

Hertfordshire Chamber of Commerce joint webinar with The British Chamber of Commerce Singapore

Opportunities for trading with Singapore - Webinar

Presented By:

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Agenda

- **Expanding your Business to Singapore**
 - Opportunity post Brexit
 - Why Singapore?
 - Matters to consider before opening a business in Singapore
 - Current trends and news around companies opening up in Singapore
 - Main challenges to be aware of when doing business in Singapore



About Vistra

With a laser focus on minimising risk and enhancing efficiencies, Vistra provides expert advisory and administrative support to Fund, Corporate, Capital Market and Private Wealth clients; helping capital flow, protecting investors and safeguarding assets across multiple industries.

4,600+

Total number of employees

203,729+

Structures under management

46

Jurisdiction presence



Our Vistra network

Where you can find us

Network at a glance

4600+
employees

46
jurisdictions



Vistra Company Information (as of July 2019)

**Over 208,900
structures under
management**

**Over 4,300
employees**

**Global presence
across 46
jurisdictions**

**'Top 3' corporate
and trust service
provider
globally**

**Over
US\$294 billion
AUA**

Economic Environment - Post Brexit

- ❑ The opportunity for British businesses to trade globally is seen as one of the main advantages of leaving the EU.
- ❑ Brexit has the potential to fundamentally reshape the UK economy.
- ❑ Global markets will be opened up to British exporters, with the EU no longer being the most obvious destination for British goods.
- ❑ Major players like China and the US, growth markets in Asia and Latin America represent untapped potential for British businesses in a post-Brexit world.

RESULT OF THE BREXIT REFERENDUM



Source: Home Office Electoral Commission

Business Outlook - Looking East - Asia

- ❑ One of the World's key emerging markets.
- ❑ Markets are still developing.
- ❑ Unlike established market in US and Europe, emerging economies provides room for innovation and unique opportunities.

Asia is expected to grow by around 5.5 percent this year, accounting for nearly two-thirds of global growth, and the region remains the world's most dynamic by a considerable margin. ... China's growth is projected to ease to 6.6 percent, partly reflecting the authorities' financial, housing, and fiscal tightening measures. Growth in Japan has been above potential for eight consecutive quarters and is expected to remain strong this year at 1.2 percent. And in India, growth is expected to rebound to 7.4 percent."

Source:

- Regional Economic Outlook: Asia Pacific, International Monetary Fund, May 2018



Selecting a business location

Why Singapore?

Legal Framework

- Common law framework which is similar to UK
 - Singapore is a republic with a parliamentary system of Government based on the Westminster Model. The roots of Singapore's legal system can be traced back to the English legal system and it has evolved over the years. Our sources of law are derived from our Constitution, legislation, subsidiary legislation (e.g. Rules and Regulations etc) and judge-made law.
- Strong intellectual property laws
 - Singapore is ranked second in the world and top in Asia for having the best IP protection in the World Economic Forum's Global Competitiveness Report 2019. Overall, Singapore is ranked first as the world's most competitive country.
 - Singapore is ranked fourth on the International Property Rights Index 2019, which measures the strength of a country's property rights regime, including both intellectual and physical property rights.



Favourable Factors

Singapore – An attractive Business Destination

Business friendly environment

- Strategic location being a gateway to Asia Pacific
- World class global logistic network
- Low barrier of entry
- Leading innovation centre in Asia
- Advance manufacturing hotspot
- Gain access to incentives for your R&D activities and grants that can help your business expand and improve efficiency, or for skills upgrading of your employees.
 - Research Incentive Scheme for Companies (RISC)
 - Pioneer Certificate Incentive (PC) & Development and Expansion Incentive (DEI)
 - Finance & Treasury Centre (FTC) Incentive
 - VCC Grant Scheme

World bank ease of doing business ranking

Rank	Economy	DB score
1	New Zealand	86.8
2	Singapore	86.2
3	Hong Kong SAR, China	85.3
4	Denmark	85.3
5	Korea, Rep.	84.0

Source: Doing Business Database



Favourable factors

Business Environment

Political Stability

- Stable and corruption free government
- Natural destination for regional HQ due to instability in APAC region



PUBLISHED JUL 12, 2020, 4:23 PM SGT



SINGAPORE - Some 2.54 million Singaporeans went to the polls to vote in the country's 13th general election last Friday (July 10).

Dubbed a "Covid election", the muted election saw the opposition win several contested seats. But it ceded, besides Aljunied, to the Workers' Party, which has

PUBLISHED JUL 12, 2020, 5:00 AM SGT



The Straits Times Picture Desk brings you a look at how the election shook the political scene.

PM Lee congratulates WP leader Pritam, who vows party will remain loyal to Singapore

Tham Yuen-C Senior Political Correspondent

An unusual and hard-fought election, in which the opposition made significant gains, gave way to a sense of solidarity yesterday as political parties and politicians set aside their differences

PUBLISHED OCT 25, 2019, 7:59 AM SGT | UPDATED OCT 25, 2019, 8:08 AM



SINGAPORE (BLOOMBERG) - More than four months of unrest in Hong Kong is proving to be a blessing for Singapore, a long-time rival to the title of Asia's pre-eminent financial centre.

Hotel occupancy rates are at an all-time high, one of the most visible signs that Singapore is gaining as unrest deters visitors to Hong Kong. There's also been a pick up in luxury home sales, gold storage and foreign currency deposits - all of which could increase substantially depending on how long the protests drag on.

While the estimated US\$4 billion (S\$5.45 billion) that moved over to Singapore from April to August is "very miniscule" compared with Hong Kong's US\$1.7 trillion in total deposits, the "trend will likely continue as the situation worsens in Hong Kong," said Ju Ye Lee, a Singapore-based economist with Maybank Kim Eng Securities.

(WP)
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Matters to consider before opening a business in Singapore

Choosing an entity structure

	Private Limited	Partnership	Branch	Representative office	Variable Capital Company (“VCC”)	Sole Proprietor
Description and features	<p>Private Company Limited by Shares</p> <ul style="list-style-type: none"> Up to 50 shareholders. Separate legal entity from their shareholders. <p>Public Company Limited by Shares</p> <ul style="list-style-type: none"> can have more than 50 shareholders. May raise capital by offering shares or debentures to the public Separate legal entity from their shareholders. 	<p>Partnership is a business owned by 2 to 20 partners.</p> <ul style="list-style-type: none"> Does not have a separate legal entity from the partners The partners are personally liable for all the debts and losses of the partnership <p>Limited Liability Partnership (“LLP”)</p> <ul style="list-style-type: none"> Gives owners the flexibility of operating as a partnership while having a separate legal identity like a private limited company 	<p>An extension of the parent company.</p> <ul style="list-style-type: none"> Does not have a separate legal entity. Parent company will be liable for its liabilities Need at least 2 local agents 	<p>A temporary setup of the parent company to explore the viability of doing business in Singapore.</p> <ul style="list-style-type: none"> Parent company will be liable for its liabilities Need a local chief representative of the parent company 	<p>The Variable Capital Company (VCC) is a corporate structure for investment funds. A VCC has a variable capital structure that enables the issuance and redemption of its shares.</p> <ul style="list-style-type: none"> Can pay dividends out of capital Can be set up as a single standalone fund or an umbrella fund with two or more sub-funds, each holding a portfolio of segregated assets and liabilities 	<p>A sole proprietorship is a business that can be owned and controlled by an individual, a company or a limited liability partnership. There are no partners in the business.</p> <ul style="list-style-type: none"> It is not a separate legal entity from the business owner The business owner has unlimited liability The business owner can sue or be sued in the his/her own name
Capital requirement	SGD 1, however need to tie up with the type of operations to be conducted in Singapore	As mutually agreed among the partners	SGD 1, however need to tie up with the type of operations to be conducted in Singapore	SGD 1, however need to tie up with the type of operations to be conducted in Singapore	SGD 1. Actual value of paid up capital is always equal to its nets assets.	NA
Incorporation timeline	2 weeks to a month	2 weeks to 2 month	2 weeks to a month	2 weeks to a month	Min 2 weeks	1 day



Issues to note when doing business in Singapore

Compliance obligations

– Requirement of a name Company Secretary.

- A Company Secretary is required to be appointed within 6 months of its incorporation. He/She must be residing in Singapore.

Registered Office

- At all times, the Company is required to have a Registered Office in Singapore which must be open and accessible to the public for not less than 3 hours in a business day.

– Requirement for a resident director.

- A Singapore registered company must have at least one director who must be a Singapore Citizen, a Permanent Resident of Singapore or an employment pass holder with his/her pass issued by the Singapore Authorities under the name of the company.

– Annual General Meeting (AGM)

- A private company must hold its AGM within 6 months from its financial year end; however it may not hold its AGM if all members have approved a resolution to dispense with the holding of its AGM; or if the company have sent the financial statements to all members within 5 months from the financial year end.



Tax Obligations in Singapore

Main Type of Taxes in Singapore:

Direct Tax: Corporate Tax

Personal Tax

Indirect Tax: Goods and Service Tax (GST)

Accounting and Tax regime

- Accounting standards
 - Singapore Financial Reporting Standards (“SFRS”) are based on the International Financial Reporting Standards (“IFRS”)
- Low taxes (from YA2020)
 - Corporate headline tax rate of 17%
 - Double tax agreements (DTAs) signed with over 80 different countries
- Goods and Service Tax
 - Mandatory if the annual sales revenue breached S\$1million

Income	Companies operating > 3 years or more (Tax Rate)	Companies operating < 3 years (Tax Rate)
Tax rate on corporate profits for up to SGD 200,000	Effective tax rate at 8.29%	Effective tax rate at 6.38%
Tax rate on corporate profits above SGD 200,000	17%	17%
Tax rate on dividend distribution to shareholders	0%	0%
Tax rate on foreign-sourced income brought into Singapore	0 – 17% subject to conditions	0 – 17% subject to conditions



Other considerations....

Manpower & Mobility

Global Talent Pool

- Technology can only advance a business to a certain extent. It is the people that Organization hires that will make the difference.
- Recent Global Talent Competitiveness Index ranks Singapore third in the world and the only Asian country in the top 10 when it comes to attracting talent. *(Source: The Global Talent Competitiveness Index 2020 by INSEAD, the Adecco Group, and Google Inc)*
- Singapore's diverse population is among the most Western-friendly in all of Asia, with cultural and language barriers — English, one of four official languages in Singapore, is widely spoken — managers from the U.S. and Europe find it easy to assimilate their workforce here. *(Source: Singapore flexes its standing as Asia's technology Capital by Singapore Economic Development Board ("EDB") in partnership with Wired Brand Lab)*

Employment Passes

- ❖ Singapore issues employment passes to foreigners to work in Singapore. Employment passes that will be viewed favourably by the Ministry of Manpower generally covers the following:
 - Type of positions – should be Senior positions with technical expertise.
 - Type of industries – Favoured industries such as pharmaceutical, IT, AI, Aeronautical etc.
 - Years of Experience – Years of experience should commensurate with the required positions in Singapore



Questions and Answers

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Director Business Development



Ferris has more than 10 years of professional experience in the field of corporate turnaround, forensic accounting and financial advisory.

He started his career as an auditor with a Big 4 accounting firm servicing clients across many sectors including shipping, oil and gas, distribution, construction, and manufacturing. He later joined KordaMenthaNeo, an Australian business advisory firm where he was involved in advisory engagements across corporate restructuring, complex forensic investigations including but not limited to, management/employee fraud, shareholders' dispute, breach of directors' duties, Foreign Corruption Practice Act ("FCPA") etc. At KordaMenthaNeo, he also co-authored forensic article for Compliance Insider, Titled: "FCPA - are financial institutions next on the chopping block", Year 2010.

Prior to joining Vistra Group, Ferris was with a global service provider helping companies to expand into Singapore and the rest of the world. His experience has help many companies navigate through the complexities of global expansion and establish their global footprints smoothly. By doing so, it allows the management to be focus at what they do best which is growing their business. Before that, Ferris was also the CFO of a SGX listed company. His responsibilities include planning and coordinating the accounting and finance activities for the group, including but not limited to determining the key performance indicators, risks of control, the inherent risks of the Group's subsidiaries' business processes and mitigating these risks. Ferris was also instrumental in the implementation of the enterprise risk management system.

Ferris holds a Bachelor of Business (Economics and Finance) from Royal Melbourne Institute of Technology. He is a member of the Association of Chartered Certified Accountants, UK and a member of the Institute of Singapore Chartered Accountants. Due to the nature of work in the forensic field previously, he was also a certified Private Investigator.

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Thank you

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