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## Singapore Company - Procedures and Fees for Transfer of Shares

*Unless otherwise indicated, the Singapore company mentioned anywhere in this quotation refers to a private company limited by shares incorporated in accordance with the Singapore Companies Act.*

### Summary

When a shareholder of a Singapore registered private company transfers part or all of his shareholding to other shareholders or any other third party, a set of share transfer documents must be signed by both the transferor and transferee and presented to the Inland Revenue Authority of Singapore (IRAS) for stamping and also pay a stamp duty calculated based on the consideration or net asset value of the company. Then a new share certificate is issued to the new shareholder and his name be entered into the Register of Members.

Our fees for handling the transfer of share(s) of a private company registered in Hong Kong are SGD300 for the first transfer and SGD180 for the second and thereafter. Our fees cover the preparation of share transfer documents (other than share transfer agreement), arrangement to have the documents stamped and payment of stamp duty etc.

The process for transfer of share normally takes 2 to 3 working days, started from the day we receive the duly signed transfer documents. Same day service is available for an extra service fee of SGD100.

After the completion of transfer, the company will need to notify the Accounting and Corporate Regulatory Authority (ACRA) and the particulars of the new shareholder will be readily available for public inspection in the online platform maintained by ACRA.

If the share transfer is a transfer between members within a group of companies, stamp duty on the transfer can be exempted upon application. Kaizen can handle the application for exemption upon request.

## 1. Services and Fees for Share Transfer

Our fees for handling the transfer of share(s) of a private company registered in Singapore are SGD300 for the first transfer and SGD180 for the second transfer and thereafter. The fees quoted above cover the following services in particular:

- (1) Review **Articles of Association** of the subject company and the Register of Members;
- (2) Prepare Minutes of Directors' Meeting and Share Transfer Instrument;
- (3) Arrange to have the board minutes or resolution and other share transfer documents signed by the director and outgoing and incoming shareholder;
- (4) Arrange to have the Instrument of Transfer executed and stamped by **IRAS** and payment of stamp duty;
- (5) Arrange to cancel the old share certificate held by the existing shareholder and issue new share certificate to the new shareholder (and existing shareholder);
- (6) Update the Register of Members;

When counting the number of transfers, the transfer of shares from one shareholder to another person is counted as one transfer. The transfer of shares from one person to two persons or from two persons to one person are counted as two transfers.

Please note delivery charge and **stamp duty** are not included in the fees stated above. A detailed illustration of the calculation of stamp duty is provided in Section 4 of this quotation. Group relief for stamp duty is available.

Our fees stated above also does not cover the drafting of share transfer agreement or document of similar nature. Kaizen can draft or arrange the preparation of share transfer agreement if so request. Our fees for this service will be quoted separately upon request.

## 2. Documents and Information needed to be Provided by Clients

In order to enable us to prepare the documents for transfer of shares, we need to have the following information and documents:

- (1) A copy of Articles of Association of the subject company;
- (2) A copy of the latest BizFile of the subject Singapore company;
- (3) The latest Register of Members;
- (4) The number of shares to be transferred and the value of consideration;
- (5) The name of the seller (Transferor);
- (6) A copy of the passport or identity card and residential address of the new shareholder (transferee);
- (7) The original copy of the share transfer agreement, if any;
- (8) A copy of the latest audited financial statements (and/or latest management accounts certified by the director or secretary of the company).

If Kaizen is acting as company secretary and auditor of your Singapore company or is updating the books of accounts for you, then you only need to prepare items (4) to (6) and/or (7).

### 3. Procedures and Time Frame for Share Transfer

The procedures for the transfer of shares in a Singapore private company are as follows:

- (1) Client provides the information and documents required for the transfer as listed in Section 2 above;
- (2) Kaizen prepares the Instrument of Transfer (or share transfer form) and board minutes;
- (3) Kaizen then arranges the transferor and transferee to sign the transfer documents;
- (4) Kaizen delivers the transfer documents together with the supporting documents to the IRAS for execution and payment of stamp duty;
- (5) Kaizen then prepares new share certificates and update the Register of Members
- (6) Kaizen arranges to deliver the duly completed documents to client.

In any case that the client (both the transferor and transferee) could come to our Singapore office to sign the share transfer documents, the whole process could be done in one day with our Rush Service at a fee of SGD100.

### 4. Calculation for Stamp Duty on Transfer of Shares

At the time of transfer of share in a Singapore company, the transferee need to pay a stamp duty at 0.2% on the amount of consideration or new asset value of the company, whichever is higher.

The amount of stamp duty to be paid is calculated as following:

*(Net asset value (NAV) of the subject company x the percentage of interest to be transferred)*  
*x 0.2%, or*

*Amount of consideration x 0.2%*

Example 1:

If the subject company has net assets of SGD1,000,000, and the percentage of interest to be transferred is 50% (that is, 50% of the number of issued shares), then the amount of stamp duty payable by transferee would be:

***SGD100,000 x 50% x 0.2% = SGD1,000***

Example 1:

If the subject company has net assets of SGD1,000,000, and the percentage of interest to be transferred is 50% (that is, 50% of the number of issued shares). However, the transferor and the transferee agreed on a consideration of SGD2,000,000 for the shares to be transferred. Then the amount of stamp duty payable by transferee would be:

***SGD2,000,000 x 0.2% = SGD4,000***

When a transfer of share happens within a group of companies, no stamp duty is to be paid. For example, shares are transferred from A Pte Limited to B Pte Limited and both A and B are both wholly owned subsidiary of C Pte Limited. In this case, the transferee can apply for group relief and be exempted from paying stamp duty on the transfer.

## 5. Documents to be Returned to Client after Processing

The following documents will be returned to client as proof of transfer:

- (1) Stamped Instrument of Transfer;
- (2) Updated Register of Members;
- (3) Updated Register of Transfers;
- (4) Board Minutes authorizing the transfer(s);
- (5) Share certificate(s);
- (6) A copy of the latest BizFile (company registration particulars);

*If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at [www.kaizencpa.com](http://www.kaizencpa.com) or contact us through the following and talk to our professionals:*

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