

Memorandum On Registering A Representative Office In Singapore

Kinetica Pte Ltd
6 Temasek Boulevard
29th Floor
Suntec Tower Four
Singapore 038986

info@kinetica.com.sg
www.kinetica.com.sg

Tel (65) 6220 1911
Fax (65) 6224 4118



A. Introduction

1. A foreign company can register a representative office with the International Enterprise Singapore (“IE Singapore”) (formerly the Singapore Trade Development Board) if its activities in Singapore are mainly confined to auxiliary or support services such as liaison services, dissemination of market information or promotional activities to the head office, related and/or associated companies. A representative office is not recognised as a legal entity under the Companies Act of Singapore. It is not permitted to carry on any trade or business in Singapore nor to sign any contracts or to open any letters of credit directly or indirectly on behalf of its head office.

B. Restrictions on Applications

2. Under IE Singapore’s guidelines, only companies in the manufacturing, trading, trade logistics and services sector can register representative offices in Singapore. Other business sectors like banking, finance and insurance, education, travel agency, consultancy and management services, legal, real estate and property development do not come under the purview of IE Singapore. These are dealt with primarily by the Accounting and Corporate Regulatory Authority.

C. Application for the Establishment of a Singapore Representative Office

3. An application for the establishment of a representative office in Singapore must be accompanied by:
 - (i) A certified true copy (in English or an official English Translation) of the head office’s Certificate of Incorporation, if the company is not public listed;
 - (ii) For new applications, the Annual Reports and Audited Accounts for the preceding year is required. In the case of a renewal, the latest Annual Report and Audited Accounts are required.
4. All new applications must be signed by the Chief Executive Officer or an authorised signatory of the head office and sealed with the official stamp. The chief representative in Singapore may sign the application for a renewal of the licence of the representative office.
5. A processing fee of S\$200.00 is payable for each new registration. The registration is valid for a period of one year and is renewable on a yearly basis up to a maximum of three years.

D. Activities

6. The representative office must confine its activities to solely promotion and liaison activities on behalf of its head office, related or associated companies.
7. The representative office must not engage in any trading (including import and export) or business activities directly or on behalf of its head office, related or associated companies. Further, it is not permitted to lease any warehousing facilities. Any matter relating to the shipment, trans-shipment or storage of goods should be handled by a local agent or distributor appointed by its head office company.
8. The representative office must not lease its office to other establishments for a fee.



9. The representative office is not permitted to:
 - (i) sign any business contract;
 - (ii) issue invoices or receipts;
 - (iii) open or receive letters of credit;
 - (iv) sign any business contract on behalf of its head office; or
 - (v) provide any service for a fee.
10. The representative office must be represented by its own head office's or local staff.

E. Administration

11. The name of the representative office must be similar to that of its head office.
12. The representative office must make it known that it is a "Representative Office" in its name plaque, letterheads and namecards of its staff and other communication materials.
13. The representative office must inform IE Singapore in writing within four weeks of any change in its name (supported by a Certified True Copy of the head office's Certificate of Change in Name), its change of address and of the closure or upgrading of its operations.

F. Taxes

14. Where the activities of the representative office are confined to those stated in the preceding paragraphs, the representative office would not normally be regarded as a taxable entity for tax purposes. However, unless protected under a tax treaty, the Inland Revenue Authority of Singapore ("IRAS") may impose taxes based on a notional profit of 5% of the expenditure incurred by the representative office in Singapore. This is because the IRAS may regard the activities rendered by the representative office to its head office as sufficient to amount to a taxable presence in Singapore.

G. Deregistration

15. Representative offices are not legal entities and are not regarded as permanent establishments. The registration of a representative office merely provides the head office with a vehicle to engage in the aforesaid activities and gives it sufficient time and opportunity to decide on the legal form (for example, either a branch office or a subsidiary company) in which its Singapore office would eventually take. Usually, the term of a representative office would not exceed three years.
16. IE Singapore has the right to deregister a representative office in the event that it breaches any of the terms and conditions set out by IE Singapore. Further, if the representative office is found to be "dormant", IE Singapore will have the discretion to deregister it.

