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AN INTRODUCTION TO Doing Business in Singapore 2026





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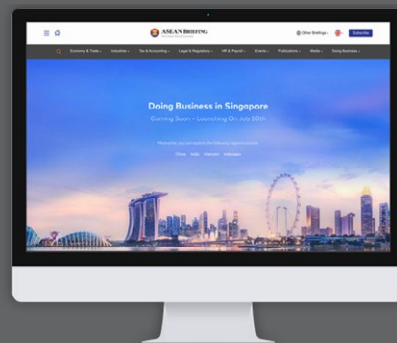
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This edition of Doing Business in Singapore was produced by a team of professionals at Dezan Shira & Associates, with Ayman Falak Medina as Technical Editor. Creative design of the guide was provided by Aliya Latisha Adiyanto.

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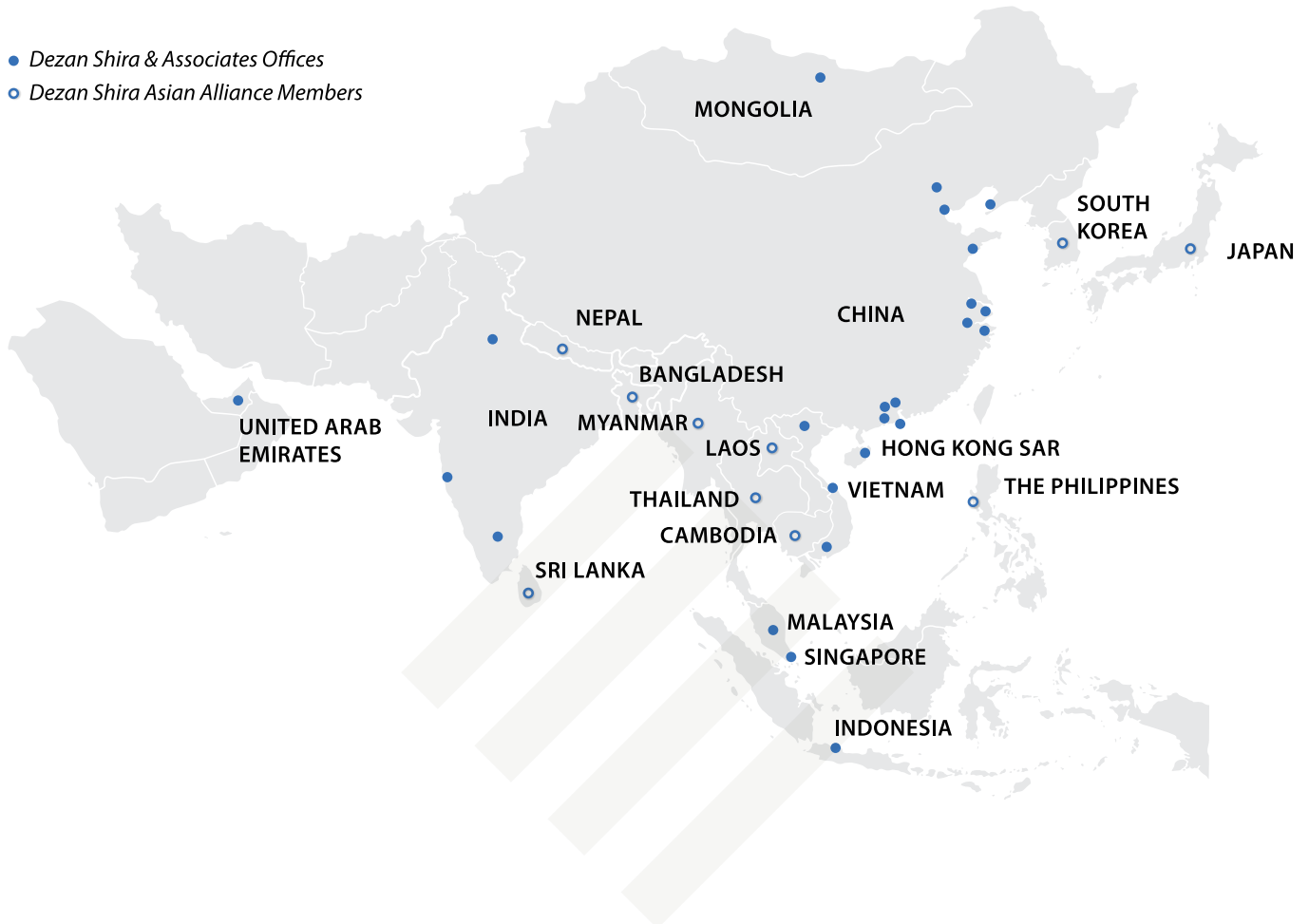
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About Dezan Shira & Associates

At Dezan Shira & Associates, our mission is to guide foreign companies through Asia's complex regulatory environment and assist them with all aspects of establishing, maintaining and growing their business operations in the region. Since its establishment in 1992, Dezan Shira & Associates has grown into one of Asia's most versatile full-service consultancies with operational offices across China, Hong Kong, India, Singapore and Vietnam, as well as liaison offices in Italy, Germany and the United States, and partner firms across the ASEAN region. With over 30 years of on-the-ground experience and a large team of professional advisers, we are your reliable partner in Asia.

Preface

Singapore remains one of Asia's most stable and predictable investment destinations in early 2026, even as global trade conditions become more fragmented and cost pressures reshape cross-border flows. Rather than avoiding these pressures, the country's advantage lies in maintaining policy clarity, capital access, and operational reliability under them.

This resilience is reflected in current economic performance. Growth has moderated, with the Monetary Authority of Singapore guiding GDP expansion in the range of 0 to 2 percent, reflecting weaker external demand and softer manufacturing output. Trade-sensitive sectors have experienced volatility, with non-oil domestic exports declining by around 3.5 percent year-on-year, and sharper contractions observed in selected advanced manufacturing segments. These trends reinforce the extent to which Singapore's open economy remains closely tied to global demand conditions.

In response to this environment, policy adjustments have been measured and targeted rather than reactive. Monetary policy was eased twice in 2025 and remains calibrated to support stability, while sector-specific interventions continue to focus on industries most exposed to external demand, including electronics, chemicals, and logistics. Importantly, this stabilization effort is being complemented by longer-term structural investment rather than short-term stimulus.

That shift toward structural positioning defines Singapore's strategy in 2026. Public and private capital is increasingly directed toward artificial intelligence adoption, digital infrastructure, and workforce transformation. Government-backed programs are supporting thousands of enterprises in AI adoption over the coming years, while expanded financing and grant frameworks are channeling investment into innovation, sustainability, and regional expansion. These initiatives are designed not only to offset cyclical pressures, but to reposition the economy toward higher-value activities.

At the same time, Singapore's role as a regional hub continues to reinforce its attractiveness. The country maintains over 100 double taxation agreements and more than 25 free trade agreements, enabling efficient cross-border structuring and market access. Its integration within ASEAN and the Regional Comprehensive Economic Partnership further strengthens its function as a base for companies reconfiguring supply chains and managing regional operations.



ALBERTO VETTORETTI

Managing Partner
Dezan Shira & Associates



CONTACT

Dezan Shira & Associates

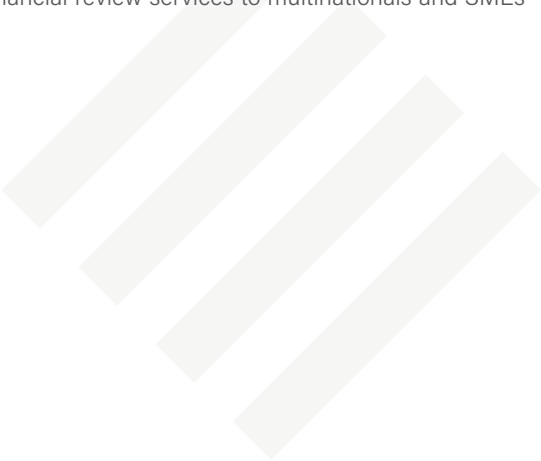
singapore@dezshira.com
www.dezshira.com





As a result, Singapore's investment proposition in 2026 is less dependent on short-term growth rates and more on execution reliability and strategic positioning. In an environment where trade flows are being restructured and cost conditions remain uncertain, the ability to operate from a jurisdiction with consistent regulation, deep financial markets, and strong institutional capacity becomes a decisive advantage. For foreign investors, this shifts the role of Singapore from a growth story to a platform strategy, not the fastest-growing market in the region, but the most dependable base from which to access it.

This publication, designed to introduce the fundamentals of investing in Singapore, was compiled in June by Dezan Shira & Associates, a specialist foreign direct investment practice providing corporate establishment, audit, business advisory, tax advisory and compliance, accounting, payroll, due diligence, and financial review services to multinationals and SMEs investing in emerging Asia.



Dezan Shira & Associates Singapore



DAVID STEPAT

Director
Dezan Shira & Associates
Singapore Office

As a regional practice, we are not tied to any one nation. Rather, we specialize in the tax, accounting, and operational aspects of foreign direct investment throughout Asia. For businesses and investors seeking to conduct business in Singapore and the wider ASEAN region, our business consulting team in Singapore and partner firms across ASEAN are prepared to provide you with the tools and expertise necessary to succeed.

SINGAPORE OFFICE



SBF Center, 160 Robinson Road, #28-10
Singapore 068914

Tel: +65 6789 3256
Fax: +65 6521 3001
Email: singapore@dezshira.com

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Corporate Establishment



DAVID STEPÁT

Director
Dezan Shira & Associates
Singapore Office

Foreign investors can set up a variety of business structures in Singapore for their investments. Establishing a subsidiary, branch office, or representative office (RO) are some of the most popular options.

Investors need to assess their specific business needs before deciding on a corporate structure to operate from. Those entering Asia for the first time, for instance, may want to set up a low-risk, exploratory presence in the form of a RO, while those looking to use Singapore as a springboard to access the ASEAN markets may need to be more strategic by setting up a branch office or subsidiary company.

Private companies limited by shares

A private company limited by shares, also known as a private limited company, is by far the preferred structure among foreign small and medium-sized enterprises (SME) for setting up a local business presence in Singapore.

A private limited company can benefit from tax incentives available to local companies. It is also a separate legal entity from its directors, shareholders, and officers of the company, which means that the foreign holding company cannot be held for the liabilities of its subsidiary. In addition, the holding company's liability is limited to the share capital subscribed in its subsidiary.

As a private limited company can be wholly owned by a foreign individual, a corporate investor, or both, this legal entity can be established as a regional holding company or subsidiary of the foreign holding company. Having a Singapore incorporated company provides the advantage of gaining access to the wider Asian market and ASEAN free trade zones, as well as other FTAs through ASEAN, which include ASEAN-Hong Kong, ASEAN-India, and ASEAN-China. This is particularly helpful for companies looking to set up larger manufacturing operations elsewhere in ASEAN.

Key requirements for setting up a private company limited by shares

1. Reservation of company name

- The company name must be approved by the Accounting and Corporate Regulatory Authority (ACRA) prior to the company registration process.
- Once a name is selected, the name application shall be submitted via ACRA Bizfile website for approval, which may be rejected if the name is identical, similar, or phonetically similar to a company that has already been registered.
- The name application costs S\$15 (US\$11.25), which will be reserved for 120 days upon approval.

“For companies only seeking to establish a low-risk, exploratory presence in Singapore, establishing a representative office is typically the most common route for investment.”

2. Appointment of Company Officers

The officers of a company include the following:

- Director:
 - › The appointment of at least one director who is either a Singaporean citizen, permanent resident, or EntrePass or Employment Pass holder.
 - › The director needs to be at least 18-years of age and must not have a history of misconduct or bankruptcy in their work history.
- Auditor (to be appointed within 3 months of incorporation unless exempted from audit requirements).
- Company secretary (to be appointed within six months of incorporation).
- Shareholders, (the minimum issued, and paid-up capital is S\$1 (US\$0.74)).

3. Registered address

- This must be a commercial business address in Singapore.

Branch offices

Foreign companies can establish branch offices to conduct any type of business activity that falls within the scope of the parent company.

Branch offices are not eligible for the tax exemptions and incentives available to local companies as ultimate control of the branch remains vested in the overseas parent company. As such, branch offices are regarded as an extension of the foreign holding company and is therefore taxed as a non-tax resident at the corporate tax rate of 17 percent.

The name of the branch office must be the same as the parent company and act as a legal extension of the parent company. The parent company must bear ultimate legal responsibility for all liabilities and be registered with ACRA, which is responsible for monitoring new companies in Singapore. Because of this liability, many foreign companies choose to establish a subsidiary or private limited company rather than branch offices.

Setup requirements

1. Reservation of name of branch office

- The name of the branch office must be the same as the foreign parent company.
- The name of the branch office must be approved by the ACRA prior to the branch office registration process.

- Once a name is selected, the name application shall be submitted via ACRA Bizfile for approval, which may be rejected if the name is identical, similar, or phonetically similar to a company that has already been registered.
- The name application costs S\$15 (US\$11.25), which will be reserved for 120 days upon approval.

2. Appointment of company officers

The officers of a company include the following:

- Director
 - › The board of directors of the Singapore branch office must be the same as the board of directors on the foreign parent company.
 - › The director needs to be at least 18-years of age and must not have a history of misconduct or bankruptcy in their work history.
- Authorized representative
 - › The branch office must have at least once authorized representative who is ordinarily resident in Singapore.

3. Registered address

- › This must be a commercial business address in Singapore.

Investors looking to set up branch offices must ensure its activities do not go outside the scope of the parent company.

The parent company will bear all the liabilities of its branch office as it is viewed as a legal extension of the parent company. This means they are also subject to Singaporean taxes and are not eligible for local tax incentives and exemptions.

Register for nominee shareholders and nominators

Singaporean and foreign companies registered in Singapore are now obligated to maintain a register of nominee shareholders and their nominators. Further, Singapore companies, foreign companies, or Singapore limited liability partnerships (LLPs) who have no registrable controller or are unable to identify the controller are required to identify any individual or individuals with executive control as their registrable controller. The changes were set out under the Corporate Registers (Miscellaneous Amendments) Act 2022, which was approved in January 2022.



Previously, businesses were not required to ascertain whether a shareholder was holding the shares on behalf of another person (nominator).

The company or foreign company must update its non-public register within seven days after receiving information from a nominee shareholder or a nominator in their company. This new requirement aims to minimize the risk of companies in Singapore being controlled by illicit actors.

A nominee shareholder is defined as:

- A person or limited company that is registered as a holder of the shares in a company on behalf of another person or company.
- Receives dividends in respect of the shares that they hold as a representative of another person or company.

Nominee shareholders must also notify the company if they cease to be a nominee shareholder within 30 days of cessation.

Non-compliance with these requirements is punishable with a fine of up to S\$5,000 (US\$3,578).

The Corporate Registers (Miscellaneous Amendments) Act also introduces a new mandate for both local and foreign companies as well as LLPs to disclose registrable controllers. Registrable controllers are individuals, such as CEOs, directors, partners, or entities, who exert executive influence over daily operations. Previously, there was no obligation for companies or LLPs to maintain such a registry. Now, these entities must identify and register all individuals or entities exercising executive control.

Annual general meetings

Both publicly listed companies and non-listed companies in Singapore are required to hold an annual general meeting (AGM). Publicly listed companies must hold their AGMs within four months of the end of their financial year, while non-listed companies must hold it within six months of the end of their financial year. During the AGM, companies are expected to present their financial statements, providing shareholders with insights into the company's financial health. Moreover, shareholders are given an opportunity to raise questions and concerns about the company's operations.

Private limited companies and public companies incorporated in Singapore now have the option to hold virtual AGMs in addition to statutory meetings and extraordinary AGMs. Previously, AGMs were primarily conducted in person.

Procedure for shareholder meetings

Notice for shareholders

Shareholder meetings follow a specific procedure outlined by the Companies Act in Singapore. The company is responsible for sending out a notice to its shareholders, members, and officers, containing essential information related to the meeting. The notice must include the following details:

- Date, time, and place of the meeting: The notice should clearly state the scheduled date, time, and location of the shareholder meeting.
- Agenda: The notice should specify the topics and matters that will be discussed during the meeting.
- Appointment of proxies: The notice must inform members about their rights to appoint a proxy to attend and vote on their behalf if they are unable to attend the meeting personally.
- Special resolution: If any matter requires a special resolution, the notice should explicitly state the requirement for a special resolution.

In the case of an ordinary resolution, the notice must be sent to shareholders at least 14 days before the scheduled general meeting. For matters requiring a special resolution, the notice must be provided at least 21 days in advance of the general meeting.

Electronic notices

Amendments to the Companies Act have introduced the option of sending notices electronically. This means that companies can now deliver notices via electronic means such as email, company websites, fax, or other electronic communication methods.

Representative offices

A representative office (RO) is a short-term, temporary arrangement with a limited purpose; however, it must be established for a maximum of three years, of which the RO status is subject to evaluation by Enterprise Singapore, the government agency under the Ministry of Trade and Industry, before the RO can be further renewed on an annual basis.

This set up is an ideal choice for foreign investors who are still researching their investment options before setting up a fully-fledged office in Singapore. Companies looking to set up an RO must have sales turnover of at least US\$250,000 and must be represented by staff from their own HQ or a Singaporean citizen.

ROs can be staffed by a maximum of five individuals, with the parent company bearing liability for the activities of the RO and is responsible for financing its operations. The RO is confined to activities set out by Enterprise Singapore, which include:

- Gathering of information on markets and potential clients;
- Carrying out research to ascertain product/service information;
- Developing trade contacts and manage product enquiries;
- Participating in trade shows and exhibitions; and
- Gathering information on regulatory requirements for the set-up of a permanent entity.

Key requirements for setting up an RO

As a temporary administrative office, the RO cannot engage in profit-yielding business activities and can only participate in information gathering or market research-based activities.

Investors wishing to establish a RO in Singapore must ensure:

- The parent company has been established for more than three years;
- The parent company has incurred an annual sales turnover of more than US\$250,000;
- The foreign chief representative is from its headquarters; alternatively, the RO may appoint a Singapore citizen to fulfil the role of the chief representative; and
- The RO does not hire more than five local employees as support staff.

Variable Capital Companies

A Variable Capital Company (VCC) is a flexible corporate structure designed specifically for investment funds. Unlike traditional fund structures, VCCs offer greater flexibility in capital management, governance, and operational efficiency. This structure was introduced in January 2020 to enhance Singapore's position as a leading fund domicile and management hub. Since its launch, over 1,000 VCCs have been registered, encompassing nearly 2,000 sub-funds.

The VCC is regulated under its own legal framework through the Variable Capital Companies Act and offers more operational flexibility compared to investment fund structures currently available in the country through trusts, limited partnerships, or private limited companies. This means fund managers can establish investment funds across both traditional and alternative strategies and as open-ended or closed-end fund strategies.

Open-ended funds are offered through fund companies that sell shares directly to investors, allowing them to enter and exit according to their convenience. There is also no limit on the number of shares they can issue, if there is an appetite for the fund.

Close-ended investments, however, are overseen by a fund manager or brokerage firm and are listed on the stock exchange. There are a fixed number of shares that are issued.

The government hopes this flexibility will attract more investment funds to be domiciled in Singapore and bring the country to the forefront of the global investment services industry.



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What are the requirements of a VCC?

There are several key components of the VCC:

- At least one director must be a Singapore resident. For certain authorized funds, there must be at least three directors including a Singapore resident;
- A VCC must appoint a Singapore-based "Permissible Fund Manager" (PFM) licensed or registered with MAS. The entity cannot be self-managed;
- The VCC can have a single shareholder or hold a single asset;
- The requirements for investment funds listed under the Existing Securities and Futures Act (SFA) will apply to VCCs;
- The VCC must comply with AML/CFT obligations under MAS supervision;
- For an umbrella VCC, separate sub-funds must maintain separate accounts and may issue/redeem shares in each sub-fund;
- The VCC must have a registered office in Singapore and appoint a Singapore-based secretary; and
- It must be audited by a Singapore-based auditor and present its financial statements as per the International Financial Reporting Standards (IFRS) or US GAAP.

What are the key benefits of using the VCC structure?

There are several benefits a VCC structure has over current collective investment schemes in Singapore:

- The VCC can be used as a standalone fund (comprising of a single investment portfolio) or as an umbrella entity with various sub-funds allowing for the segregation of portfolios and liabilities. Having multiple funds in a single VCC can improve cost efficiencies.
- The VCC capital will always be equal to its net assets. This is because the VCCs shares are only created when investments are made. This provides flexibility in the distribution and reduction of capital as dividends can be paid out of capital, easing the ability of fund managers to meet dividend payment obligations.
- Fund managers can easily re-domicile existing overseas investment funds by transferring their registration as a Singapore VCC. There are also several tax benefits for VCCs. These include:
 - A VCC is not burdened by the same capital requirements of an open-end fund in Singapore and has access to the country's more than 80 tax treaties.
 - An umbrella VCC will only need to file a single corporate income tax return (CIT) to the Inland Revenue Authority of Singapore (IRAS).
 - Income from a VCC can be exempt from tax if it qualifies for the governments Enhanced Tier Fund (ETF) Scheme. There are two criteria for this:
 - The VCC must have a minimum fund size of S\$50 million (US\$ 39.1 million); and
 - Must have a local business spend of S\$200,000 (US\$156,000).

- The VCC could qualify for the tax exemptions for startups scheme (SUTE) and obtain a 75 percent tax exemption on the first S\$100,000 (US\$78,389) of chargeable income during the first consecutive three years. The next S\$100,000 (US\$78,389) of chargeable income can receive a 50 percent tax exemption.
- The entity can recover goods and services tax (GST) on expenses occurred in Singapore.

Companies in Singapore must maintain register of nominee shareholders and nominators

Singaporean and foreign companies registered in Singapore are now obligated to maintain a register of nominee shareholders and their nominators. Further, Singapore companies, foreign companies, or Singapore limited liability partnerships (LLPs) who have no registrable controller or are unable to identify the controller are required to identify individual(s) with executive control as their registrable controller.

The changes were set out under the Corporate Registers (Miscellaneous Amendments) Act, which was approved in January 2022. The Act amended the Corporate Registers (Miscellaneous Amendments) Act.

Through these changes, Singapore aims to reaffirm its commitment to combat money laundering and other threats that threatens the integrity of the country's financial sector.

Mandatory requirement to keep a register of nominee shareholders and their nominators

Another amendment under the act is the requirement for local and foreign companies and LLPs to identify registrable controllers.

Registrable controllers are individuals, such as chief executive officers, directors, partners, or even entities, that exercise executive control over the daily affairs of the company or LLP. There was no previous requirement for the company or LLP to maintain a register if they do (or are unable to identify) such individuals or entities.

The company or LLP must now identify all individuals or entities that have executive control and record them as the registrable controllers of the company or LLP. The amendments are aimed at improving the transparency of companies and LLPs that are established in Singapore. Non-compliance with these requirements is also punishable with a fine of up to S\$5,000 (US\$ 3,919). Every officer who is in default is also liable to the same amount.

LLPs and foreign companies have two business days to update any change of registrable controllers to the ACRA.

ESG reporting

In Singapore, Environmental, Social, and Governance (ESG) reporting is increasingly vital as businesses recognize the necessity of addressing sustainability concerns and meeting stakeholder expectations. The Singapore Exchange (SGX) mandates all listed companies to disclose their sustainability practices and performance in their annual reports through a “comply or explain” approach.

What is included in the sustainability report?

The sustainability report must include the following components:

- Material ESG factors;
- Climate-related disclosures;
- Policies and targets;
- Sustainability reporting framework; and
- Board statement and governance structure for sustainability practices.

Material ESG factors

The company should review the ESG factors concerning the business value chain and its interaction with the physical environment and social community. The company must review what ESG factors significantly impact business continuity i.e. the steps involved in creating a product or service.

Climate-related disclosures

The business should provide climate-related disclosures that are in line with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). These disclosures are the climate-related risks and opportunities that can impact the company's financial performance.

The TCFD has issued both sector-specific and general guidelines on implementing the TCFD recommendations.

Policies and targets

The company should outline its targets, performance, and practices related to ESG factors in the sustainability report.



Targets should be set for short-, medium-, and long-term timeframes. Company policies related to ESG factors should provide descriptive and quantitative information about the company's performance in these areas during the reporting period.

Sustainability and reporting framework

The business should select a suitable sustainability reporting framework tailored to its industry and business model. The business should choose a reporting standard that is internationally recognized as it enables easier comparisons with peer companies either in Singapore or worldwide.

Once a framework is chosen, the business should maintain consistency in adhering to that framework from year to year, as it helps the business to improve its reporting practices.

Board statement

The Board of Directors will play a critical role in overseeing the sustainability issues within the company.

The board is tasked with identifying the ESG factors that are significant to the company's business and is responsible for managing and monitoring these ESG factors. Overall, this guidance emphasizes the Board's vital role in considering sustainability as an integral part of the company's strategy and success.

Legislative changes for corporate service providers

The Corporate Service Providers Bill (CSP Bill) and the Companies and Limited Liability Partnerships (Miscellaneous Amendments) Bill (CLLPMA Bill) were passed by the Parliament of Singapore in July 2024. These Bills aim to combat financial crime by strengthening the country's anti-money laundering regime.

Specifically, the CSP Bill aims to enhance the regulatory regime for corporate service providers in Singapore while the CLLPMA Bill will enhance the transparency of beneficial ownership of companies and limited liability partnerships.

The proposed amendments are not yet in effect, so businesses should stay informed by regularly checking for updates in the official Government Gazette.

The CSP Bill implements the following:

Businesses providing corporate services must register with ACRA

Businesses providing corporate services in and from Singapore must register with the Accounting and Corporate Regulatory Authority (ACRA) as a corporate service provider (CSP). This is now obligatory even if the company does not file transactions on behalf of their customers with ACRA.

Further, companies that carry out activities in relation to the provision of accounting services must be registered with ACRA.

Entities that breach the requirement to be registered as a corporate service provider is liable for a fine of up to S\$50,000 (US\$39,195) and imprisonment of up to two years.

Comply with anti-money laundering obligations

Registered CSPs must comply with anti-money laundering obligations. Any breach of such obligations can result in criminal liability for the CSP and their senior management, with fines of up to S\$100,000 (US\$78,389) for each offense.

Fit and proper tests for nominee directors

Individuals can only be appointed as nominee directors for a business if a registered CSP arranges the appointments. Further, the CSP must have assessed the individual as fit and proper. Non-compliant individuals can be liable for a fine of up to S\$10,000 (US\$7,414) while non-compliant CSPs can be liable for a fine of up to S\$100,000 (US\$78,389).

The changes aim to prevent the misuse of nominee directorships in creating shell companies for money laundering, particularly when CSPs appoint unqualified individuals as nominee directors for clients.

The CLLPMA Bill introduces the following.

Disclosure of nominee status

Companies must now disclose the nominee status of their nominee directors to ACRA. Upon disclosure, the nominee status of the directors and shareholders will be made publicly available, but their nominators' identities will not be disclosed.

Increase in fines for the register of registrable controllers

Companies and LLPs will face increasing fines if they fail to maintain accurate and up-to-date registers of registrable controllers, nominee shareholders, and nominee directors with ACRA. The fines range from S\$5,000 to S\$25,000 (US\$19,596).

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Taxation

Singapore's favorable tax regime is internationally recognized for allowing entrepreneurs and companies to enjoy low tax rates and numerous types of tax relief – through incentives, comprehensive tax treaty networks, and exemptions from certain incomes.

Singapore has a territorial tax system, which means that it levies a tax on all income earned in or derived from Singapore. Foreign-sourced income, such as branch profits, dividends, and service income, are taxed when remitted or deemed remitted into Singapore but will be exempted provided that the income has been taxed in the source country with a rate of at least 15 percent. There is also no capital gains tax in Singapore.

Corporate income tax

Singapore imposes corporate income tax (CIT) at a flat rate of 17 percent, which is the lowest among ASEAN member states. The country practices a single-tier corporate tax system, which means businesses pay CIT only on chargeable income (profits), and all dividends are exempt from further taxation.

The low CIT rate has attracted a dynamic investment community into Singapore, comprising of more than 7,000 multinational firms, with more than half operating their Asia-Pacific business from the country.

Businesses that have their income derived from Singapore or income remitted to the country are obligated to pay corporate taxes at a rate of 17 percent on its chargeable income regardless of whether it is a local or foreign company.

Taxable incomes include:

- Profits from trade or business (the single-tier system this means Singapore-based companies will only pay taxes on profits and not on revenue);
- Royalties and premiums;
- Rental property income; and
- Income from investments such as interests.

Tax residency

The tax liability of companies and individuals in Singapore is dependent on their tax residency status.

Resident vs. non-resident companies

In Singapore, a company is either a resident or a non-resident. The Inland Revenue Authority of Singapore (IRAS) determines residency by where the company is controlled and managed,

or in other words, where it makes decisions on strategic matters. This means that a company's residency is not necessarily the location of where it is incorporated.

For example, a company might be incorporated in Singapore, but be considered a non-resident if decisions are de facto made in another jurisdiction, such as Hong Kong or London. One factor in determining residency – but not necessarily the only one – is where the company holds its Board of Directors meeting.

Resident vs. non-resident individuals

Singapore citizens and Singapore permanent residents are both considered tax residents. Foreigners are considered tax residents if they:

- Have stayed or worked in Singapore for (a) more than 183 days in a calendar year in the previous Year of Assessment (YA), or (b) continuously for three consecutive years; or
- Have worked in Singapore for a continuous period spanning two calendar years with the total duration of stay exceeding 183 days, including physical presence in Singapore before and after the start of work.

The IRAS classifies non-resident individuals into three different categories: foreign professionals, public entertainers, and board directors. Residency for all three categories depends on whether they spend less than 183 days in a calendar year in Singapore, but they have different obligations for tax purposes.

A professional is a non-resident if they are in Singapore for less than 183 days in a calendar year. Examples of foreign professionals include foreign experts or consultants invited to Singapore to share knowledge or expertise with an organization, an academic attending a seminar or workshop, or an individual operating via a foreign company.

Foreign public entertainers are those who visit Singapore to perform, such as musicians, dancers, actors, and athletes, and spend less than 183 days in the country. They are classified as public entertainers regardless of whether they are working as individuals or as employees. The IRAS does not include individuals who assist public entertainers with their performances in this category, such as audio crewmembers, choreographers, coaches, and personal trainers.

Finally, board directors, or company directors, are non-residents if they spend less than 183 in a calendar year in Singapore. A board director may also hold another role within a company, such as a chief executive officer or managing director, but they are only considered a board director for income derived in that role.



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Benefits of being a tax resident

Qualifying as a tax resident will mean the company is eligible for the multitude of tax incentives the country offers that can lower the total effective CIT tax rate.

These incentives include being eligible for new startups to receive a tax exemption of 75 percent on the first S\$100,00 (US\$78,322) of chargeable income and a further 50 percent exemption on the next S\$100,00 of chargeable income (available for the first three years of operations). All other companies will receive a tax exemption of 75 percent on the first S\$10,000 (US\$7,800) and a further 50 percent on the next S\$190,000 (US\$148,814) of chargeable income.

Tax residents can enjoy the benefits from the country's 100 double tax avoidance (DTA) agreements, enabling businesses to eliminate instances of double taxation between treaty signatories. Moreover, tax residents have the advantage of gaining access to the wider Asian markets through the country's comprehensive free trade agreements (FTA).

Individual income tax

The tax liability of foreigners in Singapore is dependent on their tax residency status.

Foreigners are considered tax residences if they:

- Stay or work in Singapore for more than 183 days in a calendar year or;
- Work continuously for three years or more.

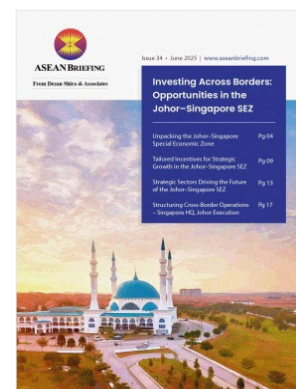
Tax rates

Singapore levies a progressive individual income tax (IIT) rate on tax residents. Since 2024 onwards, Singapore will increase the headline IIT rate to 24 percent. Chargeable income between S\$500,000 (US\$391,616) to S\$1 million (US\$780,000) will be taxed at 23 percent, while chargeable income in excess of S\$1 million will be taxed at 24 percent.

The tax rates on chargeable income in 2026 are as follows.



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ASEAN Briefing Magazine

This publication sets out the rationale behind the Johor-Singapore SEZ, the sectors it is likely to support, and the broader context in which it is being developed. For foreign investors, it provides a starting point for understanding how the SEZ may evolve as a node within Southeast Asia's wider investment landscape.

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IIT Tax Rates 2025

Chargeable income	Income Tax Rate (%)	Gross Tax Payable
First S\$20,000 (US\$15,600)	0	S\$0 (US\$0)
Next S\$10,000 (US\$7,800)	2	S\$200 (US\$156)
First S\$30,000 (US\$23,400)	-	S\$200 (US\$156)
Next S\$10,000 (US\$7,800)	3.5	S\$350 (US\$273)
First S\$40,000 (US\$31,200)	-	S\$550 (US\$429)
Next S\$40,000 (US\$31,200)	7	S\$2,800 (US\$2,184)
First S\$80,000 (US\$62,400)	-	S\$3,350 (US\$2,613)
Next S\$40,000 (US\$31,200)	11.5	S\$4,600 (US\$3,588)
First S\$120,000 (US\$93,600)	-	S\$7,950 (US\$6,201)
Next S\$40,000 (US\$31,200)	15	S\$6,000 (US\$4,680)
First S\$160,000 (US\$124,800)	-	S\$13,950 (US\$10,881)
Next S\$40,000 (US\$31,200)	18	S\$7,200 (US\$5,616)
First S\$200,000 (US\$156,000)	-	S\$21,150 (US\$16,497)
Next S\$40,000 (US\$31,200)	19	S\$7,600 (US\$5,928)
First S\$240,000 (US\$187,200)	-	S\$28,750 (US\$22,425)
Next S\$40,000 (US\$31,200)	19.5	S\$7,800 (US\$6,084)
First S\$280,000 (US\$218,400)	-	S\$36,550 (US\$28,509)
Next S\$40,000 (US\$31,200)	20	S\$8,000 (US\$6,240)
First S\$320,000 (US\$249,600)	-	S\$44,550 (US\$34,749)
Next S\$180,000 (US\$140,400)	22	S\$39,600 (US\$30,888)
First S\$500,000 (US\$390,000)	-	S\$84,150 (US\$65,637)
Next S\$500,000 (US\$390,000)	23	S\$115,000 (US\$89,700)
First S\$1,000,000 (US\$780,000)	-	S\$199,150 (US\$155,337)
In excess of S\$1,000,000 (US\$780,000)	24	-

Non-resident individuals are generally taxed at 15 percent or the progressive resident rates (whichever is higher) on employment income, while director's fees and certain other income types are taxed at 24 percent.

Goods and services tax

The goods and services tax (GST), also known as value-added tax (VAT), is a consumption tax imposed at a rate of 9 percent on goods and services in Singapore, regardless of whether they are acquired from domestic or overseas suppliers.

The GST that is charged onto customers is known as 'output tax,' and the GST that is incurred on business purchases and expenses, which includes the import of goods, is known as the 'input tax.' The difference between the output and input tax is the net GST payable to the government.

GST liability on low-value goods

Since January 2023, Singapore has imposed the goods and services tax (GST) on imported low-value goods. Low-value goods refer to goods imported by air or post that are valued up to and including the GST import relief threshold of S\$400 (US\$313). Non-digital services, such as online training or coaching where the customer is not at the location where the service is being provided, must also pay GST.

GST registration

The way GST is collected depends on the GST registration status of the customer in Singapore. If the low-value goods are sent to a GST-registered customer in Singapore, then the obligation to charge GST on the imported goods falls on the GST-registered customer, irrespective of the supplier's GST status or whether they are local or from overseas.

If the customer is not GST-registered, then the obligation to account for the GST may fall on one of the following persons:

- The supplier – who makes the direct sale to the customer;
- Transporters – the person that delivers or arranges to delivery the goods to the customer; or
- The electronic marketplace – which acts as the medium for the supplier to supply low-value goods.

The mentioned entities should determine their GST liability. Local suppliers, transporters, and electronic marketplaces must register for GST if they meet the mandatory threshold, which is as follows:

1. Under the retrospective basis: The entity's taxable turnover for the past 12 months exceeds S\$1 million (US\$780,000); or



HOW GST LIABILITY IS ASSESSED ON LOW VALUE GOODS TRANSACTIONS IN SINGAPORE

Goods and services tax is levied on low-value goods that are imported to Singapore. Businesses should identify whether their customers are GST-registered by requesting their GST registration number for each sale that occurs.

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2. Under the prospective basis: The entity's taxable turnover for the next 12 months is expected to exceed S\$1 million

For overseas suppliers, transporters, and electronic marketplaces, the GST threshold is as follows:

1. Under the retrospective basis: The entity's global taxable turnover for the past 12 months exceeds S\$1 million in addition to overseas suppliers of business-to-consumer (B2C) products or services to non-registered GST customers that exceeds \$100,000 (US\$78,322); or
2. Under the prospective basis: The entity's taxable turnover for the next 12 months is expected to exceed S\$1 million or where the overseas supplier of B2C products or services to non-registered GST customers is expected to exceed \$100,000.

Withholding tax

The withholding tax only applies to non-resident companies or individuals who have sourced an income from Singapore. The types of income subjected to withholding tax are:

Withholding Tax on Payments to Non-Resident Companies	
Nature of income	Tax rate (in %)
Dividends	Exempt
Interest	15
Royalties	10
Technical assistance and service fees	17
Rent on moveable property	15
Charter fees for aircraft or ship	0-2

Filing withholding taxes

Taxpayers subject to a withholding tax must file and pay the tax to the IRAS by the 15th of the second month following when the payment was made. The payment timeframe is based on the earliest date of the contract, invoice, payment, or when the recipient was credited.

Taxpayers that miss the filing and payment deadline will be subject to an additional five percent penalty in the form of a late payment penalty notice.

Further penalties apply if the payer still has not paid within 30 days of the notice's issuance. Individual taxpayers must use the online platform SingPass to e-file withholding taxes. Individuals filing on behalf of an entity, such as a company or trust, must first be authorized on the CorpPass platform.

Capital gains tax

There is no capital gains tax in Singapore. Generally, the gains derived from the sale of a property/investment in Singapore are not subjected to tax as it is a capital gain. However, the gains may be taxable if one is the business of trading shares.

Carbon tax

Singapore's carbon tax will be progressively increased from the current rate of S\$5 (US\$3.88) per ton to between S\$50 (US\$38.85) and S\$80 (US\$62.17) by 2030.

Year	Rate (per ton)
2024-2025	S\$25 (US\$19.42)
2026-2027	S\$45 (US\$34.97)
By 2030	S\$50 (US\$38.85) and S\$80 (US\$62.17)

Taxation of foreign sourced income

Singapore began taxing foreign-sourced disposable gains since January 2024, with Parliament approving the amendments to the country's Income Tax Act.

Dubbed Section 10L, capital gains from the sale of foreign assets will be subject to tax if they are received in Singapore and if the relevant entity does not have 'economic substance' in Singapore. How the entity is judged to have 'economic substance' in the city-state will be assessed on a case-by-case basis

Key features of Section 10L

What is a relevant entity?

Section 10L applies to entities that are part of consolidated multinational entities (MNE) groups where at least one member of the group has a place of business outside of Singapore. As such, domestic groups are excluded.

Further, entities that are excluded from the scope of Section 10L are those that fall within one of the following categories:

- Financial institutions;
- Entities that are exempt from income tax under specific incentives; and
- Excluded entities.

What are the excluded entities?

A party is considered an excluded entity based on its dependency on being a 'pure equity-holding entity'. Such entities primarily serve the purpose of holding shares in other entities and do not generate income from any source other than dividends received from these shares.

Type of entity	Conditions to qualify as an 'excluded entity'
A pure equity holding entity	1. The entity must submit regular accounts or statements; 2. The operations of the entity are conducted in Singapore; and 3. Have adequate human resources in Singapore.
Other entities	1. The entity manages and performs operations in Singapore; and 2. The entity has adequate economic substance in Singapore, taking into account the number of employees of the entity in Singapore, their qualifications, the amount of business expenditure incurred in Singapore, and whether key business decisions are made by persons in Singapore.

Foreign assets

Section 10L also determines whether an asset situated outside of Singapore can be considered a 'foreign asset'. In particular::

- Shares in a company or securities issued by a company are situated where the company is incorporated;
- Immovable property and intangible movable property are situated where the property is physically located;

- Secured or unsecured debt is situated where the creditor is resident; and
- Intangible movable property is located where the rights of ownership for the property can be most effectively upheld.

Singapore's DTA Network

Singapore has one of the world's most extensive double tax agreement (DTA) networks, attracting international businesses from a multitude of conventional and nuanced industries. DTAs eliminate instances of double taxation from cross-border activities, such as trade, knowledge sharing, as well as investments between two countries.

Singapore has signed over 90 DTAs with various countries and the full list can be found on the website of the Inland Revenue Authority of Singapore or IRAS, the main tax authority in the country.

Income types covered under a DTA

Currently, there are several types of DTAs signed by Singapore: comprehensive, limited, and exchange of information arrangements (EOIAs).

Comprehensive DTAs provides relief from double tax for all income types between the two signatories. Limited DTAs, however, only provides relief from income generated from air transport and shipping, and EOIAs are provisions for the exchange of tax information.

The tax reliefs under each DTA treaty differs for each country. They normally cover several income types:

- Tax on royalties;
- Tax on dividends;
- Tax on capital gains;
- Tax on interests;
- Shipping and air transport;
- Directors' fees;
- Independent and dependent personal services;
- Researchers;
- Students; and
- Income from immovable property.

Claiming relief under a DTA

To obtain the benefits of the DTA, the company must first submit its Certificate of Residence (COR) to IRAS as evidence it is a tax resident in Singapore. Only Singaporean tax residents and the tax residents of the treaty partner are recognized.

To qualify as a Singaporean tax resident, an individual must be employed in the country for 183 days or more during the year. For companies, they must be registered in Singapore. Tax residents of the treaty partner must also submit a COR certified by the tax authority of the treaty partner to the IRAS to obtain relief under the DTA.

Singaporean tax residents can still avoid double taxation even if Singapore does not have a DTA with a particular country through the Universal Tax Credit (UTC) scheme. This applies to all foreign taxes paid by a Singaporean tax resident on the following income categories:

- Royalties derived from outside of Singapore;
- Foreign income from professional services or consultancy;
- Foreign-sourced dividends; and
- Foreign branch profits.

The IRAS will grant the tax exemption if the following conditions are met:

- At least 15 percent in corporate taxes (headline tax) are paid on the income sourced from the foreign jurisdiction;
- The company has been subjected to tax in the foreign jurisdiction, this can be different from the headline tax; and
- The IRAS is satisfied that granting the tax exemption will benefit the tax resident in Singapore.

Determining the treatment of profits

Defining a permanent establishment (PE) is a core feature of all double tax agreements (DTAs), as it determines when a foreign enterprise becomes taxable in Singapore, where tax residency is based on where the business is controlled and managed.

The company is considered a tax resident if the control or management of the business was exercised in Singapore in the preceding calendar year.



TAX SERVICES

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<i>Armenia</i>	<i>Canada</i>	<i>Korea (South)</i>	<i>Pakistan</i>	<i>Thailand</i>
<i>Australia</i>	<i>China</i>	<i>Kyrgyz Republic</i>	<i>Papua New Guinea</i>	<i>Turkey</i>
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<i>Bermuda</i>	<i>Egypt</i>	<i>Lichtenstein</i>	<i>Rwanda</i>	<i>Ukraine</i>
<i>Brazil</i>	<i>Estonia</i>	<i>Lithuania</i>	<i>San Marino</i>	<i>Venezuela</i>
<i>Brunei</i>	<i>Ethiopia</i>	<i>Malta</i>	<i>Saudi Arabia</i>	<i>Vietnam</i>
<i>Bulgaria</i>	<i>Fiji</i>	<i>Mauritius</i>	<i>Serbia</i>	
	<i>Finland</i>	<i>Morocco</i>	<i>Seychelles</i>	
	<i>France</i>	<i>Mexico</i>	<i>Slovak Republic</i>	
	<i>Gabon</i>	<i>Mongolia</i>	<i>Slovenia</i>	
	<i>Georgia</i>	<i>Myanmar</i>	<i>South Africa</i>	
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	<i>Greece</i>	<i>Netherlands</i>	<i>Sweden</i>	
	<i>Guernsey</i>	<i>New Zealand</i>	<i>Switzerland</i>	
	<i>Hong Kong</i>	<i>Norway</i>		
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	<i>Israel</i>			
	<i>Italy</i>			
	<i>Japan</i>			
	<i>Jersey</i>			
	<i>Jordan</i>			

Human Resources and Payroll

The Employment Act (EA) is the main labor law in Singapore. The Act regulates employment terms and conditions for all employees under a work contract with an employer. The EA covers the following:

- Minimum days for giving notice of termination of contract;
- Actions employers are entitled to upon misconduct of employees;
- Salary periods, time of payment;
- Maternity protection and benefits, and childcare leave for parents; and
- Public Holiday, leave and sick leave entitlements.

Singapore's new Workplace Fairness Law

Singapore's Law and Home Affairs introduced a workplace fairness legislation (WFL) to parliament aimed at creating a more equitable and inclusive employment practice.

The law will ensure that employers do not discriminate against employees based on protected characteristics. This move highlights the government's commitment to maintaining racial and religious harmony and equality in the workplace.

What are the key provisions of the workplace fairness legislation?

The new WFL outlines several key employment practices.

Prohibition of discrimination

The WFL explicitly bans employment discrimination based on factors like age, race, gender, religion, marital status, disability, and family responsibilities. This approach goes beyond previous guidelines, which primarily addressed broad categories such as race and nationality.

Employers must ensure that hiring, promotions, and remuneration decisions are merit-based, rather than influenced by irrelevant personal characteristics, creating a more equitable and inclusive workplace environment.

Proper grievance handling processes

The WFL establishes a formal grievance procedure for employees to report instances of workplace discrimination. This will create a clearer and more defined process for handling complaints, addressing the current ambiguity in resolving such issues. Employees who believe they have been discriminated against will benefit from a more transparent and efficient investigation process, with established timelines for employer responses to ensure timely resolutions.



RELATED READING

Breaking Down Singapore's Work Permit Changes:

ASEAN Briefing Article

Singapore has implemented significant changes to its Work Permit and S Pass frameworks, aiming to enhance workforce stability and address labor shortages. These reforms, announced by the Ministry of Manpower (MOM), took effect between July 1 and September 1, 2025, and focus on extending employment opportunities for foreign workers, refining S Pass eligibility, and broadening the talent pool across various sectors.

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Further, employers will be prohibited from retaliating against workers who report workplace discrimination and harassment. The WFL will define retaliatory actions to include:

- Wrongful dismissal;
- Harassment;
- Unauthorized salary deduction;
- Unreasonable denial of re-employment; and
- Any other action aimed to victimize the employee.

Protection for vulnerable workers

The new legislation also focuses on safeguarding vulnerable workers, such as older employees, women with caregiving duties, and individuals with disabilities. Employers are mandated to foster a more inclusive workplace by adopting policies that support these groups, including flexible work arrangements and reasonable accommodations for employees with special needs, promoting equity and inclusion across all workforce levels.

Enforcement and sanctions

Employers that breach the WFL can be sanctioned. The sanctions will be based on the severity of the breach.

Low severity

Corrective orders issued by the Ministry of Manpower (MoM) will punish low-severity breaches. Firms must review their hiring process, and individuals can be asked to attend corrective workshops.

Moderate severity

The Ministry of Manpower is expected to impose administrative sanctions for breaches of the WFL deemed moderate. The MoM can also impose work pass curtailment.

High severity

For breaches of the WFL deemed as highly severe, employers could be subject to prosecution in court where the company's decision-makers could face significant penalties.

Employment contracts

The essential clauses of a contract of service in Singapore include:

- Commencement of employment, full name of employer and employee;
- Appointment - job titles, main duties and responsibilities;
- Working arrangements (hours of work, number of working days per week, rest day);
- Probation period (if any);
- Remuneration (Salary period, basic period, fixed allowances/deduction, overtime rate of pay, bonus and incentives, etc.);
- Employee benefits (sick leave, annual leave, maternity leave, etc.), other medical benefits;
- Termination of contract - notice period; and
- Code of conduct.

Employee leaves and vacations

Statutory holidays

The President of Singapore can declare any day to be a public holiday, although every major race and religion usually receive two public holidays each.

If a public holiday falls on a Sunday, the following day is usually declared a public holiday, unless the Monday itself is already a public holiday. If a public holiday falls on a Saturday, the government will declare a holiday the following Monday.

Employees who have to work on a public holiday will be entitled to an extra day's salary at the basic rate. Alternatively, employers, with the consent of the employee, can substitute the employee's day off with another working day.

Further, the employer can also grant time-off-in-lieu, based on the number of hours the employee has worked on the public holiday. This option only applies to:

- Workmen earning more than S\$4,500 per month (US\$3,524);
- Non-workmen earning more than S\$2,600 per month (US\$2,036); and
- All managers and executives.

Annual leave

If an employee is covered by the EA, they are entitled to annual leave after working three months. An employee's annual leave entitlement is dependent on the number of years they have worked at the company.

Years of service	Days of leave
1 st	7
2 nd	8
3 rd	9
4 th	10
5 th	11
6 th	12
7 th	13
8 th and above	14

Maternity leave

Only Singaporean residents are entitled to paid maternity leave. The length is usually 12 weeks but if the child is a Singaporean citizen, then the leave is 16 weeks.

Further, there are other conditions that must be fulfilled to receive maternity leave. These are:

- The mother must be legally married to the father;
- Employment must have begun at least three months before the birth of the child; and
- The first eight weeks of maternity leave are paid by the employer, and the next eight weeks by the government.

Employment permits

The Ministry of Manpower (MoM) issues a wide range of employment permits to expatriates planning to work in Singapore. Each employment permit differs across various categories of employees and is based on their professional skills and monthly salaries.

It is important for applicants to note that most work permits are applied through the employer or an employment agent, via the MoM's online platform. Therefore, it is mandatory for skilled professionals to first obtain a job offer in the country before applying.

COMPASS

Singapore introduced a new points system for Employment Pass (EP) applicants from 2023, in addition to higher qualifying salary thresholds.

The government hopes that the new system – laid out under the Complementarity Assessment Framework (COMPASS) – will improve the capacity of Singaporean businesses to select high-quality foreign professionals and ensure workforce diversity.

EP applicants must score at least 40 points under the COMPASS system, which are awarded based on four attributes and two bonus criteria. COMPASS will come into effect for new applicants from September 2023 and for renewal applicants from September 2024.

How COMPASS works

The COMPASS framework evaluates EP applications on individual and firm-related attributes. These are based on four foundational criteria where the applicant earns points on whether they meet or exceed expectations.

Singapore COMPASS Point System	
Points for each foundational criterion	Assessment
20	Exceeds expectations
10	Meets expectations
0	Does not meet expectations

Applicants can also earn additional points on two bonus criteria – one for candidates in jobs where there is a skills shortage, and second, for firms that engage in innovation and internationalization activities.

40 points are required to pass COMPASS.

COMPASS scoring

The scoring system is highlighted in the following table.

New Employment Pass Scoring System in Singapore				
Foundational criteria	Individual attributes		Firm related attributes	
	C1. Salary		C3. Diversity	
	Fixed monthly salary compared to local PMET salaries in sector by age	Points	Share of candidate's nationality among firm's PMETs	Points
	≥ 90 th percentile	20	< 5%	20
	65 th to 90 th percentile	10	5 to 25%	10
	< 65 th percentile	0	≥ 25%	0
	C2. Qualifications		C4. Support for local employment	
	Awarded for recognized qualifications	Points	Firm's share of local PMETs within its subsector	Points
	Top-tier institution	20	≥ 50 th percentile	20
	Degree-equivalent qualification	10	20 th to 50 th percentile	10
	No degree-equivalent qualification	0	< 20 th percentile	0
Bonus criteria	Skills bonus	Points	Strategic economic priorities bonus	Points
	Job on the Shortage Occupation List	+20	Firm meets specific assessment criteria on innovation or internationalization activities	+10

Source: Singapore Ministry of Manpower

PMET: Professionals, managers, executives, and technicians.

The skills bonus is reduced to +10 if the share of the candidate's nationality is one-third or higher among the firm's PMETs.

Small firms with fewer than 25 PMET employees score 10 points on C3 and C4 by default.

Case study 1

Company A meets all four foundational criteria.

Candidate attributes

Company A, a marketing consultancy firm in the professional services sector, has an EP candidate with a monthly salary in the 70th percentile of local PMET salaries in the sector. 10 points is given under the 'salary' attribute. Further, the applicant holds a degree-equivalent qualification, resulting in another 10 points.

Firm-related attributes

The candidate's nationality currently forms 20 percent of the company's PMET employees, awarding the applicant 10 points.

Finally, the company has a local PMET share at the 40th percentile, awarding them 10 points.

As such, the total points obtained by Company A is 40, and the candidate is eligible for the EP permit.

Case Study 2

Company B is weak on the foundational criterion but earns points on the bonus criterion

Candidate attributes

Company B, a software company in the tech sector, has an EP candidate with a monthly salary in the 95th percentile of local PMET salaries in the sector. As such, 20 points is awarded.

The candidate (an AI engineer) holds a degree-equivalent qualification, resulting in 10 points.

Firm-related attributes

The candidate's nationality forms 40 percent of the company's PMET employees, meaning they are awarded no points. Finally, the company has a local PMET share at the 10th percentile, meaning the candidate will secure no points for this attribute.

However, the candidate is awarded 10 points under the skills bonus if their qualifications fill an occupation that is in short supply in Singapore. They are not awarded 20 points for the skills bonus as the share of the applicant's nationality among the firm's PMETs is more than one-third.

Who is exempted from COMPASS?

The candidate is exempted from COMPASS if they fulfill the following conditions:

- Earning a fixed salary of at least S\$20,000 (US\$14,870) per month;
- Filling a role on a short-term basis, one month or less; or
- Applying as an overseas intra-corporate transferee under the World Trade Organization's

Organization's General Agreement or an FTA Singapore is a party to.

Employment Pass

The Employment Pass is issued to expatriates employed as foreign managers, executives, and skilled professionals in Singapore. First-time candidates can obtain an EP for an initial two years which can then be renewed for up to three years at a time.

Since January 1, 2025, the qualifying minimum salary for both new EP and EP renewal applicants is S\$5,600 (US\$3,914) in all sectors except financial services. This threshold increases progressively with age.

Foreign applicants in the financial services sector must receive a minimum qualifying salary of S\$6,200 (US\$4,854) since January 1, 2025. This also increases progressively with age. Candidates that are offered a monthly salary of S\$6,000 (US\$4,662) or more, are eligible to apply for a dependent's pass for their legally married spouse and unmarried children under 21 years of age to join them in Singapore.

Applicants seeking to bring parents, common-law spouses, or stepchildren must apply for a Long-Term Visit Pass (LTVP), which is subject to additional eligibility criteria. However, only those with a fixed monthly salary of at least S\$12,000 (US\$9,387) can bring their parents into the country. There is no foreign worker levy or quota for this specific work permit. Moreover, the processing time for EP applications is up to five weeks; if submitted online, the application may be processed in as little as three weeks.

The Singapore government has announced that these thresholds will increase further from January 1, 2027, to S\$6,000 for most sectors and S\$6,600 for financial services, reflecting rising local wage benchmarks.

Documents for EP application

Employers need to submit the following documents for the EP application:

- Personal information of the applicant's passport;
- Company's latest business profile or information registered with Singapore's Accounting

- 
- and Corporate Regulatory Authority (ACRA); and
 - Details of the applicant's academic certificates. Applicants from India and China are required to produce additional documents.

Additional documents for Indian and Chinese nationals are:

- Indian applicants – transcripts and marksheets.
- Chinese applicants – certificate of graduation and verification in English from sources recommended by the MoM.

Further, documents in languages other than English must be submitted along with a translated copy of each. Also, it is important to note that the MoM may ask for more documents to be submitted at the time of processing the application.

Personalized Employment Pass

The Personalized Employment Pass (PEP) is designed for high-earning Employment Pass holders and overseas foreign professionals. Overseas applicants must earn a fixed monthly salary of at least S\$22,500 (US\$17,585), while existing Employment Pass holders must meet prevailing salary criteria to qualify.

However, the PEP can only be issued once for a period of three years. Thereafter, applicants will need to either apply for an EP or S Pass to continue their employment in Singapore. In addition, PEP holders must not be unemployed for more than six months and are required to earn a minimum fixed annual salary of S\$270,000 (US\$211,047) to retain the pass.

One key advantage for PEP holders is the flexibility to switch jobs without re-applying for another employment permit. They can also stay in the country for up to six months before securing the next job. PEP holders may switch employers without reapplying for a new work pass and can work across sectors, subject to regulatory licensing requirements for professions such as law, medicine, and dentistry.

There is no foreign worker levy or quota applicable to PEP holders. PEP holders may apply for a dependent's Pass for their legally married spouse and unmarried children under 21 years of age, as well as Long-Term Visit Passes for eligible family members, including parents and common-law spouses.

Documents for PEP application

Applicants need to submit the following documents for the PEP application:

- A saved copy of the completed application form;
- A screenshot of the banking page and a copy of the travel document;

- 
- Travel document information page;
 - Educational certificates;
 - Employment contracts for new and previous employment (if any);
 - Employment history, including company name, occupation, fixed monthly salary in S\$, country, and period of employment (if not currently an EP holder);
 - Latest tax statement; and
 - Payslips and bank account statements for the past 3 months.

The following types of workers are not eligible for a PEP:

- An EP holder under a sponsorship scheme;
- Journalists, editors, sub-editors, or producers;
- Freelancers; and
- A sole proprietor, partner, or where director is also a shareholder in an ACRA-registered company.

S Pass

The S Pass is similar to EP except that it is designed for mid-level skilled employees. To obtain an S Pass, employees must have a minimum monthly salary of S\$3,150 (US\$2,447) for all sectors, and S\$3,650 (US\$2,863) for those working in the financial sector.

From September 1, 2025, the minimum qualifying salary increased to S\$3,300 (US\$2,440) for new applicants in most sectors, with the same threshold applying to renewal applicants from September 1, 2026. For financial services, the minimum salary increased to S\$3,800 (US\$2,810) from September 1, 2025. This phased implementation means employers renewing S Passes in 2026 will face higher salary requirements.

As with the EP, S Passes are valid for up to two years and can be renewed for up to three years at a time. S Pass holders that earn a monthly salary of S\$6,000 (US\$4,662) or more are eligible to ask their employer to apply for a dependent's pass on their family's behalf.

Employers are also required to pay a foreign worker levy (FWL) for each of their S Pass employees. The FWL price is adjusted regularly and updated on the MoM website.

Documents for S Pass application

Documents required for the S Pass are as below:

- Personal information of the applicant's passport;
- Company's latest business profile or information registered with Singapore's ACRA; and
- Details of the applicant's academic certificates. Applicants from India and China are required to produce additional documents.

Additional documents for Indian and Chinese nationals:

- » Indian applicants – transcripts and marksheets.
- » Chinese applicants – certificate of graduation and verification proof in English from sources recommended by the MoM.

Increase in the tier 1 levy

Employers must meet two key requirements when hiring S Pass holders: adhering to sector-specific quotas and paying a monthly levy for each S Pass holder.

The Tier 1 (Basic) monthly levy is being increased progressively:

- The current rate is S\$550 (US\$429) per month.
- This will rise to S\$650 (US\$507) per month from 1 September 2025.

The levy is payable starting from the date the S Pass is issued and continues until it expires or is cancelled.

Sector-specific quotas for S Pass holders

Singapore imposes dependency ratio ceilings (DRCs) to limit the proportion of foreign workers, including S Pass holders, within a company's workforce. As of 2026, S Pass quota caps by sector are as follows:

- **Services sector:** Up to 10 percent of the workforce may be S Pass holders, within an overall foreign workforce cap of 35 percent.
- **Manufacturing sector:** Up to 15 percent S Pass holders, within a total foreign workforce cap of 60 percent.
- **Construction sector:** Up to 15 percent S Pass holders, within a total cap of 83.3 percent.
- **Marine shipyard sector:** Up to 15 percent S Pass holders, within a total cap of 77.8 percent.
- **Process sector:** Up to 15 percent S Pass holders, within a total cap of 83.3 percent.

These quotas apply to the company's total workforce, which includes both local and foreign employees.

Entrepreneur Pass

- » The Entrepreneur Pass (EntrePass) is for foreign business professionals and entrepreneurs who wish to start their own businesses in Singapore.

The initial EntrePass is valid for one year, with another two years granted for every subsequent renewal. Business owners must, however, meet the renewal criteria set by the MoM,

which includes aspects such as a minimum number of hired local employees as well as a minimum amount of annual business spending. The full list can be found on the MoM website.

As per the eligibility criteria stated by the MoM, the applicant's company must have either:

- Funding from an accredited source;
- Hold intellectual property (IP) registered with a recognized national IP institution;
- Research collaboration with a recognized institution; or
- Be an incubator at a Singapore government-supported incubator or accelerator.

According to the MoM, businesses such as coffee shops, hawker centers, food courts, bars, nightclubs, karaoke lounges, massage parlors, and employment agencies are not eligible under the EntrePass scheme.

There is no foreign worker quota or levy for EntrePasses. EntrePass holders whose annual business spending and local employment meet minimum eligibility requirements can apply for dependents passes and LTVs for certain family members.

Documents for EntrePass application

Applicants must submit the following documents for the EntrePass application:

- Copy of the personal information page of the applicant's passport;
- Past employment testimonials in English; and
- A business plan in English.

For businesses registered with the ACRA:

- Company's latest business profile.

Overseas Networks & Expertise Pass

The Overseas Network & Expertise Pass allows high-earners and achievers to live in Singapore without the need to secure employment first. Applications opened on January 1, 2023, and is applicable to top talent in all sectors.

Qualifying salary

Applicants for the Overseas Networks & Expertise Pass must earn a fixed monthly salary of at least S\$30,000 (US\$22,200) or demonstrate comparable outstanding achievements.

Alternatively, applicants who do not meet the salary threshold may qualify based on exceptional achievements in fields such as business, science and technology, research, or the arts.



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Duration and work criteria

The Overseas Networks & Expertise Pass allows the holder to concurrently work, start, and operate multiple companies in Singapore at any one time. Moreover, their spouse will also be able to work through a Letter of Consent with the MOM.

Applicants with no recent history of working in Singapore will need to prove that they have worked or will be working for a company with a market capitalization of at least US\$500 million or with annual revenue of at least US\$200 million.

Not subject to the Fair Consideration Framework requirement

The pass holder will also not be subject to the Fair Consideration Framework job advertising requirement in addition to COMPASS. Under the FCF, employers who want to submit EP applications must first advertise the job position on MyCareersFuture.sg to promote labor market transparency and fair employment practices.

Social insurance

The Central Provident Fund (CPF) is a social security savings scheme funded by contributions from employers and employees. This mandatory program is an important pillar of Singapore's social security system and aims to meet the retirement, housing, and healthcare needs of its people.

Individual CPF funds are further subcategorized into three savings accounts: Ordinary Account, Special Account, and Medisave Account. The Ordinary Account can be used at any time to purchase a home, make investments, and provide for education. The Special Account cannot be utilized until the account holder reaches retirement unless the money is used to purchase retirement-related financial products. This account will serve as the income a retired person receives.

The Medisave Account is used to pay for medical expenses, hospitalization expenses, and pay for approved medical insurance. When a worker turns 55, savings from their Special and Ordinary accounts are transferred to their Retirement Account, at which point they can start withdrawing their savings. Workers begin to receive monthly payouts of their savings at age 65. CPF earn risk-free interest on their savings. Interest rates vary for different CPF accounts and age groups and are updated on the CPF government website. Employers can submit CPF contributions and make payments through the CPF EZPay system, which also automatically calculates the employer's and employee's contributions and updates the amount when the employer changes age group. A SingPass login is required for employers to make payments through CPF EZPay.

Composition of Singapore's Retirement Sum Scheme



Increase of retirement and re-employment ages

As of 2026, Singapore's minimum retirement age remains at 63, and the re-employment age at 68, following the increases implemented in 2022. These age limits are scheduled to increase to 64 and 69 in 2026, and further to 65 and 70 by 2030 as part of the government's broader strategy to address workforce ageing. With one in four Singaporeans expected to be aged 65 or older by 2030, the policy aims to mitigate labor shortages, extend workforce participation, and maintain economic competitiveness. Employers are encouraged to align with the higher limits earlier to retain experienced workers and improve workforce continuity.

CPF Contribution Rates 2025

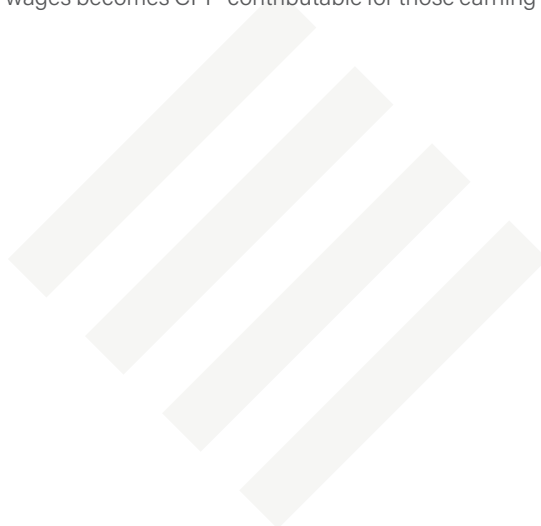
Employee's age	By employer (% wages)	By employee (% wages)	Total (% wages)
55 and below	17	20	37
Above 55 to 60	15.5	16	31.5
Above 60 to 65	12	10.5	22.5
Above 65 to 70	9	7.5	16.5
Above 70	7.5	5	12.5

Increase in CPF monthly salary ceiling

Singapore is progressively raising the CPF monthly salary ceiling to reflect wage growth and enhance retirement savings for higher-income employees. The increase is being rolled out in four stages:

- January 1, 2025: S\$7,400 (US\$5,782)
- January 1, 2026: S\$8,000 (US\$6,250)

With each adjustment, a larger portion of wages becomes CPF-contributable for those earning above previous thresholds.



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Accounting and Compliance

Singapore's transparent legal and business environment continues to make it a preferred destination for international companies to establish regional headquarters. To support this, the city-state offers relatively streamlined audit and compliance obligations compared to many of its ASEAN peers.

Audit requirements

Under the Companies Act, all private limited companies must have their financial statements audited annually by a public accountant registered with the Accounting and Corporate Regulatory Authority (ACRA), unless they qualify for an exemption.

Audit exemptions

A company qualifies for audit exemption under the small company concept if it is a private company and meets at least two of the following three criteria for the last two consecutive financial years:

- Total annual revenue ≤ S\$10 million (US\$7.81 million)
- Total assets ≤ S\$10 million
- No more than 50 full-time employees

A group of companies (holding and subsidiaries) may also qualify as a small group for audit exemption if the group meets at least two of the same three thresholds on a consolidated basis.

Additionally, dormant companies with no accounting transactions and total assets not exceeding S\$500,000 (US\$390,761) are also exempt from audit requirements.

Appointing an auditor

All companies must appoint an auditor within three months of incorporation, unless they qualify for audit exemption. Only public accountants registered with ACRA can conduct statutory audits in Singapore.

Annual general meeting

Companies are required to hold an AGM to present and approve audited financial statements, appoint or reappoint directors and auditors, declare dividends, and transact other business.

AGMs must be held:

- Once every calendar year
- Within six months from the company's financial year-end (FYE)

- Not more than 15 months after the previous AGM

Exemption from AGM is allowed for private companies if:

- Financial statements are sent to all shareholders within five months of the FYE, and
- No shareholder requests an AGM at least 14 days before the six-month deadline

If a request is received, the company must hold the AGM within 14 days.

Annual returns and XBRL filing

All companies in Singapore are required to file annual returns with ACRA. Listed companies must file their AR within five months after the end of their financial year, while non-listed companies have up to seven months. If the company holds an AGM, the AR must be submitted within one month following the meeting. In cases where an AGM is not required, the AR must be filed no later than seven months after the financial year-end.

In terms of financial statement submission, most companies are required to file their statements in XBRL (eXtensible Business Reporting Language) format. However, certain entities such as Exempt Private Companies (EPCs) and dormant companies may qualify for simplified filing requirements or declaration-based submissions instead of full XBRL reports.

Financial year-end

All companies in Singapore must determine a financial year-end (FYE) upon incorporation. This date marks the end of the company's accounting period and is used to schedule annual compliance obligations such as AGMs, tax filings, and the submission of annual returns. While companies are free to choose any date, many opt for December 31 or the last day of a calendar quarter — March 31, June 30, or September 30 — for administrative convenience or to align with group reporting cycles.

The choice of FYE can also impact a company's eligibility for tax incentives. Under the Startup Tax Exemption (SUTE) scheme, newly incorporated qualifying companies may receive a 75 percent tax exemption on the first S\$100,000 (US\$78,153) of chargeable income and a 50 percent exemption on the next S\$100,000 during the first three consecutive years of assessment. For some businesses, selecting December 31 as their FYE helps maximize the benefit period within the standard tax assessment timeline.

Accounting standards

Companies in Singapore must prepare their financial statements in accordance with the Singapore Financial Reporting Standards (SFRS), which are closely aligned with the



International Financial Reporting Standards (IFRS). These standards ensure consistency and transparency in financial reporting. Small companies that qualify for audit exemption may opt to use the SFRS for Small Entities (SFRS for SE). To do so, the company must meet the small company thresholds, must not be publicly accountable, and must publish financial statements for external users.

Estimated chargeable income

Companies must file their Estimated Chargeable Income (ECI) with IRAS within three months after the financial year-end. The filing typically includes revenue figures and estimated taxable income, rather than a full set of financial statements. Additional disclosures may be required depending on the company's profile and tax position. In practice, many private companies rely on written resolutions or virtual meetings instead of physical AGMs, reflecting Singapore's increasing flexibility in corporate governance procedures.

Penalties for non-compliance

Failure to comply with Singapore's corporate filing and audit obligations can lead to significant consequences. Companies that file their annual returns late may face penalties of up to S\$600 (US\$468). More serious breaches of the Companies Act can result in fines of up to S\$5,000 (US\$3,907), and persistent non-compliance may trigger court summons or even arrest warrants issued by ACRA.

In terms of taxation, companies that fail to file tax returns for more than two years can be penalized with a fine of up to S\$1,000 (US\$781), in addition to a penalty equal to twice the amount of tax owed.

Incentives for Businesses

Singapore continues to offer a broad incentives framework for businesses, but the structure has become more targeted in 2026. Rather than relying only on low headline tax outcomes, the city-state increasingly combines tax incentives with grants, financing support, digital capability schemes, sustainability programs, and workforce support. For foreign investors, the practical issue is no longer whether incentives exist, but which ones remain accessible to wholly foreign-owned companies and which ones are reserved mainly for businesses with at least 30 percent local shareholding.

Progressive Wage Credit Scheme

The Progressive Wage Credit Scheme remains relevant in 2026, but it has changed from the version many earlier guides described. As announced in Budget 2026, the government increased the co-funding support for qualifying wage increases in 2026 from 20 percent to 30 percent, and extended the scheme through 2028. The enhanced 30 percent rate also applies to wage increases granted in 2025 and sustained in 2026.

The scheme applies to wage increases for eligible lower-wage workers, and in practical terms it should be read as labor-cost support rather than a broad business incentive. Foreign investors setting up higher-value regional headquarters or capital-intensive operations may benefit only marginally, while businesses in labor-intensive domestic sectors are more likely to feel its impact. The monthly wage ceiling is S\$3,000 (US\$2,337).

Start-Up and Partial Tax Exemption

Singapore's start-up tax exemption remains one of the most useful baseline incentives for new companies. Qualifying new start-ups may continue to enjoy a 75 percent exemption on the first S\$100,000 (US\$77,900) of normal chargeable income and a 50 percent exemption on the next S\$100,000 (US\$77,900) for each of their first three consecutive years of assessment. Companies that do not qualify for this scheme can instead rely on the partial tax exemption, which grants a 75 percent exemption on the first S\$10,000 (US\$7,790) of normal chargeable income and a 50 percent exemption on the next S\$190,000 (US\$148,010).

Enterprise Financing Scheme

The Enterprise Financing Scheme (EFS) remains a core government-backed lending platform in 2026. Enterprise Singapore states that the scheme covers seven financing areas: green loans, working capital loans, fixed asset loans, venture debt loans, trade loans, project loans, and merger and acquisition loans, with Enterprise Singapore sharing default risk with participating financial institutions.



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Under the EFS, businesses can apply for loans to support a wide range of needs, including trade financing, working capital, asset purchases, project financing, venture debt, and even mergers and acquisitions. Each loan type has its own parameters:

- Working Capital Loan: Designed to support day-to-day operational cash flow needs.
- Trade Loan: Supports trade financing requirements such as inventory and receivables.
- Fixed Asset Loan: Used for acquiring equipment or facilities.
- Project Loan: Tailored for domestic or overseas project financing.
- Venture Debt Loan: Offers growth capital to startups with strong potential but limited assets or track record.
- M&A Loan: Helps companies fund local and overseas acquisitions for growth.

For SMEs, the working capital component continues to support operational cash flow needs, with a maximum loan quantum of S\$500,000 per borrower (US\$389,500), a maximum repayment period of five years, and broader borrower-group limits applying across facilities. Trade financing support also remains available for inventory financing, structured pre-delivery working capital, receivables financing, overseas working capital loans, and bank guarantees. Enterprise Singapore notes that further EFS enhancements will take effect from April 1, 2026, which means investors should treat older summaries with fixed deadlines or outdated risk-share assumptions cautiously.

Enterprise Innovation Scheme

The Enterprise Innovation Scheme remains one of Singapore's most attractive capability-building measures and is available from Year of Assessment 2024 to Year of Assessment 2028. Under the scheme, businesses may claim 400 percent tax deductions or allowances on up to S\$400,000 of qualifying expenditure per year for each of four main qualifying activities, and they may also convert up to S\$100,000 of qualifying expenditure across all activities into a non-taxable cash payout at a conversion rate of 20 percent. That means the maximum annual cash payout is effectively S\$20,000 (US\$15,580).

Investment Allowance Scheme

The Investment Allowance (IA) Scheme encourages capital-intensive projects that enhance productivity, automation, or innovation. Administered by the Singapore government, the scheme provides up to 100 percent tax exemption on qualifying fixed capital expenditure, such as plant, equipment, automation systems, and buildings. This is granted in addition to standard capital allowance deductions, offering significant tax savings for approved projects.

Eligibility and the level of allowance are subject to approval by the relevant government agency, typically the Economic Development Board (EDB).



The scheme is particularly beneficial for companies investing in advanced manufacturing, large-scale upgrades, or technology-driven transformation in sectors like semiconductors, pharmaceuticals, and precision engineering.

Startup SG Tech

Singapore continues to support deep-tech commercialization through Startup SG. Enterprise Singapore's current Startup SG overview confirms that Startup SG Tech remains in place and continues to support proof-of-concept and proof-of-value projects for innovative and proprietary technologies. The wider Startup SG framework also includes talent, founder, accelerator, equity, infrastructure, loan, and network support.

For a 2026 chapter, the more important update is that Singapore has also expanded support at the ecosystem level. In March 2026, Enterprise Singapore announced a S\$1 billion top-up for Startup SG Equity to continue supporting Singapore-based deep-tech startups and to extend support into later growth stages. This reinforces the point that Singapore's startup incentives are no longer limited to very early-stage grants but now form part of a broader deep-tech scaling strategy.

Enterprise Development Grant

The Enterprise Development Grant remains one of Singapore's core capability-building incentives, supporting companies that undertake projects to upgrade operations, improve productivity, and expand into new markets. Rather than functioning as a broad-based tax incentive, the EDG is structured as a co-funding mechanism for transformation initiatives, including business strategy development, process redesign, digital adoption, and internationalization.

As of 2026, the EDG continues to provide support of up to 50 percent of qualifying project costs for eligible companies, with higher support levels previously available for sustainability-related projects during earlier funding phases. The grant covers a wide range of expenditure categories, including consultancy fees, software and equipment, and internal manpower costs directly attributable to the project.

A key development from April 1, 2026, is the gradual consolidation of major enterprise support schemes, including the EDG, into a more integrated grant framework administered by Enterprise Singapore. This shift reflects the government's move toward simplifying access to incentives and reducing fragmentation across multiple programs. While the EDG structure remains recognizable, companies should expect evolving application processes and combined support pathways under this unified system.

Pioneer and development and expansion incentives

Singapore offers generous tax incentives to companies introducing new capabilities or significantly expanding operations. The Pioneer Certificate Incentive grants full corporate tax exemption for five years to companies bringing in activities that are not already present in Singapore. The Development and Expansion Incentive reduces the corporate tax rate to as low as five percent for up to 40 years, depending on the investment value, economic contribution, and scale of operations. These incentives are particularly attractive to global firms establishing regional headquarters or manufacturing bases.

Market Readiness Assistance Grant

The Market Readiness Assistance Grant supports Singapore-based companies expanding into overseas markets by co-funding activities related to internationalisation. The scheme remains one of the most accessible forms of support for outward expansion, covering areas such as overseas market promotion, business development, and market entry setup.

As of 2026, the grant provides support of up to S\$100,000 per company per market, equivalent to approximately US\$77,900, with funding levels of up to 70 percent of eligible costs for small and medium-sized enterprises. This represents an enhancement from earlier funding levels and reflects Singapore's continued push to encourage international expansion among locally anchored businesses.

A key development from April 2026 is the expansion of the scheme beyond first-time market entry. Companies may now also receive support to deepen their presence in existing overseas markets, rather than being limited to new market expansion. In addition, eligibility has been broadened to include selected non-SME companies, which may receive support of up to 50 percent of qualifying costs. These changes significantly increase the practical relevance of the scheme for companies with established regional operations.

Green and sustainability incentives

Singapore offers a comprehensive range of grants and financing schemes to help businesses reduce their environmental footprint and adopt sustainable practices. These initiatives target companies across sectors and growth stages, with a focus on energy efficiency, waste reduction, and sustainability reporting.

As of 2026, the scheme has been extended to cover a broader range of sectors, including construction, data centers, food services, manufacturing, maritime, and retail, and will continue until at least March 31, 2027. Support levels vary depending on the project, but the grant is

primarily intended to offset the upfront capital cost of adopting energy-efficient technologies. The Energy Efficiency Grant supports firms in the retail, food and beverage, and manufacturing sectors, providing up to S\$30,000 (US\$23,444) for retail and F&B companies, and up to S\$350,000 (US\$273,513) for manufacturers to adopt energy-efficient equipment.

For larger-scale energy-saving initiatives, the Energy Efficiency Fund (E2F) offers co-funding of up to 70 percent of qualifying project costs, helping businesses offset the capital investment required for more substantial efficiency upgrades.

The 3R Fund supports waste reduction and recycling efforts, offering funding of up to 80 percent of eligible costs, capped at S\$1 million (US\$781,468), to encourage sustainable waste management practices.

Under the Enterprise Financing Scheme – Green, companies can access loans of up to S\$50 million (US\$39 million) to finance eligible green projects, such as clean energy adoption, green certification, or sustainable infrastructure.

To encourage transparency and accountability, the Sustainability Reporting Grant helps businesses offset the cost of preparing sustainability reports by covering up to 30 percent of reporting-related expenses.

Finally, the Enterprise Sustainability Program provides customized support for SMEs looking to strengthen their environmental, social, and governance (ESG) capabilities, with training, advisory services, and project support tailored to different industries.



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Our Offices in ASEAN

VIETNAM

Ho Chi Minh City
hcmc@dezshira.com

Hanoi
hanoi@dezshira.com

Da Nang
danang@dezshira.com

INDONESIA

Jakarta
indonesia@dezshira.com

SINGAPORE
singapore@dezshira.com

MALAYSIA
malaysia@dezshira.com

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THE PHILIPPINES

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