



THE GCSL GROUP OF COMPANIES LIMITED

Guide to Singapore Companies

INTRODUCTION

Singapore is located 1°15° north of the Equator at the Southern tip of the Malayan Peninsula. She gained her independence in 1965 and has grown since then from strength to strength as an international and prosperous nation. Poised in the strategic epicenter of South East Asia, Singapore enjoys the reputation of being a world class economy, bolstered by growth sectors in manufacturing, trade, biomedicine, high-end technology and financial services. Singapore is a well recognized major financial centre, populated by most of the world's banks. Political and social stability, buffered by economic well being are the cornerstones of the island-republic's growth. The Singapore government continues to make efforts to attract foreign investors and professionals to come to Singapore.

LAW AND TAXATION

The laws of Singapore are based on the British Common Law, augmented by local case law and statutes. The Singapore judiciary is reputed to be one of the most efficient in the world. The Court of Appeal is the highest appellate tribunal. Singapore also boasts the Singapore International Arbitration Centre.

Singapore corporate profits tax is only charged on Singapore sourced income remitted into Singapore at a rate of taxation of 17%. There is no tax in Singapore on capital gains. Singapore has entered into 70 Double Taxation Agreements.

STATUTORY REQUIREMENTS

Share Capital

There is no minimum or maximum authorized capital. However, no subscriber of the Memorandum of Association may take less than one share. There is no longer a need for authorized capital.

Directors

All directors must be natural persons. Each company may have a minimum of only 1 director, provided they are resident in Singapore.

Shareholders

If the shareholders are natural persons, there must be at least 2, both of whom do not need to be resident. If the shareholder is a company, then the minimum is 1, and it may be a foreign company.

Secretary and Registered Office

Every Singapore company must have a local resident secretary who is a qualified natural person and a registered office in Singapore substantiated by a Certificate of Incorporation. GCSL Singapore can provide these services including those of company secretary for annual compliance work such as holding of annual general meeting and filing of annual returns for the company.

Auditor and Accounts

Every Singapore company must produce annual audited accounts and appoint an auditor who is a certified accountant in Singapore. However, should the annual turnover of the company be less than SD5 million (approximately USD3 million), the appointment of an auditor and preparation of audited accounts is not necessary. The company must keep proper accounting records, which may be kept in Singapore or elsewhere at the discretion of the directors.



Tax Returns

Profits Tax Returns are normally issued to companies in April each year. For a newly registered company, the first Profits Tax Return will be issued 18 months after the date of incorporation. The basis period for the first Profits Tax Return should not be more than 18 months from the date of commencement of business to the accounting date selected by the company. A Profits Tax Return must be filed upon receipt even if the company is inactive. The first S\$100,000 of normal chargeable income for new companies will be exempt from tax in each of their first 3 years of assessment between 2005 and 2009.

INCORPORATION PROCEDURE AND TIMING

Instructions can be provided on our Company Order Form, which is available on request. GCSL will need directors' and beneficial shareholders' full name, notarized passport copy and residential address proof, which can take the form of utility bill or bank statement issued within the last 2 months, authorized and paid up share capital and the proposed business of the company.

Reservation of the intended company's name should then be undertaken to ensure the availability of such a name at incorporation. As the process is done entirely on-line, the results of the reservation would not exceed half a day.

Once a name is approved, incorporation can be undertaken and completed within 2 hours. The Certificate of Incorporation will be released within 7 days from incorporation. Secretarial documents would then be prepared for the shareholders and directors to sign for the company's secretarial records.

For further information, please contact Lawrence Fong at lawrence@gcsl.info

GCSL Pte Ltd

6 Eu Tong Sen Street, #10-14 SOHO 1, Soho@Central, Singapore 059817

Tel: +65 6339 1881 Fax: +65 6536 9619 Email: singapore@gcsl.info