



### DISADVANTAGES OF SOLE PROPRIETORSHIP IN SINGAPORE



#### UNLIMITED LIABILITY & RISK

**UNLIMITED LIABILITY**  
Owner is fully liable for all debts

**PERSONAL ASSET EXPOSURE**  
Personal assets can be seized

**HIGH LEGAL RISK**  
Lawsuits directly impact the owner

**NO LEGAL SEPARATION**  
Business and owner are the same entity

**CREDITOR EXPOSURE**  
Full responsibility for all claims

#### LIMITED GROWTH & BUSINESS CONTINUITY

**LIMITED FUNDRAISING**  
Difficult to attract investors

**NO SHARE ISSUANCE**  
Cannot raise capital via equity

**NO PERPETUAL SUCCESSION**  
Ends upon owner's death or incapacity

**SCALABILITY LIMITATIONS**  
Harder to expand operations

**LOWER BUSINESS CREDIBILITY**  
Less trust from banks for trade facilities, loans and investors

#### TAX & FINANCIAL BURDEN

**HIGH PERSONAL TAX RISK**  
Taxed at individual income tax rates

**MEDISAVE OBLIGATION**  
Mandatory Medisave Contributions payable in addition to personal tax

**NO CORPORATE TAX BENEFITS**  
No access to exemptions or incentives

**NO TAX DEFERRAL FLEXIBILITY**  
Profits taxed immediately

**LIMITED TAX PLANNING**  
Fewer structuring options available

#### COMPLIANCE & OPERATIONAL LIMITATIONS

**FULL OWNER RESPONSIBILITY**  
Owner handles all operations

**HIRING CHALLENGES**  
Harder to attract skilled employees at higher level

**LIMITED GRANT ACCESS**  
Fewer government support schemes

**NO LOCAL QUOTA COUNT**  
Owner not counted under Ministry of Manpower quota

**LOWER PROFESSIONAL PERCEPTION**  
Seen as less established

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

EMPLOYMENT CUM RECRUITMENT AGENCY, HR COMPLIANCE & IMMIGRATION SERVICES

