

About Vistra Singapore

Welcome

“Unique” is the word that best captures Singapore, a vibrant city rich in contrast and colour where you’ll find a fusion of culture, cuisine, arts and architecture. For centuries a meeting place for the East and West, Singapore is located in the heart of fascinating Southeast Asia and continues to embrace tradition and modernity. Bursting with exciting events, the city offers a myriad of unique and memorable experiences waiting to be explored.

Singapore at a glance

Singapore, officially the Republic of Singapore, is an island country situated off the southern tip of the Malay Peninsula, with Malaysia to its north and Indonesia’s Riau Islands to its south. With a population of 5.3 million but only 710.3 square kilometres in size, it is one of the most densely populated areas in the world. Malay, Mandarin, English and Tamil are the four official languages, and the Singapore Dollar (S\$) is the currency, with no foreign exchange controls.

Transformation of Singapore

Singapore was founded in 1819 and was governed by the British Military Administration after the end of World War II. It subsequently joined the Federation of Malaysia but was separated from Malaysia in 1965 and became a sovereign, democratic and independent nation. Since attaining self-governance, Singapore has gone through massive industrialisation and economic planning, and has achieved political stability. The country has continued to advance and emerge as a sustainable and efficient nation.

Having its roots as a trading post set up by the British colony, Singapore proved to be a prized settlement and became a major port of call for ships plying between Europe and East Asia as early as 1869. Today, Singapore is one of the world’s busiest ports and has remained as a major international transportation hub in Asia, with strategic positioning on many sea and air trade routes.

Singapore has also become one of the most important financial centres of Asia, and home to both local and international reputable banks.

Singapore’s strategic location, excellent facilities, fascinating cultural contrasts and tourist attractions contribute to its success as a leading destination for both business and pleasure.

International Accolades

Over the years, Singapore has made significant strides in many areas and has attracted an encouraging number of accolades from global organisations. To summarise where Singapore stands in some notable world rankings:

- **Living conditions**
 - Best quality of living in Asia
 - Ranked Asia’s best country to work in by foreign talents
 - Ranked 1st overall (key economic elements, income, disposable income and luxuries) and 1st in income in world’s largest expat survey
- **Business environment**
 - Ranked 1st worldwide as the city with the best investment potential after coming in second for 16 consecutive years
 - World’s easiest place to do business for 7 consecutive years
 - Ranked 1st in the Enabling Trade Index for having the most open economy for international trade and investment
 - Best business environment worldwide Ranked 2nd most competitive city in the world and most competitive city in Asia

Tax Conductive Environment

Singapore adopts a territorial system of taxation that means income accrued in or derived from Singapore is subject to tax. Foreign-sourced income is not subject to tax in Singapore unless it is remitted into Singapore and falls outside tax exemptions. This means that Singapore companies may be established to hold foreign investments, without deriving Singapore-sourced income or remitting the foreign-sourced income into Singapore, and so achieve a tax-free status in Singapore.

In the event that corporate income taxes are levied, the prevailing corporate tax rate is 17% (one of the lowest in Asia). Furthermore, partial tax exemptions on taxable profits may lower the effective tax rate to less than 10%.

Coupled with this, tax incentives targeted at specific industry groups make Singapore an attractive location for any company (whether trading, manufacturing, investment holding, a regional hub, etc.).

There are several other distinct advantages that make Singapore a very favourable jurisdiction to set up a structure:

- No withholding tax on dividends
- No tax on dividends received from Singapore resident companies
- No capital gains tax
- No inheritance/gift tax
- No estate duty
- No specific debt to equity restrictions
- No income tax on foreign trust

With cross-border transactions, it is sometimes inevitable that one income is subject to tax in two different jurisdictions. Subject to fulfilment of treaty conditions, Singapore companies are able to take advantage of the comprehensive avoidance of double taxation agreements (DTAs) which Singapore has concluded with more than 60 countries. This provides a tax-efficient route, and a bridge with many countries in both Europe and Asia.

Singapore companies are flexible vehicles that can be used in corporate structures to achieve low taxes (or possibly none) in cross-border transactions involving trading or investment holding activities.

Flexible Corporate Framework

Singapore companies can be set up with a full nominee structure to ensure maximum privacy and without any restrictions/limits imposed on foreign ownership. There is a requirement to maintain a minimum of only one resident individual director in Singapore.

Reliable Legal System

Singapore has inherited the English common law tradition and, with modernisation and increased cross-border transactions, Singapore has become to be one of the major, and most respected resolution centres in Asia. The establishment of the Singapore International Arbitration Centre in 1991 has provided a neutral, efficient and reliable dispute resolution service in this important regional hub.

Exchange of Information Framework

Singapore endorsed the OECD's standard for effective exchange of information (the "Standard") in 2009. Since then, Singapore had amended its laws to implement the Standard and re-negotiated various DTAs to incorporate the Standard.

In May 2013, Singapore reviewed its framework for international cooperation to further strengthen its exchange of information ("EOI") framework and combat cross-border tax offences. A few highlights of the current EOI framework in Singapore are:

1. EOI assistance in accordance with the Standard is extended to all of Singapore's existing DTA partners, subject to reciprocity.
2. Singapore signed the Convention on Mutual Administrative Assistance in Tax Matters on 29 May 2013. However, this has not been ratified.
3. For valid EOI requests received by the Inland Revenue Authority of Singapore ("IRAS"), the IRAS is allowed to obtain bank and trust information from financial institutions (which is

Foreign Account Tax Compliance Act ("FATCA")

protected from disclosure under Banking Act and Trust Companies Act) without going through a judicial process.

However, strong safeguards remain in place to protect confidentiality and prevent abuse of the EOI framework. The IRAS will continue to assess the validity of the EOI requests and ensure that each EOI request is clear, legitimate and foreseeably relevant to the enforcement of the requesting jurisdiction's tax laws.

Singapore has concluded with the United States an Inter-Governmental Agreement (Model 1) ("IGA"), which means it is now aligned with the U.S. on FATCA, a U.S. law that targets non-compliance with tax laws by U.S. persons using overseas accounts. Under the Model 1 IGA, Singapore-based financial institutions (FIs) will report information on financial accounts held by U.S. persons to the IRAS, which in turn provides the information to the U.S. Inland Revenue Service.

Designation of Tax Crimes as Money Laundering Predicate Offences

With effect from 1 July 2013, the offences of tax evasion and serious fraudulent tax evasion under the Income Tax Act, and the offences of tax evasion and improperly obtaining refunds under the Goods and Services Tax Act have been designated as money-laundering predicate offences under the Corruption, Drug Trafficking and Other Serious Tax Crimes (Confiscation of Benefits) Act ("CDSA"). The CDSA, being the main anti-money laundering ("AML") legislation in Singapore, criminalises the laundering of proceeds from a list of money laundering predicate offences, which now includes tax crimes. As part of Singapore's AML regime, this means that all financial institutions in Singapore are now required to assess the tax-risk profile of its existing and new customers.

Foreign Trust in Singapore

Singapore's earned reputation as a thriving international financial center has increasingly attracted global high net worth individuals ("HNWI") and their families to utilise her banking and wealth management services. Trusts have been traditionally used extensively as a wealth planning tool for estate and succession planning, asset protection, confidentiality and tax efficiency.

A Foreign Trust is defined as a trust that is created in writing under which all the settlors and beneficiaries are, in the case of individuals, neither residents nor citizens of Singapore, or in the case of companies, foreign companies.

Specified income from designated investments held by a Foreign Trust and its eligible holding company will be eligible for tax exemption. Hence, foreigners who plan to set up trusts in Singapore will generally enjoy wide tax exemption on specific types of income such as interest, dividends, and gains from sales of designated investments derived from designated investments.

Vistra Singapore

When expanding its presence in Asia, within its already strong international network, Vistra chose Singapore to be the location for its second Asian office, due to its reputation as an international financial and trade centre. Vistra Singapore delivers services both locally and to the international client base, and enables Vistra to be on the pulse of growing Asian economies including Indonesia, India, China and Vietnam. From Singapore, the wider Asia Pacific region (in particular, South Asia) will be covered.

- **Corporate Services**
- Incorporating, handling and managing your Singapore and offshore companies and structures.
- **Trade and Treasury Services**
- Handling all of your company's daily administrative affairs related to your commercial transactions.
- **Accounting Services**
- The management and preparation of all your company's financially-related matters by experienced and qualified personnel.

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- **Payroll and Outsourcing Services**
 - Alleviating you of all of your company's confidential and complicated staff and payroll matters, as well as providing you with local assistance with employment/labour laws.
- **Tax Compliance Services**
 - Ensuring that your tax obligations are met and that tax returns are filed with local tax authorities as well as providing you local expertise on domestic tax laws.
- **Trust and Fiduciary Services**
 - Formation of private family trusts (testamentary and inter-vivos), charitable purpose trusts, private collective investment unit trusts and private trust companies to meet family and business needs.
- **Management Consultancy**
 - We provide various consultancy based services to our clients at start up and throughout the development of their business.
- **South East Asia – Single Point of Contact**
 - We offer a Single Point of Contact solution and dedicated Account Management team to oversee your expansion in South East Asia. We deal with all initial set up requirements in each jurisdiction and all ongoing compliance, accounting and tax reporting requirements managing the entire process in a proactive and responsive manner. Your Account Managers provide the link between group head office and your South East Asian operations at the centre of the region and in the same time zone.
- **Supplementary Services**
 - **Market Entry Research and Strategy** – political and economic risk analysis, country comparisons, economic indicators
 - **Insurance Solutions** – full suite of commercial, professional and employee insurance options
 - **Business Licensing** – South East Asian company licensing, Singapore commercial licenses, Customs, Import-Export-Transshipment
 - **Professional Directorships** – appoint Directors with relevant industry experience to provide ongoing advisory support
 - **Document Digitisation** – full digitisation of entire back office processes
 - **HR Policy Development** – develop HR policy in line with local laws and group standards, employment contracts, employee benefits solutions, hiring and termination support
 - **Serviced Office Solutions** – range of office space solutions available

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