



DISADVANTAGES OF PRIVATE LIMITED COMPANY (PTE. LTD.) IN SINGAPORE



COMPLIANCE & REGULATORY BURDEN

STRICT REGULATORY REQUIREMENTS Must comply with ACRA and statutory regulations	MANDATORY ANNUAL FILINGS Annual return and financial statements required	REQUIREMENT TO APPOINT COMPANY SECRETARY Must appoint within 6 months of incorporation	DIRECTOR ELIGIBILITY REQUIREMENTS At least one Singapore local resident director required	AUDIT REQUIREMENTS (IF NOT EXEMPT) Certain companies must undergo statutory audit
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COST & ADMINISTRATIVE BURDEN

HIGHER SETUP COSTS Incorporation costs higher than sole proprietorship or partnership	ONGOING COMPLIANCE COSTS Recurring fees for accounting, tax, and secretarial	PROFESSIONAL FEES REQUIRED Often need experts for compliance and reporting	TIME-CONSUMING ADMINISTRATION More paperwork and governance obligations	PENALTIES FOR NON-COMPLIANCE Fines imposed for late or incorrect filings
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OPERATIONAL LIMITATIONS

RESTRICTION ON SHARE TRANSFER Transfers may require approval under constitution	LIMITED TO 50 SHAREHOLDERS Cannot exceed private company shareholder limit	PUBLIC FUNDRAISING NOT ALLOWED Cannot raise capital from the general public	LESS FLEXIBILITY IN DECISION-MAKING Formal approvals and resolutions required	DISCLOSURE OF COMPANY INFORMATION Certain details publicly accessible via ACRA
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CONTROL & STRUCTURAL COMPLEXITY

SEPARATION OF OWNERSHIP & MANAGEMENT Owners may not have full operational control	DIRECTORS' LEGAL RESPONSIBILITIES Directors are subject to strict fiduciary duties	MORE COMPLEX STRUCTURE Requires proper governance and documentation	DIVIDEND DISTRIBUTION RESTRICTIONS Can only distribute profits under compliance rules	WINDING UP IS COSTLY & COMPLEX Closure involves legal procedures and costs
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CORPORATE SERVICE PROVIDER (CSP) / REGISTERED FILING AGENT (RFA)

EMPLOYMENT CUM RECRUITMENT AGENCY, HR COMPLIANCE & IMMIGRATION SERVICES

