Maksym Stepanenko

Singapore: Asia’s Financial Hub for Entrepreneurs

EntrePass, the territorial tax system, and life in Asia’s financial capital

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CHAPTER 1

Why Singapore Is the Best Hub for Asian Business

Singapore is a city-state of 730 km² with a population of 5.9 million. Despite its size, it is one of the most powerful economies in the world: GDP per capita is $65,000+ (higher than in the US). World Bank Ease of Doing Business: traditionally in the top 3. Transparency: minimal corruption. English is the working language. The main arguments for Singapore as a business base: the territorial tax system, world-class infrastructure, and access to Asian markets.

The territorial tax principle: unlike most developed countries, Singapore taxes only income from Singapore sources. Foreign income that is not brought into Singapore is not taxed. This is called the Foreign-Sourced Income Exemption (FSIE). In practice: a Singapore company receives income from clients in other Asian countries (India, Thailand, Indonesia), and Singapore charges corporate tax on that income only if it is “remitted” to Singapore. For holding structures and IP holding, Singapore is especially attractive.

Corporate tax: 17% flat rate. For startups, in the first 3 years there is a 75% exemption on the first SGD 100,000 of profit, which gives an effective rate of about 4.25%. StartupSG Founder Grant: up to SGD 50,000 for new startups. There are also many sector grants from the EDB (Economic Development Board) and EnterpriseSG. The real effective rate for a small business in the early years: 4–8%.

Personal income tax: progressive scale of 0–24%. The first SGD 20,000 is taxed at 0%. SGD 20,001–30,000 at 2%. SGD 30,001–40,000 at 3.5%. SGD 40,001–80,000 at 7%. SGD 80,001–120,000 at 11.5%. SGD 120,001–160,000 at 15%. SGD 160,001–200,000 at 18%. SGD 200,001–240,000 at 19%. SGD 240,001–280,000 at 19.5%. SGD 280,001–320,000 at 20%. Above

SGD 320,000, 22–24%. Dividends from a Singapore-resident company: 0% (one-tier tax system, since the company has already paid 17%).

Rule-of-law guarantees: Singapore is one of the least corrupt countries in the world (Transparency International Corruption Perceptions Index: top 5). English Common Law. An independent judiciary. Reliable IP protection. This makes Singapore ideal for tech, IP, and fintech companies.

Access to Asian markets: geographically, Singapore sits at the center of Southeast Asia. The ASEAN market has 680+ million consumers. There are direct flights across Asia. FTAs are in place with most Asian countries. Financial center: Singapore is the largest FX hub in Asia and the third largest in the world. This attracts banks, hedge funds, and family offices.

CHAPTER 2

Company Registration: A Private Limited Company in 1 Day

Singapore is famous for how fast you can register a business. A Private Limited Company (Pte. Ltd.), the equivalent of an LLC, is registered online in 1–3 hours when the documents are ready.

Requirements for a Pte. Ltd.: at least 1 shareholder (an individual or a legal entity, from any country). At least 1 director who is a Singapore resident (Singapore Citizen, PR, or Employment Pass holder). A registered address in Singapore. A Company Secretary (within 6 months of registration). Minimum share capital: SGD 1.

If you have no resident director, you can use Nominee Director Services. Cost: SGD 1,000–2,000 per year. This is legal. A nominee director does not run the company; they only satisfy the legal requirement. Sign a Director Services Agreement with clear terms.

Registration through BizFile+ (ACRA): ACRA (Accounting and Corporate Regulatory Authority) is the registering body. BizFile+ (bizfile.acra.gov.sg) is the online portal. You register either through Singpass (for citizens, PRs, and EP holders) or through a Corporate Service Provider (for foreigners). Registration cost: SGD 315 (base fee). Plus a Corporate Secretary: SGD 500–1,500 per year. Plus a Registered Address: SGD 200–600 per year. Plus a Nominee Director: SGD 1,000–2,000 per year. Total for year 1: SGD 2,000–4,000 (about $1,500–$3,000 USD).

Required documents: a passport (for foreign shareholders and directors). Proof of address. The Company Constitution (Articles of Association). A description of business activities (SSIC code, the Singapore Standard Industrial Classification).

After registration: open a corporate bank account. Register with IRAS (Inland Revenue Authority) as a taxpayer. Register for GST if turnover exceeds SGD 1,000,000 per year. Appoint an auditor if

revenue is SGD 10M+ or you have 50+ employees.

Corporate Service Providers (CSPs): most foreign entrepreneurs use a CSP for registration and ongoing administration: Sleek (popular with startups), Osome, BoardRoom, and other ACRA-registered CSPs. CSPs provide registration, a Company Secretary, a registered address, a Nominee Director, bookkeeping, and tax compliance. Price of a full package: SGD 2,500–5,000 per year.

Corporate bank accounts: DBS (Development Bank of Singapore) is the largest bank in Asia. OCBC and UOB are the main local banks. HSBC, Citi, and Standard Chartered are international. Opening an account is harder than registering the company. KYC is strict. You will need company documents, a business plan, the director's personal documents, and proof of business relationships. Timeline: 2–8 weeks. Alternatives: Wise Business, Aspire, and Airwallex are much easier to open and work well to start with.

CHAPTER 3

Visas for Entrepreneurs: EntrePass and Employment Pass

Singapore offers several paths to legal residence for entrepreneurs. The right choice depends on the stage of your business and your personal circumstances.

EntrePass: a special visa for foreign entrepreneurs building an innovative business in Singapore. Criteria: Venture-Backed Company, if a Singapore VC has invested in your company. Intellectual Property, if you own IP registered with the Singapore IP Registry or recognized by an approved institution. Innovative Business, if you have a Letter of Support from Enterprise Singapore or an accredited accelerator (IDA, MDA, A*STAR). Minimum capital for an EntrePass company: SGD 50,000. Visa term: 1–2 years, renewable. Renewal requirements: hire local employees and reach certain business metrics (turnover, capital). After 5–6 years of successful business, you can apply for PR.

Employment Pass (EP): for highly skilled professionals and top management. Minimum salary: SGD 5,000 per month (for most sectors). Fintech, medicine, law, and engineering are higher. The COMPASS assessment system (since 2023) is points-based. Points are awarded for salary, education, company diversity, and support of government programs. You can self-sponsor an EP if you are a director of your own company and pay yourself a sufficient salary.

ONE Pass (Overseas Networks & Expertise Pass): for top talent with a salary of SGD 30,000+ per month or outstanding achievements. Term: 5 years, not tied to a specific employer. You can work for several companies at the same time. For founders of successful companies and C-level executives.

Permanent Residency (PR): for EP or EntrePass holders after 2–6 years. PR is not citizenship, but it gives you the right to live in Singapore permanently. GIP (Global Investor Programme) is PR for

investors: SGD 10M in a Singapore business or SGD 25M in a GIP Fund. After you get PR, you can apply for citizenship after 2 years. Singapore citizenship is hard to get, because Singapore tightly controls naturalization. Dual citizenship is NOT allowed: when you receive a Singapore passport, you must give up your previous one.

Family and dependants: an Employment Pass holder can bring a spouse and children up to age 21 (Dependant’s Pass). The Long-Term Social Visit Pass is for parents.

CHAPTER 4

Singapore Taxes: What an Entrepreneur Pays

Singapore's tax system is fair, transparent, and relatively efficient for business. Here is a detailed look at what is taxed and how.

Corporate Income Tax: the rate is 17%. For the first 3 years, the first SGD 100,000 of profit gets a 75% exemption, and SGD 100,001–200,000 gets a 50% exemption. The effective rate on the first SGD 100,000 is 4.25%. Then 17% on the rest. Annual tax filing is done through IRAS (the myTax Portal). Estimated Chargeable Income (ECI) is filed within 3 months of the end of the financial year.

One-Tier Tax System: the company pays 17% on profit. Dividends to shareholders carry no additional tax (0%). This eliminates double taxation. For a resident shareholder: you receive a dividend, and the tax has already been paid by the company.

Personal Income Tax (for residents): progressive, 0–24%. Tax residency: if you spend 183+ days a year in Singapore, you are a resident. Foreign income: for individual residents, foreign income (from foreign employers or foreign sources) is not taxed in Singapore if it is not brought into Singapore. CPF (Central Provident Fund): mandatory pension contributions for Singapore Citizens and PRs. For Employment Pass holders, CPF is not mandatory. Instead of CPF, foreigners can contribute voluntarily to the SRS (Supplementary Retirement Scheme).

GST (Goods and Services Tax): the rate is 9% (since 2024). Registration is mandatory at turnover of SGD 1,000,000+ per year. Exemptions: exports and international services. For B2B with foreign clients, GST usually does not apply (zero-rated).

Withholding Tax: applies to some payments to non-residents. Royalties: 10%. Technical services: 17%. Dividends: 0% (one-tier

system). Rates are reduced under tax treaties (Singapore has 100+ DTTs).

Tax Incentives and grants: EDB Investment Allowance. IP Development Incentive (IDI). Global Trader Programme (GTP), a 10% corporate tax rate for commodity traders. Financial Services Incentive. Pioneer Status, a 5–10 year tax holiday for qualifying new industries. R&D Tax Allowance: a 250% deduction on qualifying R&D expenses.

CHAPTER 5

Cost of Living and the Reality of Singapore

By some measures Singapore is one of the most expensive cities in the world, yet a lot here is quite affordable if you know where to look.

Housing: the biggest expense. HDB (Housing Development Board) flats are public housing. 80% of the population lives in HDB. For foreigners, renting an HDB flat is allowed only for PRs and some EP holders. Rent for an HDB room: SGD 500–900 per month. Private condos: 1 bedroom, SGD 2,500–4,500 per month. 2 bedroom, SGD 3,500–6,000 per month. Landed property (a house): SGD 8,000–25,000+ per month. Most expats live in condos. Foreigners cannot buy HDB flats, only private properties.

Transport: the MRT (subway) has excellent coverage and is clean and reliable. SGD 1.0–2.5 per trip. EZ-Link card. Taxi/Grab: SGD 8–20 for a standard ride. Owning a car costs more than anywhere else in the world. COE (Certificate of Entitlement) + car + insurance = SGD 100,000–200,000. Most expats go without a car, because the MRT works beautifully.

Food: hawker centres (street food markets) are a Singapore legend. A full meal: SGD 3–6. Casual restaurants: SGD 15–30 per person. Fine dining: SGD 80–200. The FairPrice supermarket chain is the equivalent of Walmart, with affordable groceries. Cold Storage and Jason’s are pricier, for imported goods.

Education: public schools for PR children. International schools for EP holders’ children: SGD 20,000–40,000 per year. Singapore American School, United World College, and Tanglin Trust are the most prestigious.

Healthcare: world class, but you pay for it. Employment Pass holders need private insurance (about SGD 2,000–5,000 per year). Government polyclinics: SGD 20–60 per visit (subsidized for

residents). Private hospitals: an A1 ward at Mount Elizabeth or Gleneagles, SGD 200–500 per consultation. Medisave: for PRs, the mandatory Medisave contributions (a CPF component) help pay for medical care.

Total budget for a single entrepreneur: a 1BR condo: SGD 3,000–4,000. Food (hawker + restaurants): SGD 800–1,500. Transport: SGD 200–400. Entertainment and shopping: SGD 500–1,000. Insurance, phone, internet: SGD 300–500. Total: SGD 4,800–7,400 per month ($3,600–$5,500 USD). Considerably cheaper than the UAE for a single person, roughly on par with London.

CHAPTER 6

The Ecosystem: Startups and Investment in Singapore

Singapore is the leading startup hub of Southeast Asia. The largest Asian VC funds and accelerators are concentrated here. This creates unique opportunities for tech entrepreneurs.

The VC ecosystem: Jungle Ventures, Monk’s Hill Ventures, Vertex Ventures, Openspace Ventures, and GGV Capital Asia are leading Asian VCs with offices in Singapore. Sequoia Southeast Asia and Tiger Global are global funds with a Singapore presence. Total raised: SEA startups raised $10B+ in VC in 2022 (the peak) and $5B+ in 2024. Singapore is the place for your headquarters if you want Asian VC.

Accelerators and programs: Antler Singapore is a strong accelerator that specializes in pre-idea and pre-product startups. SGInnovate is a government accelerator for deep tech. NUS Enterprise and NTU Venture are university incubators. Y Combinator Singapore: YC has a local office. Plug and Play Singapore is a corporate innovation platform.

Government grants: StartupSG Founder: up to SGD 50,000 in a matching grant for new startups led by an innovator. StartupSG Equity: a co-investment scheme in which the government co-invests alongside VCs. Enterprise Development Grant (EDG): up to 70% funding for digital transformation and internationalization. SkillsFuture: retraining of employees with government subsidies.

Singapore as a regional HQ: many global companies choose Singapore as their Asia-Pacific HQ. The reasons: political stability, a talent pool (multilingual: English, Mandarin, Malay), rule of law, low corruption, IP protection, and tax treaties. Examples: Google APAC HQ, Facebook APAC, and LinkedIn APAC are all in Singapore.

Crypto and Web3: the MAS (Monetary Authority of Singapore) issues licenses: the Major Payment Institution (MPI) license and the Capital Markets Services (CMS) license. Singapore is one of the most advanced crypto regulators in the world. Coinbase, Ripple, and Crypto.com hold Singapore licenses. For crypto startups, Singapore is preferable to the UAE for regulatory clarity (although the UAE is also good).

Fintech: Project Ubin is MAS's government blockchain experiment. The Singapore Fintech Festival is the largest in Asia (70,000 participants). The FinTech regulatory sandbox allows fast testing of innovative products. PayNow offers instant payments by phone number or NRIC. SGX is an exchange with a good biotech and tech listing base.

CHAPTER 7

Moving with Your Family: Schools, Housing, and Settling In

Singapore is one of the best cities in the world for families with children. Safety, the quality of education, and infrastructure make it attractive for a long-term move.

The school system: Singapore's education system regularly ranks in the top 3 in the world in PISA ratings. MOE Schools (Ministry of Education) are for citizens and PRs. Children of EP holders can attend only if places are available (by lottery), which is difficult. In practice, most EP families choose international schools. International Schools: Singapore American School (SAS) is the largest. United World College South East Asia (UWCSEA) offers the IB program. Tanglin Trust School follows the British curriculum. Stamford American. St. Joseph's Institution International. Cost: SGD 20,000–40,000 per year plus a development fee (one-time, SGD 5,000–15,000). Competition: the best schools have waitlists.

Safety: Singapore is one of the safest countries in the world. There is practically no street crime. Children can ride the MRT on their own. Nightlife is safe. This is hugely important for families.

Healthcare: KK Women's and Children's Hospital (KKH) specializes in pediatrics. NUH, SGH, and Raffles Hospital are general hospitals with world-class standards. Dengue fever is a seasonal threat. Keep vaccinations up to date. Air quality: the PSI (Pollution Standards Index) is usually good, but there can be problems during the haze season from Indonesia.

Lifestyle with kids: Singapore Zoo, Night Safari, and the S.E.A. Aquarium are world-class entertainment for children. Gardens by the Bay, East Coast Park, Sentosa Island. Climate: tropical, 28–34°C year-round. Rain: frequent and short. Adjustment: children adapt quickly. Singapore is an easy place to move to:

English is spoken, the brands are familiar, and the infrastructure is world class.

Expat community: a huge expat community (about 40% of the population). There are Russian, Ukrainian, European, American, and Indian communities. InterNations is the largest expat network and is active in Singapore. Facebook groups by nationality. Meetup.com for tech, startup, and expat events.

Singapore permanent residency for children: children born in Singapore to EP holders are NOT automatically citizens (jus soli does not apply). They receive the status of their parents. When the parents apply for PR, the children are included in the application. Singapore citizenship comes only after PR and voluntary service (for boys aged 18+, National Service, NS, is compulsory: 2 years).

What next

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Maksym Stepanenko, Innova Publishing.