



The trusted solution in wealth structuring

Singapore companies

Like Hong Kong, Singapore is a well established international finance centre that may be the perfect location to establish estate planning and commercial solutions for Asian clients.

With the recent amendments to the Singapore Companies Act, every Singapore company is now required to have:-

- At least one individual director who is ordinarily resident in Singapore
- An individual company secretary who is ordinarily resident in Singapore
- A registered office address in Singapore
- At least one shareholder, being either a corporation or an individual

Nerine Trust Company (Hong Kong) Limited ("Nerine") can assist with the incorporation of a Singapore company and provide the services of a secretary, a registered office, accounting and tax filing.

Opening of banking facilities requires the disclosure of the beneficial owner. Most private banks in Singapore have very rigid requirements with regard to due diligence and minimum balances that must be maintained. Therefore, clients should be prepared to visit the Singapore bank personally to verify their identity.

With the commencement of the provisions in the Companies (Amendment) Act 2002 and the Business Registration (Amendment) Act 2002 (see The Companies (Amendment) Act (Commencement) (No. 1) Notification 2003 and The Business Registration (Amendment) Act (Commencement) Notification), the Registrar will only reject a proposed company or business name for the purposes of incorporation, registration or change of name if that name is:

- Identical to another
- Undesirable
- Of a kind that the Minister has directed the Registrar not to accept

Additionally, the Companies (Identical Names) Rules and Business Registration (Identical Names) Rules were enacted pursuant to the new section 27(2D) Companies Act and section 11(10) Business Registration Act. These rules will set out what the Registrar will consider as identical. In determining whether one name is identical to another, the following shall be disregarded:

- "The", where it is the first word of the name
- "Private", "Pte", "Sendirian", "Sdn", "Limited", "Ltd", "Berhad" and "Bhd"
- The following words and expressions where they appear at the end of the name: "company", "and company", "corporation", "Incorporated", "Asia", "Asia Pacific", "International", "Singapore", "South Asia", "South East Asia" and "Worldwide"
- any word or expression which, in the opinion of the Registrar, is intended to represent any word or expression stated above
- The plural version of the name
- The type and case of letters, spacing between letters and punctuation marks
- The symbol "&" shall have the same meaning as the word "and"

The rules will also provide that the Registrar may refer the parties in dispute over the use of a name to mediation before giving any direction for a name change.

Annual filing requirements of a small Singapore exempt private company (Small EPC)

A small EPC is one with annual revenue up to S\$5m or less for financial years from 1 June 2004.

When the company is solvent (able to meet its liabilities when they fall due):

- Accounts do not need to be audited
- Accounts do not need to be filed, but an online declaration of solvency is completed instead

When the company is insolvent (not able to meet its liabilities as they fall due):

- Accounts do not need to be audited
- The unaudited accounts must be filed

Annual filing requirements of a normal Singapore exempt private company (Normal EPC)

A normal EPC is one with annual revenue more than S\$5m for financial years with effect from 1 June 2004.

When the company is solvent (able to meet its liabilities when they fall due):

- Accounts do not need to be audited
- Accounts do not need to be filed, but an online declaration of solvency is completed instead

When the company is insolvent (not able to meet its liabilities as they fall due)

- Accounts do not need to be audited
- The unaudited accounts must be filed

Annual filing requirements of a dormant Singapore exempt private company (Dormant EPC)

A dormant EPC is one that does not have any accounting transactions (no business activities) for the financial year concerned or has not commenced business since incorporation. Please refer to 205B(3) and section 199(1) for more information.

When the company is solvent (able to meet its liabilities when they fall due):

- Accounts do not need to be audited
- Accounts do not need to be filed, but an online declaration of solvency is completed instead

When the company is insolvent (not able to meet its liabilities as they fall due):

- Accounts do not need to be audited
- The unaudited accounts must be filed

Annual filing requirements of a Singapore non exempt private company (Non EPC)

A Non EPC is a company limited by shares with a maximum of 50 shareholders.

When the company is solvent (able to meet its liabilities when they fall due):

- Accounts do not need to be audited
- The unaudited accounts must be filed

When the company is insolvent (not able to meet its liabilities as they fall due):

- Accounts do not need to be audited
- The unaudited accounts must be filed

Annual filing requirements of a Singapore public company

A company limited by shares where the number of shareholders can be more than 50, or a company limited by guarantee, or a listed company on the Singapore stock exchange

When the company is solvent (able to meet its liabilities when they fall due):

- Accounts must be audited
- The audited accounts must be filed

All locally incorporated companies are required to hold their Annual General Meeting ("AGM") and file their annual returns under S175, S197 and S201 of the Companies Act.

At the AGM, the directors shall present a true and fair view of the company's accounts to their shareholders.

The Companies Act does not prescribe the minimum level of qualifications for the person preparing the accounts. However, it will be the responsibility of the directors to appoint individuals with the required level of expertise for preparation of such accounts.

When to hold an AGM?

A company is required to hold its first AGM within 18 months after its incorporation. Subsequent AGMs must be held every calendar year and the interval between AGMs should not be more than 18 months. This information can be located in the companies act section 175.

When to file the annual return?

The annual return must be filed with the registrar within one month after the AGM. Further information can be located in the companies act section 197.

When to file audited or unaudited accounts?

Audited or unaudited accounts for a public company listed or quoted on a securities exchange in Singapore:

- Accounts presented at the AGM shall be made up to a date not more than 4 months before the AGM.

In the case of any other company:

- Accounts presented at the AGM shall be made up to a date not more than 6 months before the AGM.

Further information on the audited / unaudited accounts can be located in the companies act section 201

When will a company be required to file accounts with their annual return submission, and how should this be done ?

Please refer to the requirements to determine whether a company needs to file accounts, and follow up with:

- For companies which are required to file accounts in their annual return
 - Choose to prepare accounts in either full XBRL (Option A) or partial XBRL (Option B) using FS Manager followed by submission of annual return.
- For companies which are not required to file their accounts in their annual return
 - The appropriate on-line declaration will appear in the transaction if the correct company type has been selected. Please refer to guide on filing on annual returns.

The appointed officer of the company e.g. director, secretary shall file the annual return via BizFile. Alternatively, the company can engage the services of a professional firm or a service bureau to file the annual return.

Can a company request for an extension to file annual return or hold an AGM?

A company can apply for an extension of time to hold its AGM. Upon approval of the application, the company must file its annual return within one month from the new AGM date.

What if a company fails to hold its AGM or file annual return?

A penalty will be imposed for late filings as prescribed in the Companies Act, Cap 50. In addition, a summons may be issued against a company director for not holding the company's AGM and filing its annual return as stipulated under the law.

What if a dormant company?

A company is considered dormant during a period in which no accounting transactions occur.

Please note that the following transactions will not affect the dormant status of the company;

- The appointment of a secretary of a company
- The appointment of an auditor
- The maintenance of a registered office
- The keeping of registers and books
- The payment of fees to the Registrar or an amount of any fine or default penalty paid to the Registrar
- The taking of shares in the company by a subscriber to the memorandum in pursuance of an undertaking of his in the memorandum

Is a dormant company required to file annual return?

Yes, however, they no longer need to attach the statement by dormant companies exempting them from audit requirements. The appropriate online declarations will appear in the new annual return if the correct company type has been selected earlier.

Is a dormant company exempted from audit?

The audit exemption applies to the financial accounts of a dormant company for any financial year beginning on or after 15 May 2003.

What is an audit exemption?

Companies that are exempt from audit requirements are not required to have their financial accounts audited. Instead, they will submit the unaudited financial accounts. If the company chooses to have the financial accounts audited, it will submit the audited financial accounts together with the auditor's report.

Can ACRA require the accounts to be audited?

The Registrar may require the company to submit audited accounts and the auditor's report if:

- It is believed that there has been a breach of section 199 (relating to accounting records and system of control) and section 201 (relating to the accounts and director's reports) of the Companies Act; or
- It is otherwise in the public interest to do so

Is a dormant company required to file any documents to IRAS?

A dormant company must submit its income tax return (Form C) unless it has been granted a waiver from IRAS. The company may apply for a waiver from IRAS by submitting the form 'Application for a Waiver to Submit Income Tax Return (Form C) by a Dormant Company'.

What is an exempt private company (EPC)?

An exempt private company (EPC) is defined as a company which has not more than 20 shareholders and its shares are not held by another company under Section 4(1) of the Companies Act. They can also be those that the Minister has gazetted to be known as EPC.

Is an EPC required to file annual return?

An EPC is required to file Annual Return via ACRAS BizFile. If the EPC is insolvent (i.e. unable to meet its liabilities when they fall due), it has to lodge the financial accounts with the Registrar. However, if the EPC is solvent (i.e. able to meet its liabilities when they fall due), it has to complete an online declaration of solvency instead.

Exempt Private Companies need not attach the EPC certificate or the statement by EPC exempting them from audit requirements (currently in PDF format). The appropriate online declarations will appear in the new Annual Return if the correct company type has been selected earlier.

Professional firms filing on behalf of companies may continue to require the hardcopy certificates from directors as evidence of compliance, and keep these for record purposes, even though ACRA has done away with filings of these certificates as an attachment in the new annual return.

What is an audit exemption?

Companies that are exempted from audit requirements are not required to have their accounts audited. Instead, they will prepare unaudited accounts for purposes of AGMs and filing with ACRA. If the company chooses to have the accounts audited, it will submit the audited accounts together with the auditor's report.

What types of companies are exempt from audit?

The following companies are exempted from audit:

- EPC with revenue not more than S\$5 million for the financial year starting on or after 1 June 2004
- EPC with revenue not more than S\$2.5 million for the financial year starting on or after 15 May 2003 but before 1 June 2004
- Any company, including an EPC, that is dormant for the financial year starting on or after 15 May 2003

If an EPC company has already filed an annual return with ACRA, does it still need to file any documents with IRAS?

Notwithstanding the filing of annual return with ACRA, an EPC must also file its Income Tax Return (Form C), accounts and tax computation with IRAS annually.