Setting Up Your Business in Singapore 2026:
A Practical Guide for Foreign Investors

A comprehensive guide to establishing, operating and growing your business in one of Asia's leading commercial hubs.

Alitium

www.alitium.com

About Alitium

At Alitium, we specialise in simplifying the complexities of market entry, business operations, and cross-border expansion across Asia. With a presence in three countries – Singapore, Vietnam, and Malaysia – and four offices across the region, we provide an integrated platform of professional services that supports international investors throughout every stage of their business journey.

Our regional presence enables us to deliver coordinated, multi-jurisdictional advice while maintaining deep local expertise in each market. Whether establishing a regional headquarters in Singapore, expanding into Vietnam, entering the Malaysian market, or managing operations across ASEAN, our multidisciplinary team works seamlessly to provide practical, commercially focused solutions tailored to each client's objectives.

Our core objective is to empower foreign investors with the clarity, confidence, and strategic guidance needed to establish, operate, and grow successful businesses in Asia's dynamic and evolving markets. Through our comprehensive service offering encompassing legal, corporate advisory, accounting, HR, compliance, and tax, we help clients navigate regulatory complexity while maintaining a strong commercial focus.

Our market entry and corporate advisory services cover company establishment, investment structuring, licensing, transactions, and commercial agreements, providing businesses with a strong foundation from the outset. We also advise on market entry strategy, due diligence, project planning, valuation, and risk assessment, equipping investors with the insights required to make informed business decisions across multiple jurisdictions.

Accounting, HR, and compliance remain core strengths of Alitium. We provide ongoing support to help businesses meet their statutory obligations through bookkeeping, financial reporting, payroll, governance, and risk management services. Our tax advisory professionals combine technical expertise with practical commercial experience to help clients manage tax risks, optimise tax outcomes, and maintain compliance across the jurisdictions in which they operate.

What differentiates Alitium is our commitment to understanding the commercial objectives behind every investment. We recognise that expanding into new markets involves more than meeting regulatory requirements. It requires practical advice, local insight, and coordinated regional support. By combining deep market knowledge with international business experience, we deliver solutions that are both commercially effective and operationally sustainable.

Governance and compliance remain fundamental to long-term business success. We work closely with clients to establish robust governance frameworks, strengthen risk management processes, and ensure compliance with local regulatory requirements. Through this integrated approach, businesses not only meet their statutory obligations but also build lasting credibility and confidence with stakeholders across Asia.

Reach out to Alitium to discuss how we can support your business expansion strategy across Singapore, Vietnam, Malaysia, and the wider Asian region. Please contact us at Singapore@Alitium.com

Introduction

Singapore's reputation as one of the world's most reliable business environments is built on something more durable than geography or tax rates: consistency. Decade after decade, the fundamentals have held: a rules-based legal system, a government that understands what businesses need, and an administration that delivers on its commitments.

For international investors, that consistency translates into something increasingly rare: predictability. You know what the rules are. You know they will be applied fairly. And you know that if a dispute arises, the legal framework is equipped to resolve it.

Positioned at the centre of Southeast Asia, a region of more than 680 million consumers across some of the world's fastest-growing economies, Singapore serves as the natural gateway to ASEAN and the preferred regional headquarters for multinational corporations across virtually every major industry.

In 2025, Singapore's economy grew approximately 5.0%, supported by strong performance across financial services, advanced manufacturing, wholesale trade, and the digital economy. Key sectors, including technology and AI, biomedical sciences, logistics, and sustainability-focused industries, continue to attract substantial international investment and talent.

The structural advantages for foreign investors are clear and well-established. Corporate income tax is levied at a flat rate of 17%, with no surcharges. Foreign investors may hold 100% ownership across most business activities with no requirement for local shareholding. Intellectual property and commercial assets are robustly protected under a mature legal framework. And through an extensive network of trade agreements and more than 100 double taxation agreements, Singapore-based entities are well positioned to operate across global markets with minimal friction.

This guide has been prepared for founders, executives, and investors evaluating Singapore as a base for their international or regional operations. It covers the practical essentials: company structures and incorporation requirements, the taxation framework, employment and visa considerations, banking arrangements, and ongoing compliance obligations.

The information reflects the regulatory environment at the time of publication. Laws and administrative practices evolve, and we recommend obtaining specific professional advice in connection with your circumstances before making structural or investment decisions.

Whether you are exploring market entry, business expansion, investment opportunities, or regional structuring in Singapore, Alitium's advisers are available to support your journey.

Contact us at Singapore@Alitium.com

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COUNTRY PROFILE 2026

SINGAPORE

Top Global Rankings

- **1st** in the world for economic competitiveness
- **2nd** in the world for operational stability
- **2nd** largest FDI recipient globally

Singapore at a Glance

Land area
735 km²

Population
> 6,000,000

GNI per capita (Atlas method)
USD 81,700 (World Bank, 2025)

Global FTAs
29
agreements covering 60+ economies

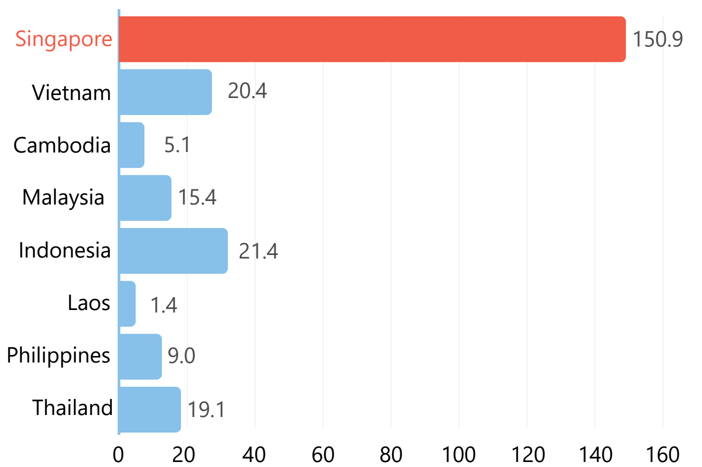
Average GDP Growth
Approximately 5% per year
over the last 5 years

Average MAS Core Inflation
2.5% per year
over the last 5 years

Key Industries

- Aerospace
- Energy & Chemicals
- Biotechnology & Pharmaceuticals
- Semiconductor
- Carbon Services
- Logistics & Supply Chain Management
- Renewable Energy
- Medical Technology
- Consumer Business
- Professional Services
- Digital Technology
- Technology Hardware & Equipment

FDI inflows, South-East Asia in 2025 (US$ billions)



**Source: UNCTAD, World Investment Report 2026, Annex table 01: FDI inflows, by region and economy, 1990-2025 (published 7 July 2026).*

CHOOSING A
BUSINESS VEHICLE IN SINGAPORE

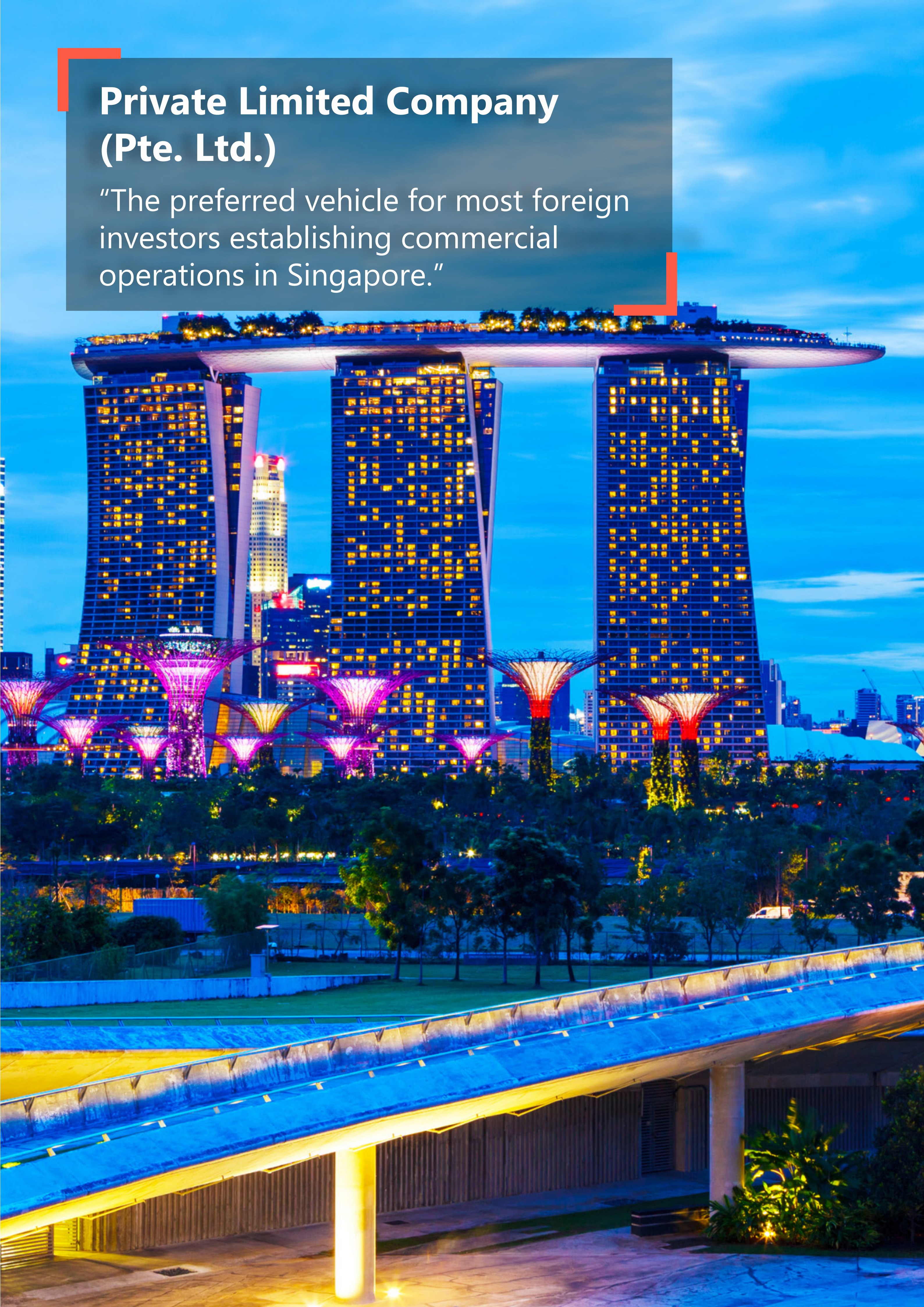
Singapore offers several entry vehicles. The right one depends on your objectives, timeline, and the level of commitment you are ready to make.

Vehicle	Private Limited Company (Pte. Ltd.)	Limited Liability Partnership (LLP)	Variable Capital Company (VCC)	Branch Office (of a foreign company)	Representative Office (RO)
Separate legal entity & liability position	Yes. Distinct from its shareholders; their liability is limited to unpaid share capital.	Yes. A body corporate. Partners are shielded from the LLP's and each other's debts, but stay liable for their own wrongful acts.	Yes. A body corporate under the VCC Act. Each sub-fund's assets and liabilities are ring-fenced from the others.	No. An extension of the foreign parent, which carries unlimited liability for the branch's Singapore obligations.	No. No legal status at all. The foreign parent bears full liability for everything the RO does.
Permitted activities	Full commercial activity - may trade, contract, invoice and earn income without restriction.	Full commercial activity - may trade, contract and earn income in its own name.	Investment activity only. Holds and manages fund assets; not general trading or operating.	Trading within the parent's scope. May trade and invoice, limited to the parent's business.	Research and liaison only. No trading, contracts, invoicing or fee income.
Lifespan	Unlimited.	Unlimited.	Unlimited.	Unlimited.	Capped at 3 years. Renewed yearly; after 3 years the parent must establish a Pte. Ltd. or Branch Office, or cease operating.
Capital commitment	From S$1. No prescribed minimum for most activities. Higher capital is typically a commercial choice; some licensed activities may require more.	No share capital. Contributions set by the partners' agreement.	No fixed minimum. By design, paid-up capital always equals net asset value.	None in Singapore. Capitalised through the parent.	Not applicable. Funded by the parent; the RO holds no capital and earns nothing.
Ownership eligibility	100% foreign ownership allowed; no local shareholder needed. 1-50 shareholders, individual or corporate.	Min. 2 partners (individual or corporate); no residency requirement for partners themselves.	Open ownership, but must appoint a MAS-regulated Permissible Fund Manager	No local ownership; wholly an arm of the foreign parent.	No ownership. Wholly dependent on the foreign parent.
Local officer required	≥1 resident director at all times, plus a resident company secretary within 6 months.	≥1 resident manager (ordinarily resident).	≥1 director ordinarily resident in Singapore, and ≥1 director who is a director or qualified representative of the fund manager (the same person may satisfy both); plus a resident company secretary and an auditor.	≥1 resident authorised representative accepting service on the branch's behalf.	A Chief Representative from the parent's staff, stationed in Singapore.
Ability to sponsor Employment Passes	Yes. Subject to MOM's COMPASS assessment.	Yes. Can employ and sponsor work passes.	Limited. Typically not the operating employer, as hiring is handled by the fund manager.	Yes. Can employ locally and sponsor EPs.	Very limited. Typically for Chief Rep from parent company
Tax treatment	Taxed at entity level (headline 17% on chargeable income). Start-up and partial exemptions may apply.	Tax-transparent. Each partner is taxed on their share at their own rate; cross-border impact for foreign partners depends on the applicable treaty.	Taxed as a company, but may access fund tax-incentive schemes if conditions are met, advice needed.	Taxed in Singapore on income attributable to the branch; treated as non-resident, so some reliefs differ from a Pte. Ltd.	No taxable presence. Non-trading, so it earns nothing to be taxed on.
Recommen-ded fit	Almost all inbound investors setting up a real operating business in Singapore.	Professional practices (law, accountancy, consulting) wanting partner-level liability segregation. Rarely right for corporate inbound investment.	Fund managers and family-office structures running collective investments. Not for ordinary trading or operating businesses.	Foreign companies wanting to trade under the parent's own name. Usually only where brand or sector reasons compel it.	Testing the market before committing. A short phase, not a structure to operate through.

A practical orientation tool, not to be taken as legal or tax advice. The right vehicle depends on your objectives, sector and home-country position. Please contact us for a full consultation.

Private Limited Company (Pte. Ltd.)

"The preferred vehicle for most foreign investors establishing commercial operations in Singapore."



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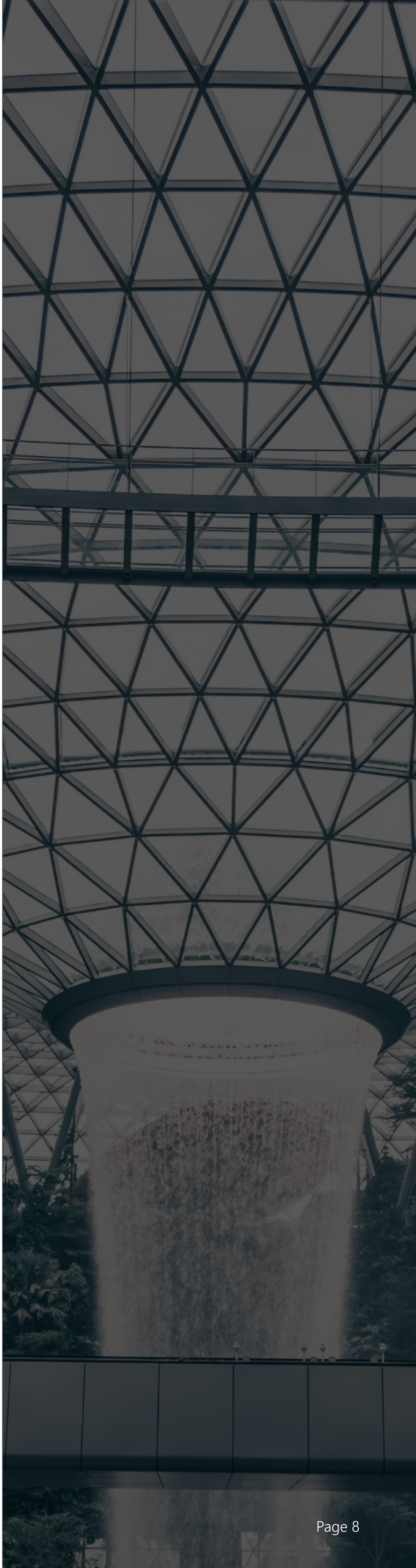
Private Limited Company (Pte. Ltd.)



For most foreign investors, a Private Limited Company (Pte. Ltd.) is the preferred business structure in Singapore due to its flexibility, limited liability, and strong legal standing. As a separate legal entity, the company exists independently from its shareholders, meaning its assets, liabilities, rights, and obligations are distinct from those of its owners. Shareholders' liability is generally limited to any unpaid amount on their shares, providing an important layer of protection for personal assets.

A Pte. Ltd. also offers the greatest flexibility for long-term growth. It can enter into contracts, own property, employ staff, raise capital, and transfer ownership through the issuance or transfer of shares. This makes it well suited for businesses intending to expand operations, attract investors, or establish a regional headquarters in Singapore.

From a commercial perspective, the Private Limited Company is the structure most widely recognised and preferred by banks, investors, suppliers, customers, and government authorities. It is also eligible to benefit from Singapore's corporate tax framework, including applicable tax exemption schemes and access to Singapore's extensive network of double taxation agreements, where the relevant conditions are satisfied. For these reasons, it remains the business vehicle of choice for the vast majority of companies establishing a long-term presence in Singapore.

Key features

- 100% foreign ownership is permitted, with no requirement for a local shareholder.
- A minimum of one shareholder and one ordinarily resident director is required.
- The company is a separate legal entity, providing limited liability protection to its shareholders.
- Shares can be transferred, making it easier to introduce new investors or facilitate future exits.
- Eligible to sponsor Employment Pass applications, subject to the applicable Ministry of Manpower requirements.
- May qualify for Singapore's corporate tax exemption schemes, subject to meeting the relevant eligibility criteria.

Incorporation Process

Once the required information and supporting documents are available, incorporating a Private Limited Company in Singapore is generally a straightforward process. Typically, the exact timeline depends on the complexity of the ownership structure, completeness of the documentation, and whether the business requires any sectoral licensing.

In most straightforward cases, incorporation (from the time the submission application is made) can be completed in one week.

Have Your KYC Documents Ready Before You Start

While a Singapore Private Limited Company can often be incorporated within a few business days, one of the most common causes of delay is incomplete Know Your Customer (KYC) documentation.

Singapore maintains one of the world's most robust anti-money laundering and counter-terrorism financing (AML/CFT) frameworks. As part of these regulatory requirements, all shareholders, directors, and ultimate beneficial owners must undergo identity verification before a company can be incorporated. Similar due diligence is also required by banks before a corporate account can be opened.

To help ensure a smooth and efficient incorporation process, all shareholders and directors should be prepared to provide at a minimum:

- Passport or identification documents
- Recent proof of residential address
- Corporate registration documents (for corporate shareholders)
- Ownership and beneficial ownership information

Where documents require certification, translation, or additional verification, processing times may be extended. Preparing these materials early can significantly reduce delays and help keep the incorporation process on schedule.

Additionally, enhanced due diligence may be required if there are circumstances that present a risk factor under AML/CFT laws and regulations. Corporate service providers and financial institutions are subject to AML/CFT obligations and may decline to proceed where regulatory requirements are not satisfied.

INCORPORATING A

PRIVATE LIMITED COMPANY IN SINGAPORE

1. Reserve Company Name

Reserve your company name with ACRA (approval typically within one to two business days; name reserved for 120 days).

2. Prepare Incorporation Documents

Prepare and submit incorporation documents including the company constitution and director and shareholder particulars.

3. Appoint a Singapore-resident Director

At least one director who is ordinarily resident in Singapore must be appointed on incorporation. This may be a Singapore Citizen, a Permanent Resident, or an EntrePass or Employment Pass holder residing in Singapore.

4. Appoint a Qualified Company Secretary

Must be ordinarily resident in Singapore to be appointed within six months of incorporation.

5. Establish a Registered Office Address in Singapore

The Company is required to have a registered address. Government agencies use it for official communication with the company.

6. Company is Incorporated and Operational

The company is officially incorporated and can commence business operations in Singapore.

Documents Required

Certified copy of the shareholder's Certificate of Incorporation (if corporate shareholder).
Certified passport copies and personal particulars of all directors and shareholders.
Group ownership chart showing ultimate beneficial owners.

All documents must be in English, or accompanied by a certified English translation.

SINGAPORE COMPANY

CORPORATE GOVERNANCE & ANNUAL COMPLIANCE

Share Capital

A Singapore company can be incorporated with as little as SGD 1 in paid-up capital. For most business activities there is no prescribed minimum capital requirement.

In practice, many businesses capitalise more substantially - often S$50,000 or more - to fund initial operations and demonstrate financial substance to banks, partners, and Ministry of Manpower (MOM). While there is no minimum capital requirement for an Employment Pass, MOM assesses whether the sponsoring company has the standing and liquidity to support the salaries it offers, so a well-capitalised entity can strengthen that assessment.

Share capital is working capital, it can be deployed for salaries, office costs, professional services, and other legitimate business expenses. It does not sit idle in a restricted account.

Directors and Shareholders

Every Singapore private limited company must appoint at least one director who is ordinarily resident in Singapore. This can be satisfied by a Singapore Citizen, Permanent Resident, or an eligible foreign pass holder residing in Singapore. Foreign investors who do not yet have a suitable local representative often engage a nominee director service during the initial stages of establishment.

Maintaining a locally resident director is an ongoing compliance requirement. If a local director resigns or leaves Singapore, a replacement must be appointed within the prescribed timeframe.

On the shareholder side, Singapore is notably flexible. A company can be 100% foreign-owned, with only one shareholder required to establish the entity. Shareholders may be individuals or corporate entities, and a Singapore private limited company can have up to 50 shareholders.

If your sole local director leaves Singapore, you have six months to appoint a replacement. Failing to do so can expose shareholders to personal liability for company debts.

Company Secretary

Every Singapore private limited company must appoint a qualified Company Secretary within six months of incorporation. The Company Secretary plays a key role in corporate governance and statutory compliance, including maintaining the company's statutory registers, preparing board and shareholder resolutions, lodging required filings with the Accounting and Corporate Regulatory Authority (ACRA), and advising the directors on their ongoing compliance obligations under the Companies Act.

The office of Company Secretary cannot remain vacant for more than six months, and where the company has only one director, that individual cannot also act as the Company Secretary.

Annual Compliance and Audit

Singapore companies must maintain proper accounting records and file annual financial statements with ACRA. A private company is exempt from mandatory audit if it qualifies as a "small company" - that is, it meets at least two of the following three criteria for each of the two preceding financial years:

- Annual revenue not exceeding SGD 10 million
- Total assets not exceeding SGD 10 million
- 50 or fewer employees

Where the company is part of a group, the entire group (including foreign entities) must also satisfy these thresholds on a consolidated basis for the exemption to apply. Dormant companies are separately exempt. All other companies must appoint an ACRA-registered public accountant to audit their financial statements before filing.

(Note: ACRA is reviewing these thresholds in 2026.)

Alitium's Insight
Although many small companies are exempt from statutory audit, this does not remove their ongoing accounting and compliance obligations. Maintaining accurate accounting records and meeting annual filing deadlines remain essential to ensuring good corporate governance and avoiding regulatory penalties.

Taxation Overview

Singapore's corporate tax rate is 17% on chargeable income - flat, with no surcharges and no additional layers. Foreign-sourced income is generally not taxed unless remitted into Singapore. This territorial basis of taxation is one of the key structural advantages for businesses managing regional or global income flows.

Start-Up Tax Exemption

Newly incorporated qualifying companies enjoy significant relief for their first three Years of Assessment:

Chargeable Income	Tax Exemption
First SGD 100,000	75%
Next SGD 100,000	50%
Maximum Exemption per year	SGD 125,000

To qualify, the company must be incorporated and tax-resident in Singapore and have no more than 20 shareholders, with either all shareholders being individuals, or at least one individual shareholder holding at least 10% of shares. Companies whose principal activity is investment holding, or that undertake property development, are not eligible.

Ongoing Partial Tax Exemption

A partial tax exemption applies to companies that do not qualify for, or have moved beyond, the start-up exemption, covering the first SGD 200,000 of chargeable income each year:

Chargeable Income	Tax Exemption
First SGD 10,000	75%
Next SGD 190,000	50%

Maximum exemption per year: SGD 102,500.

Dividends: Singapore levies zero withholding tax on dividends paid to shareholders, regardless of where they are resident. This makes profit repatriation highly efficient for foreign owners.

Limited Liability Partnership (LLP)

"A flexible structure designed for professional practices, partnerships and joint ventures."

Limited Liability Partnership (LLP)

A Limited Liability Partnership combines the operational flexibility of a traditional partnership with the liability protection associated with a company structure. It is a separate legal entity, capable of entering contracts, owning assets, employing staff, and conducting business in its own name, while allowing partners to participate in management without incurring unlimited personal liability.

LLPs are most commonly used by professional practices, consulting firms, and joint venture arrangements where two or more parties wish to collaborate within a shared structure while keeping liability segregated at partner level. They are rarely the right vehicle for corporate inbound investment.

Key features:

- Recognised as a separate legal entity
- Must maintain at least two partners on an ongoing basis, as operating below the minimum for more than two years can expose partners to personal liability
- Limited liability protection for partners (subject to personal wrongful acts or misconduct)
- Flexible internal governance, typically governed by a written Partnership Agreement
- Must appoint at least one manager who is a natural person, aged 18 or over and ordinarily resident in Singapore, and who carries personal responsibility for the LLP's statutory filings
- Eligible to conduct commercial activities and generate revenue
- Lighter compliance burden than a company, with no accounts filed with ACRA and no statutory audit, although proper accounting records and an annual declaration of solvency remain required

Tax Treatment

An LLP is not taxed at the entity level. Profits and losses flow directly to the partners, who are taxed according to their respective share of partnership income. Individual partners who are Singapore tax residents are taxed at the progressive personal income tax rates, currently up to 24%, while non-resident individual partners are generally taxed at the flat non-resident rate of 24%. Corporate partners are taxed at the standard 17% corporate rate. Each partner files in Singapore in its own right. Rates current as at the date of publication.

A partner's ability to offset their share of the LLP's losses and capital allowances against other income is limited by reference to their contributed capital, with any excess carried forward to future years. This is worth considering where partners expect losses in the early years.

Because an LLP is tax-transparent, a foreign partner is generally treated as carrying on business in Singapore and becomes directly taxable and filing-liable here. It may also give rise to a permanent establishment, with implications in your home jurisdiction depending on the applicable double taxation agreement with Singapore. We recommend taking advice on this before proceeding.

Variable Capital Company (VCC)

“Singapore's preferred investment vehicle for funds, family offices and asset managers.”

Variable Capital Company (VCC)

The Variable Capital Company (VCC) is a fund-specific entity in Singapore, constituted under the Variable Capital Companies Act 2018. The framework was launched in January 2020. The VCC complements existing fund structures in Singapore and strengthens the position of Singapore as a regional and international financial centre.

VCCs can be set up for new investment activities or existing investment funds can be redomiciled by transferring their registration to Singapore as VCCs. A VCC may be established as either a standalone fund with a single investment strategy, or as an umbrella structure containing multiple sub-funds, each with its own segregated assets and liabilities. This has made it an increasingly popular choice for fund managers, private equity vehicles, venture capital funds, and family office structures.

Why Consider a Singapore Variable Capital Company (VCC)?

For foreign investors and fund managers looking to establish or expand investment operations in Asia, Singapore's Variable Capital Company (VCC) offers a modern and highly flexible fund structure designed to support a wide range of investment strategies.

Key Benefits

Flexible Fund Structuring
A VCC can be established as a standalone fund or as an umbrella structure with multiple sub-funds under a single legal entity. This allows fund managers to operate different investment strategies efficiently while maintaining segregation of assets and liabilities between sub-funds.

Operational Efficiency
By consolidating multiple funds within one umbrella VCC, fund managers can streamline administration, governance, reporting, and compliance requirements, potentially reducing operational costs and complexity.

Enhanced Investor Confidentiality
Unlike traditional companies, shareholder information is not publicly accessible, providing an additional level of privacy for investors while remaining available to regulators and other authorities as required.

Tax Efficiency
Subject to meeting applicable conditions, VCCs may qualify for Singapore's fund tax incentive schemes and benefit from Singapore's extensive network of double taxation agreements, where the VCC qualifies as a Singapore tax resident and the relevant conditions are met.

Flexible Capital Management
The VCC framework allows for easier issuance and redemption of shares, making it particularly well-suited to open-ended investment funds and structures that require regular investor subscriptions and withdrawals.

Strong Regulatory Environment
Operating within Singapore's internationally recognised legal and regulatory framework provides investors with confidence, transparency, and access to a well-established financial ecosystem.

Global Fund Distribution Potential
A Singapore VCC can serve as an effective platform for attracting both regional and international investors, supporting fundraising efforts across Asia and beyond.

A VCC must be managed by a Monetary Authority of Singapore (MAS)-regulated fund manager and is not suitable for ordinary trading, consulting, or operating businesses. A VCC is also audited annually with no small-company exemption, and carries anti-money laundering obligations that are typically outsourced to an eligible financial institution. These should be factored into the running costs.

Branch Office

"Operate in Singapore under your overseas company's existing legal identity."

Branch Office

A Branch Office sits between a Representative Office and a full subsidiary. Unlike an RO, it allows a foreign company to conduct revenue-generating business activities in Singapore while operating under the name and legal identity of the overseas parent company.

A Branch Office does not have separate legal status. The parent company remains fully liable for all debts, obligations, contractual commitments, and legal claims arising from the Branch's Singapore operations. This is an important distinction that affects both risk exposure and ongoing compliance obligations.

Advantages	Considerations
Maintains a single corporate identity across jurisdictions	Parent company assumes unlimited liability for Singapore operations
Can generate revenue immediately upon registration	Ongoing reporting requirements can be more extensive than for a subsidiary
May be preferred in certain regulated industries (e.g. banking, insurance)	Less flexibility for future investment, fundraising, or ownership changes
Suitable where brand continuity across entities is commercially important	Treated as non-resident for tax, so certain reliefs and treaty benefits differ from those available to a Pte. Ltd.

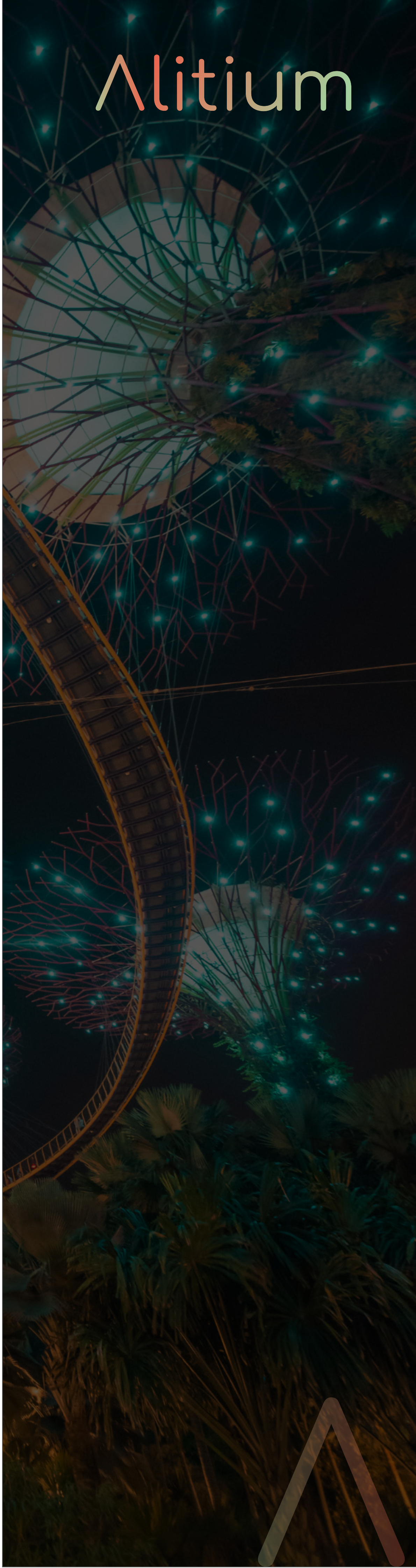
Branch Offices carry heavier ongoing compliance obligations than a Pte. Ltd. Most clients choose a Pte. Ltd. unless there is a specific regulatory or structural reason to use a Branch, for example, requirements in banking or insurance. ACRA registration fee: SGD 300, plus a SGD15 name application fee.

Registration Requirements

Branch Offices are registered with ACRA. The process begins with the reservation of the proposed business name, followed by submission of corporate documentation relating to the foreign parent company.

Key documents typically include:

- Certificate of Incorporation or equivalent registration document of the parent company
- Current constitutional documents or equivalent governing instrument
- Latest audited financial statements of the parent company (where applicable)
- Details of current directors and officers
- Appointment documentation for the Singapore-resident Authorised Representative
- A registered office address in Singapore, which must be accessible to the public during business hours and cannot be a P.O. box
- Certified English translations of any document not originally in English



Representative Office (RO)

“Test the Singapore market before making a long-term investment commitment.”

Representative Office (RO)

A Representative Office allows a foreign company to establish a local presence in Singapore for exploratory purposes, without incorporating a company or creating a taxable business operation. It is a low-risk entry point, useful for understanding market conditions, identifying partners, and assessing regulatory requirements before making a larger investment commitment.

An RO is not permitted to engage in commercial or profit-generating activities. It has no separate legal status, meaning all liabilities remain the responsibility of the foreign parent company.

Permitted

- Conduct market research and feasibility studies
- Gather competitive intelligence and regulatory information
- Attend trade shows and exhibitions
- Liaise with potential customers on behalf of the parent company

Restricted

- Sign contracts or generate revenue of any kind
- Issue invoices or conduct trading activities
- Provide consultancy or professional services for a fee
- Open letters of credit or engage in financing activities
- Undertake marketing and promotional activity aimed at generating sales in Singapore

An RO is not a separate legal entity, the parent company carries full liability for its activities. Representative Offices are approved for one year at a time and require annual renewal. The maximum lifespan is three years, after which the parent company must establish a Pte. Ltd. or Branch Office to continue operating in Singapore. Enterprise Singapore processing fee: SGD 200 per year, on application and on each renewal.

Eligibility Requirements

Enterprise Singapore registers Representative Offices for the manufacturing, international trading, wholesale and trade-related sectors. Other sectors fall under different authorities. To qualify, the foreign parent company must:

- Be at least three years old
- Have an annual sales turnover above USD 250,000
- Propose no more than four employees for the Singapore office

Required Documents

Applications are submitted to Enterprise Singapore and typically require:

- Certificate of Incorporation of the foreign parent company
- Latest audited financial statements
- Details of the proposed activities in Singapore
- Details of the appointed Chief Representative

Documents not originally issued in English must generally be accompanied by a certified translation.

Understanding KYC and AML Requirements

"The checks that shape your establishment timeline, and how to prepare for them."

Understanding KYC and AML Requirements

Singapore's standing as a financial centre rests in part on the rigour of its anti-money laundering framework. For foreign investors, that framework is not a background formality. It is among the most common reasons establishment timelines extend beyond expectations, and it applies at two separate points in the process.

Two Separate Checkpoints

The first is your corporate service provider. Every business providing corporate services in or from Singapore must be registered with the Accounting and Corporate Regulatory Authority and is subject to obligations on anti-money laundering, countering the financing of terrorism, and countering proliferation financing. Providers and their senior management face penalties for breach.

Therefore, before a provider can incorporate your company, act as company secretary, or provide a registered office, it must complete customer due diligence on the people behind the structure. Until that is complete, the provider cannot act, and incorporation cannot begin.

For investors, the practical effect is a documentation exercise at the outset, before any incorporation step can be taken. Where a nominee director is required, the appointment must be arranged through a registered provider that has assessed the individual as fit and proper, which adds lead time.

The second is your bank. Once the company exists, banks and digital providers conduct their own due diligence before deciding whether to approve a corporate account. This is a separate exercise. A bank will not rely on the checks completed by your service provider, and clearing one does not shorten the other.

What Is Being Verified

Both processes examine broadly the same ground:

- Identity of the individuals and entities involved, verified against original or certified documents
- Beneficial ownership, traced through any intermediate holding entities to the individuals who ultimately own or control the company
- Source of funds and, where relevant, source of wealth
- Business purpose, including what the company will do, the markets it will serve, and why Singapore has been chosen as a base

Where documents are not in English, or require certification or notarisation, this should be arranged early. It is a frequent and avoidable cause of delay.

When Enhanced Due Diligence Applies

Most clients are subject to standard due diligence. More detailed enquiry is routine where an individual is a politically exposed person, where the ownership chain is layered or spans several jurisdictions, where significant personal wealth is involved, or where a party has connections to a jurisdiction assessed as higher risk. Enhanced due diligence is a calibration of scrutiny rather than a judgement on the applicant, but it takes longer and asks for more.

Preparing Well

Three things materially shorten the process. Assemble identity, ownership and financial documents before engaging a provider rather than in response to requests. Be able to explain the ownership structure and the commercial rationale for it simply and consistently. And keep information aligned across submissions, since discrepancies between what a service provider holds and what a bank is told will generate queries and extend review.

Opening a Corporate Bank Account in Singapore

"Preparing your business for a smooth banking and compliance process."

Opening a Corporate Bank Account in Singapore

Once your company has been incorporated, the next practical step is establishing a corporate bank account. Singapore offers both traditional banks and a growing range of digital banking providers, each with different requirements, timelines, and suitability depending on the nature of the business.

Any company incorporated in Singapore may apply for a corporate bank account, although approval rests with the bank and is subject to its internal policies and risk appetite. This includes startups, subsidiaries of foreign corporations, and holding companies. The level of KYC and due diligence requirements differs for locally owned and foreign-owned companies.

- **Locally owned companies:** Account opening is usually straightforward. Where the company can be verified through Myinfo Business, some banks approve accounts in one to two days.
- **Foreign-owned companies:** Banks are required to conduct additional due diligence on foreign shareholders, directors, and ultimate beneficial owners. This may involve requesting further documentation, verifying overseas corporate structures, and reviewing the company's proposed business activities. As a result, account opening may take several weeks, and approval is subject to the bank's internal assessment.

Banks prefer to speak directly with the company's directors or key shareholders during the customer due diligence stage. Corporate service providers can assist with preparation, but most banks will always require some form of direct communication with company stakeholders before approval.

Requirements for Opening a Singapore Business Bank Account

All Singapore banks are legally required to perform Know Your Customer (KYC) and Anti-Money Laundering (AML) checks before approving a corporate account. These procedures ensure that only legitimate businesses with transparent ownership are onboarded into the financial system. A KYC process typically includes:

Due Diligence Area	What the Bank Reviews
Verification of stakeholders	Banks confirm the identity, background, and source of wealth of directors, shareholders, and ultimate beneficial owners.
Business purpose assessment	The bank must understand how the company operates, its target markets, transaction patterns, and why Singapore was chosen as a base.
Ownership transparency	Complex or layered structures are subject to additional scrutiny to confirm the actual beneficial owners.
Risk checks	Checks are run for Politically Exposed Persons (PEPs), adverse media coverage, and potential links to sanctioned entities.
Sanctions Screening	Banks screen companies, directors and shareholders against sanctions regimes, and will generally decline where there are links to sanctioned parties or jurisdictions.
Ongoing monitoring	Due diligence does not stop at account opening; banks continuously monitor transactions for unusual or suspicious activity.

Required Documents

Company registration documents: Certificate of Incorporation and Business Profile from Accounting and Corporate Regulatory Authority (ACRA).
Identification of stakeholders: Passport (or NRIC for locals) and proof of residential address for all directors, shareholders, and ultimate beneficial owners.
Board resolution: A formal resolution by the company's directors authorising the opening of the bank account and appointing authorised signatories.
Business plan or description of activities: An overview of the company's operations, target markets, suppliers, and expected transaction volume.

For foreign-owned companies, banks often require:
- Background details of shareholders and beneficial owners (e.g., CVs, professional history);
- Explanation of why the company has chosen Singapore as a base;
- Extra verification steps, usually through a video or in-person meeting with directors or major shareholders.

OPENING A
CORPORATE BANK ACCOUNT IN SINGAPORE

Select The Right Banking Partner

Select a bank that fits your company's needs and business activity profile. Consider minimum balance requirements, multi-currency facilities, international transfer costs, and digital banking features.

Prepare Necessary Documents

Gather the required set of documents. Providing a complete package upfront reduces delays.

Submit Your Application

Applications can usually be filed online. Your service provider can assist with corporate documents, but most banks will require direct involvement from company directors or shareholders.

Participate in KYC Review

Banks may schedule a video call or an in-person meeting with directors or major shareholders to confirm identity, discuss business operations, and verify compliance information.

Wait for Compliance Checks

The bank's compliance team reviews all documentation, background checks, and business details. For locally owned companies that can be verified digitally, this may take a matter of days. For foreign-owned firms, it often requires several weeks.

Account Approval and Activation

Once approved, you will receive your account details and online banking access. Where the account carries a minimum initial deposit, this is the stage at which it must be funded.

A smooth process depends on preparation.
Companies that provide clear information and respond quickly to bank queries usually complete account opening faster.

TRADITIONAL BANKS VS DIGITAL PROVIDERS: **CHOOSING THE RIGHT BUSINESS ACCOUNT**

When establishing a commercial footprint in Singapore, many founders wish to understand the difference between opening a corporate account with a traditional bank and with a digital provider. The right choice depends on your company's needs. For some businesses, a digital account is sufficient, while others also require the full services of a traditional bank.

In practice, many companies start with a digital account for speed and flexibility, then add a traditional bank account later for broader services.

Features	Traditional Banks	Digital Banks & Payment Providers
Services offered	Multi-currency accounts, credit facilities, trade financing, wide range of corporate services	Low-cost digital banking, international transfers, multi-currency management
Account opening	Stricter due diligence, longer onboarding	Faster account setup, lower fees, user-friendly platforms
Best suited for	Established companies with larger transaction volumes, complex needs, heavy cross-border trade	Early-stage start-ups, SMEs, technology firms and e-commerce businesses needing efficient cross-border payments
Account opening timeline	Typically several weeks; may be longer for foreign owned companies	Often within a few business days
Physical Branches	Yes	100% online
Trade Finance & Credit	Comprehensive	Limited (Growing)
Examples	UOB, DBS, OCBC, HSBC, and Standard Chartered, among others	Wise, Aspire, Airwallex
Deposit Protection	Deposit Insurance Scheme administered by the Singapore Deposit Insurance Corporation (SDIC), up to the prescribed limit per depositor	Licensed digital banks may offer the same protection; payment providers are not deposit-taking institutions and instead safeguard client funds with approved financial institutions

How to Avoid Rejection: Tips for Success

Opening a bank account in Singapore is often straightforward, but approval should never be assumed. Banks are required to conduct extensive due diligence and will assess each application based on their own compliance and risk criteria.

Failure to provide sufficient information regarding ownership, business activities, source of funds, or the commercial purpose of the Singapore entity may lead to extended review periods or rejection of the application.

Companies with overseas ownership, complex structures, or limited operating history should expect a higher level of scrutiny and longer review timelines. Preparing comprehensive documentation from the outset can significantly improve the efficiency of the application process.

Business Type	What Banks Typically Assess
Holding Companies	As holding companies typically do not conduct active trading operations, banks will often seek a clear understanding of the business purpose, ownership structure, and source of funds. Details of underlying investments, subsidiaries, or planned investment activities may be required.
Subsidiaries of Foreign Corporations	Banks commonly review both the Singapore entity and its overseas parent company. Additional documentation may be requested, including information on the parent company's business activities, financial position, ownership structure, and management team.
Startups and Newly Established Businesses	Startups generally face greater scrutiny due to their limited operating history. Banks may request business plans, funding details, expected transactions, projected activities, and information demonstrating the commercial viability of the business. Application reviews may take longer than for established businesses.

Hiring Foreign Talent in Singapore

"Understanding employment passes, work authorisation and workforce planning."

Hiring Foreign Talent in Singapore

Foreign nationals who intend to work in Singapore require a valid work pass before commencing employment. The two most relevant options for business owners, senior executives, and skilled professionals are the Employment Pass and the Overseas Networks & Expertise Pass. Other passes, including the EntrePass for founders and the Personalised Employment Pass, may suit particular circumstances.

Employment Pass (EP)

The Employment Pass is Singapore's primary work authorisation for professionals, managers, executives, and specialists. Candidates must meet a minimum qualifying salary, which varies by sector and rises with the candidate's age, and the application is then assessed under the Complementarity Assessment Framework (COMPASS), a points-based system that considers salary competitiveness, educational qualifications, workforce diversity, and the employing company's commitment to local talent development. Both the salary thresholds and the assessment criteria are reviewed periodically.

Employment Pass applications are submitted by the sponsoring Singapore company. Newly incorporated businesses or companies with limited operating history may be subject to additional documentation requirements during the assessment process.

Before submitting an application, employers are generally required to advertise the role on the MyCareersFuture portal and to consider all candidates fairly under the Fair Consideration Framework. Certain roles and employers are exempt from the advertising requirement.

Employment Pass holders earning above the applicable minimum salary may also be eligible to sponsor family members to relocate to Singapore through Dependant's Passes, allowing business owners and senior executives to establish both their professional and personal lives in Singapore with relative ease.

Overseas Networks & Expertise Pass (ONE Pass)

For highly accomplished founders, business leaders, researchers, and global talent, Singapore offers the Overseas Networks & Expertise Pass (ONE Pass), designed for individuals with exceptional achievements or significant international experience.

Key advantages of the ONE Pass include:

- Five-year pass validity.
- Freedom to work for multiple companies simultaneously.
- Ability to start and operate businesses while remaining employed.
- No requirement to reapply when changing employers.
- Simplified work authorisation options for spouses.
- Not subject to COMPASS assessment or job advertising requirements.

For entrepreneurs and senior executives expecting to hold multiple business interests in Singapore, the ONE Pass offers significantly greater flexibility than a standard Employment Pass.

Central Provident Fund (CPF)

Singapore's CPF is the mandatory social security and retirement savings scheme. Employers are required to make CPF contributions for employees who are Singapore Citizens or Permanent Residents. CPF contributions do not apply to foreign employees holding Employment Passes or other work passes.

For employees aged 55 and below, the total CPF contribution rate is 37% of eligible wages, comprising 17% from the employer and 20% from the employee through payroll deduction. As of 2026, the monthly Ordinary Wage ceiling is SGD 8,000.

Businesses should factor employer CPF contributions into workforce planning and remuneration budgets when hiring Singapore Citizens and Permanent Residents.

How to Approach Your Singapore Decision

"Alitium's Practical Advice for a Successful Application"

How to Approach Your Singapore Decision

Having assisted numerous foreign investors and business owners establishing operations in Singapore, we find that the decisions which matter most are taken early, and rarely in isolation from one another.

The following is how we would suggest approaching them.

Choosing the right vehicle

The choice of entity follows from what you intend to do in Singapore. Consider the activities the business will carry on and your corporate strategy for the market over the medium term. The comparison table at the beginning of this guide sets out the practical differences between the five vehicles available.
Three further considerations bear on that choice and are easily deferred too long. Your talent strategy determines whether the vehicle needs to sponsor work passes, and at what scale, which is addressed in Hiring Foreign Talent in Singapore.

The tax position differs meaningfully between vehicles, particularly on residence, available exemptions and access to Singapore's treaty network. And the governance relationship between the parent and its Singapore presence determines where risk sits: a subsidiary contains it within Singapore, while a branch or representative office leaves it with the parent.

Planning for AML/CFT/PF from the outset

Anti-money laundering, counter-terrorism financing and counter-proliferation financing requirements are among the most common reasons why establishment timelines extend beyond expectations. Understanding them early allows you to plan realistically. These are set out in Understanding KYC and AML Requirements.

We would not suggest simplifying commercial plans to accommodate a compliance process. What helps is preparation:

- Clear information on the ownership structure,
- Documentation ready to evidence ultimate beneficial owners and key officers,
- Transparency around the sources of funding
- Prompt responses to information requests.

Structures can be as complex as the commercial position requires, provided they can be explained and evidenced.

Selecting the right banking partner

Banking is the step most often left until last, and the one most likely to determine when the business can begin operating in practice. Providers differ in risk appetite, service range and onboarding speed. A provider whose profile does not fit the business will take longer to reach a decision or will decline.

In practice, many companies open a digital account first, which is generally faster to establish and sufficient for early operations, and add a traditional bank account later as the business requires broader services such as trade finance or credit facilities. Sequencing the two this way allows the business to begin transacting sooner, without foreclosing the fuller banking relationship. The comparison in Opening a Corporate Bank Account in Singapore sets out the broad differences between the two.

None of these decisions is difficult in isolation. Taken together, and taken early, they determine how quickly a Singapore entity moves from incorporation to operation. Alitium's advisers are available to work through them with you.

Contact

We hope this guide serves as a practical resource for businesses and investors considering Singapore as a base for their regional or international operations.

Establishing a business in Singapore requires careful planning, a clear understanding of the country's legal and regulatory framework, and a well-structured approach to implementation. While the incorporation process is straightforward, making the right decisions from the outset can provide a strong foundation for sustainable growth and long-term success.

With extensive experience advising international businesses across Singapore, Vietnam, and Malaysia, Alitium helps clients establish their operations, navigate legal, tax, accounting, HR, and compliance requirements, and build effective regional structures. Contact our team to discuss how we can support your business expansion into Singapore and across Asia with confidence.

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Phuong is a Vietnamese-qualified lawyer, who spent 12 years leading the licensing and legal services division at an international market entry specialist, before founding Alitium.

Phuong has extensive experience supporting international organisations, including representing numerous foreign governments, listed companies from dozens of markets, and multi-national organisations from across the globe.

She has broad exposure to all facets of market entry, governance and compliance for foreign companies, and understands the needs to develop compliant yet commercially practical solutions for client needs.

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With over 20 years of experience in accounting, tax, and business advisory, Ms. Phung has supported numerous businesses in effectively addressing complex issues. Holding CPA and CA certifications, along with dual Bachelor's degrees in Accounting & Auditing and Enterprise Law, she seamlessly combines financial expertise with legal insight in her advisory solutions.

Her approach focuses on listening carefully to and understanding each client's unique needs, from which she develops tailored solutions that ensure legal compliance and optimise efficiency.

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Matthew has more than 30 years' professional services experience, with 20 of this in Vietnam. He previously established and led a services firm in Vietnam supporting foreign investors that grew to 150 staff, and which was rolled into a regional group.

Matthew is an Australian Chartered Accountant, and is renowned for his understanding and application of Vietnamese structures, compliance and strategies for foreign investors. His practical advice and experience in market brings value to any client wishing to operate in Vietnam.

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Jessy is a Malaysian-qualified lawyer (non-practising) and Barrister-at-Law (England & Wales) with an MBA from the University of Strathclyde. She brings over a decade of legal and business consultancy experience, specialising in market entry and commercial operations across the region. At Alitium, Jessy leads the Malaysia and Singapore desks while driving the firm's strategy for regional growth.

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