

Luther.

Establishing a Business Presence in Singapore

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Overview

I. The Representative Office	3
II. The Branch Office	4
III. The Limited Liability Partnership	5
IV. The Variable Capital Company	6
V. The Private Company Limited by Shares ("Pte. Ltd.")	7
1. Incorporation of a Pte. Ltd.	7
2. Share Capital	7
3. Shareholders and the Board of Directors	7
4. Company Secretary	8
5. Registered Office	8
6. Annual Accounts and Audit Requirements	8
7. Tax	9
8. Fees	9
VI. Work Visa	10
1. Employment Pass	10
2. ONE Pass	11
VII. Social Security Contributions	12
VIII. Data Protection	12
IX. Contact persons	14

I. The Representative Office

A Representative Office (“RO”) is the most suitable entity for foreign companies who wish to explore the viability and opportunities of doing business in Singapore. It has the benefit of enabling a non-Singaporean commercial entity to test out the local business environment and relevant market without committing to a permanent establishment. An RO may liaise with potential customers and partners on behalf of its foreign parent company but is not permitted to enter into contracts for the same or conduct revenue-generating activities. Another disadvantage is that it is not a separate legal entity, so that the liability of its activities cannot be limited.

Furthermore, the business registration of an RO is valid just for one year and can only be renewed twice. In other words: an RO can only exist for a total of three years. Each year, fees must be paid for the new registration. Also employment passes of the RO’s employees must be annually renewed. If the foreign entity decides to continue its activities in Singapore thereafter, it would have to upgrade its local presence, e.g. by incorporating a Private Company Limited by Shares or registering a Branch. In certain cases, an RO may only be registered for a single year without the option of renewal. Moreover, Enterprise Singapore generally rejects applications of companies that already have distributors and/or a client base in Singapore.

In order to set up an RO, the following conditions have to be fulfilled:

- the foreign enterprise must be at least three years old;
- the sales turnover of the foreign enterprise must be higher than USD 250,000; and
- the proposed number of employees of the RO must be less than five.

An application for the registration of an RO has to be submitted to the governmental agency “Enterprise Singapore”, accompanied at least by the following documents:

- the foreign entity’s Certificate of Incorporation or Registration Certificate (as applicable), and
- the foreign entity’s latest audited financial statements.

Documents not in English may have to be accompanied by a certified translation. We can assist with such translation.

Additionally, certain information must be provided in the

application. This includes the projected business spending and number of employees and the particulars of the intended representative.

It is important to note that the activities of an RO are restricted. An RO is only allowed to conduct market research and feasibility studies on the viability of setting up a permanent entity in Singapore. The allowed activities include:

- collection of information about markets, competitors and/or prospective customers,
- conducting research on the demand for the product and/or service,
- gathering information on business regulatory requirements for subsequent set up of a permanent entity, and
- participation in exhibitions and trade shows.

An RO is not allowed to engage in any revenue generating activities. In particular, the following activities are not allowed to be performed:

- trade or business activities,
- entering into business contracts,
- negotiating sales contracts,
- providing consultancy services,
- leasing of warehousing facilities,
- leasing its office to third parties for a fee,
- issuing an invoice/receipt, and
- promotional activities such as advertising and marketing.

For the initial RO registration and each renewal of the same, a processing fee of SGD 200 is payable to Enterprise Singapore. Luther’s fee for handling the registration/each annual renewal is SGD 1,000 (incl. of GST: SGD 1,090). If a special consultation is required or if we assist beyond that, we charge this according to local practice at an hourly rate which lies between SGD 400 and SGD 900 (incl. of GST: SGD 436 or SGD 981, respectively).

II. The Branch Office

The Singapore Companies Act allows foreign entities to register a branch office with the “Accounting & Corporate Regulatory Authority” (“ACRA”). Unlike an RO, a Branch Office is able to act independently and to engage in legitimate profit making activities. However, a Branch Office will not be viewed as a separate legal entity from the foreign enterprise it represents (the “Foreign Company”). Consequently, any and all contracts it enters into and the legal obligations, debts and liabilities arising therefrom, shall be binding and enforceable against the Foreign Company.

The registration of a Branch Office requires substantially more information to be filed with ACRA than that required upon formation of a Pte. Ltd. The first step in the registration process is to apply for approval of the business name. Additionally, the Foreign Company’s main place of business, its date of incorporation, its issued capital and core business objects need to be stated.

Provided approval of the business name is granted, (which usually takes about one to two days) the following documents/information are required, in order to complete the registration:

- certified true copy of the Foreign Company’s Certificate of Incorporation, or equivalent such as extract of commercial register,
- copy of the latest audited annual financial statement of the Foreign Company,
- copy of the Foreign Company’s current constitution, or equivalent,
- personal particulars and certified true passport copies of the Foreign Company’s current directors and date of appointment as director,
- a memorandum of appointment of an “Authorised Representative”, a person resident in Singapore to be responsible for the branch office’s administration, and a notarised declaration affirming proper execution of the memorandum.

All the above documents need to be submitted in English. Hence, if the original document (e.g. the Certificate of Incorporation) is in another language, an official translation must be provided. We can provide translation services, if necessary.

A so-called “register of controllers” would also have to be set up and maintained for the Branch Office. In order to do so, an overview of the Foreign Company’s group structure up to the ultimate beneficial owners is required. Depending on the group structure, further documents (e.g. certified true copy of

the certificate of incorporation of the group companies, or certified true copies of identification documents from individuals with controlling power) will have to be provided and the “controllers” of the Foreign Company will have to make certain declarations. We will provide you with a list of the documents and information required in this regard.

Compared to a subsidiary incorporated as a Pte. Ltd. company, the ongoing compliance requirements for maintaining a Branch Office are more onerous. As a general rule, since the Branch Office is not a separate legal entity – it is seen merely as an “arm” into Singapore of the Foreign Company – all changes relating to the Foreign Company, including its office bearers, as well as its audited annual accounts, must be filed with ACRA. If these documents are not in the English language, official translations must be provided. Further, a separate set of audited accounts reflecting the Branch Office’s annual “financials”, will need to be drawn up and filed with ACRA.

Because of these heavier reporting and filing requirements compared to companies, we have found over the years that most foreign investors in fresh “start-ups” here prefer a Pte. Ltd. over a Branch Office. That said, a few notable exceptions are to be found in the banking and insurance sectors for example, which in turn, are largely explained by conditions to be met for licensing.

As for costs, a registration fee of SGD 300 is payable to ACRA upon registration, whilst our fixed fee for undertaking the registration and filing all requisite documents will be SGD 1,500 (incl. of GST: SGD 1,635).

Incidentally, a Branch Office requires a registered office in Singapore, which we can also provide through our office here. For this service, an annual fee of SGD 300 (incl. of GST: SGD 327) will be payable.

Whilst there is no formal requirement for a Branch Office to appoint a “company secretary”, its compliance and filing obligations are similar to those of a Pte. Ltd. For this reason, we recommend to engage the services of a company secretary. We offer to render such services via our subsidiary Luther Corporate Services Pte. Ltd. at an annual fee of SGD 1,950 (incl. of GST: SGD 2,125.50).

In addition, we offer to act as nominee local authorised representative on your behalf at a fee of SGD 550 (incl. of GST: SGD 599.50) per month.

III. The Limited Liability Partnership

A Limited Liability Partnership (“LLP”) offers the internal flexibility of a partnership whilst limiting the partners’ liabilities to the individual contribution of each of the partners making up the LLP.

Two or more partners, whether individuals or corporate entities, are required to form an LLP. The duration of an LLP is unlimited. A change in the partners (whether outgoing or incoming) does not affect the existence of the LLP as such or its rights and obligations.

The LLP is a separate legal entity, capable of entering into contracts, owning property, and undertaking activities in its own name. The partners of the LLP will not be held personally liable for any business debts incurred by the LLP. A partner may, however, be held personally liable for claims from losses resulting from their own wrongful act or omission in tort, but will not be held personally liable for such wrongful acts or omissions of any other partner of the LLP. In such an instance, both the LLP and the defaulting partner are jointly and severally liable, where the liabilities of the LLP must be met out of the property the LLP holds in its own name.

An LLP is represented by each of its partners, unless the partnership agreement provides otherwise. Therefore, the actions of a partner will be binding upon the LLP. Hence, it is recommended that the partners conclude a partnership agreement, setting out their respective rights and obligations towards each other.

The LLP must appoint at least one manager, being a natural person ordinarily residing in Singapore. The manager can, but does not have to be, one of the partners. While the manager does not have the power to act for and to bind the LLP as such, they have to ensure that the LLP complies with its obligations as stated in the Limited Liability Partnership Act. We can provide such a nominee local manager, should circumstances warrant.

LLPs must be registered with ACRA. The first step in the registration process is to check with ACRA whether the intended name for the LLP is available. The name of the LLP must include the words “Limited Liability Partnership” or “LLP”.

The LLP must maintain a registered office in Singapore. We can offer our firm’s address as the registered office address, again, if circumstances warrant.

For the registration itself, the particulars of the partners and manager(s) have to be stated, such as the name, address, passport number or, in the case of a partner which is a body corporate, the company registration number.

A so called “register of controllers” would also have to be set up and maintained for the LLP. In order to do so, an overview of the partner’s group structure up to the ultimate beneficial owners is required. Depending on the group structure, further documents (e.g. a certified true copy of the certificate of incorporation of group companies, or certified true copy of the passport in case of individuals) will have to be provided and the “controllers” of the LLP will have to make certain declarations. We will provide you with a list of the documents and information required in this regard.

The LLP must maintain proper accounts and other records which explain its transactions and financial position but the accounts do not have to be audited. The annual financial statements also do not have to be published. The LLP is only required to lodge a declaration stating whether the LLP is solvent or insolvent (i.e. able to pay off its debts or not) annually.

For income tax purposes, an LLP is tax transparent and will be treated as a partnership and not as a separate legal entity; this means that an LLP will not be liable to tax at the entity level. Instead, each partner will be taxed on his/her/its share of the income from the LLP.

Both profits and losses are allocated to each partner in proportion to their ownership share. The allocation of losses and allowances is limited to the contribution of the respective partner.

Where the partner is an individual, their share of income from the LLP will be taxed based on their personal income tax rate. The personal income tax rates in Singapore are progressive with a current maximum rate of 24%. Where a partner is a company, its share of income from the LLP will be taxed at the tax rate for companies, which is currently 17%.

The business of the LLP in Singapore is regarded as a permanent establishment of the partners in Singapore. Depending on the applicable double taxation agreement concluded between Singapore and the country of residence of the respective partner, Singapore may be given the right of taxation of the profits of the LLP either in part or in full.

IV. The Variable Capital Company

Whether or not the partner is then exempt from further taxation in their country of tax residency depends on the respective double taxation agreement in place with that particular country and its own national tax laws. Exemption from further taxation applies, for example, in the case of individual partners residing in Germany or for a German partnership in the form of a KG.

The official filing fee for the registration of an LLP amounts to SGD 115. Our fee for undertaking the entire registration process is currently fixed at SGD 1,500 (incl. of GST: SGD 1,635). If additional advice is required, our fees will be charged on a time-spent basis at an hourly rate ranging from SGD 400 to SGD 900 (incl. of GST: SGD 436 or SGD 981, respectively) depending on the seniority of the attorney working on the matter.

While the LLP does not have to formally appoint a “company secretary”, there are regular filing requirements. Hence, it is common to instruct professionals specialising in the provision of corporate secretarial services. We gladly provide these services to you in return for an annual fee of SGD 1,950 (incl. of GST: SGD 2,125.50).

For the provision of a nominee local manager, we charge a monthly fee of SGD 550 (incl. of GST: SGD 599.50). Our fee for using our premises as the registered office amounts to SGD 300 (incl. of GST: SGD 327) per annum.

The Variable Capital Company (VCC) is an innovative corporate structure introduced under the Variable Capital Companies Act 2018. The VCC was specifically designed to enhance Singapore’s position as a leading international fund management hub by providing a flexible, efficient, and robust legal vehicle for investment funds and asset management activities. It provides maximum flexibility in capital structure and can be set up either as a standalone fund or as an umbrella VCC with multiple sub-funds.

The costs for establishment and structuring a VCC vary depending on the requirements. We would be happy to advise you individually and prepare a tailor-made offer.

The most important features of the VCC at a glance:

- **Flexible capital base:** shares may be issued and redeemed at the fund’s net asset value without requiring amendments to the constitution or shareholder approval. This allows investors to enter or exit the fund with ease, facilitating open-ended and closed-ended fund strategies alike.
- **Sub-fund segregation:** A VCC may be established as a standalone fund or as an umbrella entity with multiple sub-funds, each holding segregated assets and liabilities. This enables cost efficiencies through shared service providers while ensuring that each sub-fund’s assets and liabilities are ring-fenced from those of other sub-funds within the same umbrella VCC.
- **Confidentiality:** Unlike traditional companies, the register of shareholders of a VCC is not publicly accessible. This confidentiality feature enhances privacy for investors, which is particularly attractive for private funds and family offices.
- **Governance:** A VCC must have at least one director who is ordinarily resident in Singapore, a qualified company secretary, and must appoint a Singapore-based qualifying fund manager regulated by the Monetary Authority of Singapore (MAS). Annual audits by an approved auditor are mandatory, ensuring regulatory oversight and transparency.
- **Tax treatment:** The VCC enjoys tax treatment equivalent to that of a private limited company (Pte. Ltd.), including eligibility for Singapore’s extensive network of double taxation agreements (DTAs) and access to tax incentives such as the Basic-Tier Fund Tax Exemption Scheme (Section 13O of the Income Tax Act) or Enhanced-Tier Fund Tax Exemption Scheme (Section 13U of the Income Tax Act).

V. The Private Company Limited by Shares (“Pte. Ltd.”)

A Pte. Ltd. is a full-fledged independent legal entity. In general, foreign investors tend to establish a Pte. Ltd. for their business activities in Singapore. As the Pte. Ltd. is a separate legal entity from its shareholder(s), the latter will not be liable for the debts of the Pte. Ltd. The personal liability of the shareholders is limited to the amount of the company's issued share capital they subscribed for.

1. Incorporation of a Pte. Ltd.

The incorporation of a Pte. Ltd. with “standard” constitutional documents usually takes about one week, if not less. The first step for the incorporation of a Pte. Ltd. is to choose a name for the intended company and search with ACRA (the Singapore commercial register) to establish whether the intended name is available. When ACRA approves the proposed name, it will be reserved upon application for a period of 120 days. During this period, the application to incorporate the company must be submitted.

After approval and reservation of the name, all documents and information required for the incorporation must be submitted to ACRA. In addition to filing the particulars of the director(s), shareholder(s) and controller(s) (namely the individuals name, address, passport number, profession, email address and mobile number), the constitution will also have to be lodged with ACRA.

Provided that requisite information and documents are in order and meet ACRA's requirements, the Pte. Ltd. will be incorporated.

All companies must appoint at least one locally resident director and since such is often not yet available at the time of incorporation, we usually act as such locally required director for the incorporation. Later on, the position of the local resident director can be replaced by an employee of the company.

In order for us to incorporate the Pte. Ltd., we require the following documents, amongst others:

- certified true copy of the shareholder(s) certificate of incorporation, or equivalent, if the shareholder(s) are corporate entities,
- personal particulars and certified true passport copies of the shareholder(s) and of the director(s) who are natural persons,

- a group ownership chart leading up to the ultimate beneficial owner(s).

You may submit all required information for the incorporation through our secure online platform via the following website: www.luther-cs.com. We will liaise with you on any further required documents and information. All the required documents need to be submitted in the English language. Hence, if the original document (e.g. the certificate of incorporation) is in another language, an official translation (which we can provide to you) may be required.

2. Share Capital

There is no minimum share capital requirement and the capital can be as low as SGD 1. In practice, however, a low level of capitalisation is not recommended, as it could well cause some difficulties in subsequent dealings with the local authorities, in particular the Ministry of Manpower, where work visas for foreigners are required.

Hence, once incorporated and operational, it is generally recommended that the Pte. Ltd. should increase its paid-up capital up to at least SGD 50,000. The share capital constitutes working capital, which means it may be fully used for salaries, rent, travel expenses, and other operating costs. The issued capital does not necessarily have to be fully paid up initially, though this is recommended and common practice as the individual shareholders will then be relieved of any further payment obligations for their shares.

3. Shareholders and the Board of Directors

The Singapore Companies Act (the “Act”) requires at least one natural person to be appointed as a director, and that person must be ordinarily resident in Singapore. A Singaporean, or a Singapore Permanent Resident or a foreigner holding an EntrePass / Employment Pass or other work pass or permit may satisfy this statutory residency requirement as long as they are ordinarily resident in Singapore (note: an Employment Pass holder must obtain a letter of consent from the Ministry of Manpower should they wish to be registered as a director of a company other than the company under which their pass is issued).

It is important to note that the shareholders are responsible for having a local director on the board of directors. Hence, in situations where the sole local director is leaving Singapore or

no local director is remaining due to other reasons, the shareholders will be duty-bound to appoint a new local director as soon as possible and within six months at the latest. If no such replacement is made within that period and the business continues to operate after the six-months deadline expires, the shareholders could be held liable of an offence, upon which a fine may be payable. The shareholders may in such case also be held personally accountable for the Pte. Ltd.'s debts and liabilities under the Act.

The company law in Singapore does not differentiate between local and foreign-held shareholdings. As such, all shares can be held by foreign shareholders.

Only one shareholder is required. The maximum number of shareholders of a Pte. Ltd. is 50 and natural persons as well as legal entities can be shareholders.

Post-incorporation, we could continue to act as nominee director. We act as nominee director for many of our overseas clients. The reasons are diverse, but to name just a few:

- fulfilling the obligation to appoint a local director,
- having a reliable director on the board who acts in accordance with the instructions of the main overseas shareholder(s),
- to monitor good corporate governance, and
- to ensure a majority and/or quorum, at least three directors should usually be on the board.

4. Company Secretary

The Pte. Ltd. must appoint a company secretary who must be a natural person of full age with principal or only place of residence in Singapore.

The company secretary's tasks are partly to perform statutory "corporate householding" activities. In part, they even have similar, however limited, official functions that notaries or the commercial register have in other, mainly civil law, jurisdictions. The company secretary is responsible for the necessary filings required by ACRA, to keep proper corporate records and maintain the requisite corporate registers.

The company secretary is also required to ensure that all the directors and shareholders are informed of their statutory obligations such as the filing of annual returns. In order to ensure the timely discharge of these duties, it is common

practice here for external law firms or audit firms to act as a Pte. Ltd.'s company secretary. Suffice it to say, our subsidiary Luther Corporate Services Pte. Ltd. offers full company secretarial services.

5. Registered Office

A Pte. Ltd. must, from the date of its incorporation, have a registered office within Singapore to which all official communications and public notices may be addressed. Moreover, it has to be open and accessible to the public for not less than three hours during ordinary business hours on business days. In default of complying with this obligation, fines of up to SGD 5,000 could be levied. Lastly, the Act stipulates that the company secretary shall be readily contactable by a person at the company's registered office by telephone or other means of instantaneous communication.

Given these requirements, it is not surprising that many Pte. Ltd. companies choose, initially at least, to have their registered office at the address of their company secretary. The registered office does not have to be at the same address as the company's actual place of business and it does not have to be stated on the Pte. Ltd.'s letterhead or other correspondence.

6. Annual Accounts and Audit Requirements

With the exception of dormant and small companies, Pte. Ltd. companies must appoint an accredited firm of auditors to prepare an annual set of audited accounts for filing with ACRA. A dormant company refers to a company with no accounting transactions during a financial year other than those necessary to maintain the company. A small company is a private company that fulfils at least two of the following criteria:

- total annual revenue of not more than SGD 10 million,
- total assets of not more than SGD 10 million,
- number of employees not exceeding 50.

A subsidiary or holding company may only qualify as a small company if the company itself is a small company and the entire group qualifies under two of the above "small company" criteria on a consolidated basis.

Notwithstanding that a small or dormant company has no legal obligation to conduct an audit of its annual accounts, it may choose to do so.

7. Tax

The taxable income of a Pte. Ltd. is currently subject to a tax rate of 17% on its net income derived from business activities within Singapore and on foreign-sourced income if remitted into Singapore.

Newly incorporated Pte. Ltd. companies are eligible for a tax exemption during the first three years after incorporation if certain conditions are met: (i) the company must be incorporated in Singapore and be a tax resident in Singapore, (ii) at least 10% of the shares in the company must be held by an individual, (iii) the company has not more than 20 shareholders and (iv) is not an investment holding or property development company. Qualifying newly incorporated companies can benefit from a tax exemption on the first SGD 200,000 of chargeable income. During the first three years after incorporation, the first SGD 100,000 of chargeable income is only 25% taxed (i.e. 75% tax exemption) whilst a further 50% tax exemption applies to the next SGD 100,000. The maximum exemption for each Year of Assessment is SGD 125,000.

There is a further tax exemption scheme available for all companies on the first SGD 200,000 of chargeable income as follows:

Amount of chargeable income	Percentage of tax exemption
First SGD 10,000	75%
Next SGD 190,000	50%

The maximum exemption for each Year of Assessment is SGD 102,500.

A dividend paid by a Singapore Pte. Ltd. to its shareholder(s) is non-taxable in Singapore, whether or not the shareholder is a tax-resident here, as Singapore does not have any withholding tax on dividends paid out by a Singapore company. However, where the shareholder is not a tax-resident in Singapore, the dividend may be subject to taxation in the shareholder's country of residence in accordance with the country's national tax laws and the provisions of the double taxation agreement between its country and Singapore (where applicable).

8. Fees

i. Incorporation of a Pte. Ltd.

We currently charge a fixed fee of SGD 1,500 (incl. of GST: SGD 1,635) for the incorporation process. This covers:

- application for registration of the company's name,
- incorporation of the company,
- preparation and filing of all necessary resolutions and documents, and
- the initial establishment/formation of the board of directors and the allocation of equity.

This fixed fee is confined to the actual registration process itself. If additional advice is required outside the process scope, our fees will be charged on a time-spent basis at an hourly rate of SGD 400 to SGD 900 (incl. of GST: SGD 436 to SGD 981), depending on the seniority of the lawyer working on the matter. For example, drafting of shareholders' agreements, customizing the constitution or assisting with opening of bank accounts are not included in the incorporation fee and would be billable on an hourly basis. Further, the registration fee of SGD 300 actually payable to ACRA and further miscellaneous filing fees and other expenses are not included in the fixed fee.

ii. Shareholders and Directors

For the provision of nominee directors, we charge a fee of SGD 550 (incl. of GST: SGD 599.50) per month. We might ask for a standard indemnity from our clients covering the strict personal liability of our nominees for certain corporate obligations of the company in Singapore.

iii. Company Secretary

As mentioned above, upon incorporation of a Pte. Ltd., the appointment of a company secretary is mandatory. Our fee per calendar year for the provision of a company secretary and the regular services required from a company secretary is SGD 1,950 (incl. of GST: SGD 2,125.50).

VI. Work Visa

iv. Book-Keeping, Payroll and Taxation Services

For Pte. Ltds. whose operations do not necessitate the employment of a full-time accountant, we offer bookkeeping services, including preparation of income tax documentation and payroll processing. Our fees for such services are generally volume-based and we are happy to provide you with a separate quote for this. Please note, however, we do not provide auditing services but can recommend audit firms to you.

1. Employment Pass

While foreigners may only need a tourist visa to enter Singapore, foreigners intending to work in Singapore would usually require a work visa, which must be approved and issued prior to commencing employment in Singapore. The application for an Employment Pass ("EP"), the most common form of work visa for "PMETs" (Professionals, Managers, Executives, Technicians) commanding an initial salary of at least SGD 5,600 for all sectors except financial services, must be submitted online to the Ministry of Manpower. The salary requirement increases progressively with age and must be SGD 10,700 for an applicant age 45 and above (note: workers in the financial services sector must command at least a salary of SGD 6,200 which increases progressively up to SGD 11,800 at age 45 and above).

The applicant's personal particulars (e.g. name and passport number) have to be stated in the application, together with information on the applicant's educational background, intended position, proposed salary, amongst others. The highest educational certificate achieved (which must be verified by external agencies approved by the Ministry of Manpower) and a passport copy have to be submitted with the application.

The Ministry of Manpower (MOM) typically processes Employment Pass applications within 10 business days. However, applications may take longer if the employer is a newly incorporated company or if MOM requires additional information or supporting documents.

In cases where an application is rejected, an appeal may be filed. The processing of an appeal generally takes up to six weeks, subject to MOM's review and approval

Except in the specific case of a Sponsorship Employment Pass - where the employer is an overseas-registered company with a relationship to a Singapore entity that sponsors the pass - an Employment Pass application may only be submitted once the corporate entity has been registered in Singapore and can act as local employer and sponsor of the application.

For Representative Offices, please note that Employment Passes are typically granted for one year only and must be renewed annually in conjunction with the renewal of the RO itself.

EP applications are subject to the requirements of the Complementarity Assessment Framework (“**COMPASS**”). The COMPASS is a points-based system. An EP application needs 40 points to pass COMPASS; these points are scored against six criteria: salary, qualifications, diversity, support for local employment, skills bonus (Shortage Occupation List), and strategic economic priorities bonus.

While COMPASS does not have a strict quota requirement for EP applications in the sense that a certain number of local employees must be employed before employment passes to foreigners are granted, companies with a high ratio of locals get more points. This is different for what one may call “lower” work visa categories that require a certain ratio of local and foreign employees. In any case, the employment of local employees is strongly encouraged by the government and employers are obliged to publish job openings in a jobs portal called “MyCareersFuture” before submitting an employment pass application in order to give Singaporeans the opportunity to apply. Job applications from local applicants must be considered fairly without discrimination. Employers with less than 10 employees are exempt from the obligation to publish the job on MyCareersFuture. This exemption also applies to positions with a monthly salary exceeding SGD 22,500 and in the case of employment of a holder of a ONE Pass as described under point 2 below.

Spouses and children of an EP holder require a so-called “Dependant’s Pass” to live and stay in Singapore.

Our fee for the preparation and filing of the application for an EP with the Ministry of Manpower is SGD 1,200 (incl. of GST: SGD 1,308) and SGD 600 (incl. of GST: SGD 654) for each Dependant’s Pass. The fees are exclusive of disbursements, such as governmental fees. According to the current practice of the Ministry of Manpower, the EP and Dependant’s Pass is initially issued for one to two years only, even if applied for a longer period. Thereafter, the EP and Dependant’s Pass could be renewed in successive periods of up to three years each. Our fee for handling the renewal is SGD 600 (incl. of GST: SGD 654) per pass.

2. ONE Pass

Alternatively to an EP, high caliber applicants may also be eligible and apply for a so-called “ONE Pass” (“Overseas Networks & Expertise Pass”), which is primarily intended for top talents from the fields of business, art and culture, sports as well as science and research.

Generally, applicants must meet the salary criteria of either (i) having earned a fixed monthly salary of at least SGD 30,000 (or the equivalent in foreign currency) in the year before applying for the ONE Pass, or (ii) earn a monthly fixed salary of at least SGD 30,000 with their prospective employer based in Singapore. Further, a new applicant must have been working for an established company overseas for at least one year, or will be working for an established company in Singapore, while an existing EP holder must have been working in Singapore for at least one year, or will be working for an established company in Singapore. Alternatively, any candidate being able to show outstanding achievements in the field of arts and culture, sports, as well as academia and research may apply without meeting the salary threshold. The ONE Pass is issued for five years and is renewable for further five years each time, provided the conditions for the Pass eligibility are still met.

The advantage of the ONE Pass is primarily a greater employment flexibility: it is possible to start, operate or work for several companies at the same time. Also, once a job change occurs, there is no need to apply for a new pass. It is also not required for an employer to publish the open position prior to employing a ONE Pass holder. Another major advantage of the ONE Pass is that spouses can also easily work in Singapore on the basis of a letter of consent issued by the Ministry of Manpower.

The application process can take up to six weeks. If a ONE Pass application is rejected, applicants have three months to file an appeal by demonstrating particular reasons. A fee of SGD 105 has to be paid when lodging the application followed by a further fee of between SGD 225 to SGD 255 (for applicants holding multiple visas) upon pass issuance. Our fee for the application for a ONE Pass is SGD 1,500 (incl. GST: SGD 1,635).

VII. Social Security Contributions

The Central Provident Fund (“CPF”) is a compulsory social security scheme. In a nutshell, an employer has the duty to pay a monthly CPF contribution towards each individual employee’s statutory CPF account if that employee is a Singapore citizen or a Permanent Resident of Singapore. Hence, it is neither applicable nor payable in respect of employees who are neither Singaporeans, nor Singapore Permanent Residents.

As a general rule, 37% of the eligible employee’s monthly salary up to a maximum of currently SGD 7,400 (SGD 8,000 starting from 1 January 2026) needs to be paid into the CPF account, of which 17% is contributed by the employer and the remaining 20% is borne by the employee out of his/her gross salary.

VIII. Data Protection

Singapore organisations have to comply with the provisions of the Singapore Personal Data Protection Act 2012 (“PDPA”). The PDPA is to Singapore what the General Data Protection Regulation (“GDPR”) is to the European Union. It applies to organisations of all sizes – be it a one-man company or a multinational corporation – who collect, use and/or disclose personal data. As each Singapore organisation will at least collect, use or disclose the personal data of its registered owners (e.g. shareholders or partners), ultimate beneficial owners, and holders of statutory officers (e.g. directors, company secretaries, managers), it is fair to say that the PDPA, with very few exceptions, applies to all Singapore organisations. Other data subjects whose personal data organisations will typically handle are those of its employees, customers and contractual partners.

There are numerous obligations that organisations need to comply with under the PDPA. Most notably, the following are compulsory:

- appointment of a data protection officer (“DPO”) responsible for ensuring that the organisation complies with the PDPA; the DPO must be trained in data protection matters. The responsibilities of the DPO encompass a diverse array of tasks that may involve creating or overseeing the creation of a personal data inventory, conducting data protection impact assessments, overseeing and reporting on data protection risks, offering in-house trainings on data protection compliance, communicating with stake-holders regarding data protection issues, and serving as the primary in-house authority for data protection matters.
- development and implementation of an internal personal data protection policy (i.e. a document setting out the policies and practices that are necessary for the organisation to meet its obligations under the PDPA and a process to receive and respond to complaints that may arise with respect to the application of the PDPA);
- development and implementation of a data breach management plan (i.e. a document setting out how the organisation handles data breaches);
- staff training on data protection matters;
- ensuring that the organisation has an appropriate legal basis under the PDPA for its collection, use and/or disclosure of personal data (e.g. consent, deemed consent, legitimate interests);
- ensuring that the rights of the individuals whose personal data are concerned (“data subjects”) are respected (e.g. the right of access to personal data, right of correction of personal data, right to withdraw consent);

- ensuring that personal data is not retained longer than allowed;
- entering into data processing agreements (or other documents setting out the rights and responsibilities of the parties) where the organisation engages a third party (a so-called “data intermediary”) to process personal data on its behalf; a typical example of a data intermediary is a cloud service provider who stores personal data on the organisation’s behalf.
- ensuring that personal data which is transferred overseas remains protected at a standard at least comparable to the one under the PDPA; such a comparable standard is typically secured via contractual arrangements with the overseas recipient of the personal data.

Compliance with the PDPA is of utmost importance. The Singapore Personal Data Protection Commission (“PDPC”) regularly takes action against local organisations for non-compliance with the PDPA. For the involved organisations, this often means that they have to invest substantial amounts of time and manpower in dealing with an investigation about their handling of personal data. Furthermore, when found to be non-compliant they have their names published, may suffer reputational damage, and often also have to pay financial penalties. The PDPA allows for financial penalties of more than SGD 1 million. In a worst-case scenario, an infringement of certain provisions of the PDPA may also lead to imprisonment for up to three years.

In addition to being subject to the PDPA, the data processing activities of Singapore organisations may also be regulated by the European GDPR. This may be the case where the Singapore organisation

- has an “establishment” in the European Union (a single representative, a bank account or a letterbox may be sufficient), or
- processes personal data of data subjects who are in the European Union in the context of offering goods or services to these data subjects or of monitoring their behaviour (e.g. internet tracking).

Luther provides comprehensive advice on Singaporean and European data protection law. Many of our clients choose to appoint one of our lawyers to take over the position of an external DPO to ensure compliance with applicable regulations. For other clients, we are a reliable source of assistance for their internal DPOs. In any case, we stand ready to assist you with the setup and implementation of data protection-compliant business models and processes.

IX. Contact persons



Birgitta von Dresky
Attorney-at-law, Partner
Luther LLP
Singapore
Phone +65 6408 8008
birgitta.von.dresky@
luther-lawfirm.com



Dr Thomas Hufnagel
Attorney-at-law, Partner
Luther LLP
Singapore
Phone +65 6408 8005
thomas.hufnagel@
luther-lawfirm.com



Thi Thuy Trang Phan, LL.M.
Attorney-at-law, Partner
Luther LLP
Singapore
Phone +65 6408 8000
trang.phan@
luther-lawfirm.com



David Martiny
Attorney-at-law, Partner
Luther LLP
Singapore
Phone +65 6408 8000
david.martiny@
luther-lawfirm.com



Dr Claus Trenner, LL.M. (NUS Singapore)
Attorney-at-law, Partner
Luther LLP
Singapore
Phone +65 6408 8009
claus.trenner@
luther-lawfirm.com



Clemens Leitner, LL.M. (UCL)
Attorney-at-law, Partner
Luther LLP
Singapore
Phone +65 6408 8000
clemens.leitner@
luther-lawfirm.com



Dr Knut Unger
Attorney-at-law, Partner
Luther LLP
Singapore
Phone +65 6408 8007
knut.unger@
luther-lawfirm.com



Dr Maximilian Kressner, M.Jur. (Oxford)
Attorney-at-law, Partner
Luther LLP
Singapore
Phone +65 6408 8000
maximilian.kressner@
luther-lawfirm.com

Impressum

contact@luther-lawfirm.com

Editor: Birgitta von Dresky, Lawyer, Partner, Luther LLP, 9 Raffles Place #24-01, Republic Plaza Tower 1, Singapore 048619, Phone: +65 6408 8000, Fax +65 6408 8001, Birgitta.von.Dresky@luther-lawfirm.com

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