

**COMPARISON OF BUSINESS REGULATIONS IN
HONG KONG AND SINGAPORE**

by Uson uulu Askar

LL.M. SHORT THESIS
COURSE: Legal Aspects of Doing Business in Asia
PROFESSOR: Stefan Messmann
Central European University
1051 Budapest, Nador utca 9.
Hungary

Abstract

The aim of this paper is to provide reader with information about two financial centers, Hong Kong and Singapore, to find why they are among best places for doing business according to numerous ratings and show the features of each of them. In order to provide most relevant information, the comparative analysis consists of up-to-date information from sources which are provided by audit companies (including Big4 members), top-tier legal companies with best practices in Singapore and Hong Kong, and other numerous contributors to ratings, such as World Bank's – Doing Business.

Choice of Singapore and Hong Kong is justified by their leading positions in Doing Business and many other ratings, in easiness of doing business, level of economical development, conditions for doing business, stability of legal systems, high standards of corporate governance and free market.

The way Singapore and Hong Kong passed to become best and biggest, financial and business centers in the world is lesson for others in various fields. States compete all over the world to attract capital, Hong Kong and Singapore are doing it better than anyone else, by providing so attractive conditions for business and capital, which none else can provide. Other states, try to copy their mechanisms and policies, because they are proving for several years their best positions in creating business-friendly environment. They are headliners and they are continuing to develop measures to remain on top positions, to attract even more capital and stay as the best places for doing business.

Table of Contents

| | |
|--|-----------|
| INTRODUCTION..... | 1 |
| CHAPTER I DOING BUSINESS IN HONG KONG | 3 |
| 1.1 GENERAL OVERVIEW..... | 3 |
| 1.2 LEGISLATION AND TAXATION | 4 |
| CHAPTER II DOING BUSINESS IN SINGAPORE..... | 14 |
| 1.1 GENERAL OVERVIEW..... | 14 |
| 1.2 LEGISLATION AND TAXATION | 16 |
| CONCLUSION..... | 23 |
| BIBLIOGRAPHY | 26 |

Introduction

Purpose of this work is to familiarize reader with Hong Kong's and Singapore's policies connected to business, opportunities which they grant to investors, issues of taxation and other numerous investment factors. Business is risk, which is taken by owner, to gain profits. In seeking profits, business nowadays has almost no geographical restrictions, opportunities can be found in any place. Business likes and comes to places where it can feel safe, be properly served, offered highly qualified personnel, and faces as few inconveniences as possible. Which are the places most comfortable for doing business is a question, which wonders many people.

Two jurisdictions discussed in this work have very friendly conditions for business, which are achieved due to high level of professionalism of state administration. Business environment cannot be created in one day, it is long process, where the mistakes can cause sufficient problems. In order to become financial center, state must earn reputation of place that is safe for capital, and do it through decades, and even that maybe not enough to achieve the goal. Big capitals do not go to corrupt states, or states with unqualified personnel, capital is like fiancée looking for prince which will offer better conditions, because fiancée wants good life, without any difficulties. Hong Kong and Singapore are currently two best princes in Asia, and it seems like they are going to become kings by the end of decade.

There are numerous ratings from well-rated mass media sources, international organizations, and many others, who have interest in doing such reports. According to number of them, particularly the one that is affiliated with World Bank, Singapore and Hong Kong have leading positions. The facts, which are presented in this work, show what are the factors that make state or particular region, attractive for capital, qualified personnel and companies from all over the world.

Above-mentioned Doing Business report, which is copublished by The World Bank and the International Finance Corporation is work done with participation of global and local businesses, such as, legal counsels, audit companies, banks, experts, banks, international organizations and other numerous contributors, almost anyone with relevant expertise can contribute to the project.¹ Each state having ranking in this index, receives evaluation in 10 topics: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.² As you can see, these topics do not cover all aspects of doing business, however they can give general overview of business environment in particular state.

According to Doing Business 2013, first place in general ranking is occupied by Singapore, and second place by Hong Kong SAR.³ This is detailed order of these two jurisdictions according to 2013 index:⁴

| | Singapore | Hong Kong SAR, China |
|--|-----------|----------------------|
| Doing Business 2013 Rank - | 1 | 2 |
| Starting a Business - | 4 | 6 |
| Dealing with Construction - Permits | 2 | 1 |
| Getting Electricity - | 5 | 4 |
| Registering Property - | 36 | 60 |
| Getting Credit - | 12 | 4 |
| Protecting Investors - | 2 | 3 |
| Paying Taxes - | 5 | 4 |
| Trading Across Borders - | 1 | 2 |
| Enforcing Contracts - | 12 | 10 |
| Resolving Insolvency - | 2 | 17 |

¹ Doing Business, accessed April 1, 2013, <http://www.doingbusiness.org/>

² Ibid

³ Ibid

⁴ Ibid

Chapter I

Doing Business in Hong Kong

1.1 General Overview

Nowadays, the Special Administrative Region of China Hong Kong is a very powerful business and financial center in Asia, third largest financial center in the world.⁵ Formation of Hong Kong as an international financial center, is inevitably linked to UK. June 30, 1997, UK returned Hong Kong to China after the century of the lease.⁶ Since that, Hong Kong has the status of the Special Administrative Region, which will continue until at least 2047.⁷ This status allows Hong Kong to retain all privileges and features that it had before 1997.⁸ Hong Kong's corporate law is based on English common law, with Hong Kong's own administration, legislation and an independent judiciary system.⁹ Hong Kong remained, as free port, independent customs area, international center for trade, finance and shipping.¹⁰ Hong Kong is attractive not only because of the liberal position towards foreign investments, but also due to objective factors related to taxation and the relative simplicity of the requirements of corporate law.

Tax benefits are the main argument in favor of doing business through Hong Kong. For many companies seeking to develop and improve their competitiveness in global (or local) market cooperation with Chinese enterprises is an obvious opportunity.

Hong Kong provides a tax regime competitive with offshores and gives advantages to different types of activities, this is especially true for international trade and finance. The use of Hong Kong company as an intermediary, can give advantage of tax opportunities provided

⁵ David Meyere, "Hong Kong's Transformation as Financial Center"

http://www.hkimr.org/uploads/conference_detail/585/con_paper_0_413_david-meyer-paper.pdf

⁶ Insight Guides, accessed April 12, 2013, <http://www.insightguides.com/destinations/asia-pacific/china/southern-china/hong-kong/historical-highlights>

⁷ Nations Online Project, "Hong Kong SAR" http://www.nationsonline.org/oneworld/hong_kong.htm

⁸ Ibid

⁹ Ibid

¹⁰ Ibid

by Hong Kong's legislation. Government's policy is aimed to the development of business and strict non-interference in the affairs of business.¹¹

Advantages of doing business in Hong Kong, in addition to the tax regime, are important factors related to the business infrastructure, access to resources, the possibility of entering into new markets and others. It is also worth noting political and economic stability of Hong Kong.

1.2 Legislation and Taxation

Hong Kong's accession to China, did not touch the laws of Hong Kong on companies and their taxation, and until 2047, Hong Kong virtually retains no change in its administrative and legal system.¹² In legislation of Hong Kong, there is no difference in the establishment and taxation for resident or non-resident companies. In addition, there are no specific provisions regulating the activities of non-resident (offshore) Hong Kong companies operating outside the territory of Hong Kong.

Business activities of different legal structures are regulated by - the Companies Ordinance.¹³ Its provisions apply to the actual Hong Kong companies, and companies incorporated outside Hong Kong, but having their activities on its territory. Foreign investors in Hong Kong can choose different legal forms of business.

In 2004, corporate law had some changes, they were positive for non-resident companies, before these changes, there was requirement of having not less than two directors and shareholders and they had to be citizens of China.¹⁴ Now, the minimum number of directors equals to one, and they can be individuals or corporate bodies.¹⁵ Thanks to the new

¹¹ Department of Justice SAR HK, accessed April 5, 2013, <http://www.doj.gov.hk/eng/legal/>

¹² Wikipedia, accessed April 10, 2013, http://en.wikipedia.org/wiki/Sino-British_Joint_Declaration

¹³ David Lawrence, http://www.deacons.com.hk/eng/knowledge/knowledge_31.htm

¹⁴ Department of Justice SAR HK, accessed April 5, 2013, <http://www.doj.gov.hk/eng/legal/>

¹⁵ Ibid

company law, directors can be of any nationality and residents of any country. Full details of directors are submitted to the Public Registry.¹⁶ In addition to a director, the company must have at least one shareholder, information about shareholder also must be submitted to the Public Registry.¹⁷

For Hong Kong companies, there are following types of shares: common shares, preference shares, redeemable shares and shares with or without voting rights, deferred stock, founder's share and managerial stocks.¹⁸ The liability of shareholders is limited to the size of their stake in the authorized capital of the company, regardless of whether the capital is paid or not.¹⁹ There is no requirement of the minimum share capital, even one Hong Kong Dollar is enough as issued capital.²⁰

According to the requirements of the Companies Ordinance, the registered office must be located within Hong Kong.²¹ In addition, each company is required to appoint a local resident secretary.²² The original Certificate of Incorporation, Certificate of annual Registration and printing of the company shall be kept at the registered office.²³

All companies are required to have an annual meeting of shareholders (not necessarily in Hong Kong).²⁴ The responsibilities of a company secretary include preparing minutes of board's meetings and of an annual general meeting, preparing notices of an annual general meeting, preparing an annual report and submitting it to the Registry of Companies,

¹⁶ Companies Registry, accessed April 9, 2013, <http://www.cr.gov.hk/en/home/>

¹⁷ Ibid

¹⁸ Companies Ordinance, accessed April 8, 2013, http://www.legislation.gov.hk/blis_ind.nsf/E1BF50C09A33D3DC482564840019D2F4/CC4335C36934BB4C482577F800115DD6?OpenDocument

¹⁹ Ibid

²⁰ Gavin Nesbitt, M&A in HK, accessed April 3, 2013, http://www.deacons.com.hk/eng/knowledge/knowledge_106.htm

²¹ Companies Ordinance, accessed April 8, 2013, http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/BFBC0BDE18CA0665482575EE0030D882?OpenDocument&bt=0

²² Ibid

²³ Ibid

²⁴ Ibid

compliance with the requirements of the Companies Ordinance, filling out forms of government departments sent to company during the year.²⁵

Every company, regardless of its status, has obligation to file a financial report. The company must keep books, which is inspected and certified by local accredited auditor prior to their submission to the Department of Taxation.²⁶ Books are filed within 18 months from the date of registration and after that annually.²⁷ It should be noted that the audit and filing of the complete financial statements of the company are required only if the amount of profit exceeds HK\$ 500,000.²⁸ The annual financial report shall be submitted within 42 days after the end of the year from the date of registration.²⁹

Hong Kong opens the way for inexpensive production and market potential of China for foreign companies. In turn, it is a channel for attracting foreign investments to China. Recently adopted trade legislation, which regulates trade between China and Hong Kong, is a clear indication of the recognition of its importance as a bridge between China and the rest of the world.³⁰

According to the Heritage Foundation and the Wall Street Journal, Hong Kong's economy is the most liberal economy in world.³¹ Hong Kong is taking this place for several years.

It's features:³²

²⁵ Guide me Hong Kong, accessed April 9, 2013, <http://www.guidemehongkong.com/incorporation/company/hong-kong-company-annual-filing-compliance-requirements>

²⁶ Hong Kong Echo, accessed April 8, 2013, http://www.hkctc.gov.hk/en/doc/Hong_Kong_Echo_60.pdf

²⁷ Guide me Hong Kong, accessed April 9, 2013, <http://www.guidemehongkong.com/incorporation/company/hong-kong-company-annual-filing-compliance-requirements>

²⁸ Duties of Auditors, accessed April 8, 2013

http://app1.hkicpa.org.hk/ebook/HKSA_Members_Handbook_Master/volumeIII/pn810_2.pdf

²⁹ Companies Registry, accessed 9 April, 2013, http://www.cr.gov.hk/en/faq/faq05_a.htm

³⁰ Ibid

³¹ Heritage Foundation, accessed April 12, 2013, <http://www.heritage.org/index/>

³² Hong Kong Financial Services, accessed April 9, 2013, http://www.gov.hk/en/about/abouthk/factsheets/docs/financial_services.pdf

- No restrictions on capital flows
- Own stable currency (Hong Kong Dollar)
- No foreign exchange control
- Low inflation
- Reduced government intervention in business
- No barriers for foreign investments
- Hong Kong is the third largest financial center of the world
- The largest duty-free container port in the world
- Among 12 countries with the most developed trade economies
- Minor restrictions in banking and financial activities.

On the territory of Hong Kong there are about 250 banks.³³ Together with national, in Hong Kong there are representative offices of foreign banks, including those having the right to give loans. Hong Kong operates one of the largest stock exchanges, and has one of the largest gold markets in the world. The lack of state control in the financial sector has made possible such a meteoric rise of Hong Kong in the global financial system.

In Hong Kong, there are about 50 thousand factories, but the industrial sector is losing ground to service sector.³⁴ Basic industry is textiles and clothing (30% of exports)³⁵, second place goes to the production of electronics³⁶, about 90% of industrial production is exported.³⁷ Hong Kong is one of the largest exporters of textiles, garments, electronics and accessories, watches and toys, many of these products are imported from China.³⁸

³³ HK SAR, accessed 9 April, 2013, http://www.gov.hk/en/about/abouthk/factsheets/docs/financial_services.pdf

³⁴ Wikipedia, accessed 10 April, 2013, https://en.wikipedia.org/wiki/Hong_Kong

³⁵ Ibid

³⁶ Ibid

³⁷ Ibid

³⁸ Ibid

Since 1969, Hong Kong becomes one of the world's financial centers, to date, Hong Kong is the third largest financial center.³⁹

Shortage of available land leads to reduced road construction, and the state imposes restrictions on the purchase of personal transport. The emphasis is placed on the development of bus transportation. Besides buses, carrying more than half of all passengers, region has a network of underground, trams, ferries, taxis and minibuses. International transportation is provided by port and a new airport. Port of Hong Kong is located in a natural harbor, the capacity of port terminals makes it the world's largest container port, it should be noted that the port of Hong Kong is duty-free. Hong Kong has marine fleet with displacement of 30 million gross tons.⁴⁰ Ships of many states sail under the flag of Hong Kong.⁴¹ About 300 ocean and river vessels come to the harbor of Hong Kong in an average day.⁴²

Companies in Hong Kong are a great way to invest into Chinese market, that is why there are all conditions to conduct non-resident business. Hong Kong is, in fact, the window between Europe and Asia. After China's entry into the WTO, Hong Kong has become a channel of Chinese exports to the West and the base for many international companies who are going to participate in the rapidly growing Chinese economy.

Features of taxation in Hong Kong:⁴³

- The territorial principle of taxation: no tax on profits derived from sources outside Hong Kong
- Low profit tax rate for companies operating in Hong Kong (17.5%)
- No direct and indirect taxes such as VAT, social tax, customs, etc.

³⁹ David R. Meyer, HK's Transformation as a Financial Center, accessed April 11, 2013, http://www.hkimr.org/uploads/conference_detail/585/con_paper_0_413_david-meyer-paper.pdf

⁴⁰ HK Maritime News, accessed 12 April 2013, <http://www.mardep.gov.hk/en/publication/pdf/hkmm0710.pdf>

⁴¹ Ibid

⁴² Ibid

⁴³ Guide me Hong Kong, accessed April 12, 2013, <http://www.guidemehongkong.com/taxation/personal-tax/hong-kong-salaries-personal-tax-guide>

- No tax on capital gains, dividends, interest, royalties received from abroad or sent abroad
- Taxation of individuals - up to 16%
- Hong Kong Taxation Authority provides a preliminary scheme of tax calculation.

Since the legislation in Hong Kong has no defined difference between resident and non-resident companies, taxation of companies is based on the territorial principle.⁴⁴ To determine the sources of income, tax authorities find out where the deal was negotiated and agreements signed. If negotiations were carried out directly in Hong Kong, it is estimated that the income derived from the transaction comes from Hong Kong.⁴⁵ In practice, it is certainly difficult to prove. Therefore, companies have regular audit, during which determine the source of income, and the establishment of tax residence of the company is generally determined by the position of the center of the management and control of the company.⁴⁶ Registered or virtual office is not taken into account. Branches of foreign companies are taxed according to the same principles as the companies registered in Hong Kong.⁴⁷ Taxation occurs only when company does business on territory of Hong Kong, and the income from such trade or activities come to Hong Kong, or are extracted from sources in Hong Kong, in other cases, income is not taxed.

Foreign commissions and royalties, generated from licenses, relating to the film and music industry, revenues from patents, rights to mining, consulting services and rental income, are not subject to taxation in Hong Kong.⁴⁸ Profits derived by this way will be taxed only when intellectual property rights are used for doing business in Hong Kong. At the same time, the management of the Hong Kong Taxation Authority considers as share of profits,

⁴⁴ Ibid

⁴⁵ Deloitte, HK, accessed 12 April, 2013, http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Taxation%20and%20Investment%20Guides/2013/dttl_tax_highlight_2013_Hong%20Kong.pdf

⁴⁶ Ibid

⁴⁷ Coddan, accessed April 12, 2013, <http://www.ukincorp.co.uk/s-O9-hong-kong-company-formation.html>

⁴⁸ Doing business in HK, accessed April 10, 2013, http://www.deacons.com.hk/eng/knowledge/knowledge_205.htm

only 30% of the fee paid by a company in Hong Kong, if it is engaged in commercial activities outside Hong Kong.⁴⁹ This license fee is taxed at 5.25%, 30% from 17.5% (profit tax).⁵⁰

Tax collected outside of Hong Kong, is not considered in Hong Kong.⁵¹ One can take advantage of the double taxation for those countries with which Hong Kong has signed the appropriate agreements. At the moment, Hong Kong signed a full tax treaty for the avoidance of double taxation with Belgium and intends to make a network of similar agreements.⁵² This will help to improve trade and investment opportunities, as well as to reduce the tax at source for local and international companies.

Hong Kong also signed a number of tax agreements for maritime and air transport with the following countries: Australia, Austria, Bahrain, Burma, Brazil, Brunei, the UK, China, Germany, Israel, India, Indonesia, Italy, Japan, Jordan, China, Luxembourg, Mauritius, Malaysia, Nepal, Netherlands, New Zealand, Norway, United Arab Emirates, Oman, Pakistan, Russia, Singapore, USA, Thailand, Turkey, the Philippines, Switzerland, Sri Lanka, Ukraine, South Korea and Japan.⁵³

Hong Kong has signed agreements on the avoidance of double taxation with Belgium, China and Thailand.⁵⁴

The fundamental principle of foreign exchange control and currency regulation in Hong Kong is identified in SAR Hong Kong Basic Law from April 4, 1990 (entered into force on 1 July 1997), which is the constitutional document of the special administrative

⁴⁹ Delloite, HK, accessed 12 April, 2013, http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Taxation%20and%20Investment%20Guides/2013/dttl_tax_highlight_2013_Hong%20Kong.pdf

⁵⁰ Inland Revenue department, accessed April 10, 2013 <http://www.ird.gov.hk/eng/pdf/pam71e.pdf>

⁵¹ Guide me Hong Kong, accessed April 12, 2013, <http://www.guidemehongkong.com/taxation/personal-tax/hong-kong-salaries-personal-tax-guide>

⁵² Ibid

⁵³ "CIA World Fact Book", accessed April 10, 2013 <https://www.cia.gov/library/publications/the-world-factbook/geos/sn.html>

⁵⁴ International Law Division, accessed April 12, 2013, <http://www.legislation.gov.hk/table6ti.htm>

region of China.⁵⁵ According to Article 112 of Chapter 5 of the Basic Law of the Hong Kong SAR: Within the territory of SAR Hong Kong, currency controls are not implemented. Hong Kong dollar is freely convertible currency.⁵⁶

Thus, Hong Kong has the principle of free movement of capital, so the banking transactions relating to international trade (letters of credit, incoming/outgoing banking transfers) demand only minimal clearance on its territory. However, the Hong Kong SAR since 1991 is a member of the Financial Action Task Force (FATF), and has the duty to take measures for preventing legalization of proceeds from crime.⁵⁷

Legislation of Hong Kong SAR on preventing legalization of proceeds from crime includes two main regulations:

1. Drug Trafficking Ordinance (DTROP), establishes measures for identifying, freezing and confiscating proceeds of drug trafficking and criminal acts related to laundering of such proceeds.⁵⁸
2. Organized and Serious Crimes Ordinance (OSCO), developed on the basis DTROP, expands criminal liability for laundering proceeds from activities related to the concealment of such income.⁵⁹

DTROP and OSCO (section 25 (1) of the two acts) sets the criminality associated with the use of funds or other property by a person who knows or has reasonable cause to suspect, that these funds or other property, in whole or in part directly or indirectly derived

⁵⁵ Department of Justice HK, accessed April 9, <http://www.doj.gov.hk/eng/legal/>

⁵⁶ HKMA, accessed April 12, 2013, <http://www.hkma.gov.hk/media/eng/publication-and-research/reference-materials/general/fs09.pdf>

⁵⁷ International Law Division, accessed April 12, 2013, <http://www.legislation.gov.hk/table6ti.htm>

⁵⁹ Lowtax, accessed April 12, 2013, http://www.lowtax.net/lowtax/html/hongkong/hong_kong_banking_confidentiality.html

from drug trafficking or other illegal way.⁶⁰ The maximum penalty for this offense is 14 years imprisonment or a fine of HK \$ 5 million.⁶¹

To obtain a working visa, undertaken or planned investment activity should be of real benefit to the economy of Hong Kong as a whole.⁶² There are four main factors for successful visa application – creation of jobs, appropriate premises for conducting operations, confirmation of having sufficient funds, organization of business management.⁶³

At the initial stage of doing business, it is recommended to hire at least one local staff who could perform administrative and support functions and have a direct impact on the business development of the company.⁶⁴ Often new investors for this purpose employ staff fluent in English, Mandarin and Cantonese.⁶⁵ Depending on the circumstances of the business, the creation of new jobs is possible in the course of business activities. The creation of jobs does not have to be implemented at the beginning of the business, but in the future, in the company's development and adoption of appropriate business plans, it would be logical if the investor will pay due attention to the issue of attracting new employees.

Appropriate premises for doing business, in this context depends from existing or proposed activities. In any case, the good condition of the premises will be an important factor in making a decision by the representative of the Office of Immigration. One should present valid lease agreement, made in a proper way, it has to be signed and sealed on behalf of the company. It also must be covered by collateral, in the amount equal to the standards of industry. The use of a single office by multiple companies, or subleasing space is possible,

⁶⁰ Lowtax, accessed April 12, 2013, http://www.lowtax.net/lowtax/html/hongkong/hong_kong_banking_confidentiality.html

⁶¹ Ibid

⁶² Guide me Hong Kong, accessed April 12, 2013, <http://www.guidemehongkong.com/taxation/personal-tax/hong-kong-salaries-personal-tax-guide>

⁶³ Human Resources Manual, accessed April 11, 2013, <http://www.hkex.com.hk/eng/exchange/org/Documents/HR%20Manual.pdf>

⁶⁴ Immigration Department, assessed April 10, 2013, <http://www.immd.gov.hk/en/services/hk-visas/immigration-entry-guideline.html>

⁶⁵ Ibid

but not desirable in view of the fact that it can be regarded as a failure, by the immigration service, to deliver real benefits to Hong Kong. Confirmation of sufficiency of funds could be in a form of bank account record, the certificate of deposit, the standby letter of credit, loan agreements and other relevant financial documents.⁶⁶

Investment activities in Hong Kong shall be managed in an appropriate way. Immigration Office in consideration of documents, examines the measures taken by the applicant, in order to be sure in a proper organization of business management activities.⁶⁷ Immigration Office believes that an investor in order to protect his investment, has to hire proper staff. Proper staff, in this context is defined by the type of existing or planned activities. Thus, if the activity is related to the processing equipment, the staff should be employees who have the skills to use it. If the activity is related to trade, then the staff should be dispatchers, accountants, salesmen. In the same way, the office staff is required to receive phone calls, documentation and perform other office work.

Hong Kong has developed outstanding business environment, however in order to keep positions, it has to continue developing, and development of China will play crucial role for Hong Kong's future. Higher integration of the region will also be one of the reasons for Hong Kong's further development, and there is always way to make business environment even better than now, especially considering current difficulties in Cyprus, Hong Kong could be a place which can take away part of capital.

⁶⁶ Immigration Department, assessed April 10, 2013, <http://www.immd.gov.hk/en/services/hk-visas/immigration-entry-guideline.html>

⁶⁷ Ibid

Chapter II

Doing Business in Singapore

1.1 General Overview

Singapore is a republic with population of about 5 million 200 thousand people, with 1,5 million of them are foreigners, and consists of 64 islands totally occupying 714 square kilometers.⁶⁸ Former fisher village nowadays is beautiful city with unique design. Singapore is unique itself, it is strongly tied with UK, up to 75% of local community are Chinese, 13% Malay, and 9% Indians.⁶⁹ Singapore has four official languages – Chinese (Mandarin), English, Malay and Tamil.⁷⁰

At the time of independence, Singapore was a small poor country that had to import even fresh water and sand for construction.⁷¹ The neighboring countries were unfriendly, and one-third of the population sympathized to Communists.⁷² Himself and his colleagues', former Prime-Minister Lee Kuan Yew described as "a group of bourgeois, received an English education leaders".⁷³

The strategy of economic development of the government of Lee Kuan Yew was based on the transformation of Singapore to the financial and commercial center of Southeast Asia, as well as to attract foreign investors.⁷⁴ His party – People's Action Party, is dominating political scene of Singapore since 1959, and have so far won 13 consecutive elections.⁷⁵ They proclaim meritocracy or in other words "rule of professional" as their ideology, however some people have an opinion that it is dictatorship. Nevertheless, Lee

⁶⁸ Department of Foreign Affairs and Trade, accessed April 13, 2013, http://www.dfat.gov.au/geo/singapore/singapore_country_brief.html

⁶⁹ Ibid

⁷⁰ Ibid

⁷¹ Lee Kuan Yew, "From Third World to First", 2000

⁷² Ibid

⁷³ Ibid

⁷⁴ Ibid

⁷⁵ Department of Foreign Affairs and Trade, accessed April 13, 2013, http://www.dfat.gov.au/geo/singapore/singapore_country_brief.html

Kuan Yew and his colleagues achieved fantastic results, by building big city and big economy.

Singapore's Government had to build everything from initial point, military, police, presidential institute, economic policies, infrastructure, in other words almost everything. There was no other way, Singapore did not fight for its independence from UK, Singapore was left by UK, because after WWII it needed all possible resources to recover from losses caused by war. Lee Kuan Yew had to rule state manually, so few were his resources in the beginning. But he believed that he can change situation, he had to believe, because it was the only way they could survive. There was attempt to create united state with Malaysia, however it did not work.

It was a chance for state, young leaders were going to create a miracle, and one of the main factors of Singapore we see today, is fight against corruption, which was started by Lee Kuan Yew. He did not help any corrupted person, all of them were punished, even closest friends. If it would not happen, probably we would not see Singapore, which we see now. Effective government was goal of Lee Kuan Yew and his team, today Singapore is known for enormous salaries for heads of state authorities, their salaries are competitive with the best salaries on private market, and it is justified by their high professionalism, and they pay for themselves, for example if head of government needs driver, he hires driver and pays from his own salary, or he just does not need driver.

Registration of offshore companies in most cases is seen as an opportunity to benefit in a tax haven, but not for Singapore, as this state has become an important commercial and financial center. Singapore company registration is perceived as a natural solution to explore new markets, not just as an opportunity to get the benefit. Strategically located along the major sea and air routes of Asia, Singapore is one of the centers of trade and finance in the region. According to the latest data Singapore is considered as one of the most favorable

countries for doing business.⁷⁶ This jurisdiction is developing rapidly and efficiently, has a strong financial base, and also adapts well to the changes that are taking place in the global economic space. Every year over thousands of new companies are created in the Republic of Singapore, which are supported by the presence of developed legal and financial infrastructure.

1.2 Legislation and Taxation

Singapore has very strict privacy laws, so one can be confident that the authorities will not reveal information relating to his business.⁷⁷ Singapore's legislation does not limit companies in the selection of banks and their location, and the total number of accounts. All information about the banking operations of the company is confidential.⁷⁸ There is no exchange control and there are no restrictions on the movement of capital to and from the territory of Singapore.⁷⁹ However, as a member of the Financial Action Task Force (FATF), Singapore is obliged to take measures for prevention of legalization (laundering) of proceeds from crime.⁸⁰ The company owner who wants to relocate to Singapore to manage his Singaporean company can get a work visa (Employment Pass or EntrePass).⁸¹

Singapore's laws allow registration of enterprises with different organizational forms: sole proprietorship, partnerships with limited and unlimited liability, public and private limited and unlimited companies, branches, and representative offices of foreign

⁷⁶ Doing Business, accessed 10 April, 2013, <http://www.doingbusiness.org/data/exploreeconomies/singapore/>

⁷⁷ Singapore Academy of Law, accessed April 9, 2013, <http://www.singaporelaw.sg/content/BankingandFinance.html>

⁷⁸ Ibid

⁷⁹ Ibid

⁸⁰ FATF, accessed April 10, 2013, <http://www.fatf-gafi.org/countries/singapore/documents/mutualevaluationofsingapore.html>

⁸¹ Comparison of Entrepreneur versus Employment Pass, accessed April 10, 2013, <http://www.rikvin.com/visas/comparison-singapore-entrepass-versus-employment-pass/>

companies.⁸² For a foreign investor, particular interest is in private limited companies, and following information is about this type of companies.

Singapore has requirements for the company name, particularly, any name similar to existing, as well as unwanted, including for political reasons, cannot be adopted, it must be in English, use of financial terms in the name will require approval or licensing.⁸³

Some of the areas of activity, such as those related to the production of tobacco products, beer, coolers and air conditioners, as well as the restaurant and bar business, require appropriate licenses of agencies.⁸⁴

Company must have at minimum one director, full details of whom shall be available in the State Registry.⁸⁵ It can have more directors, and all of them must be individuals, one of whom must be resident of Singapore.⁸⁶ The minimum number of shareholders is one entity or two individuals.⁸⁷ The Companies Act allows 100% foreign equity participation. Only issuance of named shares is allowed, they cannot be transferred to third parties, unless approved by the shareholders' meeting. There is no minimum share capital, which can be configured in local or other currency.⁸⁸ Each Singapore company must have secretary, a local resident who is an individual and meets the requirements, and registered office in Singapore, specified in the Certificate of Incorporation.⁸⁹

⁸² Singapore Company Incorporation Guide, accessed April 10, 2013, <http://www.rikvin.com/downloads/singapore-company-incorporation-guide/>

⁸³ Ibid

⁸⁴ Singapore Company Incorporation Guide, accessed April 10, 2013, <http://www.rikvin.com/downloads/singapore-company-incorporation-guide/>

⁸⁵ Ibid

⁸⁶ Ibid

⁸⁷ Ibid

⁸⁸ Ibid

⁸⁹ Accounting and Corporate Regulatory Authority, accessed April 8, 2013 <http://www.acra.gov.sg/NR/rdonlyres/785029B6-5FB0-4678-9C2E-B4F29033FD47/0/ACRASection8.pdf>

Each Singaporean company is required to keep books and file tax returns. Companies, except for "exempt private companies", are required to file financial statements to the Registrar of Companies, and in some cases to be audited.⁹⁰

"Exempt private companies" are companies in which no entity owns shares either directly or indirectly, and the number of shareholders does not exceed 20.⁹¹ In addition, "exempt private companies" are exempt from the obligation to carry out an audit if the annual turnover is less than 5 million Singapore dollars.⁹²

Companies usually make the tax return for income tax in April of each year. For newly registered companies, the first tax return for income tax is applied after 18 months from the date of incorporation.⁹³ The tax period for the first tax return for income tax cannot be more than 18 months since the start of the economic activities of the company until the balance sheet date to be determined by the company.⁹⁴ The tax return for income tax must be filed even if the company does not work.⁹⁵

Singapore applies a territorial tax system, meaning that company is obliged to pay tax on any income derived from sources in Singapore, or earnings converted to Singapore from sources in other states.⁹⁶ Singapore's non-resident company's income derived from foreign sources and not transferred to Singapore is not taxable to income tax. In this case, Singapore companies can be used like a "classic offshore" (for example, the British Virgin Islands), but these companies cannot take any advantages of agreements on avoiding double taxation concluded by Singapore.⁹⁷

⁹⁰ Ibid

⁹¹ Ibid

⁹² Ibid

⁹³ Inland Revenue Authority of Singapore, accessed April 7, 2013, <http://www.iras.gov.sg/irashome/page04.aspx?id=414>

⁹⁴ Ibid

⁹⁵ Ibid

⁹⁶ Guide Me Singapore, accessed April 8, 2013, <http://www.guidemesingapore.com/taxation/topics/singapore-tax-rates>

⁹⁷ Ibid

Company is considered resident if its management and control are made on territory of Singapore.⁹⁸ Thus, the company is a resident if it has a registered office in Singapore, all documentation is stored in Singapore and the meeting of the board of directors held on the territory of Singapore.

The basic corporate tax rate is 17%.⁹⁹ But the first S \$ 10,000 is 75% exempt from tax and subsequent S \$ 290,000 for 50% of the tax.¹⁰⁰ The newly created "private exempt companies" have additional benefits in the first three years of tax, complete exemption from the first S \$ 100,000 of taxable profit, the release of 50% of the tax from the following S \$ 200,000.¹⁰¹

Other features of the Corporate Income Tax:¹⁰²

- Zero tax rate on income from capital gains and sales
- Dividends distributed by the Company are not taxed
- Payment of royalties abroad is taxed at the source at the rate of 10%, interest payments at the rate of 15%
- Individuals pay income tax on a scale from 0% to 20%
- Goods and Services Tax is imposed on goods and services sold in Singapore (similar to VAT) at the rate of 7%. Zero tax rate is provided for the export of goods and international services.

The company must hold an annual meeting of shareholders each calendar year, within at least 15 months since the last meeting of shareholders.¹⁰³ If the company held its annual meeting of shareholders within 18 months from the moment of creation of the company, then

⁹⁸ Ibid

⁹⁹ Singapore Tax Rates, accessed April 6, 2013, <http://www.taxrates.cc/html/singapore-tax-rates.html>

¹⁰⁰ Ibid

¹⁰¹ Singapore Tax Rates, accessed April 6, 2013, <http://www.taxrates.cc/html/singapore-tax-rates.html>

¹⁰² Ibid

¹⁰³ Guide Me Singapore, accessed April 8, 2013, <http://www.guidemesingapore.com/research-reports/malaysia/company-setup-singapore-vs-malaysia>

the company is exempt from the need to make an additional annual meeting for a year during one year since creation, or a year following the year since creation of the company.¹⁰⁴ Generally, meetings are held by written resolutions. Company is obliged to notify the registration authorities of Singapore of changes in the information about the company, like company name, registered office address, change of directors and other officers.¹⁰⁵

In addition to companies, practical interest is presented by Limited Liability Partnerships. Limited Liability Partnerships in Singapore are separate legal entities.¹⁰⁶ Responsibility of partners is limited to their capital contributions to the partnership. Partnership must have at least two partners, each of whom has the right to enter into transactions on behalf of the partnership.¹⁰⁷ Partner can be deprived of this right according to documents of partnership, but this restriction is not effective against third parties, who are not aware of this restriction. The partnership must have at least one director who is individual and resident of Singapore.¹⁰⁸ Limited Partnership annually submits to the registration authority a declaration of its solvency. Partnership is required to keep books and prepare financial reports. Submission of reports to the registration authority is not required, but it may require it at any time.¹⁰⁹ Partnership is not subject for taxation, partnership's income is distributed among the partners in the respective shares, who must pay the tax at the place of tax obligations' occurrence.¹¹⁰ If partnership derived income from outside of Singapore and did not transfer to Singapore, taxation does not arise. Since they are not tax residents,

¹⁰⁴ Ibid

¹⁰⁵ Ibid

¹⁰⁶ Inland Revenue Authority of Singapore, accessed April 7, 2013, http://iras.gov.sg/irasHome/page04_ektid1264.aspx

¹⁰⁷ Ibid

¹⁰⁸ Ibid

¹⁰⁹ Ibid

¹¹⁰ Ibid

partnerships cannot apply the agreement on avoidance of double taxation concluded by Singapore.¹¹¹

It is worth noting that the services industry in the country involves about 70% of the population.¹¹² Favorable conditions for business development and underlined by the fact that Singapore's middle class is about 75-80% of the total number of residents.¹¹³ The state is interested in development of business, so all the conditions that contribute to this are set out in law and are binding. For small and medium businesses, there are special types of preferential lending, dozens of different developed programs for businesses.¹¹⁴ This may include the issuance of special loans, loan insurance, or the distribution of subsidies.¹¹⁵ The banking system is controlled by the government of the republic, and combines hundreds of financial institutions, which differ in the nature of its activities and status.

In Singapore, the number of enterprises belonging to small and medium businesses is over 130,000, or 92% of all enterprises of the state.¹¹⁶ These companies account for over 25% of Singapore's GDP, which provide an annual employment growth of 7%.¹¹⁷ This is the main reason why government is trying to support the development of this sector and helping to ensure that small and medium enterprises are the most competitive on the market. There is very careful selection of personnel for enterprises, training courses are organized for permanent workers. This is done purposely to ensure that the level of service of any organization is always at a high level, which makes Singapore an even more attractive for

¹¹¹ Ibid

¹¹² Nation Master, accessed 10 April, 2013, http://www.nationmaster.com/graph/lab_lab_for_by_occ-labor-force-by-occupation

¹¹³ "Pressure on Singapore's middle class rising", accessed April 9, 2013, <http://sg.news.yahoo.com/view-pressure-singapores-middle-class-rising-073005019.html>

¹¹⁴ Financial Handbook for SMEs, accessed April 10, 2013, http://www.spring.gov.sg/resources/documents/guidebook_financial_handbook_for_smes.pdf

¹¹⁵ Ibid

¹¹⁶ Infocomm Development Authority of Singapore, accessed April 9, 2013, <http://www.ida.gov.sg/Business-Sectors/Small-and-Medium-Enterprises.aspx>

¹¹⁷ Ibid

tourists, whose number is increasing every year.¹¹⁸ Given all the conditions created by the state, it is safe to say that Singapore is a country where you cannot just open your own business, but succeed in it.

The almost complete absence of corruption in Singapore, skilled workforce, and advanced and efficient infrastructure, had become attractive for more than 3,000 multinational corporations from the United States, Japan and Europe.¹¹⁹ Foreign firms can be found in virtually every sector of the economy. Transnational corporations produce more than two-thirds of all industrial output and direct export sales, although in certain services, sectors remain dominated mainly by pro-government corporations.¹²⁰ Singapore is a highly developed state, with government, which is within 10 least corrupt governments in the world.¹²¹

¹¹⁸ Singapore Tourism Board, accessed April 10, 2013, <https://app.stb.gov.sg/asp/tou/tou02.asp>

¹¹⁹ "Relocate: economic overview of Singapore", accessed April 9, 2013, <http://www.relocatemagazine.com/international-destinations/asia-pacific-home/singapore-main>

¹²⁰ U.S. Department of State, accessed April 11, 2013, <http://www.state.gov/outofdate/bgn/singapore/24837.htm>

¹²¹ Transparency International, accessed April 12, 2013, <http://www.transparency.org/cpi2010/results>

Conclusion

Goal of this work was to provide a reader with information about Singapore and Hong Kong, two largest financial centers of Asia, and places with the best environment for business. As it was said in the beginning, business is risk, and even safest investments may crash, and the weakest one can go up and make profits. Singapore and Hong Kong are trying to provide the best conditions for capital, by attracting it with different measures, including taxation, legislation, economic and political stability, professionalism of personnel, easiness of banking services, and many others.

We discussed each of them separately, although they are both from South-East Asia, financial and business centers, with small territories, with a highly educated population and with quality of life hardly possible for many other states. There are still differences between them, Hong Kong, although it has some level of sovereignty, is part of China, and since China became a member of WTO, Hong Kong became a channel of investments, in turn, it became trade center, having nowadays biggest container port which is duty-free, and the biggest reexporter of Chinese goods. In comparison to Singapore, it is more dependent on industry, while Singapore is more dependent on services industry. They have very alike taxation systems, oriented to attract even more capital than they have now, they are both gates to Chinese market, and it is probably one of the reasons they are doing so well, two big cities, decided to become financial centers providing world class services, for clients from all over the world. They both had serious British influence, however, Hong Kong remained, as Chinese territory, while Singapore also having a very big Chinese population, became very international, maybe the most cosmopolitan state in the world.

However, the aim of this work is to familiarize with both Singapore and Hong Kong, and try to define which of them is more suitable for doing business, taxation is one of the main issues while doing business, and from my point of view Singapore gives more precise answers than Hong Kong, because in case with Hong Kong, each case is individual, and it

can happen so that a businessman will have to pay more taxes than expects, due to not defined situation with taxation in Hong Kong in comparison to Singapore, where one can choose his tax status.

If to use Singapore company as trade offshore, without being resident and not transferring profits there, it is more reliable than doing it through Hong Kong, because each operation in Hong Kong can be checked for taxation reasons, and it forces businessmen to keep «sleeping» companies, and afraid that tax authority will calculate taxes the other way than businessman expected.

It is better to invest into China through Hong Kong, because it is part of China, although has some specific features, and one will not need to translate documents since they are already in Chinese.

Singapore has about 70 agreements on avoiding double taxation, and it can mean less taxes to pay in some cases. From 2047 China will become ruler of Hong Kong, in such long term vision, it can make sense, for example in case of using trusts.

Hong Kong and Singapore, present places of the future, where the state is doing as much as possible in order to attract investments and to help business, in comparison with almost any places in the world, these two are ideal places for doing business. However, prior to starting business, one needs to take into account not only data included in different reports on doing business, but also research market opportunities. High level of development means not only good environment for living, but also high competition from local and global companies. It may seem that it is very easy to do business in Singapore and Hong Kong, but for business it is often much more important to gain higher profits, and developing markets, from my point of view present better places for doing business in terms of making profits. Business can use Singapore and Hong Kong jurisdictions for holding companies, to use advantages of common law system and to avoid excessive taxes, or in case of necessity to use

highly developed infrastructure and need in qualified personnel. Most important question in doing business in these jurisdictions is whether the business needs these factors, otherwise, there are numerous opportunities in different parts of the world.

Bibliography

Statutes

Companies Registry, accessed April 9, 2013, <http://www.cr.gov.hk/en/home/>

Companies Ordinance, accessed April 8, 2013,

http://www.legislation.gov.hk/blis_ind.nsf/E1BF50C09A33D3DC482564840019D2F4/CC4335C36934BB4C482577F800115DD6?OpenDocument

Books

Lee Kuan Yew, “From Third World to First”, 2000

Electronic sources

Accounting and Corporate Regulatory Authority, accessed April 8, 2013

<http://www.acra.gov.sg/NR/rdonlyres/785029B6-5FB0-4678-9C2E-B4F29033FD47/0/ACRASection8.pdf>

Coddan, accessed April 12, 2013, <http://www.ukincorp.co.uk/s-O9-hong-kong-company-formation.html>

“CIA World Fact Book”, accessed April 10, 2013

<https://www.cia.gov/library/publications/the-world-factbook/geos/sn.html>

Comparison of Entrepreneur versus Employment Pass, accessed April 10, 2013,

<http://www.rikvin.com/visas/comparison-singapore-entrepass-versus-employment-pass/>

Doing Business, accessed April 1, 2013, <http://www.doingbusiness.org/>

David Meyere, “Hong Kong’s Transformation as Financial Center”

http://www.hkimr.org/uploads/conference_detail/585/con_paper_0_413_david-meyer-paper.pdf

Department of Justice SAR HK, accessed April 5, 2013, <http://www.doj.gov.hk/eng/legal/>

David Lawrence, accessed April 6, 2013,

http://www.deacons.com.hk/eng/knowledge/knowledge_31.htm

Department of Justice SAR HK, accessed April 5, 2013, <http://www.doj.gov.hk/eng/legal/>

Duties of Auditors, accessed April 8, 2013,

http://app1.hkicpa.org.hk/ebook/HKSA_Members_Handbook_Master/volumeIII/pn810_2.pdf

David R. Meyer, HK's Transformation as a Financial Center, accessed April 11, 2013, http://www.hkimr.org/uploads/conference_detail/585/con_paper_0_413_david-meyer-paper.pdf

Delloite, HK, accessed 12 April, 2013, http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Taxation%20and%20Investment%20Guides/2013/dttl_tax_highlight_2013_Hong%20Kong.pdf

Doing business in HK, accessed April 10, 2013, http://www.deacons.com.hk/eng/knowledge/knowledge_205.htm

Doing business in HK, accessed April 10, 2013, http://www.deacons.com.hk/eng/knowledge/knowledge_205.htm

Delloite, HK, accessed 12 April, 2013, http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Taxation%20and%20Investment%20Guides/2013/dttl_tax_highlight_2013_Hong%20Kong.pdf

Department of Justice HK, accessed April 9, <http://www.doj.gov.hk/eng/legal/>

Department of Foreign Affairs and Trade, accessed April 13, 2013, http://www.dfat.gov.au/geo/singapore/singapore_country_brief.html

Doing Business, accessed 10 April, 2013, <http://www.doingbusiness.org/data/exploreeconomies/singapore/>

FATF, accessed April 10, 2013, <http://www.fatf-gafi.org/countries/s-t/singapore/documents/mutualevaluationofsingapore.html>

Financial Handbook for SMEs, accessed April 10, 2013, http://www.spring.gov.sg/resources/documents/guidebook_financial_handbook_for_smes.pdf

Gavin Nesbitt, M&A in HK, accessed April 3, 2013, http://www.deacons.com.hk/eng/knowledge/knowledge_106.htm

Guide me Hong Kong, accessed April 9, 2013, <http://www.guidemehongkong.com/incorporation/company/hong-kong-company-annual-filing-compliance-requirements>

Guide Me Singapore, accessed April 8, 2013, <http://www.guidemesingapore.com/taxation/topics/singaporetax-rates>

Hong Kong Echo, accessed April 8, 2013, http://www.hkctc.gov.hk/en/doc/Hong_Kong_Echo_60.pdf

Heritage Foundation, accessed April 12, 2013, <http://www.heritage.org/index/>

Hong Kong Financial Services, accessed April 9, 2013, http://www.gov.hk/en/about/abouthk/factsheets/docs/financial_services.pdf

HK SAR, accessed 9 April, 2013,

http://www.gov.hk/en/about/abouthk/factsheets/docs/financial_services.pdf

HK Maritime News, accessed 12 April 2013,

<http://www.mardep.gov.hk/en/publication/pdf/hkmn0710.pdf>

HKMA, accessed April 12, 2013, <http://www.hkma.gov.hk/media/eng/publication-and-research/reference-materials/general/fs09.pdf>

Human Resources Manual, accessed April 11, 2013,

<http://www.hkex.com.hk/eng/exchange/org/Documents/HR%20Manual.pdf>

Insight Guides, accessed April 12, 2013, <http://www.insightguides.com/destinations/asia-pacific/china/southern-china/hong-kong/historical-highlights>

Infocomm Development Authority of Singapore, accessed April 9, 2013,

<http://www.ida.gov.sg/Business-Sectors/Small-and-Medium-Enterprises.aspx>

Inland Revenue department, accessed April 10, 2013

<http://www.ird.gov.hk/eng/pdf/pam71e.pdf>

International Law Division, accessed April 12, 2013,

<http://www.legislation.gov.hk/table6ti.htm>

International Law Division, accessed April 12, 2013,

<http://www.legislation.gov.hk/table6ti.htm>

Immigration Department, assessed April 10, 2013, <http://www.immd.gov.hk/en/services/hk-visas/immigration-entry-guideline.html>

Inland Revenue Authority of Singapore, accessed April 7, 2013,

<http://www.iras.gov.sg/irashome/page04.aspx?id=414>

Lowtax, accessed April 12, 2013,

http://www.lowtax.net/lowtax/html/hongkong/hong_kong_banking_confidentiality.html

Nations Online Project, “Hong Kong SAR”, accessed April 8, 2013,

http://www.nationsonline.org/oneworld/hong_kong.htm

Nation Master, accessed 10 April, 2013,

http://www.nationmaster.com/graph/lab_lab_for_by_occ-labor-force-by-occupation

“Pressure on Singapore’s middle class rising”, accessed April 9, 2013,

<http://sg.news.yahoo.com/view-pressure-singapores-middle-class-rising-073005019.html>

“Relocate: economic overview of Singapore”, accessed April 9, 2013,

<http://www.relocatemagazine.com/international-destinations/asia-pacific-home/singapore-main>

Singapore Academy of Law, accessed April 9, 2013,

<http://www.singaporelaw.sg/content/BankingandFinance.html>

Singapore Tax Rates, accessed April 6, 2013, <http://www.taxrates.cc/html/singapore-tax-rates.html>

Singapore Tourism Board, accessed April 10, 2013, <https://app.stb.gov.sg/asp/tou/tou02.asp>

Transparency International, accessed April 12, 2013,

<http://www.transparency.org/cpi2010/results>

U.S. Department of State, accessed April 11, 2013,

<http://www.state.gov/outofdate/bgn/singapore/24837.htm>

Wikipedia, accessed April 10, 2013, http://en.wikipedia.org/wiki/Sino-British_Joint_Declaration