa. This electronic visa allows travelers to submit their applications online, making the process faster and more convenient. Countries that need an e-Visa include:

- India
- China
- Myanmar

Singapore's visa-free entry policy simplifies travel for nationals of many countries, allowing for easy access for short-term visits related to tourism and business. Understanding your eligibility for visa-free entry and adhering to the conditions for your stay ensures a hassle-free visit to this global business hub. For longer stays, work, or permanent residency, specific visas or passes are required.

# **A Handy Guide to Visas and Residency in Singapore for Foreign Investors**

Singapore is an attractive destination for foreigners looking to set up businesses or invest due to its stable economy, pro-business environment, and ease of living. For those planning to work or live in Singapore, understanding the visa and residency options is essential. This guide outlines the key visa and residency schemes available for business owners, investors, and professionals.

## **1. Work Visas for Foreign Professionals**

# Employment Pass (EP)

<b>Target Audience</b>	Foreign professionals, managers and executives
<b>Eligibility</b>	<p>To qualify for EP applications, candidates will need to pass a 2-stage eligibility framework:</p> <p>Stage 1 - Applicants must earn a minimum monthly salary of:</p> <ul style="list-style-type: none"><li>• <b>At least \$5,000</b> for all sectors except financial services (increases progressively with age from age 23, up to \$10,500 at age 45 and above)</li><li>• <b>At least \$5,500</b> for the <b>financial services sector</b> (increases progressively with age from age 23, up to \$11,500 at age 45 and above)</li></ul> <p>Stage 2 - Unless <b>exempted</b>, pass the points-based <b>Complementarity Assessment Framework (COMPASS)</b>.</p> <ul style="list-style-type: none"><li>• Each EP application must score at least <b>40 points</b> across two categories:<ul style="list-style-type: none"><li>○ <u>Individual Attributes:</u><ul style="list-style-type: none"><li>■ Salary: Higher points are awarded if the candidate's salary exceeds industry benchmarks.</li><li>■ Qualifications: Points are based on educational achievements, with degrees from top-tier institutions earning more points.</li></ul></li><li>○ <u>Firm-Related Attributes:</u><ul style="list-style-type: none"><li>■ Diversity: Points are awarded if the candidate's nationality is underrepresented in the company's existing workforce.</li><li>■ Support for Local Employment: Companies with a higher proportion of local employees relative to their industry peers earn more points.</li><li>■ Skills Bonus: Candidates in roles listed on the Shortage Occupation List (SOL) receive additional points.</li><li>■ Strategic Economic Priorities Bonus: Firms engaged in initiatives aligned with national economic goals may earn extra points.</li></ul></li></ul></li></ul>
<b>Validity</b>	Up to 2 years initially, renewable for up to 3 years.
<b>Benefits</b>	<p>For EP holders earning at least \$6,000 per month, dependents (spouse and children) are able to apply for Dependent's Pass or Long-Term Visit Pass.</p> <ul style="list-style-type: none"><li>• EP holders earning at least \$12,000 per month can apply for a Long-Term Visit Pass (LTPV) for their parents.</li></ul>

# EntrePass

<b>Target Audience</b>	Foreign entrepreneurs who wish to start and operate a business in Singapore.
<b>Eligibility</b>	<p>Applicants must have a business idea or innovation that is venture-backed or possesses innovative technologies. EntrePass is open to all nationalities/citizenships.</p> <p>You can apply for an EntrePass if you meet both conditions:</p> <ol style="list-style-type: none"><li>1. Have started, or intend to start, a private limited company that is:<ul style="list-style-type: none"><li>o Registered with ACRA (Pass holder must hold at least 30% of registered company)</li><li>o Venture-backed or owns innovative technologies.</li></ul></li><li>2. Meet at least one of the following criteria:<ul style="list-style-type: none"><li>o Raised funding for a past or current business</li><li>o Supported by a government-recognised or internationally renowned incubator or accelerator</li><li>o Founded and sold a technology business</li><li>o Holds intellectual property</li><li>o have a research collaboration in Singapore</li></ul></li></ol>
<b>Validity</b>	New pass and first renewal are valid for 1 year, while subsequent renewals are valid for 2 years.
<b>Key Features</b>	Designed for entrepreneurs working on innovative businesses, particularly in tech, biotech or advanced manufacturing sectors. It offers the flexibility to build innovative ventures without requiring a job offer or local sponsorship. Entrepreneurs on an EntrePass can also apply for PR after fulfilling the requirements.

## Personalised Employment Pass (PEP)

<b>Target Audience</b>	High-earning Employment Pass holders and foreign professionals.
<b>Eligibility</b>	Earning a fixed monthly salary of at least \$22,500. For overseas foreign professionals, your last drawn salary should have been within the past 6 months of your application.
<b>Validity</b>	3 years, non-renewable.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Unlike the regular EP, PEP holders are not tied to a specific employer and able to switch jobs without needing to apply for a new pass.</li><li>• Dependents (spouse, children and parents) are able to apply for Dependent's Pass or Long-Term Visit Pass.</li></ul>
<b>Key Features</b>	Offers flexibility for top talent in managing their employment opportunities in Singapore.

## 2. Residency for Foreign Investors and Entrepreneurs

### Global Investor Programme (GIP)

As an investor who is interested in starting a business or investing in Singapore, you may apply for the Singapore Permanent Residence (PR) status through the Global Investor Programme (GIP). You are eligible to apply if you meet the following qualifying criteria:

Profile	Established Business Owners	Next Generation Business Owners	Founders of Fast Growth Companies	Elements
To Qualify	<p>a) You must possess at least 3 years of entrepreneurial and business track record;</p> <p>b) You should currently be running a company with an annual turnover of at least S\$200 million in the year immediately preceding your application, and at least S\$200 million per annum on average for the three years immediately preceding your application;</p> <p>c) If your company is privately held, you should have at least 30% shareholding in the company; <b>AND</b></p> <p>d) Your company must be engaged in one or more of the industries listed in <b>Annex B</b>.</p>	<p>a) Your immediate family should have at least 30% shareholding or is the largest shareholder in the company you use to qualify;</p> <p>b) This company's annual turnover must be at least S\$500 million in the year immediately preceding your application, and at least S\$500 million per annum on average for the three years immediately preceding your application;</p> <p>c) You must be part of the management team of the company (e.g. C-suite/Board of Directors); <b>AND</b></p> <p>d) Your company must be engaged in one or more of the industries listed in <b>Annex B</b>.</p>	<p>a) You must be a founder and one of the largest individual shareholders of a non-publicly listed company with a valuation of at least S\$500 million;</p> <p>b) Your company must be invested into by reputable Venture Capital/Private Equity firms <b>AND</b></p> <p>c) Your company must be engaged in one or more of the industries listed in <b>Annex B</b>.</p>	<p>a) You must possess at least 5 years of entrepreneurial, investment or management track record; <b>AND</b></p> <p>b) You must have net investible assets of at least S\$200 million.</p> <p>(NB: Net Investible Assets include all financial assets, such as bank deposits, capital market products, collective investment schemes, premiums paid in respect of life insurance policies and other investment products, excluding real estate. Contact Singapore reserves the right to exercise judgement in determining the suitability of the applicant's Net Investible Assets.)</p>
Investment Options	Option A or B or C			Option C

<b>Option A</b>	<p><b>Demonstrate an investment of minimally S\$10 million in a new business entity or in the expansion of an existing business operation in Singapore.</b></p> <ul style="list-style-type: none"> <li>Applicants who apply for Option A must submit a detailed 5-year business or investment plan with projected employment, expenditure and financial projections that will incur in the Option A company (as outlined in Form B of the GIP Application Form, available at <a href="http://www.edb.gov.sg/gip">http://www.edb.gov.sg/gip</a>). The business plan will be assessed based on its feasibility, your role in growing the Option A company, the business activities and the creation of local jobs; <b>and</b></li> <li>You should have at least 30% shareholding in the Option A company and must be part of the management team of the company (e.g. C-suite/Board of Directors); <b>and</b></li> <li>Your Option A company must be engaged in one of the industries listed in Annex B.</li> </ul>
<b>Option B</b>	<p><b>Invest S\$25 million in a GIP-select fund* that invests in Singapore-based companies.</b></p> <ul style="list-style-type: none"> <li>Applicants who apply for Option B may be requested to share any other business plans for Singapore apart from the investment in a GIP-select fund.</li> <li>Please refer to <a href="http://www.edb.gov.sg/gip">http://www.edb.gov.sg/gip</a> for the updated list of GIP-select funds.</li> </ul>
<b>Option C</b>	<p><b>Establish a Singapore-based Single-Family Office with Assets-Under-Management (AUM) of at least S\$200 million, where minimally S\$50 million must be transferred into Singapore and deployed in any of the 4 investment categories listed below.</b></p> <ul style="list-style-type: none"> <li>Applicants who apply for Option C must submit a detailed 5-year business plan with projected employment and annual financial projections (as outlined in Form B of the GIP Application Form, available at <a href="http://www.edb.gov.sg/gip">http://www.edb.gov.sg/gip</a>). The business plan will be assessed based on your role in your Single-Family Office, the functions of your family office, your proposed investment sectors, asset types, geographical focus and philanthropy interest.</li> <li>Offshore assets can be qualified as part of the AUM requirement, provided at least S\$50 million investible AUM has been transferred into and held in Singapore upon Approval-in-Principle of your PR status. At least S\$50 million must be deployed in any of the below 4 investment categories no later than 12 months from the Final</li> </ul>

Approval of your PR status, and thereafter maintained throughout the validity of the Re-Entry Permit:

- Equities, REITS or Business Trusts listed on Singapore-approved exchanges;
- Qualifying debt securities listed on MAS' enquiry system;
- Funds distributed by Singapore-licensed/registered managers or financial institutions; and
- Private equity investments in non-listed, Singapore-based ~~operating companies~~

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## **Annex B: List of Industries**

1. Aerospace Engineering
2. Alternative Energy/Clean Technology
3. Automotive
4. Chemicals
5. Consumer Business (e.g. flavors and fragrances, food ingredients, nutrition, home and personal care)
6. Electronics
7. Energy
8. Engineering Services
9. Healthcare
10. Infocomm Products & Services
11. Logistics & Supply Chain Management
12. Marine & Offshore Engineering
13. Media & Entertainment
14. Medical Technology
15. Nanotechnology
16. Natural Resources (e.g. metals, mining, agri-commodities)
17. Safety & Security
18. Space
19. Shipping
20. Pharmaceuticals & Biotechnology
21. Precision Engineering
22. Professional Services e.g. consulting, design
23. Arts Businesses
  - Visual arts businesses, e.g. auction houses, art logistics/storage
  - Performing arts businesses
24. Sports Businesses
25. Family Office & Financial Services

## Permanent Residency (PR)

<b>Eligibility</b>	Foreign professionals working in Singapore on EP or PEP, as well as investors under the Global Investor Programme (GIP).
<b>Benefits</b>	PR holders enjoy long-term residency, the ability to change employers without visa issues, and access to government subsidies on housing, healthcare and education.
<b>Key Features</b>	<ul style="list-style-type: none"><li>• Family Sponsorship<ul style="list-style-type: none"><li>○ PR holders can sponsor their family members for residency, including spouses and children.</li></ul></li><li>• Pathway to Citizenship<ul style="list-style-type: none"><li>○ Holding PR can be a stepping stone to applying for Singapore citizenship after fulfilling certain residency requirements.</li></ul></li><li>• Investment Opportunities<ul style="list-style-type: none"><li>○ PRs can own landed properties and invest in various financial instruments, benefiting from Singapore's robust economy.</li></ul></li></ul>

## 3. Long-Term Visit Passes for Dependents

### Dependent's Pass (DP)

<b>Target Audience</b>	Spouses and children of EP, PEP, or EntrePass holders.
<b>Eligibility</b>	EP, PEP, and EntrePass holders earning at least SGD 6,000 per month can apply for DP for their spouse and children under 21 years old.
<b>Validity</b>	Up to 2 years, tied to the validity of the main work pass.
<b>Key Features</b>	Dependents can live in Singapore but need an additional Letter of Consent to work.

## Long-Term Visit Pass (LTVP)

<b>Target Audience</b>	Common-law spouses, stepchildren, and handicapped children of EP, PEP, or EntrePass holders.
<b>Eligibility</b>	Holders of an EP or PEP with a minimum salary of SGD 6,000 per month can apply for their family members.
<b>Validity</b>	Up to 2 years, tied to the validity of the main work pass.
<b>Key Features</b>	LTVP holders are eligible to live in Singapore and can apply for employment.

## 4. Permanent Residency (PR) Pathways

Foreigners who have worked or invested in Singapore may eventually apply for Permanent Residency (PR). PR offers long-term stability and additional benefits, including eligibility for subsidized healthcare, housing grants, and better education options.

### Eligibility for PR:

- **EP, S Pass, and EntrePass holders:** After working for a few years, foreign professionals and entrepreneurs can apply for PR.
- **Investors:** Individuals under the GIP can apply for PR directly if they meet the investment criteria.
- **Family members:** Spouses and children of PR holders or Singapore citizens can apply for PR.

## 5. Applying for Singapore Citizenship

- **Eligibility:** After holding PR status for 2-6 years, individuals can apply for Singapore citizenship.
- **Benefits:** Citizenship offers full rights, including the ability to vote, access to public housing, and complete freedom of employment and business ownership without any restrictions.

Singapore offers a wide array of visa and residency options to suit foreign professionals, investors, and their families. Whether you're an entrepreneur looking to start a business, a professional seeking employment opportunities or a high-net-worth individual interested in investing, Singapore's visa framework supports business and residency goals with ease. Understanding the specific requirements for each visa and residency scheme is key to making the transition smooth and successful.

# Individual Income Tax Rates

Income tax rates depend on an individual's tax residency status. You will be treated as a tax resident for a particular Year of Assessment (YA) if you are a:

1. Singapore Citizen or Singapore Permanent Resident who resides in Singapore except for temporary absences; **or**
2. Foreigner who has stayed/worked in Singapore:
  - a. For at least 183 days in the previous calendar year; **or**
  - b. Continuously for 3 consecutive years, even if the period of stay in Singapore may be less than 183 days in the first year and/or third year; **or**
3. Foreigner who has worked in Singapore for a continuous period straddling 2 calendar years and the total period of stay is at least 183 days\*. This applies to employees who entered Singapore but excludes directors of a company, public entertainers, or professionals.

\*including your physical presence immediately before and after your employment

If you do not meet the conditions stated above, you will be treated as a non-resident of Singapore for tax purposes.

# Resident tax rates

From YA 2024 onwards

Chargeable Income	Income Tax Rate (%)	Gross Tax Payable (\$)
First \$20,000	0	0
Next \$10,000	2	200
First \$30,000	-	200
Next \$10,000	3.50	350
First \$40,000	-	550
Next \$40,000	7	2,800
First \$80,000	-	3,350
Next \$40,000	11.5	4,600
First \$120,000	-	7,950
Next \$40,000	15	6,000
First \$160,000	-	13,950
Next \$40,000	18	7,200
First \$200,000	-	21,150
Next \$40,000	19	7,600
First \$240,000	-	28,750
Next \$40,000	19.5	7,800
First \$280,000	-	36,550
Next \$40,000	20	8,000
First \$320,000	-	44,550
Next \$180,000	22	39,600
First \$500,000	-	84,150
Next \$500,000	23	115,000
First \$1,000,000	-	199,150
In excess of \$1,000,000	24	

# Non-resident tax rates

- **Taxes on employment income**
  - Employment income of non-residents is taxed at the flat rate of **15%** or the progressive resident tax rates (see table above), whichever is the higher tax amount.
- **Taxes on director's fee, consultation fees and all other income**
  - The tax rate for non-resident individuals is currently at **24%**. It applies to all income including rental income from properties, pension and director's fees, except employment income and certain income taxable at reduced withholding rates (see table below).

Type of income	Withholding tax rate (From YA 2024 onwards)
Remuneration including director's fees received by non-resident directors	24%
Income received by non-resident professionals (e.g. consultants, trainers and coaches) for services performed in Singapore	15% of gross income or 24% of net income
Income received by non-resident public entertainers for services performed in Singapore	15% concessionary rate
SRS withdrawals received by non-Singapore SRS account holders	24%
Interest, commission, fee or other payment in connection with any loan or indebtedness	15% reduced final withholding tax rate (subject to conditions) or 24% if reduced withholding tax rate is not applicable
Royalty or other lump sum payments for the use of movable properties	10% reduced final withholding tax rate (subject to conditions) or 24% if reduced withholding tax rate is not applicable

# Goods and Services Tax (GST)

## What it is and how it works

Goods and Services Tax or GST is a broad-based consumption tax levied on the import of goods (collected by Singapore Customs), as well as nearly all supplies of goods and services in Singapore. In other countries, **GST is known as the Value-Added Tax or VAT**.

GST exemptions apply to the provision of most financial services, the supply of digital payment tokens, the sale and lease of residential properties, and the importation and local supply of investment precious metals. Goods that are exported and international services are zero-rated.

### Taxable Supplies

Type	Standard-rated supplies (9% GST)	Zero-rated supplies (0% GST)
Goods	<p>Most local sales fall under this category.</p> <p>E.g. sale of TV set in a Singapore retail shop</p> <p><a href="#"><u>Sale of imported low-value goods (from 1 Jan 2023)</u></a></p> <p>E.g. Sale of tennis racquet by overseas online merchant to customer in Singapore at \$330, excluding freight and insurance</p>	<p><a href="#"><u>Export of goods</u></a></p> <p>E.g. sale of laptop to an overseas customer, where the laptop is shipped to an overseas address</p>
Services	<p>Most local provision of services fall under this category.</p> <p>E.g. provision of spa services to a customer in Singapore</p> <p><a href="#"><u>Imported Services</u></a></p> <p>E.g. Procurement of marketing services from overseas service provider</p>	<p>Services that are classified as <a href="#"><u>international services</u></a></p> <p>E.g. air ticket from Singapore to Thailand (international transportation service)</p>

## Non-taxable supplies

Type	Exempt supplies (GST is not applicable)	Out-of-scope supplies (0% GST)
Goods	<a href="#">Sale and rental of unfurnished residential property</a>  <a href="#">Importation and local supply of investment precious metals</a>	Sale where goods are delivered from overseas to another place overseas  Private transactions  For more information, see <a href="#">Out-of-scope supplies</a> .
Services	<a href="#">Financial services</a>  E.g. issue of a debt security  <a href="#">Digital payment tokens</a> (from 1 Jan 2020)  E.g. exchange of Bitcoin for fiat currency	Private transactions. For more information, see <a href="#">Out-of-scope supplies</a> .

## Businesses required to register for GST

As a business, you must register for GST when your taxable turnover exceeds \$1 million.

You may also be liable for GST registration under the Reverse Charge and Overseas Vendor Registration regimes. If your business taxable turnover does not exceed \$1 million, you may still choose to voluntarily register for GST after careful consideration.

## Charging and claiming GST

Only GST-registered businesses can charge and claim GST from their effective date of GST registration. Non-GST registered businesses are not allowed to charge or claim GST.

### Charging GST

If you are registered for GST, you must charge GST on all taxable supplies at the prevailing GST rate, except for supplies that are subject to customer accounting. The GST that you charge and collect is known as output tax. Output tax must be paid to IRAS within a month from the end of the accounting period.

If you have wrongfully charged or collected GST, you must remit the GST wrongly collected to IRAS.

- Exception - An exception where a non-GST registered person is required to charge and account for GST is when it sells or rents out a GST-registered business assets in satisfaction of a debt owed. This applies to non-GST registered third parties, such as mortgagees, financiers and auctioneers.

## **Claiming GST**

If you are registered for GST, you can claim the GST incurred on business purchases (including imports) and expenses, as input tax in your GST return. This is subject to you fulfilling the conditions for claiming input tax.

Additionally, you may be able to claim GST incurred before GST registration or incorporation, provided that you fulfil certain conditions.

This input tax credit mechanism ensures the taxation of only the value-add at each stage of a supply chain.

## **Paying output tax and claiming input tax**

If you are a GST-registered business:

You must submit your GST return to IRAS within a month from the end of each prescribed accounting period. This is usually done on a quarterly basis.

You should report both your output tax and input tax in your GST return.

The difference between output tax and input tax is the net GST that is payable to IRAS or refundable by IRAS.

# Singapore's Highly Professional Workforce: A Key Advantage for Investors

One of Singapore's most significant strengths as a global business hub is its highly professional, skilled, and diverse workforce. This workforce is not only well-educated and globally competitive but also adaptable and future-ready. Here's why Singapore's workforce is a key attraction for foreign investors:

## 1. Highly Educated and Skilled Workforce

- Singapore has one of the world's top education systems, consistently ranking highly in international benchmarks for education quality.
- The country produces a talent pool skilled in various fields, particularly in technology, finance, healthcare, manufacturing, and engineering.
- Singapore's universities, such as National University of Singapore (NUS) and Nanyang Technological University (NTU), are ranked among the world's best and have strong industry partnerships that ensure graduates are industry-ready.

## 2. Multilingual and Culturally Diverse

- Singapore's workforce is multilingual, with proficiency in English (the primary business language), Mandarin, Malay, and Tamil. This makes it easier for companies to communicate across markets in Asia and beyond.
- The country's cultural diversity ensures that employees are comfortable working in multicultural environments, enabling seamless interactions with global clients, partners, and colleagues.

## 3. Strong Talent in Key Industries

- Singapore is home to professionals with deep expertise in various high-growth sectors:
  - Finance: As one of the world's top financial centers, Singapore has a large pool of professionals skilled in banking, investment, and insurance.
  - Technology and Innovation: Singapore's workforce is well-versed in software development, AI, blockchain, and cybersecurity.
  - Healthcare and Biomedical: With government backing, Singapore has built a workforce of highly skilled professionals in biomedical sciences, pharmaceuticals, and healthcare technologies.
  - Manufacturing and Engineering: The country has a well-trained workforce in precision engineering, electronics, aerospace, and advanced manufacturing.

## 4. Continuous Professional Development

- The Singapore government places a strong emphasis on lifelong learning and upskilling to ensure the workforce stays competitive and future-ready:
  - SkillsFuture: A national initiative providing Singaporeans with access to funding for skills development and training courses in areas like digital technologies, business management, and technical skills.
  - Professional Conversion Programs (PCPs): These programs help professionals transition into new industries or upgrade their skills to meet emerging business needs.
  - Government-funded training programs ensure that the workforce remains relevant and adaptable to changes in industries like technology, automation, and digitalization.

## 5. Productive and Efficient Workforce

- Singapore is known for its high levels of productivity and strong work ethic. This has been key to the country's economic success and is highly valued by international companies.
- Businesses in Singapore enjoy minimal disruptions thanks to a stable and peaceful work environment, supported by effective labor relations and a focus on continuous improvement.

## 6. Strong Global Talent Pool

- Singapore is home to a diverse expatriate community, with many highly skilled foreign professionals who bring global perspectives and expertise.
- The Employment Pass (EP) scheme allows companies to easily hire foreign professionals, enhancing access to talent from across the globe.
- Singapore's global reputation as a business and innovation hub makes it attractive to top talent, enabling businesses to recruit the best minds in various fields.

## 7. Adaptability and Future-Readiness

- Singapore's workforce is recognized for being agile and adaptable in the face of rapid technological changes. This is crucial in industries that require quick adoption of new technologies, such as artificial intelligence, fintech, and automation.
- With ongoing government initiatives promoting digital transformation, Singaporeans are continually upgrading their skills to stay relevant in the fast-evolving digital economy.

## 8. Strong Work Culture and Corporate Governance

- Singaporeans value punctuality, professionalism, and dedication in the workplace, contributing to a culture of efficiency and reliability.
- The country's commitment to corporate governance and transparency means businesses can expect a workforce that operates within high ethical and professional standards, which is especially attractive to investors concerned with compliance and governance.

## 9. Excellent Talent Retention

- Singapore is a safe and attractive place for both locals and expatriates to live and work. The combination of world-class infrastructure, quality of life, and career opportunities helps companies retain talent in the long run.
- The government's pro-business policies, coupled with access to quality education, healthcare, and housing, make it easy for companies to attract and keep top talent.

## 10. Government Support for Workforce Innovation

- Singapore's government is highly supportive of workforce development through programs such as:
  - Workforce Singapore (WSG): Provides funding to businesses for hiring and training local employees.
  - TechSkills Accelerator (TeSA): A collaboration between the government and industry to boost digital skills and develop talent for the tech sector.
  - Sector-specific initiatives that support growth and innovation, ensuring Singapore's workforce remains at the forefront of global industries like biotech, AI, and fintech.

Singapore's highly professional workforce is one of the nation's key advantages for investors. With a skilled, multilingual, productive, and future-ready talent pool, combined with strong government support for continuous development, businesses that set up in Singapore gain access to an unparalleled human resource asset that drives business growth and innovation.

# Central Provident Fund (CPF)

The Central Provident Fund (CPF) is a mandatory social security savings scheme funded by contributions from employers and employees. The CPF is a key pillar of Singapore's social security system.

Singapore's CPF system is unique because it serves as both a pension scheme and a personal savings plan, unlike traditional pension systems focused solely on retirement income. This integrated approach aims to ensure citizens have the necessary funds for retirement, healthcare, and housing.

## Who is entitled to CPF contributions

- CPF contributions are payable when there is an employer-employee relationship, i.e. a contract of service.
- Employers are required to pay both the employer and employee's share of CPF contributions every month. They are entitled to recover the employee's share from the employee's wages.
- CPF contributions are payable for **Singapore Citizens (SCs)** and **Singapore Permanent Residents (SPRs)** who are:
  - Working in Singapore under a contract of service.
  - Employed under a permanent, part-time or casual basis.

However, if the employee is a Singapore Citizen or Singapore Permanent Resident working overseas, CPF contributions are not mandatory.

If the employee's CPF contributions is not paid on time, they can ask their employer for clarification or report the issue to the CPF Board for assistance.

## What payments attract CPF contributions

Wages can be classified into Ordinary Wages or Additional Wages. Total Wages is the sum of Ordinary Wages and Additional Wages. CPF contributions are computed on Total Wages payable to the employee in a calendar month, with different ceilings applied to Ordinary Wages and Additional Wages.

### Types of payments that attract CPF contributions:

1. **Ordinary Wages (OW):**
  - Basic Wages: Regular salary paid for work done.
  - Overtime Pay: Compensation for work beyond standard hours.
  - Bonus: Payments for performance or other achievements.
  - Allowances: Payments like transport or meal allowances.
  - Commission: Earnings tied to sales or services, such as sales commission.
  - Cash Incentives: Additional incentives, like productivity bonuses.
2. **Additional Wages (AW):**
  - These are wages not paid on a monthly basis, such as annual bonuses or leave encashment, that also attract CPF contributions.

## Payments Exempt from CPF Contributions:

Some payments are not considered wages under the CPF Act, meaning they do not require CPF contributions. These include:

- Termination Benefits: Compensation given upon termination, such as retrenchment benefits.
- Reimbursements: Repayments for expenses incurred on behalf of the employer, like purchasing office supplies.
- Benefits in Kind: Non-cash benefits, such as gifts or health insurance, provided to the employee.

Employers must classify employee payments accurately and calculate CPF contributions accordingly.

## **Ordinary Wage (OW) ceiling**

The Ordinary Wage (OW) ceiling limits the amount of OW that attract CPF contributions in a calendar month for all employees. It will be gradually raised to \$8,000 by 2026.

	<b>CPF Ordinary Wage ceiling</b>	<b>CPF annual salary ceiling</b>
From 1 Jan to 31 Dec 2024	\$6,800	
From 1 Jan to 31 Dec 2025	\$7,400	\$102,000 (no change)
From 1 Jan 2026	\$8,000	

## **Additional Wage ceiling**

The Additional Wage ceiling limits the amount of Additional Wages that attract CPF contributions. The Additional Wage ceiling is applied on a per employer per calendar year basis.

- The Additional Wage ceiling is computed as follows.
  - **\$102,000\* - Total Ordinary Wage subject to CPF for the year**

## **Employer's CPF Contribution Rates**

<b>Employee's Age (Years)</b>	<b>Contribution rates from 1 January 2024</b>		
	<b>(Monthly Wages &gt; \$750)</b>		
	<b>By Employer (% of wage)</b>	<b>By Employee (% of wage)</b>	<b>Total (% of wage)</b>
55 and below	17	20	37
Above 55 to 60	15	16	31
Above 60 to 65	11.5	10.5	22
Above 65 to 70	9	7.5	16.5
Above 70	7.5	5	12.5

## **Penalties for not paying CPF**

- If the employer does not pay by the 14th of the following month, the employer may be liable to:
  - Late payment interest charged at 18% per annum (1.5% per month), starting from the first day of the following month after the contributions are due. The minimum interest payable is \$5 per month.
  - A fine of up to \$5,000 and no less than \$1,000 per offence, up to 6 months jail, or both.
  - For repeat offenders, a fine of up to \$10,000 and no less than \$2,000 per offence, up to 12 months jail, or both.
  - A fine of up to \$10,000, up to 7 years jail, or both if you deduct the employee's share of CPF contributions but fail to pay the contributions to CPF Board.

## **Migrant workers and CPF**

If the employer is paying the foreign worker levy for their migrant workers, they do not have to pay CPF contributions for them. However, the employer is required to pay the [Skills Development Levy \(SDL\)](#).

Work Permit holders will come under the CPF scheme if they become Singapore Permanent Residents. This takes effect from the day they are granted permanent residency.

# Workplace Safety and Health

Workplace Safety and Health (WSH) includes legal requirements, certification and registration, monitoring and surveillance, accident reporting and work injury compensation. Things to note includes:

## Work injury compensation

The Work Injury Compensation Act (WICA) lets employees make claims for work-related injuries or diseases, without having to take legal action.

### What is the Work Injury Compensation Act (WICA)

The Work Injury Compensation Act (WICA) lets employees make claims for work-related injuries or diseases without having to file a civil suit under common law. It is a low-cost and quicker alternative to common law for settling compensation claims.

The employee can claim under WICA if they were injured in a work accident or suffered a disease due to work. The employee does not have to engage a lawyer to file a WICA claim.

### Key Facts

<b>Who is covered</b>	All employees regardless of salary level, with some exceptions.
<b>What you can claim</b>	Medical leave wages, medical expenses and lump-sum compensation for permanent incapacity or death.
<b>How to claim</b>	Claims can be made up to 1 year from the accident.
<b>Related legislation</b>	<a href="#">Work Injury Compensation Act 2019</a>

### Who is covered in accordance with WICA

The Work Injury Compensation Act (WICA) covers any **local or foreign employee** who is under a contract of service or contract of apprenticeship, regardless of salary, age or citizenship.

- It doesn't cover:
  - Independent contractors and the self-employed.
  - Domestic workers.
  - Uniformed personnel – members of the Singapore Armed Forces, Singapore Police Force, Singapore Civil Defence Force, Central Narcotics Bureau and Singapore Prison Service.

## Who can claim

The employee can claim for compensation if they have been injured or contracted a disease as a result of work.

- The employee remains eligible to claim for compensation even if:
  - They no longer work for the employer or their work pass is cancelled.
  - The accident happened while they were on an overseas assignment.
  - The accident happened while on a work from home or other flexi-work arrangement that they agreed with the employer.

Dependents of an employee who died because of a workplace accident can also make a claim on behalf of the employee.

## Eligible claims under WICA

- For eligible employees, they can make a claim under the Work Injury Compensation Act (WICA) if they have:
  - Been injured by an accident arising out of and in the course of employment.
  - Been injured while on an overseas assignment.
  - Contracted an Occupational Disease.
  - Contracted a disease from exposure to biological or chemical agents at work.

## What accidents does WICA cover

WICA covers accidents arising out of and in the course of employment. Unless there is evidence to prove otherwise, an accident in the course of employment is regarded as arising out of employment.

## Scenarios covered under WICA

The employee is covered under WICA if they:

- Meet with a traffic accident while taking company transport between home and workplace. The vehicle is not a public transport.
- Meet with a traffic accident when travelling during work and for work purpose (e.g. travel from workplace to venue for meeting), regardless of the mode of transport. The employee did not make any personal detour.
- Are employed by a local employer during their course of employment, suffers a work-related injury during an overseas assignment.
- Are a seafarer who suffers a work-related injury while on board a Singapore-registered vessel, regardless of the location of the vessel.
- Injure themselves in a work-related fight where they were a victim and did not participate in the fight, or were injured while exercising private defence, or instructed to break up the fight, safeguard life or property, or maintain law and order.
- Suffer medical conditions such as heart attack or stroke that are caused by a triggering event arising in the course of work.
- Sustain an injury while performing work related duties while on flexible work arrangements, including working from home, which is approved by their employer.

## **Scenarios not covered under WICA**

The employee is not covered under WICA if they:

- Meet with a traffic accident while travelling in their own car, their friend's car, or public transport between home and workplace.
- Meet with a traffic accident while making a personal detour when travelling during work (e.g. detour for personal errand while travelling from workplace to venue for meeting), regardless of the mode of transport.
- Injure themselves while under the influence of alcohol or a prescription drug which was not prescribed by a doctor.
- Deliberately injure themselves or deliberately aggravate an existing injury.
- Injure themselves while doing non-work-related activities such as household chores, while on flexible work arrangements, including working from home.

# Useful Links for Setting Up a Business in Singapore

## Ministry of Manpower (MOM):

For businesses that plan to hire employees, the MOM provides crucial information on labour laws, work passes for foreign workers and other employment regulations.

- <https://www.mom.gov.sg/>

## Central Provident Fund (CPF):

This site provides comprehensive information about CPF contributions, benefits and services for both employers and employees. It includes resources on how to calculate contributions, eligibility criteria and the different schemes available under the CPF system.

- <https://www cpf.gov.sg/employer>

## Monetary Authority of Singapore (MAS):

Oversees the country's monetary policy, financial sector stability and development of the financial services industry.

- <https://www.mas.gov.sg/>

## Singapore Food Agency (SFA):

SFA offers resources for food businesses, including guidance on licensing, food safety regulations, and best practices for handling food.

- <https://www.sfa.gov.sg/>

## Building and Construction Authority (BCA):

Oversees various aspects of the construction industry, including the licensing of construction-related activities.

- <https://www1.bca.gov.sg/>

*This document is prepared as at 15 November 2024 and does not reflect any ongoing changes.*