

Singapore Company Maintenance and Compliance Guideline Note

Unless otherwise indicated, the Singapore company stated in this guideline refers to a private company limited by shares formed and incorporated in Singapore in accordance with the Singapore Companies Act (Chapter 50).

After a company is officially incorporated in Singapore, it is required by the Singapore Companies Act and Income Tax Act to comply with the maintenance requirements such as holding of annual general meeting, updating books of accounts, auditing of financial statements (unless exempted) and filing of tax returns.

This guideline provides a summary of the various maintenance and compliance requirements imposed by the Singapore laws and regulations on a private company limited by shares registered in accordance with the Singapore Companies Act (Cap. 50) and the estimated costs likely to be incurred to comply with these requirements. This guideline is divided into six (6) sections, sections one (1) to five (5) detail the compliance and maintenance requirements and section six (6) lists the estimated related costs to maintain a Singapore company in good standing.

This guideline is not meant to cover all the compliance requirements imposed on a company by the Singapore laws. If any issue of interest is not covered in this guideline, you are welcome to contact and consult our professional accountants.

This guideline note also does not cover the area of licences and permits. If your Singapore company is to be involved in any of the regulated activities that require certain licence or permit from the Singapore Government, you will need to obtain that licence or permit before it can commence its business. You are welcome to contact our professional consultants for detailed information in respect of business licences and permits in Singapore.

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1. Companies Law Related Compliance Requirements

(1) Company Secretary

According to the Companies Act, a Singapore company must appoint a company secretary within six (6) months of the incorporation. The company secretary is appointed by the board of directors. Any subsequent changes, including change of particulars, the company must notify Accounting and Corporate Regulatory Authority of Singapore (ACRA) within fourteen (14) days of the changes.

The person to be appointed as company secretary of a company registered in Singapore is required to be a legal resident of Singapore. In this instance, “legal resident” is defined as a person who is either a Singapore citizen or permanent resident, or someone who is an Employment Pass, S Pass, or EntrePass holder and ordinarily stays in Singapore.

The duties of a company secretary in general include the following:

- (a) Preparation and maintenance of registers of nominee director and controller;
- (b) Preparation and maintenance of minutes and written resolutions of shareholder(s) and director(s);
- (c) Preparation and maintenance of statutory records;
- (d) Filing of changes of particulars of the company with ACRA.

(2) Registered Office

Singapore Companies Act requires all Singapore companies to have a registered office address in Singapore since incorporation. A registered office address refers to the place where all communications and notices to the company may be addressed, and the place where the register and records are kept.

A registered office must be operational and accessible to the public at least five (5) hours during ordinary business hours on each business day and it should be a physical office address located in Singapore and cannot be a P.O. Box.

(3) Local Director

Singapore Companies Act requires a Singapore company to appoint at least one individual local resident as its director. The local director must be:

- A Singapore citizen, permanent resident, EntrePass or Employment Pass holder;
- At least eighteen (18) years old;
- Of full legal capacity;
- Cannot be disqualified from acting as director of a company i.e. an undischarged bankrupt.

(4) Display of Company's Name and Registration Number

The name of a company shall appear in legible romanised letters on its seal and all business letters, statements of account, invoices, official notices, publications, bills of exchange, promissory notes, indorsements, cheques, orders, receipts and letters of credit of or purporting to be issued or signed by or on behalf of the company.

The registration number (Unique Entity Number, UEN) of a company shall appear in a legible form on all business letters, statements of account, invoices, official notices and publications of or purporting to be issued or signed by or on behalf of the company.

(5) Changes in Company's Officers and Particulars

The company shall by notice furnish to the Registrar within fourteen (14) days after any changes (e.g. resignation of directors or secretaries) in the appointment of any director, chief executive officer, secretary or auditor.

The company shall also notify ACRA within fourteen (14) days after the change in any personal particulars (e.g. nationality, passport no., and address) of the directors and secretary. Failing which, the penalty will be imposed on the company for late lodgement.

(6) Annual General Meeting (AGM)

An AGM is a mandatory meeting held by a company to update its shareholders on the business health of the company. The company will present the financial statements to the shareholders and shareholders are then given the opportunity to raise queries on the financial performance of the company. Shareholders get to vote at an AGM and make important decisions for the company such as the appointment of a director, or the removal of one.

A Singapore private company is required to hold its AGM once in every calendar year within six (6) months after the company's financial year end. Failing which, the company and every officer of the company shall be liable on conviction to a fine not exceeding SGD5,000 and also to a default penalty.

If a company is unable to hold the AGM within the prescribed period and requires more time to comply with the requirements for preparation of the financial statements for the holding of AGM and the filing of Annual Return, the company may apply one-time extension of time of sixty (60) days before the deadline to hold the AGM and filing of Annual Return. Approval for the extension is entirely at the discretion of ACRA.

(7) Annual Return Filing

Every Singapore Private Company must file an Annual Return with ACRA within seven (7) months after the financial year end. Failing which, the company and every officer of the company who is in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD5,000 and also to a default penalty. The officers of the company may also be prosecuted in courts and be debarred from acting as officers.

2. Registration and Maintenance of CorpPass Account

CorpPass, short for Singapore Corporate Access, is a corporate digital identity for companies to transact online with Government agencies in Singapore, such as filing of documents with ACRA and filing of corporate tax return with Inland Revenue Authority of Singapore (“IRAS”).

CorpPass is required for all entities and is the only login method for businesses to transact with the Singapore Government.

3. Taxes Compliance Requirements

(1) Corporate Income Tax

In Singapore, corporate income tax (CIT) is assessed on a preceding year basis. This means that the basis period for any Year of Assessment (YA) generally refers to the financial year ending (FYE) in the year preceding the YA. For example, in year 2020 you will be filing corporate tax return for your company’s financial year that ended anytime between 1 January 2019 to 31 December 2019. Your company’s accounts are prepared up to the FYE each year.

The due date for corporate tax filing for Singapore companies is 30 November (for hard copy forms) and 15 December (for e-filing).

A company has to file a complete set of returns including Form C, audited/unaudited accounts, and tax computation. The Form C is a declaration form for a company to declare its income whereas tax computation is a statement showing the adjustments to the net profit/loss as per the accounts of a company to arrive at the amount of income that is chargeable to tax.

After filing the necessary forms, IRAS will review the forms and will then issue a Notice of Assessment (NOA) to the company by 31 May of the following year. Where there are no issues raised in the NOA, the company must proceed to pay the assessed corporate tax within thirty (30) days from the date of the NOA.

(2) Registration and Filing of GST

(a) GST Registration

Goods and Service Tax (GST) is a broad-based consumption tax levied on the import of goods (collected by Singapore Customs), as well as nearly all supplies of goods and services in Singapore. A business is required for GST registration if its taxable turnover at the end of any calendar year on or after 1 Jan 2019 is more than SGD1 million, or at any time, you can reasonably expect the taxable turnover of your business in the next twelve (12) months to be more than SGD1 million.

A Singapore company which engages in the business of export goods and services or at least 90% of the company's total revenue is from supplies that are not subject to GST i.e. they are "Zero-rated" supplies, is exempted from GST registration

If your business (company) is not liable for GST registration, you may still choose to register for GST voluntarily if the company considers it beneficial to do so.

(b) GST Filing

Normally, GST tax return is filed on a quarterly basis. However, a company may apply for approval from the tax authority for monthly or yearly filing.

Companies registered with GST must pay its GST liability within one month after the end of the reporting period. For example, if a company files its GST tax return quarterly, it must pay its GST liability for the first quarter of 2020 on or before 31 April 2020.

(3) Employer's Return (Form IR8A)

Employers are required by the tax law to prepare Form IR8A and Appendix 8A, Appendix 8B or Form IR8S (where applicable) for employees who are employed in Singapore by 1 March each year.

Employers with seven or more employees must submit their employees' income information to IRAS electronically by 1 March each year. Employers who are not under the AIS for Employment Income have to provide the hardcopy Form IR8A and appendices (where applicable) to their employees by 1 March each year to file their income tax returns. Employers need not submit the forms to IRAS.

4. Financial Statements and Audit

(1) Financial Statements

Unless exempted, companies are required to file their financial statements with the ACRA. The financial statements must comply with the Singapore Financial Reporting Standards (SFRS) issued by the Accounting Standards Council and give a true and fair view of the financial position and performance of the company.

A complete compilation of financial statements should comprise:

- (a) A statement of financial position
- (b) A statement of comprehensive income
- (c) A statement of changes in equity
- (d) A statement of cash flows
- (e) Notes on significant accounting policies and other explanatory information.

Financial Reporting Standards No. 1 requires that the financial statements be accompanied by directors and auditor reports. Directors must also state that the financial statements are true and fair and reflect the company's financial position and have reasonable grounds to believe that the company is in a position to reasonably repay the debts due.

(2) Appointment of Auditor

In Singapore, all companies are required to appoint an auditor within three (3) months of its incorporation unless exempted from an audit. The auditor so appointed will perform an audit of the annual financial statements prepared by the company and issue an auditor's opinion on the financial statements.

(3) Audit Exemption

Companies with financial years beginning on or after 1 July 2015, may be exempted for audit if it meets at least two (2) of the three (3) following criteria for the immediate past two consecutive financial years:

- (a) No more than SGD10 million in total revenue
- (b) No more than SGD10 million in total assets
- (c) No more than fifty (50) employees

For a company which is part of a group:

- (a) The company must be qualified as a small company; and
- (b) Entire group must be a "small" group"

For a group to be a small group, it must meet at least 2 of 3 quantitative criteria on a consolidated basis for the immediate past two consecutive financial years.

(4) Unaudited Financial Statements

In the case where a company is exempted from audit, nevertheless, it is still required to prepare a set of financial statements annually. These unaudited financial statements are sufficient for income tax filing to the IRAS and annual return filing to the ACRA. A full set of compilation reports should include explanatory notes and accompanied by the Directors' Report and the Statement by Directors. The reports are prepared in compliance with the SFRS.

5. Central Provident Fund Compliance

The Central Provident Fund (CPF) is the name for Singapore's social security scheme. It covers health care, retirement and home ownership. The CPF is a mandatory social security savings scheme funded by contributions from employers and employees.

Immediately before your Singapore company hires its first employee in Singapore, as an employer, you are required to register with the CPF Board and obtain a CSN for your Singapore company.

The contribution rate varies depending on the age, the wage band and the status of the employee (i.e. Singaporean citizen or Permanent Resident). The maximum amount of CPF contribution payable is based on a monthly salary ceiling of SGD6,000. Voluntary contributions can be paid in addition to the mandatory contributions.

The employee's share of CPF contribution is deducted from their salary by the employer during the monthly payroll processing. The employer is then required to pay the employer's and employee's share of CPF contributions monthly for all employees (Singapore citizens and Singapore PRs) at the rates set out in the CPF Act. The contributions payable should be based on the employee's actual wages earned for the month.

CPF contributions are due at the end of the month. You have a grace period of fourteen (14) days to pay it. Failure to make CPF contribution on time will attract a late payment interest charge at 1.5% per month and a fine of up to SGD5,000 and/or imprisonment of up to 6 months.

6. Singapore Company Maintenance Costs

As stated above, after a company is officially registered in Singapore, it is required by the Companies Act and Singapore Income Tax Act to comply with the maintenance requirements such as holding annual general meeting, updating books of accounts, auditing of financial statements (unless exempted) and filing of tax returns. Kaizen is equipped with experienced professionals to provide all the compliance and maintenance services to Singapore company. Our fees for some of these services are fixed and others are determined by the nature of business and volume of transactions. We list in the table below the fees for some of our services for your reference.

Item	Description	Service Fee (SGD)	
Basic Annual Maintenance Fees			
1	Nominee Director (Note 1)	Yearly	3,000 up
2	Company Secretary	Yearly	750
3	Registered Office Address	Yearly	400
4	Preparation of AGM and Filing of Annual Return	Yearly	300
5	Maintenance of CorpPass account as the CorpPass Administrator (Note 2)	Yearly	Free
Subtotal:			4,450 up
Other Maintenance Services Fees			
6	Accounting and bookkeeping (Note 3)	Monthly	300 up
7	Corporate income tax	Yearly	1,000 up
8	Registration of GST (Voluntarily)	One off	600
9	Registration of GST (Mandatory)	One off	300
10	GST reporting (Note 4)	Quarterly	300
11	Financial Statement Statutory Audit (Note 5)	Yearly	2,000 up
12	Preparation of unaudited financial statements (if exempted from audit) (Note 6)	Yearly	700
13	Payroll (Note 7)	Monthly	100/head
14	Preparation of IR8A (Employer's Return)	Yearly	100/head

Note:

- (1) Our fee for provision of nominee director service is SGD3,000 per annum for company with an annual turnover/revenue of not more than SGD5 million and SGD4,200 for company with an annual turnover/revenue between SGD5 to SGD10 million. Fee for turnover of more than SGD10 million will be quoted separately.

- (2) For maintenance of the CorpPass account as the CorpPass Administrator, we will provide this service without charge if we are the administrator of your company.
- (3) Our bookkeeping fee is charged based on transaction volume, see table below.

Number of Transaction (month)	Fee/month (SGD)
1 - 50	300
51 - 100	500
101 - 150	700
151 - 200	900
201 - 250	1,100
Above 251	To be negotiated

- (4) Our fee for the provision of GST services as stipulated in Section 10 are SGD300 per quarter (if the bookkeeping is maintained by Kaizen). This fee will be billed and is due for payment before the provision of service.
- (5) Our fee for the provision of audit services will be quote separately in accordance to the complexity of the business operation and transaction volume. The minimum audit fee is from SGD2,000 onwards.
- (6) Our fee for preparation of unaudited financial statements is to be determined after taking into consideration the nature of business and assets and investments of the company.
- (7) Based on the monthly attendance records and leave records provided by management, we shall prepare the following:
 - (a) Computation of CPF contribution and other social security contribution applicable in Singapore.
 - (b) Computation of monthly net salary payable to employee.
 - (c) Preparation and issuance of payslip.
 - (d) Filing of monthly CPF contribution with CPF Board.

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

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