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Singapore Travel Agency License Application Guide

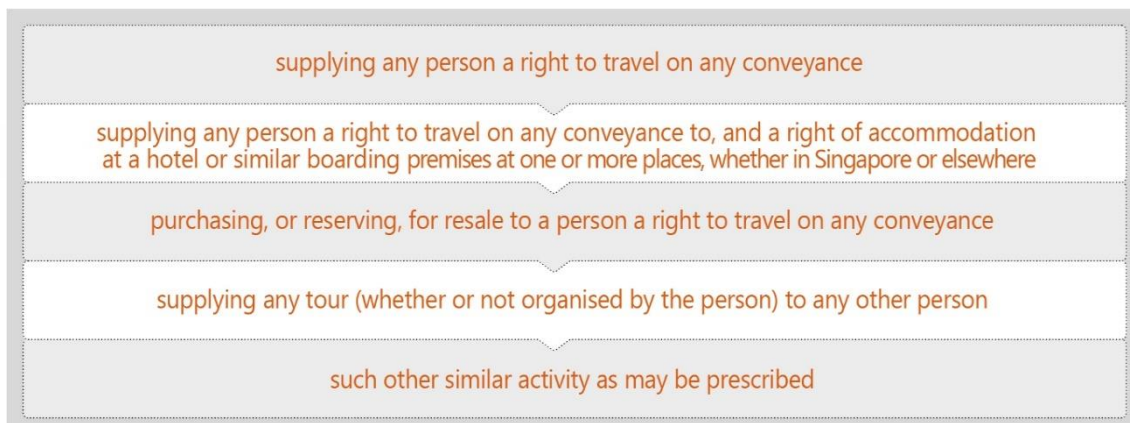


Travel Agency is the persons or a company in the business of making travel arrangements or conducting tours in or outside of Singapore such as providing travel and tour packages involving travel by air, sea or land. Companies that provide transport only (such as taxi firms or trucks that move goods) are not considered as travel agency.

Prior to starting a Travel Agency in Singapore, one must register a company with Accounting and Corporate Regulatory Authority of Singapore (“ACRA”). The person or company would need to have a travel agent licence in order to run an agency. The licence will be issued by Singapore Tourism Board (“STB”). The company must have to meet certain obligations and requirements before the license can be sent for STB’s approval.

1. Travel Agency License

The STB has defined a travel agent as providing the following services under Section 4 of the Travel Agent's Act (Cap 334):

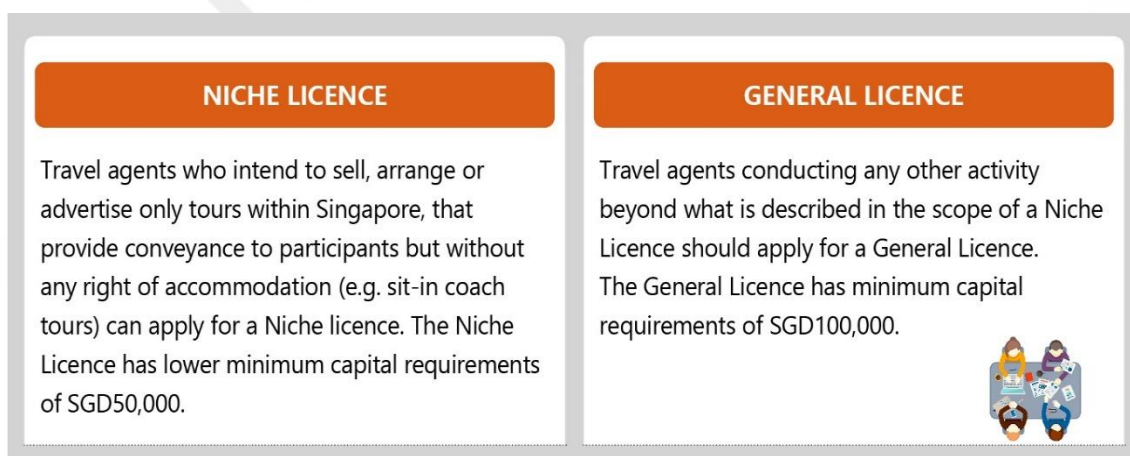


The term "supply", in relation to a travel product, includes the sale, or arranging for the provision, of the travel product.

This Section applies only where any of the acts described in (1) to (5) above is carried out in Singapore. For example, an overseas travel agent who arranges and sells a travel package outside of Singapore does not require a travel agent licence, even if the travel package includes travel to or from Singapore.

2. Type of Travel Agency License

STB currently offers two (2) types of travel agent licences as follows:-



3. Requirements for Travel Agency License Application

Before filling in the application form for a travel agency license in Singapore, you must be aware of the following requirements:

COMPANY REGISTRATION

Incorporate a Singapore company with ACRA. The company must be registered under the Standard Industrial Classification (SIC) codes of 79101 for Travel Agencies and Tour Operators (Main Inbound), 79102 for Travel Agencies and Tour Operators (Main Outbound) or 79103 for Ticketing Agencies (including Airline, Tour Bus and Cruise Ship).

PAID-UP CAPITAL

The company must have a minimum paid-up capital of SGD50,000 (for Niche Licence) or SGD100,000 (for General Licence), and a net value of the same amount.

KEY EXECUTIVE

The company must nominate a suitable person for the position of key executive. A key executive is responsible for the day-to-day administration and operations of the travel agency. He/she should preferably be a director of the business (as listed in ACRA) and have managerial experience in the travel business. He/she must be a Singapore citizen, permanent resident, Employment Pass or EntrePass holder.

EMAIL ADDRESS

The company should set up an e-mail address specifically for the operation of travel agency business.

MANAGEMENT STAFF AND PERSONNEL

All directors, executives and managerial staff of the entity must be persons of good character and fame. The company may be required to produce satisfactory evidence to support such requirements.

OFFICE SPACE AND SIGNBOARD

The company must set up an office (e.g. home office scheme, commercial office) to be used for the conduct of the travel agency business. You may apply for the licence without an office premises first and seek STB's pre-approval. Confirmation of the office premises must be submitted within 3 months of the pre-approval.

If you are an individual freelance travel agent conducting business from home, in either a Housing Development Board ("HDB") flat or private accommodation, you must obtain approval from the HDB or Urban Redevelopment Authority ("URA") before the STB will grant you the license. Besides, an easily visible signboard that reflects the nature your business and containing the registered name and the trade mark or logo must be erected.

4. Documents needed for applying Travel Agency License

- (1) Latest business profile of the company which purchased from ACRA;
- (2) Business Activities and Market Specialisation Form;
- (3) Business Plan/Business Model which provide a comprehensive write-up of your travel agent business;
- (4) Resume of the Key Executive (including previous employment, experience and qualification(s));
- (5) Front and Back copy of the Key Executive's National Registration Identity Card ("NRIC"), Employment Pass Card or EntrePass Card;
- (6) Director Resolution on the appointment of the Key Executive, (printed on company's letterhead and signed by all directors);
- (7) Key Executive Letter of Employment and Business Entity's Organisation Chart (only for non-ACRA listed directors);
- (8) Tenancy agreement and Certificate of Stamp Duty of the premises (ensure that the copy shows the address that has been approved and to be used as office);
- (9) Approval from HDB/URA Home Office Scheme (for home office only);
- (10) Credit Bureau Singapore report (for sole-proprietor/partners);
- (11) Latest bank statements reflecting the injection of the paid-up capital. It should also reflect the company name and amount clearly; and
- (12) The latest set of management accounts (both Balance Sheet and Profit & Loss Statement) will be required for business entities incorporated for more than 18 months including entities with dormant status.

5. Application Procedures of Travel Agency License

All travel agency license applications are filed online:

- (1) All required documents are to be submitted to STB for assessment and approval
- (2) After approximately 1-2 weeks times, the authorities will respond by sending you an In-Principle Approval (IPA) letter via email;
- (3) IPA is not the final approval. The IPA letter may states the other conditions that you will need to fulfil before the final approval can be granted;
- (4) Once you fulfill all the requirements and conditions, you will be notified via email for the payment of licence and details for the licence collection.

Please note that you are not allowed to commence business until STB grants final approval to the licence application.

6. Renewals

The Singapore travel agency license is valid for two years and expires on 31 December of the following year irrespective of the month in which you initially made your application. You must renew your license one month before it expires.

Besides, every licensee shall submit the following information to the STB on annually basis:

- (1) within 6 months after the close of the financial year of the licensee, the annual business profile returns of the licensee in the form as the STB requires;
- (2) subject to paragraph (1), within 6 months after the close of the financial year of the licensee, a copy of the licensee's audited statement of accounts; and
- (3) where requested by the STB and within such time specified by the STB, any other information relating to the licensee's business as a travel agent.

Kaizen suggests you to consult with professional advisors before the proposals coming into effect. Kaizen Singapore office is able to provide clients with the travel agency licence application and consultancy services, 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:

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