

January 13th 2021

Singapore – inward re-domiciliation regime

Since 11 October 2017, foreign companies meeting certain criteria are allowed to transfer their registration to Singapore under section 358 of the Companies Act (Cap 50) (“Act”).

The inward re-domiciliation regime essentially allows foreign entities to relocate their regional and worldwide headquarters to Singapore. A foreign corporate entity that re-domiciles to Singapore will become a **Singapore company limited by shares** registered with the Accounting and Corporate Regulatory Authority of Singapore (ACRA) and be required to comply with the Act like any other Singapore incorporated company.

➤ Why relocating to Singapore?

Consistently ranked as one of the top competitive economies in the world according to the World Economic Forum, Singapore offers a business-friendly politically stable environment, an efficient tax regime, a stable macroeconomic environment, healthy public finances and public institutions that are transparent and highly efficient.

Re-domiciliation allows a foreign company to take advantage of these favourable conditions while continuing its operations as though the company never ceased operations thus preserving its corporate history, branding and identity.

➤ Eligible companies

To be eligible to re-domicile to Singapore, a foreign entity must meet the following minimum requirements:

Criteria	Requirement	Comments
Legal structure	Foreign entities must be bodies corporate that can adapt their legal structure to the companies limited by shares structure under the Act	
Size	The foreign corporate entity must meet any 2 of the below: a the value of the foreign corporate entity’s total assets exceeds S\$10 million; b the annual revenue of the foreign corporate entity exceeds S\$10 million;	In a group of companies, the criteria will be assessed as follows: - parent company: on a consolidated basis (even if the subsidiaries are not applying to transfer their registration to Singapore)

	<p>c the foreign corporate entity has more than 50 employees</p>	<p>- subsidiary: on a single entity basis. Alternatively, a subsidiary meets the size criteria if the parent (Singapore-incorporated or registered in Singapore through a transfer of registration) meets the size criteria.</p> <p>Parent and subsidiary may apply for transfer of registration at the same time. The subsidiary's application will be assessed after the parent's application is assessed</p>
Solvency	<p>The foreign entity must meet the following requirements:</p> <p>a there is no ground on which the foreign corporate entity could be found to be unable to pay its debts;</p> <p>b the foreign corporate entity is able to pay its debts as they fall due during the period of 12 months after the date of the application for transfer of registration;</p> <p>c the foreign corporate entity is able to pay its debts in full within the period of 12 months after the date of winding up (if it intends to wind up within 12 months after applying for transfer of registration);</p> <p>d the value of the foreign corporate entity's assets is not less than the value of its liabilities (including contingent liabilities)</p>	<p>The foreign corporate entity should not be in liquidation or being wound up and no proceeding for liquidation or winding up against the foreign corporate entity is ongoing or pending</p> <p>The foreign corporate entity should not be under judicial management and no proceeding to place the foreign corporate entity under judicial management is ongoing or pending</p> <p>No receiver, or receiver and manager, should be in possession of, or should have control over, any property of the foreign corporate entity and no proceeding to appoint a receiver, or receiver and manager, in respect of any property of the foreign corporate entity is ongoing or pending</p>
Law of incorporation	<p>The foreign corporate entity is authorised to transfer its incorporation under the law of its place of incorporation</p>	<p>Not all countries allow outgoing re-domiciliation.</p> <p>The company should therefore check whether re-domiciliation is an option under its domestic law</p>
Compliance	<p>The foreign corporate entity has complied with the requirements of the law of its place of incorporation in relation to the transfer of its incorporation</p>	
Good faith	<p>The application for transfer of registration is not intended to defraud existing creditors of the foreign corporate entity and made in good faith</p>	
FY	<p>As at the date of the application, the foreign corporate entity's first financial year end at its place of incorporation has passed</p>	

➤ **Timeline and costs**

A foreign corporate entity that wants to apply for transfer of registration must complete the “Application for Transfer of Registration under Section 358(1)” form and address the completed application form to ACRA with all the necessary documentation.

It may take up to 2 months from the date of submission of all required documentation, to process the application for transfer of registration. This includes the time required for referral to another government agency for approval or review, as the case may be.

If the application to transfer its registration is successful, ACRA will issue a notice of transfer of registration to the foreign corporate entity to confirm that the foreign corporate entity is deemed to be a company registered under the Act starting from the date of registration as specified in the notice. Upon the issuance of such notice of transfer, the foreign corporate entity must, within 60 days, submit to ACRA evidence that it has been de-registered in its place of incorporation.

The application fee is a non-refundable fee of S\$1,000.

➤ **Effects of inward re-domiciliation**

Upon transfer of registration, the re-domiciled company will become a Singapore company and has to comply with Singapore laws.

Re-domiciliation does not:

- a. create a new legal entity;
- b. prejudice or affect the identity of the body corporate constituted by the foreign entity or its continuity as a body corporate;
- c. affect the obligations, liabilities, property rights or proceedings of the foreign corporate entity; and
- d. affect legal proceedings by or against the foreign corporate entity.

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