



10 Reasons Why Singapore is an Attractive Investment Destination



Singapore's

global economic standing, stable political landscape and support for innovation, among other factors, have placed the island nation among the most successful cities in the world in attracting foreign investment.

While there are many factors that have contributed to Singapore's success, we have selected **10 reasons** that make Singapore an attractive investment destination for multi-national companies as well as budding entrepreneurs.

Read on to find out more.



Low Corporate Tax Rate

The current corporate income tax rate is 17%. With effect from the Year of Assessment 2020, 75% of up to the first S\$10,000, and 50% of up to the next S\$190,000 of a company's chargeable income is exempt from corporate tax.

There are also special tax exemptions for newly incorporated companies.



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No Capital Gains Tax

There is no capital gains tax in Singapore.

Capital gains may be construed or deemed to be of an income nature and subject to income tax if they are derived from the activities of a trade or business carried on in Singapore.



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No Withholding Tax on Dividends

Under the one-tier tax system, shareholders are not taxed on the receipt of dividends from a Singapore resident company.

Accordingly, there is no withholding tax on dividends paid to non-resident shareholders.



Global Network of Tax Treaties

As of 2020, Singapore has over 80 Avoidance of Double Tax Agreement (DTA) treaties in force, providing support to businesses in Singapore in resolving cross-border tax disputes as well as the opportunity to avoid double taxation.

Source: [Ministry of Finance, Singapore](#)

A blue-tinted image of a globe on a calculator with a large white number 5 overlaid.

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Tax Exemption of Foreign-Sourced Income

A company's foreign source income is not taxable in Singapore until such income is received or deemed received in Singapore.

Companies that are tax-resident in Singapore can benefit from tax exemption on foreign-sourced dividends, foreign branch profits and foreign-sourced service income if certain conditions are met.



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Ease of Investment

There are no significant barriers to investment in Singapore. For example:

- Generally, 100% foreign ownership of Singapore incorporated companies is allowed except in certain sectors for national security reasons.
- There are no minimum share capital requirements.
- There are no foreign exchange controls.



Highly Competitive Economy

Singapore is ranked as the world's most competitive economy, according to the World Economic Forum's Global Competitiveness Report for 2019.

Key constituents of Singapore's economic robustness include road quality infrastructure, efficiency of seaport and airport services and sea transport connectivity.

Source: [World Economic Forum](#)



Among The Most Innovative Nations Globally

Singapore is ranked as the third most innovative country in the world, according to the Bloomberg 2020 Innovation Index.

The World Economic Forum 2020 Global Innovation Index that details the innovation performance of 131 countries and economies based on about 80 indicators, ranked Singapore as the eighth most innovative country in the world.

Source: [Bloomberg Innovation Index](#) and [World Economic Forum](#)



Second Easiest Place in The World for Doing Business

The World Bank in its 'Doing Business' 2020 report, ranked Singapore as the second-best economy worldwide for ease of doing business.

Source: [World Bank, 2020](#)



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Intellectual Property Protection

According to the World Economic Forum's Global Competitiveness Report for 2019, Singapore is ranked second in the world and top in Asia for having the best IP protection.

Source: [World Economic Forum](#)



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The information presented in this document is as at 1 October 2020.

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