

# How to do business with Singapore

## Legal considerations

Singapore's legal system is highly sophisticated and is almost entirely based on the 1820s to the 1970s British common law.

Benefits of this system for Singapore include:

- an extensive legislative framework
- reliable courts and dispute resolution
- corruption levels are low
- IP rights protection is consistently ranked as one of the best in Asia

Singapore's company law is very similar to the law in the UK as there are no restrictions regarding the type of business that can be set up. Special licences may have to be applied for from specific government departments in order for some businesses in certain sectors to do business.

These government departments include the:

- Monetary Authority of Singapore: <https://www.mas.gov.sg/>
- Ministry of Law Singapore: <https://www.mlaw.gov.sg/>
- Ministry of Health Singapore: <https://www.moh.gov.sg/>
- Infocomm Media Development Authority: <https://www.imda.gov.sg/>
- Singapore Food Agency: <https://www.sfa.gov.sg/>
- Hotels Licensing Board: <https://www.hlb.gov.sg/>

Before you can work in Singapore, non-residents must hold a valid employment pass (EP). It can take up to two weeks for foreign staff to receive their passes. See Singapore's Ministry of Manpower website for full details regarding the employment pass, and for dependency passes for family members: <https://www.mom.gov.sg/passes-and-permits>.

Contact the Department for International Trade (DIT) team in Singapore to help find tax and legal advisers before entering into

agreements: <https://www.gov.uk/world/organisations/department-for-international-trade-singapore#contact-us>.

*[Source – DIT: Doing business in Singapore: Singapore trade and export guide]*

## Standards and technical regulations

The Consumer Protection (Safety Requirements) Regulations (CGSR) protect consumers from unsafe products.

SPRING Singapore acts as a safety authority that ensures that 45 categories of household electrical, electronic and gas products are safe. These products are classed as controlled goods, and before a supplier can put them up for sale, they must be registered with SPRING.

*[Source – DIT: Doing business in Singapore: Singapore trade and export guide]*

## Standards and technical regulations

Enterprise Singapore is the Singapore Government's national body for standards: <https://www.enterprisesg.gov.sg/>, with industry-led Singapore Standards Council.

All suppliers and manufacturers have an obligation to ensure products are safe and meet relevant safety standards, have clear instructions for proper use and include warnings against possible misuse.

UK companies who follow the standards outlined by Enterprise Singapore will see better results when doing business with Singapore. These standards are specifications that aim to increase the quality and safety of products that Singaporean consumers use every day.

These standards are there to increase productivity and ensure safety, as well as to make resources more efficient and to grow opportunities within Singapore's economic market.

*[Source – Enterprise Singapore]*

## Labelling your products

The packaging and labelling of goods in Singapore is determined by the appropriate department. Labels are required for food and drink products, drugs and cosmetics, and the country they originated from must be visible.

- The Sale of Food Act determines the labelling of food products

- The Agri-Food & Veterinary Authority of Singapore (AVA) have further details on labelling food products
- The Medicines Act determines the labelling of medicines and cosmetics
- The Health Sciences Authority have further details on labelling medicines and cosmetics

*[Source – DIT: Doing business in Singapore: Singapore trade and export guide]*

### **Product liability insurance**

Product liability insurance covers the cost of compensation for anyone injured by a faulty product. If you design, manufacture or supply a physical product that is sold or given away for free, you should therefore consider taking out product liability insurance.

See the Association of British Insurers (ABI) website at: <https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/business-insurance/liability-insurance/product-liability-insurance/> for further information, or alternatively, contact the DIT team in Singapore at: <https://www.gov.uk/world/organisations/department-for-international-trade-singapore#contact-us> for contacts of local insurers or specialist brokers.

*[Source – DIT: Doing business in Singapore: Singapore trade and export guide]*

### **Taxation**

Singapore's low tax environment makes the country one of the easiest for UK companies to do business with.

Singapore is 7th out of 190 countries for 'Paying Taxes' in the World Banks' Ease of Doing Business rankings: <https://www.doingbusiness.org/en/data/exploreconomies/singapore>.

### **Double taxation agreement**

The UK and Singapore have signed a double taxation agreement which allows some taxes paid in one country to be deducted in the other, so should prevent any double tax liability from UK and Singapore authorities over the same income. See: <https://www.gov.uk/government/publications/singapore-tax-treaties>.

### **Goods and Services Tax (GST)**

GST is currently at 7%. The tax is paid when goods and services, including those that have been imported, have been bought by consumers.

## Company tax

The corporate tax rate in Singapore is 17%.

Withholding tax is paid when payment is made to a non-resident company or individual and a percentage of this payment is withheld and paid to the Inland Revenue Authority of Singapore (IRAS) under Singaporean law.

The Singaporean Government also has a number of financial incentives for new businesses, however, they must meet certain qualifying conditions. See the EDB Singapore website for more information: <https://www.edb.gov.sg/en/how-we-help/incentives-and-schemes.html>.

## Income tax

Individual tax rate in Singapore is tiered between 0% and 22%. You will pay income tax if you are classed as a Singapore Citizen (SC) or Singapore Permanent Resident (SPR) or if you have lived in Singapore for longer than 183 days the previous year.

This tax is chargeable to both individuals and companies.

## Customs and excise duties

There are few excise and import duties as Singapore is a free port. Goods such as petroleum products, liquor and tobacco have excise duties imposed on them. Import duties are imposed on petroleum products, liquor and tobacco, as well as motor vehicles.

*[Source – DIT: Doing business in Singapore: Singapore trade and export guide, Inland Revenue Authority of Singapore]*

## Customs and documentation

**Complying with HMRC regulations to export** To export your goods to Singapore, you must make export declarations to HMRC through the National Export System (NES).

Visit: <https://www.gov.uk/guidance/export-declarations-and-the-national-export-system-export-procedures> for further details.

You can find out how to declare your exports to Singapore through the NES at: <https://www.gov.uk/guidance/export-declarations-and-the-national-export-system-export-procedures>. You must classify your goods as part of the declaration, including a commodity code and a customs procedure code (CPC).

Commodity codes and other details applying to exports in the UK Trade Tariff can be found at: <https://www.gov.uk/trade-tariff>.

Contact the HMRC Tariff Classification Service at: <https://www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports#list-of-useful-contacts> for more help.

The EU's Market Access Database (MADB) also has details about import tariffs. Visit: <http://madb.europa.eu/madb/indexPubli.htm>.

You must declare any goods that you take with you in your luggage to sell outside the EU. See: <https://www.gov.uk/take-goods-sell-abroad> for further information.

*[Source – gov.uk]*

### **Temporary export of goods**

You can use an ATA (Admission Temporaire /Temporary Admission) Carnet to simplify the customs procedures needed to temporarily take any goods on the UK export controls lists into Singapore, such as commercial samples or goods for:

- demonstration
- exhibition
- use in repair or maintenance

Visit: <https://www.gov.uk/taking-goods-out-uk-temporarily> for further information.

More information regarding the use of an ATA Carnet in Singapore and what items can be brought into Singapore with it, can be found on the Singapore International Chamber of Commerce's website at: <https://sicc.com.sg/certification/ata-carnet-and-tdb-boft-carnets/>.

You can check at: [https://www.ecochecker.trade.gov.uk/spirefox5live/fox/spire/OGEL\\_GOODS\\_CHEKER\\_LANDING\\_PAGE/new](https://www.ecochecker.trade.gov.uk/spirefox5live/fox/spire/OGEL_GOODS_CHEKER_LANDING_PAGE/new) whether you can use an open general export licence (OGEL) for your temporary export. If not, you will need to apply for a temporary export licence. You will need a permanent export licence if the goods are not being returned. To apply for a temporary export licence, use the SPIRE system at: <https://www.spire.trade.gov.uk/spire/fox/espire/LOGIN/login>.

*[Source – gov.uk, Singapore International Chamber of Commerce]*

### **Customs**

Singapore Customs require you to apply for import and export permits if you intend to take goods into or out of Singapore.

More than 99% of imports are duty free and in general, Singapore operates a free trade scheme.

You can find more information on the Singapore Customs website: <https://www.customs.gov.sg/>.

The Market Access Database has more information regarding import tariffs, see: <https://madb.europa.eu/madb/>.

You may need a certificate of origin in order for exported goods to clear customs.

Any goods imported into Singapore must be declared to Singapore Customs. These will then be subject to a goods and services tax (GST) or excise duty. All goods must be liable under the Customs Act, the Goods and Services Tax (GST) Act and the Regulation of Imports and Exports Act.

More detailed information on export and import requirements, procedures and restrictions can be found on the Singapore Customs website at: <https://www.customs.gov.sg/>.

*[Source – DIT: Doing business in Singapore: Singapore trade and export guide, Singapore Customs]*

## **Documentation**

The Networked Trade Platform (NTP) is the national trade information management platform that oversees trade documents digitally. It is owned by Singapore Customs and aims to help streamline import and export documentation management.

In order to import goods into Singapore, including controlled and non-controlled items, businesses must:

- obtain an In permit through the TradeNet Portal on the Networked Trade Platform (NTP) website: <https://www.ntp.gov.sg/public/government-services>
- pay duty and/or GST due at the time of importation

There are a number of documents that are needed to set up a business in Singapore. These include:

- packing list
- invoice

- permit number
- bill of lading
- air waybill

The Department for International Trade (DIT) in Singapore can give you further advice on the documents listed. See: <https://www.gov.uk/world/organisations/department-for-international-trade-singapore#contact-us>.

Make sure you obtain and issue receipts and invoices whenever you make a transaction in order to avoid any potential disputes.

*[Source – DIT: Doing business in Singapore: Singapore trade and export guide, Singapore Customs, Networked Trade Platform (NTP)]*

### Shipping your goods

You can use a freight forwarder to move your goods if you are not knowledgeable about international shipping procedures. A freight forwarder will have vast expertise and familiarity with local documentation requirements, regulations, transportation costs and banking practices in Singapore.

The British International Freight Association (BIFA) at: <http://www.bifa.org/home> and Logistics UK at: <https://logistics.org.uk/> can assist in locating freight forwarders to transport your goods to Singapore.

### Posting goods

For information about sending goods by post to Singapore, visit Royal Mail at: <https://www.royalmail.com/singapore>.

*[Source – Royal Mail]*

### Shipping restricted, banned and dangerous goods

Certain goods are classed as restricted or dangerous. For more information, visit: <https://www.gov.uk/shipping-dangerous-goods/what-are-dangerous-goods>.

The Singapore Customs' website outlines the prohibited items that cannot be brought into Singapore. In regards to controlled items, these must have had their authorisation approved by the Competent Authorities (CA) prior to being exported to Singapore.

Prohibited goods include, but are not limited to:

- chewing gum
- wildlife parts
- telecommunication equipment
- tobacco, smokeless cigarettes, vaporisers

You can check to see whether your goods are a controlled item with the Singapore Customs Harmonised System (HS)/CA Product Code search: <https://www.tradenet.gov.sg/tradenet/portlets/search/searchHSCA/searchInitHSCA.do>.

*[Source – Singapore Customs]*

You can employ a local agent who will have knowledge of the latest import licensing requirements. For information and assistance, contact the Department for International Trade (DIT) team in Singapore at: <https://www.gov.uk/world/organisations/department-for-international-trade-singapore#contact-us>.

*[Source – DIT]*

**Terms of delivery** You should have a clear written contract in all international commercial transactions to minimise any risk of misunderstanding.

Incoterms are a series of widely-used commercial terms for international trade in goods, which clarify for example:

- where the goods will be delivered
- who arranges transport
- who handles customs procedures
- who is responsible for insuring the goods, and who pays for insurance
- who pays any duties and taxes

Incoterms do not apply to the delivery of services. Contracts for the international delivery of services should include a Service Level Agreement (SLA), focusing on desired outcomes such as what the service should achieve.

International trade rules changed in September 2019, so you should check with the International Chamber of Commerce (ICC), which publishes Incoterm rules, at: <https://iccwbo.org/resources-for-business/incoterms-rules>, for details of the new

rules, and also with the UK Government for further general advice and details about current Incoterms

at: <https://www.gov.uk/guidance/international-trade-paperwork-the-basics#international-trade-contracts-and-incoterms>.

## UK Export Finance

The UK Government's credit agency, UKEF, wins export contracts by providing attractive financing terms to their buyers. They can help you:

- fulfil orders by supporting working capital loans
- get paid by insuring against buyer default

You can find out more about UKEF's services and products at: <https://www.gov.uk/government/collections/our-products>.

For new business enquiries, email UKEF at: [customer.service@ukexportfinance.gov.uk](mailto:customer.service@ukexportfinance.gov.uk) or telephone: 020 7271 8010 between 9am and 5pm.

For up-to-date country-specific information on the support available, see UKEF's cover policy and indicators for Singapore at: <https://www.gov.uk/guidance/country-cover-policy-and-indicators#singapore>.

*[Source – ICC, UKEF, gov.uk, DIT: Doing business in Singapore: Singapore trade and export guide]*

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## Security

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