

# Starting a Business in Singapore in 2025

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## Introduction

Whether you call it a side hustle, a freelance project, or the first step toward long-term entrepreneurship, starting a business in Singapore can be a smart and strategic move. From online services to boutique baking or consulting, individuals are finding creative ways to generate income while maintaining their full-time jobs or supplementing their household earnings.

At ScaleX Business, we understand that launching your own venture — even a small one — requires thoughtful planning, regulatory clarity, and confidence. Our role is to simplify that journey for you. Whether you're a resident, an expatriate, or an international entrepreneur looking to expand into Southeast Asia, this guide is designed to equip you with practical insights and the regulatory essentials of setting up a business in Singapore.

## Chapter 1: Why Singapore?

Singapore is not only a hub of innovation and capital in Southeast Asia — it's also a strategic launchpad for global entrepreneurs. Positioned at the crossroads of Asia's most dynamic economies, Singapore provides access to over 600 million people across markets like India, China, Indonesia, and Malaysia.

Consistently ranked among the top countries for ease of doing business, Singapore offers a robust legal system, political stability, and an efficient tax framework. Whether you're starting small or planning to scale globally, Singapore provides the infrastructure and business-friendly ecosystem to support that vision.

Crucially, the opportunity to incorporate a business here is not limited to citizens. Permanent residents, Dependant Pass holders, and even foreigners without a visa — with the right support — can register and operate a compliant entity.

At **ScaleX Business**, we work with founders around the world to navigate Singapore's incorporation landscape — whether that means guiding you through your first ACRA filing or helping structure your business for long-term investment and expansion.

## Chapter 2: Requirements to Set Up a Business in Singapore

Singapore offers several options for business registration, each with distinct advantages and responsibilities. The three primary structures are:

### 1. Sole Proprietorship

This is the simplest form of business entity where you operate and manage the business on your own. While registration is easy and cost-effective, you are personally liable for all debts and obligations. There is no separation between personal and business finances.

- Annual registration fee: S\$65
- No separate legal identity
- Taxed under personal income tax

### 2. Limited Liability Company (LLC)

A Private Limited Company (Pte Ltd) is the most common structure. It offers limited liability protection, where your personal assets are separate from the company's obligations. It also gives a professional image and can attract investors more easily.

- Separate legal identity
- Corporate tax regime
- Directors manage the company on behalf of shareholders

### 3. Limited Liability Partnership (LLP)

This is ideal for professional groups (e.g., lawyers, consultants). Partners have limited liability, but must manage the business themselves, unlike an LLC. Taxes are filed under the personal income of each partner.

- Hybrid between sole proprietorship and LLC
- Annual declaration of solvency required
- Registration fee: S\$165

## Additional Setup Requirements

Regardless of structure, all entities must:

- Register with the Accounting and Corporate Regulatory Authority (ACRA)
- Have a local registered business address
- Appoint at least one local resident director (ScaleX can assist)
- Appoint a corporate secretary within six months (ScaleX provides this service)
- Have at least S\$1 in paid-up capital
- Secure appropriate permits if on a Dependant Pass (Letter of Consent or relevant visa)

ScaleX Business can act as your local compliance partner, helping with the appointment of directors, secretaries, and the setup of your registered office address.

## Chapter 3: Why Do You Need a Corporate Secretary?

A corporate secretary is a legal requirement for Singapore-incorporated companies. More importantly, they are essential for ensuring regulatory compliance and smooth administration.

### Key Responsibilities Include:

- Filing annual returns and tax documents with ACRA
- Maintaining statutory registers and company resolutions
- Ensuring compliance with the Companies Act
- Supporting shareholder communications and board governance

### Strategic Advantages:

1. **Expediting Fundraising** Fundraising can be a slow and complex process. A knowledgeable corporate secretary ensures your company is due-diligence-ready and can speed up investor onboarding.
2. **KYC & Compliance Support** Secretaries ensure all Know Your Customer (KYC) and compliance standards are met, especially important during capital raises or onboarding foreign shareholders.
3. **Cost-effective Legal Support** A proactive secretary helps prepare shareholder resolutions and regulatory filings without the high cost of legal counsel.

ScaleX Business provides corporate secretarial services tailored for founders, startups, and SMEs ready to grow with confidence.

## Chapter 4: The Need for a Director

Every company registered in Singapore must appoint at least one director who is ordinarily resident in Singapore. This could be a citizen, permanent resident, or a foreigner with a valid work visa. For foreign entrepreneurs, ScaleX Business can support you with nominee director services or guidance on hiring a local executive.

### Director Responsibilities:

- Ensuring the company complies with statutory obligations, including AGMs and annual returns
- Overseeing financial health and regulatory compliance
- Acting in good faith and in the company's best interest
- Avoiding conflicts of interest

Directors must be reported to ACRA via BizFile+ within 14 days of appointment and include their name, nationality, residential address, and date of appointment.

ScaleX helps clients navigate director responsibilities and offers guidance on building a compliant and effective board structure.



## Chapter 5: Corporate and Personal Income Tax in Singapore

Singapore offers a competitive and transparent tax regime. Companies benefit from one of the lowest corporate tax rates globally, and individuals enjoy progressive personal tax rates with no capital gains or inheritance taxes.

### Corporate Tax Highlights:

- Flat rate of 17% for corporate income
- Startups receive tax exemptions for the first 3 years:
  - 75% exemption on the first S\$100,000 of chargeable income
  - 50% exemption on the next S\$100,000

### Personal Tax:

- Progressive rates from 0% to 22% (increasing to 24% for high-income earners in 2024)
- Applies to residents earning S\$20,000 and above annually

For most small businesses, especially sole proprietorships and LLPs, personal income tax applies. ScaleX can advise you on tax-efficient structuring based on your specific situation.

## Chapter 6: The Available Grants

Singapore's government actively supports entrepreneurs through several grant schemes managed by Enterprise Singapore.

### 1. Startup SG Founder

- For first-time entrepreneurs
- S\$50,000 capital grant with a required S\$10,000 co-investment
- Includes mentorship support from approved partners

### 2. Productivity Solutions Grant (PSG)

- For businesses adopting IT solutions or automation tools
- Covers digital transformation, cybersecurity, and e-commerce enablement

### 3. Enterprise Development Grant (EDG)

- For companies upgrading capabilities or expanding internationally
- Supports innovation, digitalisation, and market entry efforts

ScaleX can assess your eligibility, support applications, and ensure compliance with ongoing grant obligations.

## Chapter 7: The SME and Startup Toolkit

### 1. Business Banking

Open a dedicated business account with banks like DBS, UOB, or OCBC to ensure clean financial tracking, separate liability, and regulatory compliance.

### 2. Accounting and Bookkeeping

Use tools like Xero or Dext for automated accounting, or engage ScaleX for bookkeeping and statutory filing. This ensures you remain compliant and investor-ready.

### 3. Digital Marketing

Low-cost marketing through social media, influencer marketing, and SEO can be effective. Build trust, grow visibility, and develop an authentic brand presence.

### 4. Hiring

Singapore offers access to top regional talent. Consider outsourcing admin roles or tech development to neighbouring markets such as the Philippines or Indonesia.

## Chapter 8: Tips for the Most Common Side Businesses

### E-commerce

With over 90% internet penetration and world-leading broadband speeds, Singapore is perfect for launching an online business. Choose scalable platforms and invest in digital customer service.

### Home-Based Food Business

Under Singapore's Home-Based Business Scheme:

- No paid ads or external signage allowed
- Must avoid disturbing neighbours
- Food sold must follow SFA rules if scaling beyond home kitchen

### Freelancing & Tutoring

If you're offering services like writing, graphic design, or tutoring:

- Stay within Home-Based Business Scheme guidelines
- Limit to 3 students per tuition session

## Ready to Get Started?

At ScaleX Business, we support entrepreneurs at every stage — from incorporation to tax advisory, compliance, and expansion. Whether you're exploring a side hustle or building a regional brand, our team is here to advise and act.

**Let's bring your business idea to life — the right way.**

[Get started](#)[Book consultation](#)

# Contact

## Anoop Anson

E: [anoop.anson@scalexbusiness.com](mailto:anoop.anson@scalexbusiness.com)

## Nigel Joseph

E: [nigel.joseph@scalexbusiness.com](mailto:nigel.joseph@scalexbusiness.com)