

## CORPORATE AND FOREIGN INVESTMENT LAW



### HJM Asia Law & Co

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**Singapore's current company law, the Companies Act, went into effect in December 1967. It was last revised in 2008 when 411 sections were amended. The Act covers almost all topics related to corporate law such as constitution of companies, shares and debentures, management and administration, accounts and audits, judicial management, winding up of companies, various types of companies and more.**

We, at HJM Asia Law, advise clients on their Asia-Pacific activities and assist them in setting up their corporate structure to achieve their commercial objectives, minimise their tax exposure and be operational quickly. We also take care, on behalf of our clients, of the compliance of the companies incorporated in Singapore by our clients. Due to our long presence in Asia-Pacific, we also assist our clients in their regional activities by doing due diligence on a target company, registration of trademarks/patents in the Asia-Pacific region and advise them in case of disputes with their suppliers/partners in Asia through arbitration.

There are no specific laws regulating foreign investment in Singapore. Foreign and domestic investors and companies are treated equally except for some limited sectors such as the legal profession. 22 sections of the Act regulate the incorporation, registration, powers and the like issues relating to foreign companies in Singapore. Foreign companies incorporated with an unlawful purpose or likely to endanger national interests will be banned and deregistered by the authorities.

Due to its limited territory, Singapore has focussed and successfully found creative ways to attract foreign investment in the last 25 years. Complete and excellent banking and legal system, world class infrastructure and facilities, attractive tax and company incentives have been put in place by the Economic Develop Board and other governmental groups to attract foreign investment in the biotech, chemicals, logistics, electronics, media and entertainment, and education industries. Due to its geographic location, Singapore has also developed as a major shipping hub with worldwide facilities and a good ships registration system.

Our clients choose to do business in Singapore for various reasons. It has a stable, efficient and transparent legal and financial system. It is also easy to incorporate a company in Singapore and furthermore, their company can be used as a Asia headquarter for their Asia Pacific region trading and marketing activities, to acquire companies in Singapore or in other South East Asia countries and to minimise their income tax using various methods such as payment of dividends, royalties and management fees.

Singapore income tax is very low compared to most Western countries. Double tax treaty agreements with many countries are in place which facilitates repatriation of profits to the headquarters/shareholder of the Singapore company. Due to its low corporate tax structure, some clients have, however, some concerns about whether Singapore is blacklisted as a tax heaven, but it is not as we assist our clients on compliance of legal and financial requirements.

Furthermore, Singapore has a mature and proactive legal system. The courts are very efficient and transparent. Due to the presence of the Singapore International Arbitration Centre, many clients feel confident to have their contracts with Singapore parties or parties from other countries in Asia governed by Singapore law and having the arbitration submitted to the Singapore International Arbitration Centre.