

COMPARISON OF SINGAPORE ENTITIES (V-201901)

Features	Company	Sole-Proprietorship	Partnership (General)	Limited Partnership (LP)	Limited Liability Partnership
Introduction	One of the most corporate vehicles for wider range of business journey	A basic & simple form of starting the business vehicle	A basic form of business vehicle with two or more co-partners	Often used as investment vehicle for large projects requiring substantial source of cash	Hybrid form of business vehicle consisting both company and typical partnership
Suitability of Business Vehicle	Suitable for carrying all types of business activities including professional services	Suitable for a small scale business with low risks	Suitable for a small to medium size of business journey with co-partners	Flexibility for allowing a diversification of a portfolio	Suitable to carry professional services such as Law Firm, Audit Firm, etc
Definition	A business form which is a legal entity separate and distinct from its shareholders and directors	A business owned by one person	An association of two or more persons carrying on business in common with a view to profit	A partnership consisting of two or more persons, with at least one general partner and one limited partner	A partnership where the individual partner's own liability is generally limited
Ownership or Owners	Exempt Private Company – 20 members or less and no corporation holds beneficial interest in the company's shares	Only one person	Between 2 and 20 partners. A partnership of more than 20 partners must incorporate as a company under the	At least 2 partners; one general partner and one limited partner. No maximum limit.	At least 2 partners. No maximum limit.

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	Private Company – 50 members or less Public Company – can have more than 50 members		Companies Act, Chapter 50 (except for professional partnerships)		
Legal Identity or Status	A separate legal entity from its members and directors Members have limited liability Can sue or be sued in company's name Can own property in company's name Members not personally liable for debts and losses of company	Not a separate legal entity Owner has unlimited liability Can sue or be sued in individual's own name Can also be sued in business name Can own property in individual's name Owner personally liable for debts and losses of business	Not a separate legal entity Partners have unlimited liability Can sue or be sued in firm's name Cannot own property in firm's name Partners personally liable for partnership's debts and losses incurred by other partners	Not a separate legal entity General partner has unlimited liability Limited partner has limited liability Can probably sue or be sued in firm's name Cannot own property in firm's name General partner personally liable for	A separate legal entity from its partners Partners have limited liability Can sue or be sued in LLP's name Can own property in LLP's name Partners personally liable for debts and losses resulting from their own wrongful actions

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<p>Requirements For Registration or Formation or Incorporation</p>	<p>Minimum of one share.</p> <p>Minimum Paid-up capital is S\$1 (SGD One Only)</p> <p>At least one shareholder.</p> <p>At least one director ordinarily resident in Singapore, at least 18 years old.</p> <p>If a foreigner wishes to act as a local director of the</p>	<p>Age 18 years or above. Singapore citizen / Singapore Permanent Resident / EntrePass holder.</p> <p>If owner not resident in Singapore, he must appoint an authorized representative who is ordinarily resident in Singapore.</p> <p>Self-employed persons must top up their Medisave account with the CPF Board before they register a new</p>	<p>Age 18 years or above. Singapore citizen / Singapore Permanent Resident / EntrePass holder.</p> <p>If owner not resident in Singapore, he must appoint an authorized representative who is ordinarily resident in Singapore.</p> <p>Self-employed persons must top up their Medisave account with the CPF Board before they</p>	<p>debts and losses of the LP</p> <p>Limited partner not personally liable for the debts or obligations of LP beyond amount of his agreed contribution</p> <p>At least one general partner and limited partner. Both can be individuals (at least 18 years old) or body corporate (company or LLP).</p> <p>If all general partners are ordinarily resident outside Singapore, they must appoint a local manager who is ordinarily resident in Singapore.</p> <p>Self-employed persons must top up</p>	<p>Partners not personally liable for debts and losses of LLP incurred by other partners</p> <p>At least two partners, who can be individuals (at least 18 years old) or body corporate (company or LLP).</p> <p>At least one manager ordinarily resident in Singapore and at least 18 years old.</p> <p>Undischarged bankrupts cannot manage the business without approval from the Court or the Official Assignee.</p>

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	<p>company, he can apply for an EntrePass from the Ministry of Manpower (MOM).</p> <p>Undischarged bankrupts cannot be a director and cannot manage a company without approval from the Court or the Official Assignee.</p>	<p>business name, become a registrant of an existing business name, or renew their business name registration.</p> <p>Undischarged bankrupts cannot manage the business without approval from the Court or the Official Assignee.</p>	<p>register a new business name, become a registrant of an existing business name, or renew their business name registration.</p> <p>Undischarged bankrupts cannot manage the business without approval from the Court or the Official Assignee.</p>	<p>their Medisave account with the CPF Board before they register as a partner of a new LP, become a registered partner of an existing LP, or renew their LP registration.</p> <p>Undischarged bankrupts cannot manage the business without approval from the Court or the Official Assignee.</p>	
Easiness of Registration	An easy process to be completed within a few hours however subject to referral to different authorities which may delay up to 14 working days	An easy process to be completed within a few hours however subject to referral to different authorities which may delay up to 14 working days	An easy process to be completed within a few hours however subject to referral to different authorities which may delay up to 14 working days	An easy process to be completed within a few hours however subject to referral to different authorities which may delay up to 14 working days	An easy process to be completed within a few hours however subject to referral to different authorities which may delay up to 14 working days
Level of Fees for Registration	High when comparing to other form of business vehicles	Low set up costs among all business vehicles	Low set up costs among all business vehicles	Low set up costs among all business vehicles	Low set up costs among all business vehicles

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Renewal Costs	Perpetual succession hence renewal is not applicable	Low costs for renewal	Low costs for renewal	Low costs for renewal	Perpetual succession hence renewal is not applicable
Perception of Business by the Public	Regarded more trust worthy and credibility	Regarded least trust worthy and credibility	Regarded least trust worthy and credibility	Regarded moderate trust worthy and credibility	It is common with specific professions hence it is easily and strongly regarded more trust worthy and credibility
Funding Opportunities	Avenue for equities from members including venture capital funding. Obtaining financial loans is relatively easier compared to other form of businesses.	Obtaining loans from banks is only by mortgaging the personal assets.	Capital injection is limited to the new partner. Obtaining loans from banks is only by mortgaging the personal assets of the partners.	Obtaining loans from banks is only by mortgaging the personal assets of the partners.	Obtaining loans from banks is only by mortgaging the personal assets of the partners.
Yearly Statutory Obligations	Must appoint a company secretary within 6 months of incorporation. Must appoint an auditor within 3	Yearly renewals (one year or three years) CPF Medisave Top-Up required for Self-employed Persons before they can	Yearly renewals (one year or three years) CPF Medisave Top-Up required for Self-employed Persons	Yearly renewals (one year or three years) CPF Medisave Top-Up required before they can renew LP	Annual declaration of solvency/insolvency must be lodged by one of the managers stating whether the LLP is able or not able to pay its debts during

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	<p>months after incorporation, unless the company is exempt from audit requirements</p> <p>Annual returns must be filed.</p> <p>Statutory requirements for general meetings, directors, company secretary, share allotments must be complied with.</p>	renew sole-proprietorship	before they can renew partnership		<p>the normal course of business.</p> <p>No statutory requirement for general meetings, directors, company secretary, share allotments etc.</p>
Taxation	Profits taxed at corporate tax rates	Profits taxed at owner' personal income tax rates	Profits taxed at partners' personal income tax rates	Profits taxed at partners' personal income tax rates (if individual) / corporate tax rate (if corporation)	Profits taxed at partners' personal income tax rates (if individual)/ corporate tax rate (if corporation)
Taxation Form	ECI & Form C or C-S	Form B	Form P for Partnership & Form B for respective Partners	Form P for Partnership & Form B for respective Partners	Form P for Partnership & Form B for respective Partners

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GST Implication	GST obligation is at entity level based on own turnover	Based on combined turnover of all of your sole proprietorship firms plus income derived from other trades, professional services or vocation	Based on combined turnover of all partnership businesses with the same composition (structure) of partners	Based on combined turnover of all partnership businesses with the same composition (structure) of partners	Based on combined turnover of all partnership businesses with the same composition (structure) of partners
Perpetual Existence in Law	A company has perpetual succession until wound up or struck off.	Existence subject to life of the owner and cessation of the business	Existence subject to partnership agreement	Existence subject to partnership agreement If there is no limited partner, the LP registration will be suspended and general partners are deemed registered under the Business Registration Act. Once a new limited partner is appointed, the registration of the LP will be restored to “live” and general partners’ registration	The LLP has perpetual succession until wound up or struck off.

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Transfer of Ownership	Ownership can be transferred by sale and purchase of shares	When the owner exits the sole proprietorship will cease	Partners can be changed	under the Business Registration Act ceases. Partners or corporate bodies can be changed	Partners can be changed
Closing the Business or Deregistration	Winding Up – Voluntarily by members or creditors, compulsorily by the High Court Striking off	By Owner - Cessation of business Registrar can cancel registration if not renewed or where Registrar is satisfied business is defunct	By the partners - Cessation of business Registrar can cancel registration if not renewed or where Registrar is satisfied business is defunct	By general partner - Cessation of business or dissolution of LP Registrar can cancel registration if not renewed or where Registrar is satisfied business is defunct	Winding Up – Voluntarily by members or creditors, compulsorily by the High Court Striking off



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