



DISADVANTAGES OF LIMITED PARTNERSHIP (LP) IN SINGAPORE



LEGAL & LIABILITY RISKS

UNLIMITED LIABILITY FOR GENERAL PARTNER
General partner bears full personal risk.

LIMITED PARTNERS CANNOT MANAGE
Loss of limited liability if involved in management.

DEPENDENCE ON GENERAL PARTNER
Business relies heavily on one party.

HIGH RISK EXPOSURE FOR GENERAL PARTNER
Personal assets can be at stake.

POTENTIAL INTERNAL CONFLICTS
Role imbalance may lead to disputes.

TAX & FINANCIAL LIMITATIONS

NO CORPORATE TAX BENEFITS
Cannot enjoy incentives available to companies.

PERSONAL TAX BURDEN ON PARTNERS
Income taxed at individual rates.

LIMITED TAX PLANNING OPTIONS
Less flexibility compared to companies.

NO TAX DEFERRAL OPPORTUNITIES
Profits taxed even if retained.

LESS ATTRACTIVE FOR LARGE INVESTORS
Due to tax and structural limitations.

COMPLIANCE & STRUCTURAL LIMITATIONS

NOT A SEPARATE LEGAL ENTITY
Cannot own assets independently.

LIMITED BUSINESS CONTINUITY
Affected by changes in partners.

REGISTRATION OF CHANGES REQUIRED
Updates must be filed with ACRA.

RESTRICTED ROLE OF LIMITED PARTNERS
Cannot participate in decision-making.

LESS REGULATORY PROTECTION
Compared to Private Limited Company.

GROWTH & BUSINESS LIMITATIONS

DIFFICULT TO RAISE LARGE CAPITAL
Less attractive than corporate structures.

LIMITED SCALABILITY
Not ideal for expansion-heavy businesses.

LOWER BUSINESS CREDIBILITY
Perceived weaker than companies.

TRANSFER OF INTEREST IS RESTRICTED
Requires agreement among partners.

CHALLENGES IN EXIT OR RESTRUCTURING
Less structured than corporate exits.

CORPORATE SERVICE PROVIDER (CSP) / REGISTERED FILING AGENT (RFA)

EMPLOYMENT CUM RECRUITMENT AGENCY, HR COMPLIANCE & IMMIGRATION SERVICES

