

DOING BUSINESS IN HONG KONG VS. DOING BUSINESS IN SINGAPORE

DOING BUSINESS IN HONG KONG

Why Hong Kong? Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") has been ranked as the freest economy in the world by the US think tank the Heritage Foundation for the 25th successive year in 2019. Hong Kong has been ranked 5th in the 2019 World Bank's Ease of Doing Business ranking.

Key facts for investing in Hong Kong. Generally, Hong Kong does not have any restriction on foreign businesses investing in the Special Administrative Region. The official languages in Hong Kong are English and Chinese. There is no foreign currency exchange control in force in Hong Kong. The Hong Kong Dollar is pegged to the United-States Dollar at a rate band of US\$1 to HK\$7.75-7.85 since 2005.

Gateway to mainland China. The place of Hong Kong in the Guangdong-Hong Kong-Macao Greater Bay Area and its vicinity of the Pearl River Delta region make it a preferred jurisdiction for foreign companies intending to enter the mainland Chinese market. All other Asia-Pacific key markets are no more than four hours' flight from Hong Kong.

DOING BUSINESS IN SINGAPORE

Why Singapore? The Republic of Singapore ("Singapore") has been ranked as No. 1 in the 2019 edition of the World Bank's Ease of Doing Business ranking while it has been ranked as the 2nd freest economy in the world for 2019 according to the US think tank the Heritage Foundation.

Key facts for investing in Singapore. Commercial and industrial foreign investments in Singapore are generally non-restricted. There are four official languages in Singapore, namely English, Chinese, Malay and Tamil. The island nation does not impose any foreign exchange control.

Gateway to South-East Asia. Singapore is strategically located in the vicinity of countries such as Indonesia, Malaysia, Thailand, Cambodia and Vietnam. A Singapore entity can also be used to launch business in India and in the People's Republic of China ("PRC").

1. LEGAL SYSTEM

SOURCES OF LAW

Hong Kong Basic Law. Hong Kong is governed by the Basic Law since 1 July 1997 and until 30 June 2047. Under the Basic Law, Hong Kong is a part of the PRC. Under the "One Country, Two Systems" principle, Hong Kong is granted a high degree of autonomy and enjoys executive, legislative and independent judicial power.

Common Law. Hong Kong legal system is based on common law and judges rely on the doctrine of binding precedent when making judgments.

Statutory law. Statutory law consists of written ordinances passed by the Legislative Council of Hong Kong.

Constitution. The Constitution of the Republic of Singapore is the supreme law of the land. The provisions of the Constitution can only be amended by Singapore Parliament. The Constitution provides for the separation of powers between the legislature, the executive and the judiciary. This text takes precedence over case law.

Common Law. Singapore legal system is based on common law and judges rely on the doctrine of binding precedent when making judgments.

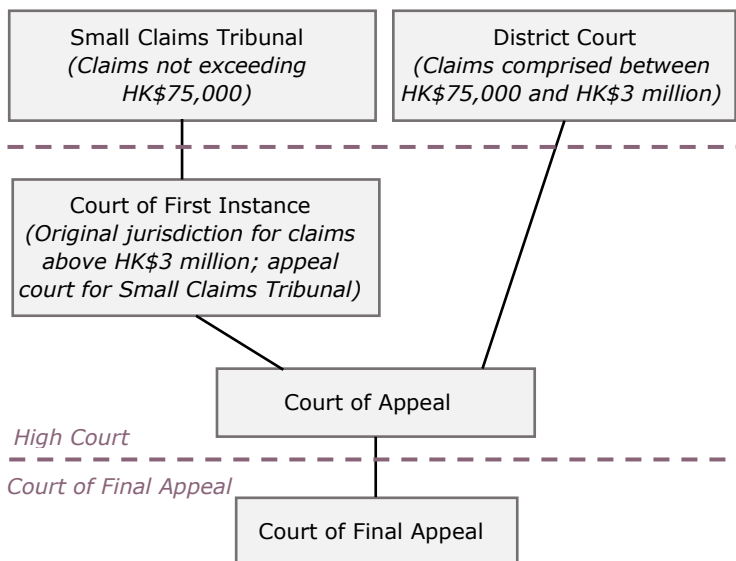
Statutory law. Statutes are written law enacted by the Parliament of Singapore. Once a bill is passed by the Parliament and receives the President's assent, it becomes an Act of Parliament.

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Subsidiary legislation. In addition to the primary legislation, the Legislative Council or other bodies empowered by law may adopt subsidiary legislation such as regulations, orders, resolutions, notices, proceedings rules, etc.

Judiciary. Hong Kong’s judiciary is independent of the executive and the legislature. The role of the judicial system is to uphold the rule of law. English and Chinese can be used in the proceedings. Judges are appointed by the Chief Executive of Hong Kong on the recommendation of the Judicial Officers Recommendation Commission, an independent statutory body.

Court structure. The judiciary is headed by the Chief Justice of the Court of Final Appeal. Below is a chart of the judiciary hearing civil cases in Hong Kong.

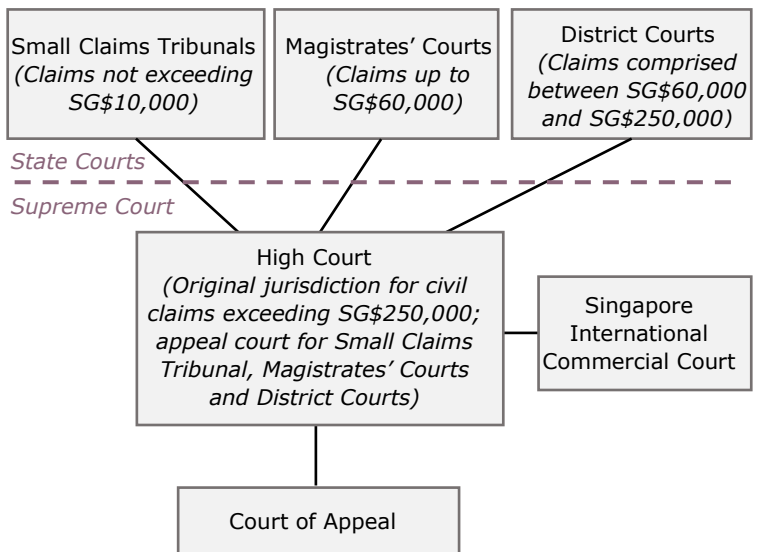


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Subsidiary legislation. Subsidiary legislation is written law adopted by ministers, government agencies and statutory boards, such as regulations, rules, orders, etc.

Judiciary. The function of Singapore judiciary is to independently administer justice. The Chief Justice and the judges of the Supreme Court are appointed by the President on the advice of the Prime Minister, while District Court judges are appointed by the President on the recommendation of the Chief Justice.

Court structure. The Chief Justice is the head of Singapore Judiciary. Below is a chart of the judiciary hearing civil cases in Singapore.



International Commercial Court. Since 2015, the High Court comprises a designated division for transnational commercial disputes, the Singapore International Commercial Court (“SICC”). The SICC hears cases of international and commercial nature, where the parties have submitted to the SICC’s jurisdiction in writing and provided that the parties do not seek any prerogative order. Judges are assigned to each case by the Chief Justice from a panel of international and Singapore judges. In the event where a case has no substantial connection to

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Arbitration. Hong Kong International Arbitration Centre (“**HKIAC**”) was founded in 1985. The HKIAC is ranked above the top five seats of arbitration worldwide. It offers state-of-the-art facilities in Hong Kong and established offices in Shanghai and Seoul. As Hong Kong is a signatory to the New York Convention, HKIAC arbitral awards are enforceable in over 150 countries. The HKIAC offers an expedited procedure for disputes over an amount not exceeding HK\$25 million or if the parties so agree. The HKIAC is known as a time and cost-efficient arbitration centre with a strong record of enforcement of arbitral awards in Mainland China.

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Singapore, parties may be represented by a foreign counsel registered with the SICC.

Arbitration. Singapore is one of the most preferred seats of arbitration in Asia-Pacific. The Singapore International Arbitration Centre (“**SIAC**”) was established in 1991. Arbitration fees are based on the sum in dispute. An expedited procedure is available upon agreement of the parties or when the amount in dispute does not exceed SG\$6 million. The SIAC has a representative office in Mumbai and offices in Seoul and Shanghai. Singapore is also a signatory to the New York Convention, guaranteeing the enforceability of arbitral awards from the SIAC in over 150 countries.

2. SETTING UP AN ENTITY

MOST COMMON BUSINESS ENTITIES

Private company limited by shares. Private businesses are usually incorporated under the form of a private company limited by shares as the liability of shareholders is limited to the amount unpaid on their shares, if any.

Other types of business entities. Singapore offers a variety of other business entities for entrepreneurs and investors:

- **Company limited by guarantee** – a company without share capital that consists of members whose liability is limited to the amount that the members undertake to contribute to the assets of the company in the event of winding up (this form of entity is typically used for non-profit organizations);
- **Sole proprietorship** – consists of a sole proprietor who has unlimited personal liability for the debts and liabilities of the business;
- **Limited partnership** – consists of one or more general partners who have personal liability for all debts and obligations of the partnership and one or more limited partners whose liability is limited to the amount contributed;
- **Branch** – a company incorporated outside Hong Kong that registers with the Companies Registry as a non-Hong Kong company and appoints an authorized representative who must be a Hong Kong resident; or

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- **Sole proprietorship** – consists of a sole proprietor who must be a Singapore resident and who has unlimited liability for the debts and obligations of the business;
- **General partnership** – consists of 2 to 20 partners who have unlimited liability for the debts of the partnership;
- **Limited liability partnership** – consists of 1 or several partners who have limited liability for the debts and obligations of the partnership;
- **Limited partnership** – consists of one or several general partners and one or several limited partners who have respectively unlimited and limited liability for the debts of the partnership;
- **Branch** – a company incorporated outside Singapore can establish in Singapore by registering a branch with the ACRA, however the branch does not constitute a separate legal entity;

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- **Representative office** – it does not constitute a separate legal entity but it is established for the purpose of conducting market research and to as a liaison entity for the foreign company, without engaging in any profit-making activities in Hong Kong.

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- **Representative office** – its main purpose is to conduct market research on behalf of a foreign company without engaging in any business and subject to prior approval of the International Enterprise Singapore.

ESTABLISHING A BUSINESS ENTITY

Registration process. All companies shall register with the Hong Kong Companies Registry. The name of a private company limited by shares shall end with the suffix "Limited". A company name search may be conducted with the Companies Registry to verify the availability of the name intended to be used. A duly filled incorporation form and supporting documents shall be filed with the Companies Registry, which issues a certificate of incorporation and include the business registration certificate issued by the Inland Revenue Department ("IRD"). The business registration shall subsequently be renewed every year or every three years, depending on its validity period.

Time for incorporation. The average processing time for company incorporation is four working days. Express online incorporation can be finalized within one hour.

Registration process. All companies shall register with the Accounting and Corporate Regulatory Authority ("ACRA"). The name of the company shall be approved by the ACRA prior to incorporation. The name of a private company limited by shares shall bear the suffix "Pte Ltd" or "Private Limited". Upon approval of the company name, the incorporation documents shall be e-filed with the ACRA within 60 days. The ACRA then issues a certificate of incorporation.

Time for incorporation. The average processing time for company incorporation is one to two working days.

OFFICERS

Company secretary. Each company must appoint a company secretary. If the company secretary is an individual, he/she shall ordinarily reside in Hong Kong. If the company secretary is a body corporate, it must have its registered office or place of business in Hong Kong. Since 1 March 2018, any person who intends to carry on a trust of company service business in Hong Kong shall apply for a Trust or Company Service Providers ("TCSP") licence, granted by the Companies Registry. TCSP licensees shall comply with customer due diligence and record-keeping requirements under the applicable anti-money laundering and counter-terrorist financing legislation in Hong Kong.

Board of directors. The company shall appoint at least 1 director and at least 1 director must be a natural person. If there is more than 1 director, companies that are not part of a group in which a

Company secretary. Every company must appoint at least 1 company secretary who must be an individual whose principal place of residence is Singapore. There is no requirement for persons acting as company secretary to apply for a licence in Singapore. However, the directors shall take all reasonable steps to secure that each company secretary appears to have the requisite knowledge and experience to discharge the functions of secretary of the company.

Board of directors. The company shall appoint at least 1 director and all directors must be natural persons. At least one director must be an ordinarily Singapore resident, i.e. a Singapore citizen, Singapore permanent resident or an EntrePass holder (an Employment Pass holder may be accepted upon compliance with applicable laws on foreign manpower). In the event where the company has a

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listed company is a member may appoint a body corporate as director. If the company has a sole director, the sole director cannot also act as the company secretary of this company.

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sole director, the director cannot also act as the company secretary.

SHAREHOLDING

Shareholding. A private company shall comprise a minimum of 1 shareholder and a maximum of 50 shareholder(s) who can be individual(s) or body corporate(s). Shareholders can also be appointed as directors of the company. The sole shareholder can also act as the director of the company.

Amount of share capital. There is no minimum amount requirement for the share capital. The share capital can be labelled in Hong Kong Dollars or in any other foreign currency. The par value for the shares of Hong Kong companies was abolished in 2014.

Shareholding. The company shall comprise a minimum of 1 shareholder and a maximum of 50 shareholder(s) who can be individual(s) or body corporate(s). Shareholders can also be appointed as directors of the company, except in the event where the company has a sole director who cannot be the same person as its sole shareholder.

Amount of share capital. The initial paid-up share capital shall be no less than one dollar in the currency chosen for labelling the share capital. The share capital can be labelled in Singapore Dollars or in any other foreign currency.

ANNUAL REPORTING

Audited financial statements. Profit and loss and balance sheet shall be audited by auditors registered with the Hong Kong Society of Accountants and submitted to the annual general meeting of shareholders; or delivered to shareholders if no annual general meeting is held, unless the company is dormant. Audited financial statements must be filed annually with the Inland Revenue Department together with the company's profits tax return. There is no requirement for Hong Kong companies to file their annual financial statements with the Companies Registry, unless the company is limited by guarantee.

Annual general meeting. An annual general meeting must be held in respect of each financial year, within nine months after the end of the accounting reference period (unless company is dormant). Alternatively, the shareholders may approve the audited financial statements by written resolution and dispense with the annual general meeting.

Annual return. Each company shall file an annual return with the Companies Registry within 42 days of the anniversary of the date of the company's incorporation.

Audited financial statements. Annual financial statements shall be audited only if the company does not qualify as a small company, i.e. if it meets at least two of the following three conditions:

- The total annual revenue exceeds SG\$10 million;
- The company's total assets exceed SG\$10 million; or
- The company has more than 50 employees at the end of the financial year.

Annual general meeting. The financial statements must be presented before the shareholders during an annual general meeting held within six months after the financial year end. Alternatively, the shareholders may unanimously agree to approve the financial statements by written resolution.

Annual return. The annual return must be filed with the ACRA within seven months after the financial year end.

Filing of financial statements. The financial statements must be filed with the ACRA, together with the annual return, within one month after the date of the annual general meeting.

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BUSINESS RECORDS

Corporate registers. All Hong Kong companies must maintain a register of members, a register of directors and a register of company secretaries.

Significant controllers register. Since 1 March 2018, all Hong Kong companies must maintain a significant controllers register (“**SCR**”) containing the details of significant controllers of the company, i.e. individuals or legal entities holding, directly or indirectly, more than 25% of the issued share capital or voting rights, having the right to appoint or remove a majority of the directors or having the right to exercise or actually exercise significant influence or control over the company. Every company shall appoint a designated representative who is in charge of liaising with law enforcement officers in relation with the SCR.

Corporate registers. All Singapore companies must keep a register of members, a register of directors, a register of secretaries and a register of auditors.

Register of registrable controllers. Since 31 March 2017, all Singapore companies must maintain a register of registrable controllers (“**RRC**”) containing the details of registrable controllers of the company, i.e. individuals or legal entities holding more than 25% of the issued share capital or voting rights or who exercise significant control over the company (right to appoint or remove a majority of directors, significant influence over the company, etc.).

3. EMPLOYMENT

VISAS

Permanent residence. Any person intending to enter in Hong Kong to work or establish a business shall apply for a visa. Visas are generally granted for a 2-year period and can be renewed for subsequent 3-year periods. After residing in Hong Kong for a continuous period of at least 7 years, foreign nationals are entitled to permanent residency. Hong Kong permanent residents are entitled to enter Hong Kong to take employment or to study without any visa requirement, have the right to vote and are entitled to social benefits. About 77,000 people are granted Hong Kong permanent resident status every year.

Employment visa. The general employment policy applies to persons intending to stay in Hong Kong to be employed as professionals. The following eligibility criteria apply:

- Absence of security objection or criminal record in respect of the applicant;
- Applicant with good education background, good technical qualifications, proven professional abilities and/or relevant experience and achievements or experience;
- Genuine job vacancy in the employing company;

Permanent residence. Foreign nationals living in Singapore may apply for permanent residence. There is no minimum residence requirement for such application. To be eligible for Singapore permanent residency, the applicant shall be married to or the child of a Singapore citizen or permanent resident, be the holder of an Employment pass, S Pass (see below) or be a foreign investor or student in Singapore. However, permanent residency is granted only to persons who can contribute to and integrate into Singapore society and who commit to sinking roots in Singapore. The benefits of permanent residency are the right to stay in Singapore without visa restrictions, entitlement to social benefits and to long-stay visa for parents. It is noteworthy that male children of persons who are granted permanent residency are liable for service national service when they turn 18. About 30,000 people are granted Singapore permanent resident status every year.

Employment Pass. The Employment Pass is designed for foreign professionals who meet the following conditions:

- Foreign professional holding a job offer for a managerial, executive or specialised position in Singapore;

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- Confirmed offer of employment in a job relevant to the academic qualifications or work experience of the applicant that cannot be taken up by the local workforce;
- Remuneration package including income, accommodation, medical and other fringe benefit that is broadly commensurate with the prevailing market level for professionals in Hong Kong; and
- Sponsorship by a Hong Kong company or foreign company registered in Hong Kong.

The processing time is about 4 weeks. The visa is granted for an initial duration of 2 years, renewable for 3-year periods.

Investment as entrepreneur. This visa is designed for persons intending to stay in Hong Kong for the purpose of investing as entrepreneurs. It does not apply to residents of Mainland China and nationals of Afghanistan, Cuba, Laos, Korea, Nepal and Vietnam. The applicant shall meet the following criteria:

- Absence of security objection or criminal record in respect of the applicant;
- Applicant with good education background (first degree in the relevant field) or good technical qualifications, proven professional abilities and/or relevant experience and achievements or experience; and
- The applicant is in a position to make substantial contribution to the economy of Hong Kong, which can be evidence by providing the following documents (the list is not limitative):
 - two-year business plan, including a two-year forecast of the profit and loss, cash flow statement and balance sheet (including business turnover);
 - if the applicant is running a business overseas or has joined in a business in Hong Kong, profit and loss and balance sheet showing the business turnover and profit for the year preceding the application;
 - bank statements for the year preceding the application, proof of other sources of founding and latest audited financial report (if any);
 - proof showing the amount of capital investment in Hong Kong;

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- Fixed monthly salary of at least SG\$3,600 for young graduates and higher salaries for more experienced candidates;
- Acceptable qualifications such as good university degree, professional qualifications or specialist skills; and
- Sponsorship by a company registered in Singapore.

The application is submitted by the employer or, if the employer is not a Singapore-based company, by a third party allowed to apply on its behalf. The processing time is about 3 weeks for electronic application and 8 weeks for applications submitted in person. The pass is granted for an initial duration of 2 years, renewable for 3-year periods.

EntrePass. The EntrePass is designed for foreign entrepreneurs who intend to start a business in Singapore. The eligibility requirements are the followings:

- Intending to start or having started a private limited company registered with the ACRA since less than six months;
- Being an entrepreneur, innovator or investor and meeting the following criteria:

For entrepreneurs:

- the company raised at least SG\$100,000 from a government-recognised investment vehicle, VC or business angel;
- the company is an incubatee at a government recognised incubator or accelerator in Singapore; or
- the entrepreneur has significant business experience or network and promising entrepreneurial track record of starting highly-scalable businesses;

For innovators:

- the company or one of its shareholders holds a registered intellectual property right that delivers a competitive advantage to the proposed business and cannot be easily replicated;
- the company has an ongoing research collaboration with a research institute in Singapore that is related to the proposed business; or

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- organisational chart showing the number and level of jobs created in Hong Kong;
- document evidencing how the new technology or skills to be introduced can inspire creativity in the high value-added industries in Hong Kong;

Alternatively, if the applicant intends to establish a start-up, the start-up shall be supported by a government-backed programme.

The processing time is about 4 weeks. The visa is granted for an initial duration of 2 years, renewable for 3-year periods.

Entry of dependants. The spouse, partner in a civil partnership and children under 18 years old of persons holding an employment visa, a visa for investment as entrepreneurs, a training visa or student visa may apply for residence in Hong Kong. Permanent residents may also obtain a dependant visa for their parents aged 60 years or above. The dependant visa allows the holder to take employment or study in Hong Kong. The conditions for admission of a dependant are the followings:

- reasonable proof of a genuine relationship between the applicant and the sponsor;
- absence of record to the detriment of the applicant; and
- the sponsor shall be able to support the dependant's living at a standard well above the subsistence level and provide him/her with suitable accommodation in Hong Kong.

The processing time is about 6 weeks. The length of stay is normally linked to the sponsor's length of stay.

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- the entrepreneur has exceptional technical or domain expertise in an area related to the proposed business;

For investors:

- having a track record in investing in and driving the growth of highly-scalable businesses; or
- having at least 8 years of experience as a senior management professional or executive in a large company.

The processing time is about 8 weeks. The pass is valid for an initial duration of 1 year and subsequently renewable for 2-year periods.

S Pass. The S Pass is a work pass designed for mid-level skilled staff meeting the following criteria:

- Mid-skilled foreign employee, i.e. technicians;
- Fixed monthly salary of at least SG\$2,300 (SG\$2,400 from 1 January 2020) and higher salary for more experienced candidates;
- A degree or diploma including at least one year of full-time study;
- Years of relevant work experience;
- A medical insurance coverage of no less than SG\$15,000 per year shall be provided to the employee;
- The number of S Pass holders in a company shall not exceed 15% of the company's workforce in the services sector and 20% in other sectors; and
- Sponsorship by a company registered in Singapore.

The processing time is about 3 weeks. The pass is granted for a maximum 2-year period and can be renewed for periods of up to 3 years.

Dependant's Pass. The spouse and children under 21 years old of holders of an Employment Pass, EntrePass or S Pass can apply for a Dependant's Pass. Dependants of Employment Pass and EntrePass holders shall apply for a letter of consent from the Ministry of Manpower before taking employment in Singapore. Dependants of S Pass holders shall apply for a work permit, S Pass or Employment Pass to take employment in Singapore. To apply for Dependant's Pass, the holder of an Employment Pass, EntrePass or S Pass shall meet the following criteria:

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- Earn a fixed monthly salary of no less than SG\$6,000; and
- Be sponsored by a company registered in Singapore, which is usually the employer.

The processing time is about 3 weeks. The pass is granted for a maximum 2-year period and its duration is linked to the Employment Pass or S Pass' holder.

STATUTORY RIGHTS OF EMPLOYEES

Minimum wage. Since 1 May 2019, the minimum statutory wage in Hong Kong is HK\$37.5 per hour.

Mandatory Provident Fund ("MPF"). Both the employer, and employee aged between 18 and 65, shall contribute 5% of the employee's income, capped at a maximum monthly payment of HK\$1,500 each, to a registered MPF scheme to provide retirement benefits for the employee.

Leave entitlements. All employees have a statutory right to paid annual leave after twelve months of continuous employment. The number of days of annual leave increases progressively according to the number of years of service of the employee, but capped at 14 days of paid annual leave:

Duration of service	Days of annual leave
1 to 3 years	7 days
3 years	8 days
4 years	9 days
5 years	10 days
6 years	11 days
7 years	12 days
8 years	13 days
9 years or more	14 days

Minimum wage. Singapore does not have a minimum statutory wage.

Central Provident Fund ("CPF"). CPF contributions are due for persons employed in Singapore who are Singapore citizens or Singapore permanent residents. Employers and employees shall pay monthly CPF contributions to a mandatory social security savings scheme. The contribution rates for private sector are as follows:

Age of employee	Employee contributions (% of wage)	Employer contributions (% of wage)
Below 55 years old	17%	20%
Between 55 and 60 years old	13%	13%
Between 60 and 65 years old	9%	7.5%
Above 65 years old	7.5%	5%

Note: the monthly salary cap for CPF contributions is SG\$6,000 for employees aged 50 and below.

Leave entitlements. All employees in Singapore are entitled to paid annual leave after three months of employment. The number of annual leave entitlements depends on the employee's seniority:

Duration of service	Days of annual leave
3 months	7 days
1 year	8 days
2 years	9 days

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Termination of employment. The employment relationship may be terminated by the employee or the employer by giving notice or by payment in lieu of notice. The minimum notice period is as follows:

Duration of service		Minimum notice period
<i>During the probation period</i>		
During the 1 st month of probation		N/A
After the 1 st month of probation	Whether or not the employment contract specifies a notice period	7 days
<i>After the probation period or where there is no probation period</i>		
If the contract provides for a notice period		7 days
If the contract does not provide for a notice period		1 month

The employment contract can be summarily terminated without notice:

- by the employer, in the event of gross misconduct by the employee; or
- by the employee, if he/she reasonably fears physical danger, is subjected to ill-treatment by the employer or is permanently unfit for the type of work he/she has been employed for no less than 5 years.

Entitlements upon termination. Upon termination, employees are entitled to two types of payments:

- Severance payment is due for employees who have been employed under a continuous contract for more than 2 years and who are dismissed by reason of redundancy or are laid off; or
- Long service payment is due for employees who have been employed under a continuous contract for more than 5 years (except in the event for dismissal by reasons of redundancy or summary dismissal).

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3 years	10 days
4 years	11 days
5 years	12 days
6 years	13 days
7 years or more	14 days

Termination of employment. In Singapore, an employment contract can be terminated by the employee or the employer by giving notice or payment in lieu of notice. In the event where the employment contract does not stipulate any notice period, the following minimum statutory notice periods shall apply:

Duration of service	Minimum notice period
Less than 2 weeks	1 day
Between 26 weeks and 2 years	1 week
Between 2 and 5 years	2 weeks
More than 5 years	4 weeks

The employment contract can be terminated without notice by a party in the event where the other party committed of wilful breach of a condition of the employment contract.

Entitlements upon termination. In the event of termination of an employee who has been employed for more than 2 years because the employee's position is or is likely to become redundant to the employer, the employee is entitled to retrenchment benefits. The amount of benefits is determined by mutual agreement between the employee and the employer. The practice is to pay an amount equal to two weeks to one-month salary per year of service, depending on the company's financial position and the industry.

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The payable amount is calculated as follows:

(last month wages X 2/3)* X years of service

* without exceeding HK\$15,000

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4. TAXATION

INTERNATIONAL ANGLE

DOUBLE TAX TREATIES

Since the handover of Hong Kong to PRC in 1997, about forty double tax agreements (“DTAs”) based on the model tax convention from the Organisation for Economic Co-operation and Development (“OECD”) have been entered into by Hong Kong to avoid double taxation and prevent tax evasion and fraud in the field of taxes on income and assets. Each agreement is specific and terms differ from one country to another, as well as the method chosen to avoid double taxation.

Since 1965, more than eighty double tax agreements (“DTAs”) based on the model tax convention from the Organisation for Economic Co-operation and Development (“OECD”) have been entered into by Singapore to avoid double taxation and prevent tax evasion and fraud in the field of taxes on income and assets. Each agreement is specific and terms differ from one country to another, as well as the method chosen to avoid double taxation.

Country or region	Effective date
Austria	Year of Assessment (“YA”) 2012/2013
Belarus	YA 2018/2019
Belgium	YA 2004/2005
Brunei	YA 2011/2012
Cambodia	Pending (signed on 26 June 2019)
Canada	YA 2014/2015
Czech	YA 2013/2014
Finland	YA 2019/2020
France	YA 2012/2013
Guernsey	YA 2014/2015
Hungary	YA 2012/2013
India	YA 2019/2020
Indonesia	YA 2013/2014
Ireland	YA 2012/2013
Italy	YA 2016/2017
Japan	YA 2016/2017
Jersey	YA 2014/2015
Korea	YA 2017/2018
Kuwait	YA 2014/2015
Latvia	YA 2018/2019
Liechtenstein	YA 2012/2013
Luxembourg	YA 2008/2009
Mainland of China	YA 1998/1999

Country or region	Effective date
Albania	1 January 2012
Australia	1 January 1969
Austria	1 January 2003
Armenia	Pending (signed on 8 July 2019)
Bahrain	1 January 2005
Bangladesh	1 January 1980
Barbados	1 January 2015
Belarus	1 January 2014
Belgium	1 January 2009
Brunei	1 January 2007
Bulgaria	1 January 1998
Cambodia	1 January 2018
Canada	1 January 1977
China	1 January 2008
Cyprus	1 January 2003
Czech Republic	1 January 1999
Denmark	1 January 2001
Ecuador	1 January 2016
Egypt	1 January 2005
Estonia	1 January 2008
Ethiopia	1 January 2018
Fiji	1 January 2007
Finland	1 January 2003
France	1 January 2017
Georgia	1 January 2011

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Malaysia	YA 2013/2014
Malta	YA 2013/2014
Mexico	YA 2014/2015
Netherlands	YA 2012/2013
New Zealand	YA 2012/2013
Pakistan	YA 2018/2019
Portugal	YA 2013/2014
Qatar	YA 2014/2015
Romania	Income derived on or after 1 January 2017
Russia	YA 2017/2018
Saudi Arabia	YA 2019/2020
South Africa	YA 2016/2017
Spain	YA 2013/2014
Switzerland	YA 2013/2014
Thailand	YA 2006/2007
United Arab Emirates	YA 2016/2017
United Kingdom	YA 2011/2012
Vietnam	YA 2010/2011

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Germany	1 January 2007
Ghana	1 January 2020
Guernsey	1 January 2014
Hungary	1 January 1999
India	1 January 1994
Indonesia	1 January 1992
Ireland	1 January 2011
Isle of Man	1 January 2014
Israel	1 January 2006
Italy	1 January 1975
Japan	1 January 1996
Jersey	1 January 2014
Kazakhstan	1 January 2008
Kuwait	1 January 2004
Laos	1 January 2017
Latvia	1 January 2002
Libya	1 January 2011
Liechtenstein	1 January 2015
Lithuania	1 January 2005
Luxembourg	1 January 2016
Malaysia	1 January 2007
Malta	1 January 2009
Mauritius	1 January 1997
Mexico	1 January 1996
Mongolia	1 January 2005
Morocco	1 January 2015
Myanmar	1 January 2011
Netherlands	1 January 1968
New Zealand	1 January 2011
Nigeria	1 January 2019
Norway	1 January 1999
Oman	1 January 2007
Pakistan	1 January 1987
Panama	1 January 2012
Papua New Guinea	1 January 1993
Philippines	1 January 1977
Poland	1 January 2015
Portugal	1 January 2003
Qatar	1 January 2008
Romania	1 January 2003
Russia	1 January 2010
Rwanda	1 January 2017
San Marino	1 January 2016
Saudi Arabia	1 January 2012

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Seychelles	1 January 2016
Slovakia	1 January 2007
Slovenia	1 January 2011
South Africa	1 January 2017
South Korea	1 January 1979
Spain	1 January 2013
Sri Lanka	1 January 2018
Sweden	1 January 1966
Switzerland	1 January 2013
Taiwan	1 January 1982
Thailand	1 January 2017
Turkey	1 January 2003
Ukraine	1 January 2010
United Arab Emirates	1 January 1992
United Kingdom	1 January 1998
Uruguay	1 January 2018
Uzbekistan	1 January 2009
Vietnam	1 January 1993

EXCHANGE OF INFORMATION

Bilateral exchange of information. Hong Kong has an obligation to exchange information with its treaty partners under the exchange of information article contained in DTAs and in Tax Information Exchange Agreements ("**TIEAs**"). To date, Hong Kong has entered into seven TIEAs with jurisdictions with which it has not entered into any DTA.

Country or region	Effective date
Denmark	4 December 2015
Faroese	4 December 2015
Greenland	17 February 2016
Iceland	4 December 2015
Norway	4 December 2015
Sweden	16 January 2016
United States of America	20 June 2014

Under the exchange of information article, information is exchanged by Hong Kong upon request only. Hence, the competent authorities of a treaty partner may submit a request for exchange of information to the Hong Kong Commissioner of Inland Revenue. Except under exceptional circumstances, prior notification is given to the subject person before Hong Kong authorities supply the information requested by the foreign authorities. The subject

Bilateral exchange of information. Singapore has endorsed the Standard of exchange of information for tax purposes. Singapore's treaty partners can request transmission of information from the Inland Revenue Authority of Singapore ("**IRA**") under the exchange of information article contained in DTAs and in Tax Information Exchange Agreements ("**TIEAs**"). To date, Singapore has entered into two TIEAs.

Country or region	Effective date
Bermuda	6 December 2012
United States of America	Pending (signed on 13 November 2018)

Tax authorities of treaty partners shall request specific information and specify the purpose of the request to the IRA. The taxpayer in relation to whom information is requested will be notified of such request by the IRA.

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person concerned has the right to request a copy of the information provided and to amend factual errors.

Multilateral instrument. Hong Kong is one of the 67 signatories to the Multilateral Instrument Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting dated 7 June 2017 (“**MLI**”). However, the provisions of the MLI are subject to ratification and the entry into force of the MLI in Hong Kong is still pending. The purpose of the MLI is to provide a platform for Hong Kong to conduct automatic exchange of tax information, automatic exchange of country-by-country reports and spontaneous exchange of information on tax rulings. Upon ratification, the MLI will be applied alongside existing tax treaties.

Automatic exchange of financial account information. Since 2016, Hong Kong has implemented automatic and multilateral exchange of financial account information (“**AEOI**”) on a reciprocal basis with 75 partners. The number of reportable jurisdictions will be increased to 126 from 1 January 2020. Under the AEOI system, financial institutions must identify account holders who are tax residents in reportable jurisdictions (or controlling persons of the accounts) and provide the IRD with such information in May of each year. Financial account information is then transmitted by Hong Kong to overseas tax jurisdiction with which an arrangement is in place.

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Multilateral Instrument. Singapore is one of the 67 signatories to the Multilateral Instrument Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (“**MLI**”). The MLI entered into force in Singapore on 1 April 2019. The purpose of this convention is to allow jurisdictions to swiftly amend their tax treaties to implement the tax treaty related recommendations which include provisions regarding multilateral exchange of tax information.

Automatic exchange of financial account information. Since 2018, Singapore has implemented automatic and multilateral exchange of financial account information (“**AEOI**”) on a reciprocal basis with 64 partners under the Common Reporting Standards for exchange of information. Singapore-based financial institutions must identify the tax residency status of all account holders and report the financial account information of account holders who are tax residents of reportable jurisdictions to the IRA. Singapore authorities then provide such information to the tax authorities of the jurisdictions with which it has established AEOI relationships.

LOCAL ANGLE

COMPANIES

Transfer pricing

Three-tiered reporting requirement. Transactions between taxpayers and related parties must be carried out on an arm’s length basis, which requires that transfer prices between related parties are equivalent to prices that unrelated parties would have charged in the same or similar circumstances. As per the Action 13 of the OECD base erosion and profit shifting (“**BEPS**”), companies shall disclose transfer pricing information to tax authorities in order to allow such authorities to have a clear picture of the global allocation of income and taxes paid in each country by group companies. Hong Kong companies are required to prepare three types of transfer pricing

Reporting requirements. Transactions between taxpayers and related parties must be carried out on an arm’s length basis, which requires that transfer prices between related parties are equivalent to prices that unrelated parties would have charged in the same or similar circumstances. As per the Action 13 of the OECD base erosion and profit shifting (“**BEPS**”), companies shall disclose transfer pricing information to tax authorities in order to allow such authorities to have a clear picture of the global allocation of income and taxes paid in each country by group companies. Singapore has not adopted the OECD master/local file requirements but the

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documentation: the master file, the local file and the country-by-country ("CbC") report.

Master file and local file. Entities engaging in transactions with associated enterprises shall prepare the master file and local file, containing information focusing respectively on the group and the specific legal entity. From 1 April 2018, the master and local files shall be filed with the IRD within nine months after the end of the relevant accounting period.

Exemption. There are two types of exemptions from preparing the master and local files:

- Exemption based on business volume: entities meeting at least two of the following three criteria for a relevant accounting period:
 - The total annual revenue does not exceed HK\$400 million;
 - The total value of assets does not exceed HK\$300 million; or
 - The average number of employees does not exceed 100.
- Exemption based on related party transactions volume: entities can be exempted from preparing the local file for a specific type of transaction if they do not exceed the relevant threshold for such type of transaction (for a relevant accounting period):
 - The total volume of transfer of properties transactions (excluding financial assets and intangibles) does not exceed HK\$220 million;
 - The total volume of transactions in respect of financial assets does not exceed HK\$110 million;
 - The total volume of transfer of intangibles transactions does not exceed HK\$110 million;
 - The volume of any other transactions does not exceed HK\$44 million.

CbC report. The CbC report contains information regarding group entities, global allocation of income, taxes paid and indicators of the location of economic activity among tax jurisdictions in which the group operates. The Hong Kong ultimate parent entity of a multinational group shall prepare a CbC report only if the following conditions are met for the relevant accounting period:

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documentation requirements are consistent with OECD principles. Transfer pricing documentation shall contain records showing that related party transactions are conducted at arm's length. Transfer pricing documentation shall contain the following information:

- An overview of the business of the taxpayer's group that is relevant to the business operations in Singapore; and
- Information regarding the taxpayer's business and the transactions with its related parties, including functional analysis and transfer pricing analysis.

Some transactions with related parties can be exempted from documentation if their value does not exceed certain thresholds or are subject to the same tax rate. The transfer pricing documentation requirement applies to taxpayers meeting either of the following two conditions:

- Gross revenue derived from trade or business exceeding SG\$10 million for the basis period concerned; or
- The taxpayer was required to prepare transfer pricing documentation for the basis period immediately preceding the basis period concerned.

The documentation shall be prepared by the filing due date of the tax return and shall be submitted by taxpayers within 30 days from a request from the IRA.

Advance pricing arrangement. The IRA offers the possibility for taxpayers or its tax treaty partners to enter into advance pricing arrangements in order to prevent disputes relating to transfer pricing. Under such arrangement, the IRA and the taxpayer or, where applicable, the competent foreign authority, agree in advance an appropriate set of criteria to ascertain the transfer pricing of a taxpayer's related party transactions for a specific period of time.

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- The consolidated group revenue is at least €750 million or HK\$6.8 billion; and
- The group has constituent entities or operations in two or more jurisdictions.

From 1 January 2018, entities of reportable groups shall submit a notification to the IRD within 3 months of each accounting period, containing relevant information to determine whether a CbC report should be filed by the group. CbC report shall be filed with the IRD within 12 months after the end of the relevant accounting period, via the online CbC reporting portal.

Advance pricing arrangement. The IRD offers the possibility for taxpayers or its tax treaty partners to enter into advance pricing arrangements in order to prevent disputes relating to transfer pricing. Under such arrangement, the IRD and the taxpayer agree in advance an appropriate set of criteria to ascertain the transfer pricing of a taxpayer's related party transactions. The arrangement covers a period of 3 to 5 years.

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Tax rates

Profits tax rate. Marginal rates of taxation are 16.5% for companies and 15% for unincorporated businesses.

Two-tiered tax rates. For the year of assessment 2018-2019 onwards, Hong Kong has introduced two-tiered profits tax rates that lowers the tax rate for the first HK\$2 million of assessable profits. For companies, the applicable tax rates are as follows:

- 8.25% for the first HK\$2 million of assessable profits; and
- 16.5% on the remainder.

For unincorporated businesses, the following two-tiered tax rates apply:

- 7.5% for the first HK\$2 million of assessable profits; and
- 15% on the remainder.

Corporate tax rate. In Singapore, companies are taxed at a flat rate of 17%.

Tax exemptions for companies. Up to the year of assessment 2019, companies can enjoy reduced tax rates as follows:

- 75% tax exemption up to SG\$10,000 of income; and
- 50% tax exemption for the next SG\$290,000 of income.

From the year of assessment 2020 onwards, the following tax exemptions apply:

- 75% tax exemption up to SG\$10,000 of income; and
- 50% tax exemption for the next SG\$190,000 of income.

Tax exemptions for new start-ups companies. During their first 3 consecutive years of assessment, qualifying start-up companies enjoy tax exemptions. The following eligibility criteria apply:

- The start-up shall be incorporated in Singapore; and

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- It shall have no more than 20 shareholders, at least 1 shareholder shall be an individual holding at least 10% of the issued ordinary shares.

Up to the year of assessment 2019, the following exemptions apply:

- Full exemption on the first SG\$100,000 of income; and
- 50% tax exemption on the next SG\$200,000 of income.

From the year of assessment 2020 onwards, the exemptions will be reduced as follows:

- 75% tax exemption on the first SG\$100,000 of income; and
- 50% tax exemption on the next SG\$100,000 of income.

Taxable income

Profits sourced in Hong Kong. Any person carrying trade, profession or business in Hong Kong is chargeable on profits arising in or deriving from Hong Kong.

Assessable profits. A company's assessable profits includes the net profits arising in or derived from Hong Kong. In addition, the following sums are deemed as arising in or derived from Hong Kong:

- Royalties received for the use of intellectual property rights;
- Grants, subsidies and financial assistance granted for business carried on in Hong Kong
- Rent received for the use of movable property in Hong Kong; and
- Sums received from the exhibition of a film or tape or their advertising materials.

Territorial basis of taxation. Companies are liable to corporate tax in Singapore for income accrued in or derived from Singapore and for income received in Singapore from overseas. Income is deemed as received in Singapore from overseas where it is:

- remitted to, transmitted or brought into Singapore,
- used to pay off any debt incurred in respect of a trade or business carried on in Singapore; or
- used to purchase any moveable property brought into Singapore.

Assessable profits. The following types of income are taxable in Singapore if they are accrued in or derived from Singapore or received in Singapore from outside of Singapore:

- Gains or profits from any trade or business;
- Income from investment such as dividends, interest and rental;
- Royalties, premiums and any other profits from property; and
- Other gains that are revenue in nature

Deductions

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Non-taxable income. Capital gains are not taxable in Hong Kong. Dividends received from Hong Kong or overseas are not taxable.

Deductible expenditure. All expense incurred by a taxpayer in the production of chargeable profits are allowed for deduction, notably the followings:

- Interest on money borrowed for the purpose of producing the profits;
- Rent on buildings or land occupied by the taxpayer for the purpose of producing the profits;
- Employer's contributions to MPF schemes and other approved retirement schemes;
- Expenditure on the renovation or refurbishment of business premises; and
- Charitable donations made to approved charitable institutions or trusts of a public character or to Hong Kong Government, for an amount in aggregate exceeding HK\$100 but not exceeding 35% of the adjusted assessable profits before deduction.

Research and development expenditure. For the year of assessment 2018-2019 onwards, expenditure incurred on qualifying research and development ("R&D") wholly undertaken and carried on in Hong Kong are eligible for tax deduction:

- Expenditure relating to staff directly engaged in and consumables used for an in-house qualifying R&D activity and payments to a designated local research institution enjoy a 300% deduction up to HK\$2 million and 200% deduction beyond HK\$2 million; and
- Other expenditure enjoys a 100% deduction.

Basis period for tax assessment. The tax year is from 1 April each year until 31 March of the following year. Where a company's annual accounts are made up to another date than 31 March, the year ends on that day in the relevant year.

Provisional taxation. The profits tax is charged provisionally for each year of assessment. The actual profits of the company are subsequently ascertained

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Non-taxable income. Capital gains are not taxable in Singapore. Foreign-sourced dividends, foreign branch profits and foreign-sourced service income are exempted from tax if the following conditions are met:

- It has been subject to tax in the foreign jurisdiction from which it was received;
- The highest corporate tax rate of the foreign jurisdiction is at least 15% at the time where foreign income is received in Singapore; and
- The IRA is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

Deductible expenditure. Expenses wholly and exclusively incurred in the production of the income are generally deductible from the company's income. To be eligible for deduction, expenses shall satisfy the following conditions:

- Be solely incurred in the production of income;
- Not being contingent liability but must be incurred;
- Be revenue, and not capital, in nature; and
- Not being prohibited from deduction under the Income Tax Act.

Research and development expenditures. From the year of assessment 2019 onwards, qualifying research and development ("R&D") activities wholly conducted in Singapore enjoy a 250% tax deduction. Qualifying R&D activities wholly conducted overseas enjoy a 100% tax deduction.

Basis period for tax assessment. In Singapore, the tax year is aligned with the calendar year and runs from 1 January until 31 December each year.

Tax calendar. Taxpayer shall file a yearly annual return by 30 November of each year (15 December if the tax return is filed electronically) to report the income of the preceding calendar year. The IRA issues notices of assessment by May of the following

Tax calendar

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and the provisional profits tax paid is offset against the actual profits tax payable under the assessment.

Tax calendar. For companies, tax returns are normally issued by the IRD on the first working day in April of each year. Each company shall file the tax return within 1 month from the date of issue of the tax return (i.e. on or around 2 May of each year). The due date for payment of the profits tax is stipulated in the notice of assessment and falls normally between November of the year of issuance of the tax return and April of the following year.

Certificate of tax residence

Eligibility requirements. Companies can apply for a Certificate of Resident Status (“**CoR**”) in order to prove their resident status and to claim tax benefits under a particular DTA. Application is made by submitting the appropriate form to the IRD for each calendar year of claim. The applicant shall provide information regarding business operation for the year of claim, income, places of business, beneficial owners, employees, etc. The normal processing time is 21 working days. The IRD reported that in 2015, out of 3,000 applications for CoR, less than 10% of applications had been rejected.

Validity of CoR. Each certificate is valid for one calendar year, one applicant and only one DTA only. A company may, however, request several CoRs for the same year in order to apply several agreements. The issue of a CoR does not guarantee that the taxpayer will be successful in its claim to benefits under the relevant DTA.

Goods and services tax / Value-added tax

There is no tax on the sale of goods or supply of services nor any value-added tax in Hong Kong.

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calendar year. Companies shall pay the corporate tax within 1 month from the date of assessment.

Eligibility requirements. Companies can apply for a Certificate of Resident Status (“**CoR**”) in order to prove their resident status and to claim tax benefits under a particular DTA. Singapore tax residents that derive income from other countries may apply for a CoR which is established in the form of a letter certifying that the company is a tax resident in Singapore for the purpose of claiming benefits under a DTA. To be eligible for a CoR, a company must provide information evidencing that the control and management of its business was exercised in Singapore in a specified calendar year. The normal processing time is 7 working days.

Validity of CoR. A company may apply for a CoR for the current calendar year at the time of application and up to four preceding calendar years.

Taxable supplies. In Singapore, the supply of goods and services and the import of goods are subject to the goods and services tax (“**GST**”) at a flat rate of 7%.

Exemptions. Most financial services are exempted from GST, as well as sale and rental of unfurnished residential properties and importation of investment precious metals.

Zero-rate GST. The export of goods overseas and international services are zero-rated.

INDIVIDUALS

Tax rate

Salaries tax rate. In Hong Kong, the net chargeable income of individuals is charged at progressive rates. However, if the tax payable after applying progressive rates on the net chargeable income (assessable income after deductions and allowances) exceeds the tax payable after applying a standard flat rate of 15% on the assessable income after deductions but before allowances, the flat rate applies. Below are the applicable tax rates for the year of assessment 2018-2019 onwards:

Net chargeable income	Tax rate
First HK\$50,000	2%
Next HK\$50,000 (up to HK\$100,000)	6%
Next HK\$50,000 (up to HK\$150,000)	10%
Next HK\$50,000 (up to HK\$200,000)	14%
Remainder (over HK\$200,000)	17%

Income tax rates for residents. In Singapore, the income tax rates depend on the tax residency of the taxpayer. The following progressive tax rates apply for Singapore citizens, Singapore permanent residents and foreigners who have stayed or worked 183 days or more in Singapore in the year before the year of assessment:

Net chargeable income	Tax rate
First SG\$20,000	0%
Next SG\$10,000 (up to SG\$30,000)	2%
Next SG\$10,000 (up to SG\$40,000)	3.5%
Next SG\$40,000 (up to SG\$80,000)	7%
Next SG\$40,000 (up to SG\$120,000)	11.5%
Next SG\$40,000 (up to SG\$160,000)	15%
Next SG\$40,000 (up to SG\$200,000)	18%
Next SG\$40,000 (up to SG\$240,000)	19%
Next SG\$40,000 (up to SG\$280,000)	19.5%
Next SG\$40,000 (up to SG\$320,000)	20%
Remainder (over SG\$320,000)	22%

Tax rates for non-residents. Foreigners who have stayed or worked in Singapore for less than 183 days in the year before the year of assessment are considered as non-residents. Their employment income is taxed at a flat rate of 15% or the progressive resident rates, whichever results in a higher amount of tax. Non-residents are exempted from tax for short-term employment of 60 days or less in a year. This exemption does not apply to remuneration received as director or consultant. Director's fees, consultation fees and other incomes are taxed at a flat rate of 22%.

Taxable income

Territorial concept of taxation. An individual is liable to salaries tax for all income arising in or derived from Hong Kong from an office, employment or any pension. The taxable income includes (without being limitative):

- Salaries, wages and director's fees (for office held in Hong Kong);

Employment income. All income derived by an employee from his employment are taxable. The taxable income includes (without being limitative):

- Salaries, director's fees derived from a company that has presence in Singapore and commissions received as a self-employed person or through a partnership;

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- Commissions, bonuses, leave pay, end of contract gratuities and payments in lieu of notice;
- Allowances, perquisites and fringe benefits (cash allowances, education benefits, holiday journey benefits, etc.);
- Tips received from any person because of employment;
- Salaries tax paid by employer;
- Value of a place of residence provided by employer;
- Stock awards and share options obtained from holding an office or employment;
- Back pay, gratuities, deferred pay and pay in arrears; and
- Termination payments, retirement benefits and pensions.

Non-chargeable income. Severance payments and long-service payments are excluded from the taxable income. Income attributable to services rendered outside Hong Kong is exempt from salaries tax if the following three conditions are met:

- The contract of employment was negotiated and entered into outside Hong Kong;
- The employer is not a Hong Kong resident; and
- The remuneration is paid outside of Hong Kong.

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- Bonuses, payments in lieu of notice, payments for restrictive covenants and compensation for loss of office;
- Allowances and benefits in kind;
- Accommodation benefits derived from the employment;
- Any tax paid by the employer;
- Gains from any employee share purchase plans;
- Contributions to pension or provident fund; and
- Rental income from the rent of the taxpayer's property.

Non-chargeable income. Income derived from outside Singapore, dividends from a Singapore company and bank interest are exempt from income tax. However, overseas income is taxable in Singapore where the overseas employment is incidental to the taxpayer's employment or trade in Singapore, where the work is performed for a foreign employer located in Singapore or where the services are rendered in Singapore.

Deductions

Allowable deductions. The following types of expenditure can be deducted from the assessable income (without being limitative):

- Outgoing and expenses wholly, exclusively and necessarily incurred in the production of the assessable income;
- Contributions to a Mandatory Provident Fund scheme or Recognized Occupational Retirement scheme;
- Home loan interest;
- Donations made to approved charitable organizations; and
- Elderly residential care expenses.

Allowances. Taxpayers are entitled to the basic allowance (HK\$132,000 for the year of assessment

Allowable deductions. Individuals can claim the following deductions to reduce their taxes (without being limitative):

- Employment expenses wholly and exclusively incurred in the production of the employment income in Singapore;
- Business expenses incurred in the course of running a business;
- Medical expenses (capped at 1% of the total annual remuneration);
- Rental expenses incurred solely for producing the rental income; and
- Qualifying charitable donations.

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2018-2019 onwards) and may claim other allowances depending on their situation (married person's allowance, child allowance, dependent parent and dependent grandparent allowance, etc.). The allowance is deducted from the assessable income.

Tax calendar

Basis period for tax assessment. The tax year is from 1 April each year until 31 March of the following year.

Provisional taxation. The salaries tax is charged provisionally for each year of assessment. The actual profits of the taxpayer are subsequently ascertained and the provisional profits tax paid is offset against the actual profits tax payable under the assessment.

Tax calendar. Individual tax returns are issued by the IRD on or around 2 May of each year. Taxpayers shall complete and return tax returns to the IRD within one month from their date of issue. Taxpayers then receive a demand note stating the amounts payable, usually in 2 instalments (around January and April of the following year).

Certificate of tax residence

Eligibility requirements. Individuals can apply for a CoR in order to prove their resident status and to claim tax benefits under a particular DTA. Application is made by submitting the appropriate form to the IRD for each calendar year of claim. The applicant shall provide information evidencing the reality of their stay and activity in Hong Kong. Individuals can apply for a CoR if they ordinarily reside in Hong Kong or if they stayed in Hong Kong more than 180 days during a year of assessment or more than 300 days in two consecutive years of assessment. The normal processing time is 21 working days.

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Home loan interest cost or commercial property loan interest cost are not tax deductible in Singapore.

Tax reliefs and rebates. Tax reliefs and tax rebates are available for taxpayers depending on their situation (married couples, families, etc.). Contributions made to CPF scheme also qualify for tax relief.

Basis period for tax assessment. In Singapore, the tax year is from 1 January until 31 December each year.

Tax calendar. Taxpayer shall file a yearly annual return by 15 April of each year (18 April if the tax return is filed electronically) to report the income of the previous year. The IRA issues notices of assessment between April and September of each year. Taxpayers shall pay their taxes within 1 month from the date of assessment (in one or twelve instalments).

Not Ordinarily Resident ("NOR") Scheme. Individuals may apply for the NOR status, which is granted for a period of five years. The following tax concessions are available under the NOR Scheme:

- The individual will not be taxed on the portion of Singapore employment income corresponding to days spent outside Singapore for business reasons, provided that the individual has spent at least 90 days outside Singapore and that his/her Singapore employment income is at least SG\$160,000; and
- Tax exemption is available on contribution made by the employer to any non-mandatory overseas contribution scheme, provided that the employee is not a Singapore citizen or permanent resident and his/her Singapore employment income is at least SG\$160,000.

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Validity of CoR. A CoR is valid for one calendar year, one applicant and only one DTA only. The issue of a CoR does not guarantee that the taxpayer will be successful in its claim to benefits under the relevant DTA.

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Eligibility requirements. The eligibility requirements are listed below:

- The applicant shall be a tax resident for the current year of assessment at the time of application; and
- The applicant shall have been a non-resident for three consecutive years of assessment immediately preceding the application.