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## Guide to Statutory Compliance for Singapore Companies

Once a company is duly registered with ACRA, it is required to comply with the requirements of both the Companies Act and Tax Act, such as determination of financial year end and the appointment of auditor. It may also be required to apply for extra licences or permits before it could carry out certain regulated business. This article will introduce the general statutory compliance requirements for Singapore private limited companies.

### 1. Filing Requirements

According to the Singapore Companies Act, companies must comply with the annual filing requirements to the Accounting and Corporate Regulatory Authority (ACRA) and the Inland Revenue Authority of Singapore (IRAS). It is important to note that annual filings are mandatory for both active and dormant Singapore companies. In other words, it does not matter whether your Singapore company has commenced business or not, or whether it is dormant during the financial year.

### 2. Financial Year End

Each company in Singapore has to determine its Financial Year End (FYE) or the completion of an accounting period. Similar to Hong Kong, the Singapore Companies Act does not impose any restrictions in respect of the financial year end. A company can choose to have its financial year end to fall on 31 December, 31 March, 30 June, or any other day that the directors think fit. Most companies use either the end of the calendar year (December 31) or the end of any of the quarter (March 31, June 30, or September 30) as their fiscal year end date.

It is best to keep the company's FYE within 365 days in order to enjoy the Zero Tax Exemption for new start-up companies. Currently, all new start-up companies are entitled to full tax exemption on the first \$100,000 of normal chargeable income for its first three consecutive year of assessments.

### **3. Appointment of Auditors**

All Singapore companies must appoint an auditor within 3 months from the date of incorporation, unless exempted from audit requirements. To be exempted from audit requirements, a company must satisfy all of the following criteria:

- (1) The Company does not have any corporate shareholder;
- (2) Total number of individual shareholders must be less than 20;
- (3) Annual turnover of the company must be less than S\$5 million.

### **4. Company Registration Number Disclosure**

The Companies Act requires every company to have the Company registration number, known as Unique Entity Number (UEN), stated clearly on its business letters, statements of account, invoices, official notices, publications, etc.

### **5. Notification of Changes**

It is the company's responsibility to update the Registrar (ACRA) of any changes in the company pertaining to the company's shareholders, share capital and officers within the stipulated time. Failure to do so will result in penalties.

### **6. Business Licenses and Permits**

Some business activities in Singapore are subject to regulation by government authorities. The mere registration of your company does not entitle to carry out those regulated business unless you have the necessary approval or license from the relevant government authorities.

### **7. Registered Office Hours**

All Singapore companies must have a registered office address in Singapore and the office must be opened to public for minimum of three hours per day during normal business hours on weekdays. Postal office is not accepted as address of registered office.

### **8. Central Registration (CR) Number**

If your business activities involve the import and export or trans-shipment in and out of Singapore, your company will have to register with the Singapore Customs and obtain a CR Number.

## 9. Singapore Goods and Services Tax Registration

Goods and Services Tax (GST) is a tax on the supply of goods and services in Singapore and on the import of goods into Singapore. GST is similar to Value Added Tax in the Mainland China or Business Tax in Taiwan. Goods exported from Singapore and international services provided from Singapore are exempt from GST. The current GST rate is 7%.

All Singapore companies must register for GST if their annual taxable revenue is more than SGD1 million, or currently making taxable supplies and the annual taxable revenue is expected to be more than SGD1 million. The business must register for GST within thirty days from the time it is deemed liable.

You may also choose to register for GST voluntarily. Approval for voluntary registration is at the discretion of the Comptroller in IRAS. Once approval is given, you must remain registered for at least two years.

## 10. Registration with Singapore Central Provident Fund (CPF) & SDF

The Central Provident Fund or CPF is a compulsory pension fund scheme in which the employer and employee contribute a percentage of the monthly salary to the fund. CPF contribution by the employer is mandatory for all local employees who are Singapore citizens or Singapore permanent residents earning more than SGD50 a month. The maximum CPF contribution rate for employer and employee is 16% and 20% respectively and can be lower depending on certain factors such as employee age, permanent resident status, etc.

All work passes and employment pass holders are exempt from CPF contributions. However, the employer (company) is required to contribute a fee to the skills development fund (SDF). SDF contribution is payable by employers for all employees up to the first SGD4,500 of gross monthly remuneration at the rate of 0.25% or SGD2, whichever is higher.

If you wish to obtain more information or assistance, please browse the official website of Kaizen Certified Public Accountants Limited at [www.bycpa.com](http://www.bycpa.com) or send email to [enquiries@bycpa.com](mailto:enquiries@bycpa.com). or call and talk to our professional consultants.