

Shenzhen, China Rooms 1203-06, 12/F. Di Wang Commercial Centre 5002 Shennan Road East Luohu District, Shenzhen T: +86 755 8268 4480	Shanghai, China Room 603, 6/F., Tower B Guangqi Culture Plaza 2899A Xietu Road Xuhui District, Shanghai T: +86 21 6439 4114	Beijing, China Room 303, 3/F. Interchina Commercial Bldg. 33 Dengshikou Street Dongcheng District, Beijing T: +86 10 6210 1890	Taipei, Taiwan Room 303, 3/F. 142 Section 4 Chung Hsiao East Road Daan District, Taipei T: +886 2 2711 1324	Singapore 138 Cecil Street #13-02 Cecil Court Singapore 069538 T: +65 6438 0116	New York, USA 202 Canal Street Suite 303, 3/F. New York NY 10013, USA T: +1 646 850 5888
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Guide to Relocating/Settling Down in Singapore

Singapore is considered by many investor/business owner as the gateway to ASEAN by having one of the lowest corporate tax rates and the government business-friendly policies make its easy for foreign companies to relocate or set up their office in Singapore.

A number of famous entrepreneurs (UK billionaire James Dyson and the owner of Haidilao Hot Pot Zhang Yong) had relocate their headquarter/office to Singapore in order to take advantage of the great number of business opportunities and benefits it offers.

This article will give you an overview on the reason to relocation to Singapore, the procedure as well as how to settle down in Singapore.

1. The Advantages of Singapore

(1) Extensive Double Tax Treaties

Singapore has an extensive network of double tax agreements (DTA), with more than 80 countries across the globe. The key benefits of a DTA will be:

- (a) The avoidance of double taxes;
- (b) Lower withholding taxes; and
- (c) Preferential tax regime.

This extensive DTA network, coupled with the absence of capital gains and dividend tax, makes Singapore a very attractive jurisdiction for business investment through a Singapore incorporated holding company.

(2) Straightforward and Attractive Tax Regime

Singapore's tax system is straightforward, easy to understand and investor friendly. The main attractiveness of the tax system is i) corporate income tax rate is at a flat rate 17% (one of the lowest in Asia), ii) no capital gain tax, and iii) dividend income received from Singapore resident company is exempted from tax.

For foreign investors that establish a Singapore holding company to acquire share or assets in (or outside) Singapore. The primary tax advantages that could arise are as follows:

- (a) Group relief arising from the option to transfer current-year losses, current year unabsorbed capital allowance and donation within qualifying group companies (i.e Singapore incorporated companies) may be available.
- (b) Foreign-sourced dividend, foreign branch profits and foreign-sourced service income which are taxable when received in Singapore by a Singapore resident company, maybe exempted from Singapore tax where certain conditions are met.
- (c) Gain on disposal of Singapore or foreign investments/assets are not subject to Singapore tax where the gains are capital gains because Singapore has no capital gains tax regime.

(3) Robust Economy

Singapore is one of the best financial hub in the world with highly developed free-market economy. Singapore's per capita GDP reached approximately USD65,000. On top of that, Singapore is considered as one of the least corrupt country.

(4) First-Class Infrastructure

Singapore possessed a strategic geographical location to position itself as the connecting hub that connects Asia to the world. As a result of this, Singapore has one of the most bustling international trade ports in the world. Singapore also developed a top-notch and comprehensive public transportation systems that enable its resident to travel to every parts of the country at ease without the need of motor vehicle.

(5) Availability of Skilled and Multilingual Workforce

As one of the most affluent and safest city in Asia, a lot of skilled and enthusiastic individual from across the globe has relocated to this metropolitan. The ability to attract foreign talent has made Singapore to be in possession of one of the most productive and motivated workforces in the region.

The population of Singapore originate from diverse racial backgrounds, giving it the capacity to offer workforce solutions requiring multilingual and multicultural sensitivities.

(6) Stable Political Environment

Among its neighbors in the Southeast Asia or even Asia, Singapore is renowned for having one of the most stable political environment, clean and corruption-free image, as well as its transparent and efficient bureaucracy.

(7) Efficient Judicial System

Corruption in Singapore is generally recognised as one of the lowest in the world, thus allowing business owners to conduct business without fear of bureaucratic manipulation. Aside of low corruption, Singapore is well known for its persistently low crime rate and high personal safety.

(8) Smart Immigration Policies

In line with the liberal immigration policies of Singapore, a variety of visa schemes have been introduced to attract foreign entrepreneurs and working professional in order to strengthen its local workforce with high level of talent from across the globe.

(9) Retirement Benefits

Central Provident Fund (CPF) is a social security scheme in Singapore, unlike pension systems in other countries, CPF is a 3-in-1 system which helps Singaporean save for retirement income, housing and healthcare. CPF only eligible for Singapore citizens and Singapore permanent residents.

The minimum retirement age in Singapore is 62 years, however employers must offer re-employment to eligible employees who turn 62, up to age 67, to continue their employment in the organisation. This is to help older workers who wish to continue working as long as you are willing and able.

2. Housing in Singapore

Generally, housing in Singapore is divided into two broad categories which are private property and government-subsidised property (referred as “HDB”).

There are no restrictions on non-citizens renting a residential unit (except for HDB flats which have a minimum occupation period). Engaging a local property agent who can protect your interests and help in finding a house is always a good idea.

If you are in Singapore for short-term, serviced apartment are a convenient alternative. Generally, popular residential areas in Singapore are district that close to the Central Business District or close to MRT station (Mass Rapid Transit). These areas may offer higher monthly rental.

If you are planning to make Singapore your long-term home, buying a house can also be a consideration. While HDB flats are sold only to citizens and permanent residents, there are no restrictions on non-citizens buying a private apartment or condominium unit.

Renting in Singapore has always been straight forward and fairly easy. Before engaging a local agent, it would save both of you time and effort if you understand and communicate your requirements.

3. Healthcare in Singapore

Singapore has first-class medical expertise and cutting-edge medical equipment. There over 1,400 private medical clinics spread across the island and 8 public hospitals. Singapore healthcare system was ranked 6th according to WHO's research. Singapore was renowned as the first medical destination in Asia when it comes to complex medical operations such as organ transplantation.

As regards to medical insurance, citizens and permanent residents enjoy the benefits of government backed insurance policy (Medisave, Medifund and MediShield Life). Foreigner may consider buying private health insurance or their company's group health insurance.

4. The Procedures for Relocating to Singapore

(1) Migrate to Singapore

The Singapore Economic Development Board introduced difference scheme to encourage foreign investor to migrate to Singapore.

(a) Global Investor Program (GIP)

GIP is a permanent residency scheme specially designed for those high net worth investors who wish to relocate to Singapore. An individual can get a PR status if he fulfils the eligibility criteria and invests in business sectors that are approved by the GIP. Spouse and unmarried children who are below 21 years old as at the date of application are eligible to apply for SPR under the same GIP application. Interview is necessary and the application process will take 6-8 months. For more details please refer to [Singapore Global Investor Programme Guide](#).

(b) Family Office

Family office has been introduced in Singapore to encourage foreign investors to set up a family office in Singapore and apply for immigration once they are approved. The structure of the family office is that the principal applicant sets up two companies in Singapore established by himself or his family members, one is a fund company, the other is a family office. The family office provides fund management services to fund entities (private company incorporated in Singapore), which applicable to 13X/13R tax incentive scheme.

The fund manager (principal applicant) manages his own or his family's own assets through the family office to obtain the Employment Pass (EP). Singapore permanent resident (SPR) status can be applied for after 6 months of EP holding. Spouses and unmarried children under the age of 21 can apply for a family member permit (DP), parents can apply for a long-term visit pass (LTVP). For more details please refer to Introduction to Family Office in Singapore.

(2) Work in Singapore

(a) Finding a Job in Singapore

Foreigner who wishes to explore job opportunities in Singapore can easily visit to website like JobDB, Jobstreet, Monster etc to browse through vacancies in different industries and profession.

Additionally, Singapore is home to around 1,000 licensed employment agencies or head-hunters who help companies in finding the right candidates for mid to high level professional positions. Few popular ones include: Hays Recruitment, Michael Page, Morgan McKinley, Reed and so on.

All foreigners need to get their work passes approved by Singapore's Ministry of Manpower (MOM) before they can start working in the country legally.

(b) Run Business in Singapore

A foreigner can set up a company in Singapore, apply for an Employment Pass or Entrepreneur Pass through a local registered filing agent (like Kaizen). With the Pass, you can work in Singapore and act as a local director of your own company.

- (I) If you wish to set up a new company and apply for an Employment Pass, the process is as below:
- (i) Incorporate the Singapore Company through a local registered filing agent (like Kaizen),
 - (ii) Engage local resident nominee director on a temporary basis until you secure your Employment Pass,
 - (iii) Apply for your Employment Pass,
 - (iv) Transfer the directorship upon securing your Employment Pass,
 - (v) Relocate to Singapore and start your business.

All company registration including work pass application can be handled without you having to be in Singapore.

- (II) If you wish to set up a new company and apply for an Entrepreneur Pass, the process is as below:
- (i) Draft a business plan,
 - (ii) Apply for your Entrepreneur Pass,
 - (iii) Upon receiving the approval of the Entrepreneur Pass application from the Ministry of Manpower, proceed to incorporate the Singapore Company.

The drafting of the business plan and the submission of application can be processed through e-filing.

(c) Employment Pass (EP)

EP holders who earn at least SGD6,000 per month can bring their family members to Singapore. After working and staying in Singapore for a while, preferably at least 24 months, EP holders and their families can apply for Permanent Residency in Singapore.

The eligibility conditions for an EP are:

- (i) The candidate must earn a fixed monthly salary of at least SGD3,900 per month. This applies to young graduates candidates, and experienced applicants.
- (ii) Have acceptable qualifications, usually a good university degree, professional qualifications, or specialized skills.
- (iii) Work in a managerial, executive or specialist job.

MOM requires photocopies of the following documents to be submitted along with the duly completed application form when an EP application is submitted:

- (i) Applicant's passport,
 - (ii) The applying company's latest business profile or instant information registered with the Accounting and Corporate Regulatory Authority of Singapore (ACRA),
 - (iii) Working testimonial (if any) and a resume/CV.
- (d) Entrepreneur Pass

This pass is for foreign entrepreneurs who wish to incorporate and run a private limited company in Singapore. Requirements are as follows:

- (i) The applicant must have a prominent entrepreneurial background.
- (ii) The applicant aims at registering his Singapore company as a private limited company, instead of a partnership or sole proprietorship.
- (iii) The Singapore company is not incorporated yet or less than 6 months after the incorporation date.
- (iv) The Singapore company must have a paid-up capital of no less than SGD50,000.
- (v) The applicant must hold at least 30% of shares in the new Singapore company.
- (vi) The applicant must provide a comprehensive business plan. The business idea you bring forward must be beneficial to Singapore economy, innovative, and show great promise for growth and boosting employment of local professionals.

Entrepreneur Pass holders are eligible to apply for permanent residency in Singapore. However, applicant are required to provide six months' salary and preferably an IRAS tax assessment, thus it is advisable to wait at least six months before apply for SPR.

Kaizen Singapore office is able to provide clients with relocation and settle down in Singapore advisories as well as applying for the related passes, please consult our professional consultant.

If you need assistance or wish to obtain more information, please visit our official website at www.kaizencpa.com or contact us through the following methods:

T: +852 2341 1444

M: +852 5616 4140, +86 1521 9434 614

WhatsApp/Line/WeChat: +852 5616 4140

Skype: kaizencpa

E: info@kaizencpa.com