



Singapore Company Comparison

Types of Companies Structure	Sole Proprietorship / Limited Partnership	Limited Liability Partnership	Private Limited Company
Suitable For	Individual with low risk.	Professional firms such as accountancy, law and architecture.	Businesses with projected growth, which may require additional funding for expansion.
Advantages	✓ Low cost setup.	✓ Limited liability protection.	<ul style="list-style-type: none"> ✓ Tax exemptions – First 300,000 of net profit. ✓ Flexibility in operations ✓ Cheaper in operating costs ✓ Cheaper in income tax and corporate tax.
Disadvantages	Personal assets not protected.	<p>Taxed at the individual level and requires paying a personal income tax rate that is higher than the corporate tax rate.</p> <p>Higher costs of setup and annual maintenance</p> <p>Unable to inject funds or shares like private limited company</p>	Compliance obligations such as financial reports, AGMs, etc.
Ownership	Singapore Residents only	– Singapore Residents- Foreigners and corporations allowed only with appointment of a local manager (Nominee Director)	<p>100% foreign or locally owned.</p> <p>No foreign shareholding restrictions.</p> <p>Minimum one Singapore resident director required (We can provide you with nominee services).</p>
Separate Legal Entity	No	Yes	Yes
Cap on Number of Members	One	Unlimited	Maximum 20 for exempt companies
Minimum Setup Requirement	One owner / Two partners	Two partners	One shareholder and one director (the same individual can be both)

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Limited Liability	No	Yes. The partners of a LLP will not be held personally liable for any business debts incurred by the LLP. However a partner may be held personally liable for claims from losses resulting from his own wrongful act or omission. But a partner shall not be personally liable for such wrongful acts or omissions of any other partner of the LLP.	Yes
Audit of Accounts	No	Yes	The Company will enjoy audit exemption if it is fulfilled the small company requirement.
Tax Treatment	Taxed at personal income tax rate (max is 22 %)	Taxed at personal income tax rate (max is 22 %)	Taxed at corporate income tax rate (max is 17%)
Cessation of Business upon Death of a Member/Partner	Yes	Yes	No. Equity shares go on in perpetuity. Unlimited continuity
Annual Compliance cost	Bookkeeping, Taxation service is required. Annual business registration fee	Bookkeeping, Taxation service is required. LLP is required to submit Form P to IRAS on annual basis. Each partners are required to report their LLP income or loss in their Form B as well. Annual business registration fee.	Bookkeeping, Taxation service is required. Annual renewal (AGM & AR filing) You will enjoy higher tax exemption and more government grant.

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