

COMPARE TAX RESIDENT HOLDING COMPANIES	<u>SINGAPORE</u>	<u>UAE DMCC</u>
OUR RANKING IN ORDER OF PREFERENCE	1	2
Summary		
Must have local physical office premises to secure a tax resident certificate?	Yes	No
Must employ local staff to secure a tax resident certificate?	No	TBC
Minimum paid-up share capital for holding company setup ?	US\$1	US\$15,000
Will the tax resident entity have access to double taxation treaties to legally minimize withholding tax ?	Yes	Yes
Dividends received from overseas subsidiaries are legally exempt from local corporation tax?	Yes*	Yes **
Dividends paid to a Singaporean individual shareholder legally exempt from local personal income tax?	Yes	Yes
If a Singaporean tax resident company holds the shares, will dividends be legally tax exempt in Singapore?	Yes	No ***
Any economic substance requirement for holding companies?	Yes	Yes
Will our Singaporean Client have to travel to complete the engagement?	No	Yes
Availability of a turnkey solution with pre-approved multi-currency corporate bank account?	Yes	Yes
Healy Consultants Group PLC fees for the business setup engagement (in US\$)?	US\$ 12,253	US\$ 28,786
Subsequent annual renewal costs (including annual accounting and tax filings)?	US\$8,444	US\$19,707
Total engagement period?	2 months	4 months

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Corporate structure requirements		
Recommended type of legal entity?	Tax resident Pte. Ltd.	Tax resident DMCC
Minimum number of directors?	<u>1</u>	<u>1</u>
Minimum number of shareholders?	1	1
Requirement to appoint a local company secretary or agent?	<u>Yes</u>	No
Requirement to appoint a resident director? (for incorporation)	<u>Yes</u>	No
Public registrar of directors and shareholders?	<u>Yes</u>	No
Public registrar of beneficial owners?	No	No
Must the share capital be paid up after or before incorporation?	After	After
Lease agreement for physical premises required before incorporation?	No	Yes, within DMCC
Due diligence documents must be notarized and/or legalized before company registration?	Yes	Yes
How long to secure a certificate of incorporation? (from receipt of signed forms and DD)	<u>1 day</u>	<u>5 weeks</u>
How long to secure tax numbers?	<u>1 day</u>	<u>5 weeks</u>
Do we also recommend registering a trust or foundation to hold the shares of the holding company?	No	No

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Legal & accounting & tax & compliance considerations		
Do we recommend structuring the company as tax resident in its country of registration?	Yes	Yes
Access to double taxation treaties after certificate of residence issued by the Government?	Yes	Yes
Local corporation tax rate on profits derived from trading income? (from 2023 onwards)	17%	<u>9%</u> (from 2023)
Standard local corporate tax rate on profits derived from investment income? (eg. dividends)	<u>17%</u>	0%**
Availability of a corporation tax exemption for startups, or similar tax incentive?	<u>No</u> (not for holdings)	<u>Yes</u> **
Availability of a legal tax exemption on foreign sourced trading income?	<u>Yes</u>	<u>Yes</u>
Availability of a legal tax exemption on foreign sourced dividends?	<u>Yes</u>	<u>Yes</u>
Capital gains tax on the sale of shares, properties, and intangible assets?	<u>None</u>	<u>None</u>
Local VAT or GST % on management service fee provided to overseas subsidiaries?	<u>0%</u>	<u>0%</u> (unless to GCC)
Requirement to file annual financial statements?	Yes	Yes
Must the financial statements be consolidated at the Group level?	<u>Yes</u>	Yes
Requirement for an <u>independent audit</u> of the financial statements?	<u>No</u>	Yes
Requirement to file annual corporation tax return?	<u>Yes</u>	<u>Yes</u>

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Withholding tax considerations		
Withholding tax rate payable in subsidiary's country on dividends paid to the holding company?		
<i>a. San Marino subsidiary</i>	0%	0%
<i>b. Bermuda subsidiary</i>	0%	0%
<i>c. Malta subsidiary</i>	0%	0%
<i>d. Wyoming subsidiary</i>		
<i>e. Kansas subsidiary</i>	Up to 30%	Up to 30%
<i>f. Delaware subsidiary</i>		
<i>g. Dubai subsidiary</i>	0%	0%
<i>h. Singapore subsidiary</i>	0%	0%
Withholding tax rate payable in subsidiary country on interest paid to holding company?		
<i>a. San Marino subsidiary</i>	12%	0%
<i>b. Bermuda subsidiary</i>	0%	0%
<i>c. Malta subsidiary</i>	0%	0%

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d. Wyoming subsidiary	<u>Up to 30%</u>	<u>Up to 30%</u>
e. Kansas subsidiary		
f. Delaware subsidiary		
g. Dubai subsidiary	<u>0%</u>	<u>0%</u>
h. Singapore subsidiary	<u>0%</u>	<u>0%</u>
WHT rate payable in subsidiary country on technical/management services fees paid to holding company?		
a. San Marino subsidiary	<u>8%</u>	<u>0%</u>
b. Bermuda subsidiary	<u>0%</u>	<u>0%</u>
c. Malta subsidiary	<u>0%</u>	<u>0%</u>
d. Wyoming subsidiary	<u>0%</u>	<u>0%</u>
e. Kansas subsidiary		
f. Delaware subsidiary		
g. Dubai subsidiary	<u>0%</u>	N/A
h. Singapore subsidiary	N/A	<u>0%</u>

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Double taxation agreements considerations		
<i>Has the country signed a double taxation avoidance treaty with:</i>		
<i>i. San Marino</i>	Yes	Yes
<i>j. Bermuda</i>	No (only EOI)	Yes
<i>k. Malta</i>	Yes	Yes
<i>l. USA</i>	No	No
<i>m. Dubai and the UAE</i>	Yes	N/A
<i>n. Singapore</i>	N/A	Yes
<i>o. Australia</i>	Yes	No
Must the holding company have resident active directors in order to access DTAAs?	Yes	No
Must the holding company have a physical office premises and local staff in order to access DTAAs?	Only physical office	Only flexi-desk space
Exchanges of tax information with Singapore?	N/A	Yes
Any other requirement to access country DTAAs?	Yes	No
Holding company regime available in the country of registration of the business?	Yes	Currently no

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Personal income tax considerations		
If the Singaporean 75% business owner is an individual, is Singaporean personal income tax payable on:		
a. Dividends received from the holding company?	<u>No</u>	<u>No</u>
b. Directorship fees paid by the holding company?	<u>Yes</u>	<u>Yes</u>
c. Salary / employment income paid by the holding company?	<u>Yes</u>	<u>Yes</u>
If the Singaporean 75% business owner is a Singapore company, is Singapore corporation tax payable on:		
d. Dividends received from the (intermediate) holding company?	<u>No</u>	<u>Yes</u>
e. Interest paid by the (intermediate) holding company?	<u>No</u>	<u>No</u>
f. Management service fee paid by the (intermediate) holding company?	<u>Yes</u>	<u>Yes</u>
Paid up capital injection subject to Singapore tax?	No	No
Transfer of shares to a new buyer subject to Government stamp duties?	<u>Yes</u>	No
Issuance of new shares by the holding company subject to Government stamp duties?	No	No
Do we recommend <u>registering a trust or a foundation</u> to hold the shares of the holding company?	No	No
Link to personal income tax rates in Singapore?	<u>Click here</u>	None

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Banking considerations		
Recommended bank?	OCBC Singapore	Emirates NBD
How long to secure multi-currency corporate bank account numbers ?	6 weeks (with visit to the branch)	2 months
Probability the bank signatory does not need to travel for bank account opening?	N/A (Client in Singapore)	10%
Quality of bank customer and online banking services?	Good	Great
Will the bank assign a dedicated bank officer for the account?	No	Yes
Quality of the e-banking platform?	Good	Good
Foreign currency transactions controls?	No	No
Resident bank signatory required?	No	In practice, yes
Multi-currency corporate bank accounts available?	Yes	Yes
CRS reporting bank?	Yes	Yes
Link to an online banking demo?	Yes	Yes
Link to bank schedule of fees?	Yes	Yes

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*The subsidiary must however meet the following requirements: i) foreign income was subject to tax in foreign jurisdiction ii) headline corporation tax rate of the subsidiary is at least 15% and iii) the Controller of Income Tax is satisfied that tax exemption is beneficial to Singapore.

**Exact requirements for holding companies to benefit from corporate tax exemption will be released by the Dubai tax authority in 2023.

*** the Dubai subsidiary will not be subject to a foreign headline rate of at least 15%. In line with Singapore regulations, the dividends received by the Singaporean tax resident company will not be eligible to [the exemption on foreign sourced dividends](#).