

How to Start Your Business in The Gateway Singapore

A Step-by-Step Success Guide



Southeast Asia boasts a massive market of 650 million people that ranks as the world's fifth-largest economy. Singapore stands as the gateway to this economic powerhouse and attracts two-thirds of Southeast Asia's total venture capital funding.

Singapore has attracted \$26 billion in venture capital in the last four years - which exceeds the global average of \$6.6 billion by a lot. The city hosts more than 4,000 tech startups and serves as the regional headquarters for 46% of Asia's multinational corporations. This creates an incredible chance for businesses to grow and thrive.

Southeast Asia's tech startups raised \$516 million during 2023's first quarter despite the global funding slowdown. The region should reach a \$1 trillion market value by 2030. Starting your business in Singapore could become your smartest strategic collaboration yet.

This piece guides you through everything you need to establish your business in Singapore. You'll learn about legal requirements and operational setup. Your experience toward business success starts here in Southeast Asia's most vibrant hub.

Understanding Singapore's Business Landscape

Singapore has established itself as a global powerhouse and consistently ranks as the world's most competitive economy. The city-state's exceptional business environment comes from its resilient infrastructure, strong rule of law, efficient government services and strategic connections to the growing Southeast Asian region.

The country's high-value economy rests on two main pillars - manufacturing and services. Recent growth shows the construction sector leading with a 5.2% year-on-year expansion. Services industries have also shown widespread growth, especially when you have accommodation (12.1%) and information communications (5.7%).

Singapore's Economy 2030 vision charts the path to future growth through four key pillars:

- ❖ Trade: Wants to expand Singapore's trading volume globally while deepening their commitment to economic connectivity and integration
- ❖ Enterprise: Builds locally-grown, high-growth companies that can compete globally
- ❖ Manufacturing: Targets a 50% increase in manufacturing value-add by 2030
- ❖ Services: Positions Singapore as a leading hub for businesses, lifestyle, and tourism

Manufacturing contributes about 21.5% to Singapore's nominal GDP, reaching SGD 129.24 billion last year. The city-state has also become a major fintech hub, with more than 40% of Southeast Asia's fintech companies choosing to headquarter here.

Business growth receives active government support through various initiatives. The National Productivity Fund got a significant boost of SGD 5.37 billion in 2023. This is a big deal as it means that over 22,000 companies benefited, with 87% being small and medium enterprises.

Singapore's status as a global financial hub stems from its network of over 200 banks. Daily foreign exchange trading exceeds USD 1 trillion, making Singapore the world's third-largest FX center and Asia Pacific's top-ranking hub.

Singapore's dedication to innovation shines through its Research, Innovation and Enterprise 2025 plan, which allocated SGD 21.61 billion to the biotechnology sector. Major pharmaceutical companies have noticed - leading drug maker GlaxoSmithKline invested SGD 402.62 million to develop a plant for pediatric vaccines.

Legal Requirements for Starting Your Business

The Gateway Singapore demands careful attention to legal requirements and compliance procedures when you start a business. Singapore's business registration and regulation falls

under The Accounting and Corporate Regulatory Authority (ACRA). You need to really understand their guidelines.

Your first step is picking the right business structure. Singapore gives you several options:

- ❖ Private Limited Company (Pte Ltd): A separate legal entity with limited liability, requiring at least one director ordinarily resident in Singapore and minimum paid-up capital of SGD 1
- ❖ Sole Proprietorship: Owned by one person with unlimited liability
- ❖ Limited Partnership (LP): Requires at least two partners - one general and one limited
- ❖ Limited Liability Partnership (LLP): A partnership where individual partner's liability is generally limited

Current registration fees depend on your chosen structure:

- ❖ Private Limited Company: SGD 402.62
- ❖ Sole Proprietorship/Partnership: SGD 134.21 for one year or SGD 214.73 for three years
- ❖ Limited Partnership: SGD 134.21 for one year or SGD 214.73 for three years

The next step is getting your licenses and permits. GoBusiness Licensing portal makes this easier by letting you search and apply for relevant licenses based on your industry sector.

Foreign entrepreneurs need the right work passes. Here are your options:

- ❖ EntrePass: For entrepreneurs starting venture-backed or innovative technology businesses
- ❖ Employment Pass: Requires a minimum monthly salary of SGD 5,000
- ❖ Tech.Pass: Designed for established tech entrepreneurs with minimum monthly salary of SGD 22,500

Some businesses need specific licenses before they can operate, particularly in these sectors:

- ❖ Food and beverage
- ❖ Construction
- ❖ Finance
- ❖ Education

Your company must stay compliant by:

- ❖ Appointing a qualified company secretary within 6 months
- ❖ Filing annual returns with ACRA
- ❖ Submitting tax returns
- ❖ Keeping proper business records

Setting Up Your Business Operations

Your business registration is complete. The next significant step requires setting up strong operational systems. The Gateway Singapore provides detailed infrastructure that helps businesses succeed through quick setup processes.

Start by implementing a reliable accounting system that lines up with Singapore Financial Reporting Standards (SFRS). This system should make data entry easier, track business health, and meet legislative requirements. Small businesses and startups can use simple accounting standards if their annual revenue stays below SGD 13.42 million.

The Employment Act governs employee hiring and outlines simple terms and working conditions. Businesses must fulfill these key obligations:

- ❖ Make Central Provident Fund (CPF) contributions for Singaporean citizens and permanent residents who earn more than SGD 67.10 monthly
- ❖ Issue itemized payslips with monthly payroll
- ❖ Pay Skills Development Levy
- ❖ Get work injury compensation insurance for manual workers and employees earning SGD 3,489.41 or less monthly

Employers must complete these steps to recruit foreign talent:

- ❖ Set up a work pass account
- ❖ Learn about dependency ceiling ratios and foreign worker levy requirements
- ❖ Submit appropriate work pass applications through Work Permit Online or Employment Pass Online

The Gateway Singapore's location options suit different industry needs:

- ❖ Central Business District (CBD): Perfect for financial institutions and professional services, with monthly serviced office rentals starting from SGD 671.04
- ❖ Marina Bay: Premium spot for global investors and multinational corporations
- ❖ Tanjong Pagar: Popular choice among shipping, trading, and business service sectors
- ❖ Paya Lebar Central: Budget-friendly alternative to CBD locations

Singapore banks typically require these elements:

- ❖ Original minimum deposits between SGD 671.04 and SGD 40,262.41
- ❖ Account signatories and majority directors must be present during account opening
- ❖ Supporting documents like board resolutions, company constitution, and certified true copies of incorporation certificates

Note that businesses should keep proper records of all financial transactions. Source documents, accounting records, bank statements, and other business-related documents must be retained for at least 5 years from the relevant Year of Assessment.

Singapore offers unmatched opportunities to grow your business with its strong infrastructure, reliable legal system, and complete support network. Business owners gain access to the vast Southeast Asian market along with world-class financial services and technological breakthroughs.

The Gateway Singapore demands meticulous planning to succeed. A solid foundation comes from choosing the right business structure and obtaining proper licenses. Your operational systems must run smoothly. Government programs and excellent banking facilities provide the support new businesses need.

The city-state's Economy 2030 vision shows its dedication to future growth. Substantial investments in research and breakthroughs make Singapore perfect for ambitious entrepreneurs. Your company can leverage Singapore's status as a global financial center and its vast international network.

A full understanding of legal requirements and proper documentation ensures compliance with local regulations. This remains significant for sustainable operations. Singapore's business-friendly climate and strong economic foundation set up your venture to thrive in Southeast Asia's most vibrant market.