

ARCASIA 3rd OB/CC Meeting

4 July 2019 Kuala Lumpur



Update on Permanent Establishment



Company Limited by Shares

Separate legal entity: A private limited company has its own legal identity, separate from its shareholders and its directors.

Limited liability: Shareholders not liable for debts beyond what was paid as shares.

Ease of transfer of ownership: Ownership of a company may be transferred, either wholly or partially, without disrupting operations or the need for complex legal documentation. This can be done through the selling of all or part of its total shares, or through the issue of new shares to additional investors. However, stamp duty is payable whenever there is sale of shares and change in Shareholding.

Subject to corporate tax 9% - 17%

Company Limited by Guarantee

Independent legal personality suitable for non-profit entities

The company has no share capital.

Limited liability: Members of the company guarantee/undertake to contribute a predetermined sum to the liabilities of the company which becomes due in the event of the company being wound up. The sum set aside as guarantee may be as low as SGD 1.

Subject to ongoing public disclosure obligations and statutory control

Professional assistance required for incorporation and ongoing statutory compliance

More complex annual reporting requirements that are not always suitable for small groups

Tax exempt if majority of funds come from members contributions



Company limited by shares

- **Shareholders:** If it is intended that the shareholders/directors of the company should coincide with changes in appointments of office bearers of ARCASIA, corresponding share transfers and appointments of the company will have to occur in tandem.
- **Directors:** At least one director of the company must be ordinarily resident in Singapore. All directors, including the resident director, must be prepared to assume directors rights and responsibilities.
- **Company secretary:** Unlike an association registered with the Registry of Societies, companies registered with ACRA may appoint a professional company secretary who can take care of the necessary submission of official notices, forms, returns using Corppass, making it less burdensome on shareholders/directors having to login to the relevant online portal for administrative purposes. They will still be required to physically sign the relevant documents (eg, resolutions, official forms, etc).

Company limited by guarantee

- Requires at least 2 directors, 2 members, and qualified Company Secretary. One director and secretary must be ordinarily resident in Singapore i.e. a Singaporean Citizen, a Singaporean Permanent Resident. A foreigner who wishes to act as a local director of a company has to be a person who has been issued a Employment Pass or a Dependant Pass.
- Must draft a Memorandum & Articles of Association setting out the objects and by-laws of the organisation.
- Must audit accounts annually.
- Must hold Annual General Meetings.
- Must file its Annual Returns with ACRA.
- Public companies limited by guarantee are registered with Accounting and Corporate Regulatory Authority (ACRA) and are governed by the Singapore Companies Act.

Company limited by shares

Board seat	Position	Proposed name
Shareholder 1	Past President from A	
Shareholder 2	Past President from B	
Shareholder 3	Past President from C	
Director (Singaporean, PR)		
Company Secretary (Singaporean, PR) or hired company		

Company limited by guarantee

Board seat	Position	Proposed name
Local Director 1 (Singaporean, PR)	Past President from A	
Director 2	Past President from B	
Member 1	Past President from C	
Member 2	Current President	
Company Secretary (Singaporean, PR)		