

II. TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES

(1) DEVELOPMENT AND ADMINISTRATION OF TRADE POLICY

1. Singapore's trade policy goals are to: expand the international economic space for Singapore-based companies; seek a fair and predictable international trading environment; and minimize impediments to the flow of imports. It seeks to achieve these goals by engaging with its trading partners multilaterally, regionally, and bilaterally. The authorities affirmed that the multilateral framework of the WTO remains the bedrock of Singapore's trade policy.

2. Responsibility for trade policy formulation and implementation in Singapore remains vested in the Ministry of Trade and Industry (MTI). MTI's Trade Division deals with Singapore's external ties, including the WTO, its participation in ASEAN and APEC, and its bilateral relations. In 2008, Contact Singapore was formed to facilitate the entry of investors into Singapore. The Economic Strategies Committee (ESC) was created in 2009 with a mandate to develop strategies to build Singapore's capabilities as a global city and maximise opportunities therefrom in order to achieve sustained and inclusive growth. It released its recommendations in 2010 (Chapter I(4)), and was then disbanded. The ESC's recommendations are being followed-up by respective lead agencies, with MTI and the Ministry of Finance having overall monitoring responsibility. Among the ESC's recommendations was the establishment of a National Productivity and Continuing Education Council (NPCEC). The NPCEC met for the first time in April 2010; it is chaired by the Deputy Prime Minister and comprises representatives from government, unions, and industry, and is supported by a secretariat.¹ There have been no further institutional changes with respect to trade-related responsibilities during the review period (Table AII.1).

3. The MTI consults regularly with the business community, primarily through meetings with the various chambers of commerce and trade associations, such as the Singapore Business Federation (SBF). Regular consultations are also held with the tripartite National Wages Council, the National Trades Union Congress, and the Consumers Association of Singapore. National committees may be formed on an ad hoc basis to examine specific issues. Public consultations are conducted through various channels including ministries' websites. REACH (reaching everyone for active citizenry@home) is an additional platform through which public consultations are undertaken and announcements made.²

4. Singapore conducts an annual review to identify potential FTA partners. The authorities noted that stakeholder consultations are conducted before and during the negotiations. Cabinet approval is then sought before the negotiations are concluded. The power to make and ratify international treaties is vested in the Cabinet and parliamentary ratification of trade agreements is not required. The authorities clarified that where implementation of an FTA requires domestic legislation, Parliament's approval is sought to enact any such legislation before the FTA is ratified. As noted in Singapore's previous review, WTO provisions may not be invoked before a national court of law but may be enforced through enabling legislation or, if applicable, as part of common law.

¹ Government of Singapore Press Centre online information. Viewed at: http://www.news.gov.sg/public/sgpc/en/media_releases/agencies/mti/press_release/P-20100430-1/AttachmentPar/0/file/NPCEC-Press%20Release.pdf.

² REACH. Viewed at: <http://www.reach.gov.sg>.

(2) TRADE AGREEMENTS AND ARRANGEMENTS

(i) World Trade Organization

5. Singapore grants at least most-favoured-nation (MFN) treatment to WTO Members and non-members. It is a participant in the WTO Information Technology Agreement (ITA) and the Plurilateral Agreement on Government Procurement (GPA). It is a signatory to the GATS protocols on telecommunications (Fourth Protocol) and financial services (Fifth Protocol). It is not a signatory to the Plurilateral Agreement on Trade in Civil Aircraft, but has observer status in the Committee.

6. Singapore's priorities in the Doha Development Agenda (DDA) are to work towards greater market access in goods and services, and it has stated its determination to see an ambitious and balanced conclusion to the DDA.³ At the 2011 Ministerial Conference, the Minister for Trade and Industry highlighted the WTO's important role in guarding against protectionism and in promoting trade and development, and urged Members to take a pragmatic and positive approach to moving the DDA negotiations forward.⁴ Since 2008, Singapore has put forward or co-sponsored proposals in the negotiating groups on trade facilitation⁵, rules⁶, and market access⁷. Singapore submitted its GATS initial offer on 15 July 2003 and a revised offer on 31 May 2005.

7. During the period under review, Singapore has not been involved in any disputes at the WTO.

8. Singapore has maintained a solid record of making notifications to the WTO (Table AII.2). However, notifications are outstanding in the areas of imports and government procurement. Singapore has not notified amendments in 2011 to the China-Singapore FTA (CSFTA).⁸ In addition, it has not notified, over the review period, any new or changes to existing laws, regulations or administrative guidelines that significantly affect trade in services covered by its specific commitments (GATS Article III:3).

(ii) Regional and bilateral arrangements

Overview

9. Singapore is a member of ASEAN, which has component agreements on goods (ASEAN Trade in Goods Agreement (ATIGA)); services (ASEAN Framework Agreement on Services (AFAS)) and investment (Framework Agreement on the ASEAN Investment Area (AIA)). The AIA will be superseded by the ASEAN Comprehensive Investment Agreement (ACIA) when it enters into force in 2012. Including ASEAN members, Singapore's network of FTAs covers 18 regional and bilateral agreements encompassing 24 trading partners. In a number of instances, bilateral and

³ WTO document TN/C/W/58, 15 April 2011.

⁴ WTO online information. Viewed at: http://www.wto.org/english/thewto_e/minist_e/min11_e/min11_statements_e.htm#qt.

⁵ WTO documents TN/TF/W/168, 5 February 2010; TN/TF/W/167, 6 January 2010; TN/TF/W/138/Rev.3, 25 June 2009; and TN/TF/W/138/Rev.2, 10 March 2008.

⁶ WTO documents TN/RL/W/244, 20 November 2009; TN/RL/W/233, 8 July 2008; TN/RL/W/222, 12 March 2008; TN/RL/W/224, 12 March 2008; TN/RL/W/215, 31 January 2008; and TN/RL/W/214/Rev.3, 25 January 2008.

⁷ WTO documents TN/MA/W/117, 27 May 2009; TN/MA/W/116, 27 May 2009; TN/MA/W/115, 22 May 2009; TN/MA/W/63/Add.3, 8 April 2008; TN/MA/W/75/Add.1/Rev.1, 4 April 2008; and TN/MA/W/61/Add.3, 10 March 2008.

⁸ For a description of these amendments, see: http://www.fta.gov.sg/csfta/csfta_amendment_protocol_factsheet.pdf.

regional agreements overlap: three agreements apply to New Zealand (Table II.1). The authorities clarified that bilateral and regional agreements exist alongside each other and companies are free to choose between them.

10. The authorities indicated that Singapore's main priorities in FTA negotiations are to achieve comprehensive coverage resulting in either immediate or staged (no more than 10 years) tariff elimination on all goods, with simple, flexible, and liberal rules of origin to facilitate trade. In terms of rules, Singapore seeks to minimize the use of trade remedies, such as non-application of anti-dumping measures. It also seeks to eliminate WTO-inconsistent NTBs, achieve greater market access and removal of restrictions for services and investment, as well as have disciplines that provide for the protection of investors and investment.

Table II.1
Singapore's participation in RTAs and FTAs, January 2012

| | ASEAN | ASEAN-FTAs (entry into force) | BILATERAL FTAs (entry into force) |
|----------------------|-------|----------------------------------|--------------------------------------|
| Australia | | X (2010) | X (2003) |
| Brunei Darussalam | X | | X (2006 ^a) |
| Cambodia | X | | |
| Chile | | | X(2006 ^b) |
| China | | X (2005 and 2007 ^b) | X (2009) |
| Iceland (EFTA) | | | X (2003) |
| India | | X (2010) | X (2005) |
| Indonesia | X | | |
| Japan | | X (2008) | X (2002 & 2007 ^b) |
| Jordan | | | X (2005) |
| Korea | | X (2009 and 2010 ^b) | X (2006) |
| Lao PDR | X | | |
| Liechtenstein (EFTA) | | | X (2003) |
| Malaysia | X | | |
| Myanmar | X | | |
| New Zealand | | X (2010) | X (2001 & 2006 ^a) |
| Norway (EFTA) | | | X (2003) |
| Panama | | | X (2006) |
| Peru | | | X (2009) |
| The Philippines | X | | |
| Switzerland (EFTA) | | | X (2003) |
| Thailand | X | | |
| United States | | | X (2004) |
| Viet Nam | X | | |

Note: The main features of the FTAs that entered into force before 2008 are described in Singapore's previous Review (WTO document WT/TPR/S/202/Rev.1, 26 September 2008, Chapter II, Table II.3).

a Refers to the Trans-Pacific SEP comprising Brunei, New Zealand, and Chile.

b Refers to entry into force of separate agreements on goods and services (see Table II.2 below).

Source: IE Singapore online information. Viewed at: http://www.fta.gov.sg/sg_fta.asp.

11. Exports from Singapore receive preferential access to the markets of Canada and Russia under the Generalized System of Preferences (GSP); to Mauritius and Seychelles under the Commonwealth Preference (CP) scheme; and to participants in the Global System of Trade Preferences among Developing Countries (GSTP). While Singapore was graduated from the EU's

GSP scheme in 1998, products manufactured within Singapore may still be used as inputs in the products of other another ASEAN beneficiary, and ASEAN-originating goods may be re-exported from Singapore to the EU under the GSP.

12. Singapore participates in intergovernmental arrangements for dialogue and cooperation with other Pacific Rim countries through the Asia Pacific Economic Co-operation (APEC) forum, and with Europe through the Asia-Europe Meeting (ASEM).

Developments over the review period (2008-12)

13. Singapore, together with the other members of ASEAN is continuing to work towards achieving an ASEAN Community by 2015. The end goal is a single market and production base, in which there is a free flow of goods, services, investments, and skilled labour, and a freer flow of capital, along with equitable economic development, and reduced poverty and socio-economic disparities. The Community comprises three pillars: political-security; socio-cultural; and economic. An AEC Blueprint sets out the targets and deadlines for advancing the economic pillar (the ASEAN Economic Community (AEC)).⁹

14. In furtherance of implementing the AEC Blueprint targets, the Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area (CEPT-AFTA) was reviewed in 2008 and enhanced into a more comprehensive legal instrument, the ASEAN Trade in Goods Agreement (ATIGA). This was signed in February 2009 and entered into force in May 2010. The ATIGA preserves, consolidates, and streamlines all the provisions in the CEPT-AFTA; enhances the transparency of Members' tariff reduction schedules; codifies non-tariff measures (NTMs), and a mechanism has been set up to monitor their elimination; and it includes a dedicated chapter on trade facilitation.¹⁰

15. In addition, ASEAN has reviewed its investment agreements and developed the ASEAN Comprehensive Investment Agreement (ACIA), which was signed in February 2009. The ACIA will replace the existing ASEAN Investment Agreement and ASEAN Investment Guarantee Agreement and will bring together liberalization, protection, promotion, and facilitation measures under a single comprehensive agreement. The authorities indicated that Singapore has ratified the ACIA, which should enter into force in 2012. They also indicated that Singapore has signed protocols to implement the eighth package of services liberalization commitments under the ASEAN Framework Agreement on Services (AFAS) (see Chapter IV(2)(i)).

16. Six new FTAs entered into force during the review period: four are regional agreements negotiated in the context of ASEAN, and two were negotiated bilaterally by Singapore. In addition, the goods part of ASEAN's FTA with China was amended in 2010 (Table II.2).

⁹ Four overarching goals have been identified under the AEC Blueprint: a single market and production base (with 12 sectors earmarked as priorities for integration, i.e. electronics, e-ASEAN, healthcare, wood-based products, automotives, rubber-based products, textiles and apparel, agri-based products, fisheries, air travel, tourism, and logistics services); a highly competitive economic region (including the areas of competition policy, taxation, and, IPRs); a region of equitable economic development (including facilitating SME development); and a region fully integrated into the global economy. For further details on specific measures and timeframes, see the AEC Blueprint. Viewed at: <http://www.asean.org/21083.pdf>.

¹⁰ ASEAN online information. Viewed at: <http://www.aseansec.org/Fact%20Sheet/AEC/2010-AEC-025-2.pdf>.

Table II.2
FTAs that entered into force during the review period (2008-12)

| ASEAN FTAs | |
|---|--|
| ASEAN Members, Australia and New Zealand (AANZFTA) | |
| Title | Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area |
| Parties | ASEAN, Australia, and New Zealand |
| Date of signature/entry into force | February 2009/January 2010 |
| Transition for full implementation by Singapore (goods) | No transition period. 100% of tariff lines duty free on entry into force of agreement |
| Services covered | Positive list approach to scheduling of services sectors in Annex 3 of the FTA. Specific commitments made in 11 sectors (all except "other") identified in the Services Sectoral Classification List (GATT document MTN.GNS/W/120, 10 July 1991) |
| Selected features | Advance origin/classification/valuation ruling on request; trade in services; investment; movement of natural persons; dispute settlement; intellectual property |
| WTO consideration status | Factual presentation on hold (as at January 2012) |
| Singapore's merchandise trade with Australia and New Zealand (2010) | Australia: 1.1% of total imports; 3.6% of total exports New Zealand: 0.2% of total imports; 0.5% of total exports |
| WTO document series | WT/REG284/N/1 and S/C/N/545, 9 April 2010 |
| ASEAN member countries and India | |
| Title | Agreement on Trade in Goods (under the Framework Agreement on Comprehensive Economic Co-operation between ASEAN and the Republic of India, 2003, as amended in 2009) |
| Parties | ASEAN and India |
| Date of signature/entry into force | October 2009/October 2010 |
| Transition for full implementation by Singapore (goods) | No transition period. 100% of tariff lines duty free on entry into force of agreement |
| Selected features | Agreement applies to goods only |
| WTO consideration status | Factual presentation on hold (as at January 2012) |
| Singapore's merchandise trade with India (2010) | 3.0% of total imports; 3.8% of total exports |
| WTO document series | WT/COMTD/N/35, 23 August 2010 |
| ASEAN member countries and Japan | |
| Title | Agreement on Comprehensive Economic Partnership Among Japan and Member States of ASEAN |
| Parties | ASEAN and Japan |
| Date of signature/entry into force | March 2008/December 2008 |
| Transition for full implementation by Singapore (goods) | No transition period. 100% of tariff lines duty free on entry into force of agreement |
| Selected features | Agreement applies to goods only. Provisions on services and investment subject to future negotiations |
| WTO consideration status | Factual presentation on hold (as at January 2012) |
| Singapore's merchandise trade with Japan (2010) | 7.9% of total imports; 4.7% of total exports |

Table II.2 (cont'd)

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|---|---|
| WTO document series | WT/REG277/N1, 14 December 2009, and WT/REG277/N2, 27 July 2011 |
| ASEAN member countries and Korea | |
| Title | Agreement on Trade in Goods (falling under the 2005 Framework Agreement on Comprehensive Economic Co-operation among the Governments of the Republic of Korea and ASEAN) |
| Parties | ASEAN and Korea |
| Date of signature/entry into force | Goods: 2006/2010 Services: 2008/2009 |
| Transition for full implementation by Singapore (goods) | Transition period completed. 100% of tariff lines duty free as of 2010 |
| Services covered | Positive list approach to scheduling of services sectors in Annex/SC1 of the FTA. Specific commitments made in all 12 sectors identified in the Services Sectoral Classification List (GATT document MTN.GNS/W/120, 10 July 1991) |
| Selected features | Transitional safeguard; dispute settlement |
| WTO consideration status | Factual presentation on hold for goods; factual presentation in preparation for services (as at January 2012) |
| Singapore's merchandise trade with Korea (2010) | 5.8% of total imports; 4.1% of total exports |
| WTO document series | WT/REG287/N/1; WT/COMTD/N/33; S/C/N/559; S/C/N/560, 8 July 2010. S/C/N/559/Add.1; S/C/N/560, Add.1, 3 May 2011 |
| BILATERAL FTAs | |
| China-Singapore Free Trade Agreement (CSFTA) | |
| Parties | Singapore and China |
| Date of signature/entry into force | October 2008/January 2009 |
| Transition for full implementation by Singapore (goods) | No transition period. 100% of tariff lines duty free on entry into force of agreement |
| Services covered | Positive list approach to scheduling of services sectors in Annex 5, Part B of the FTA. Specific commitments made in all 12 sectors identified in the Services Sectoral Classification List (GATT document MTN.GNS/W/120, 10 July 1991) Under the CSFTA Amendment Protocol (signed July 2011), a second package of ASEAN-China services commitments entered into force in January 2012 between China and Singapore ahead of other ASEAN countries. Under this second package, Singapore opened-up "other taxes and related services" |
| Selected features | Advance origin ruling on request; prohibition on export subsidies; bilateral safeguard; investment provisions in ASEAN-China Investment Agreement (once completed) to form a part of the agreement; movement of business persons; and dispute settlement provisions |
| WTO consideration status | Factual presentation in preparation (as at January 2012) |
| Singapore's merchandise trade with China (2010) | 10.8% of total imports; 10.3% of total exports |
| WTO document series | WT/REG262/N/1 and S/C/N/483, 4 March 2009 |
| Peru-Singapore FTA (PeSFTA) | |
| Parties | Singapore and Peru |
| Date of signature/entry into force | May 2008/August 2009 |
| Transition for full implementation by Singapore | No transition period. 100% of tariff lines duty free on entry into force of agreement |
| Services covered | Services trade is covered in Chapters 10 (investment); 11 (Cross-border trade in services); and 12 (Temporary entry of business persons). Chapter 11, <i>inter alia</i> , does not apply to government procurement, air services, and financial services. The agreement follows a negative list approach for services and investment, with all sectors and sub-sectors assumed to be covered unless specified (for Singapore these are set out in Annex 11C). For a detailed explanation of the FTA's provisions on services and investment, and Singapore's commitments see WTO document WT/REG269/1/Rev.1, 1 October 2010, Chapter IV |

Table II.2 (cont'd)

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|--|--|
| Selected features | Prohibition on export duties; prohibition on consular fees; Special Agricultural Measure; advance customs rulings (origin, classification, and qualification for duty-free entry); bilateral safeguard; government procurement; investment; temporary entry for business persons; e-commerce; competition policy; transparency; and dispute settlement |
| WTO consideration status | Consideration by CRTA on 27 and 28 September 2010 |
| Singapore merchandise trade with Peru (2010) | 0.004% of total imports; 0.008% of total exports |
| WTO document series | Agreements: WT/REG269/N/1 and S/C/N/502, 3 August 2009. Documents related to factual presentation and CRTA consideration process: WT/REG269/1/Rev.1, 1 October 2010; WT/REG269/2, 20 September 2010; and WT/REG269/M/1, 1 October 2010 |

Source: MTI online information. Viewed at: http://www.fta.gov.sg/sg_fta.asp and UNSD, Comtrade database.

17. ASEAN negotiations are on-going with India and Japan on services and investment. Singapore has signed FTAs with Costa Rica and the Gulf Co-operation Council (Bahrain, Kuwait, Qatar, the Kingdom of Saudi Arabia, and the United Arab Emirates) but these have not yet entered into force. In addition, in 2011, ASEAN Members agreed on a Framework on Regional Comprehensive Economic Partnership (RCEP). Under this Framework ASEAN Members will work towards a single FTA which would consolidate, and improve upon, ASEAN's FTAs with third countries.¹¹ Singapore has on-going negotiations with Canada, the European Union, Mexico, Pakistan, Ukraine, and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.¹² At the regional level, Singapore is participating in the Trans-Pacific Partnership (TPP) negotiations.¹³

18. APEC trade and investment-related initiatives over the review period have included: the second Trade Facilitation Action Plan (TFAP II), which called for the reduction of transaction costs by 5% during 2007-10; the APEC Investment Facilitation Action Plan (2008); the Supply Chain Connectivity Framework launched in 2009; and the 2010 Bogor Goals Assessment. Singapore was a member of the APEC Pathfinder on Self-certification (2009), and is also a proponent of the APEC Ease of Doing Business Action Plan (2010-2015).

(3) FOREIGN INVESTMENT REGIME

19. Singapore actively encourages FDI through the provision of tax incentives (Chapter III(3)(i)). According to UNCTAD, these incentives are targeted at encouraging skill- and knowledge-intensive industries, and the Government, together with transnational corporations, has instituted training programmes to equip the local workforce with the skills required to work for these companies.¹⁴ A variety of programmes support the entry of investors and skilled labour.¹⁵

¹¹ ASEAN online information. Viewed at: <http://www.aseansec.org/26744.htm>.

¹² MTI online information. Viewed at: <http://www.fta.gov.sg/index.asp>.

¹³ The TPP parties are: Australia; Brunei; Chile; Malaysia; New Zealand; Peru; Singapore; the United States; and Viet Nam.

¹⁴ UNCTAD (2011a).

¹⁵ Under the Global Investor Programme (GIP) investors may apply for Singapore Permanent Residence status if they invest US\$2.5 million in a new business entity/expand an existing business operation (in a specified business area); or invest at least US\$2.5 million in a GIP-approved fund. The Multiple Journey Visa facilitates the entry of business executives requiring a visa into Singapore, which may be issued for 1, 2 or 5 years. The EntrePass facilitates the entry and stay of entrepreneurs (and their families) involved in the start-up and operation of a company; it is valid initially for 2 years and renewable as long as the business remains viable (EDB online information. Viewed at http://www.edb.gov.sg/edb/sg/en_uk/index/why_singapore/Guide_to_Investing_in_Singapore/entering_singapore.html).

20. The Economic Development Board (EDB) is the lead government agency charged with developing and implementing strategies to enhance Singapore's position as a global business centre, including through acting as a one-stop-shop for local and foreign investors. The EDB's economic development strategies are shaped by its "Host to Home" framework, which reflects the aim to achieve economic growth through greater productivity, and a focus on higher-value-added business activities (see Chapter I). It envisages Singapore building on its strengths to become a global hub for business, innovation, and talent. The Host to Home framework encompasses three mutually reinforcing dimensions: ensuring that Singapore's policies and infrastructure are attractive to business; ensuring that the private and public sectors can work together to drive innovation and encourage entrepreneurship; and creating an optimal environment for talent to flourish.¹⁶

21. Contact Singapore is responsible for devising and implementing strategies to attract overseas Singaporeans and foreign individuals to invest, work, and live in Singapore.

22. Singapore does not have an overarching investment law although some investor protection provisions are contained in the Companies Act, and the Securities and Futures Act¹⁷. It maintains FDI restrictions in only a few sectors: broadcasting and domestic news media¹⁸; retail banking (Chapter IV(2)(ii)); and legal services. Foreign ownership restrictions also apply to Singapore designated airlines, depending on the requirements of Singapore's air services agreements. Over the review period, there has been some liberalization of legal services (Chapter IV(2)(v)).

23. There are investment provisions in several of Singapore's FTAs, and negotiations to elaborate investment rules are in train between ASEAN and India, and ASEAN and Japan. These negotiations are expected to be concluded in 2012. Singapore concluded three new investment guarantee agreements during the review period (Table II.3).

Table II.3
Participation in investment-related agreements, April 2012

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| <p>Free-trade agreements containing investment provisions and investment agreements within the context of economic cooperation agreements</p> <p>Framework Agreement on the ASEAN Investment Area (AIA); ASEAN-Australia-New Zealand FTA (Chapter 11); ASEAN-China Investment Agreement; ASEAN-Korea Investment Agreement; Peru-Singapore FTA (Chapter 10); China-Singapore FTA (Chapter 10); India-Singapore FTA (Chapter 6); Australia-Singapore FTA (Chapter 8); EFTA-Singapore FTA (Part IV); Japan-Singapore FTA (Chapter 8); Korea-Singapore FTA (Chapter 10); New-Zealand-Singapore FTA (Chapter 6); Panama-Singapore FTA (Chapter 9); US-Singapore FTA (Chapter 15)</p> <p>Bilateral investment treaties (investment guarantee agreements)</p> <p>In force (date of entry into force): ASEAN (1989); Bahrain (2004); Bangladesh (2004); Belarus (2001); Belgium (1980); Bulgaria (2006); Cambodia (2000); Canada (1971); China (1986); Czech Republic (1995); Democratic People's Republic of Korea (2009); Egypt (2002); France (1976); Germany (1975); Hungary (1999); Indonesia (2006); Jordan (2005); Laos (1998); Latvia (1999); Libya (2011); Luxembourg (1978); Mauritius (2000); Mexico (2011); Mongolia (1996); Netherlands (1973); Oman (2008); Pakistan (1995); Poland (1993); Saudi Arabia (2007); Slovak Republic (2007); Slovenia (2000); Sri Lanka (1980); Switzerland (1978); Turkey (2010); Ukraine (2007); United Kingdom (1975); United States (1966); Uzbekistan (2003); and Viet Nam (1992)</p> <p>Concluded or signed but not yet in force: Kuwait (2009); Russia (2010); and United Arab Emirates (2011)</p> <p>Under negotiation: Kazakhstan</p> |
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Table II.3 (cont'd)

¹⁶ EDB online information. Viewed at http://www.sedb.com/edb/sg/en_uk/index/why_singapore/host_k_home.html.

¹⁷ The Companies Act protects minority shareholders from potential abuse of the majority shareholder's voting power. The Securities and Futures Act provides for the disclosure of relevant information to investors.

¹⁸ Singapore's local broadcasting and newspaper sectors are effectively closed to foreign firms. Section 44 of the Broadcasting Act restricts foreign equity ownership of companies broadcasting to the Singapore domestic market to less than 49%. Approval from the Minister of Information, Communications and the Arts is required for foreign ownership of 49% or more of the shares of any major local broadcasting company, as well as for individual equity stakes of 5% or more in broadcasting companies. See WTO (2008).

Membership of international arbitral conventions/bodies

Signatory to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), and member of ICSID. The provisions of the ICSID Convention are incorporated into domestic law through the Arbitration (International Investment Disputes) Act (Chapter 11); and the provisions of the New York Convention as well as the UNCITRAL Model Law on International Commercial Arbitration are incorporated through the International Arbitration Act (Chapter 183A)

Other

Singapore is a member and shareholder of the Multilateral Investment Guarantee Agency (MIGA)

Source: Inland Revenue Authority of Singapore online information. Viewed at: <http://www.iras.gov.sg/irasHome/page.aspx?id=812#comprehensive>; and Ministry of Trade and Industry online information. Viewed at: <http://app.mti.gov.sg/default.asp?Id=2785>.

24. The Government has considerable influence over the allocation and pricing of land for industrial, agricultural, housing, and recreational use. In 2012, the State owned 58% of total land area. The remaining land is mostly owned by Statutory Boards (see Chapter III(3)(iii)). For instance, most industrial land is owned and managed by the JTC Corporation, and a significant share of land for public housing purposes is owned by the Housing and Development Board, although private ownership of land is permitted.¹⁹ Foreign ownership of landed residential properties in Singapore is restricted under the Residential Property Act. Foreigners who wish to purchase such properties must seek the approval of the Minister of Law. The Singapore Land Authority (SLA) is responsible for managing all state land and buildings (including the sale and lease of state land and buildings), conducting land acquisitions, approving land surveys, managing the national land titles register, developing and marketing land information, and maintaining the national land information database. Government revenue from the lease and sale of land was not available.

(4) FRAMEWORK FOR BUSINESS

25. The legal forms of business structure in Singapore are: company, sole proprietorship, partnership, limited liability partnership, and limited partnership.²⁰ While there have been no changes to the laws governing these entities over the review period, a review of the Companies Act has been undertaken. The report emanating from the review was published for public consultation in June 2011 and the feedback received is being evaluated by the Accounting and Corporate Regulatory Authority (ACRA) and the Ministry of Finance.²¹

26. Every business in Singapore must be registered with the Accounting and Corporate Regulatory Authority (ACRA). ACRA's BizFile application allows businesses, *inter alia*, to complete additional registration requirements²², incorporate, make payments, and submit required annual reports online.²³ Various financial services providers must be approved, authorized, licensed or otherwise regulated by the Monetary Authority of Singapore (Chapter IV(3)(ii)); and permission

¹⁹ For a fuller description of the role of Government policy and institutions with respect to land ownership, planning, development, lease and sale, see WTO (2008), Chapter III(4)(ii)(a).

²⁰ For the main features of each of these types of business structure, see: <http://www.enterpriseone.gov.sg/Business%20Stages/Start/Choosing%20A%20Business%20Structure.aspx>; and for the relevant legislation, see: http://www.acra.gov.sg/Quick+Links/Guide_to_Bizfile/About+BizFile.htm.

²¹ "Report of the Steering Committee to Review the Companies Act". Viewed at: <http://www.acra.gov.sg/Legislation/Companies+Act+Reform.htm>.

²² Sole proprietorships and partnerships must be registered under the Business Registration Act (Cap. 32); limited liability companies must be registered under the Limited Liability Partnerships Act (Cap. 163A); and companies, branches, and subsidiaries must be registered under the Companies Act (Cap. 50).

²³ BizFile online information. Viewed at: <https://www.psi.gov.sg/NASApp/tmf/TMFServlet?app=RCB-BIZFILE-LOGIN-1B>.

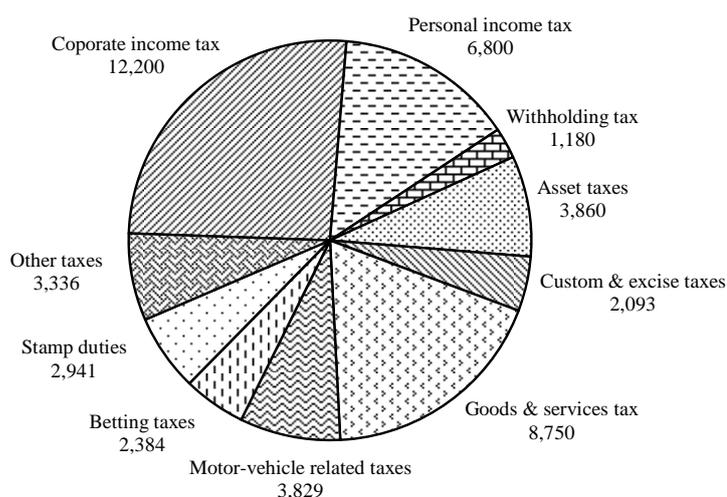
must be obtained from the Ministry of Trade and Industry for certain manufacturing activities, for health, safety, environmental, and intellectual property reasons.²⁴

27. Singapore's stated objectives with respect to taxation are to: provide sustainable revenues, enhance macroeconomic stability, promote enterprise and growth; be internationally competitive, support social and economic objectives; and be progressive. Singapore's main source of tax revenue is the corporate income tax, followed by the goods and services tax (GST) (Chart II.1). The corporate income tax general rate is 17%, down from 18% with effect from Year of Assessment (YA) 2010²⁵ and a wide range of income tax incentives are offered (Chapter III(3)(i); Chapter IV(2)(ii); and Chapter IV(2)(iv)). The GST is levied at a general rate of 7% with few exceptions (Chapter III(1)(iv)).

28. Over the review period Singapore concluded 15 new double taxation treaties and 16 protocols to existing double taxation treaties (Table II.4).

Chart II.1
Tax revenue collected in FY2011

S\$ million



Source: Ministry of Finance, Singapore.

²⁴ Permission is required for: beer and stout; cigars; cigarettes; drawn steel products; chewing gum (other than medicinal gum and oral dental gum); and matches.

²⁵ There is a partial tax exemption for normal chargeable income of up to S\$300,000 (75% exemption up to the first S\$10,000 and 50% exemption up to the next S\$290,000).

Table II.4
Double taxation treaties, April 2012

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| Comprehensive avoidance of double taxation agreements (date of entry into force/latest protocol) | Albania (2011); Australia (1969/2010); Austria (2002/2010); Bahrain (2004); Bangladesh (1981); Belgium(2008); Brunei (2006/2010); Bulgaria (1997); Canada (1977); China (2007/2010); Cyprus (2001); Czech Republic (1998); Denmark (2000/2011); Egypt (2004); Estonia (2007/2012); Fiji (2006); Finland (2002/2010); France (1975/2011); Georgia (2010); Germany (2006); Hungary (1998); India (1994/2011); Indonesia (1991); Ireland (2011); Israel (2005); Italy (1979); Japan (1995/2010); Kazakhstan (2007); South Korea (1981); Kuwait (2003); Latvia (2000); Libya (2010); Lithuania (2004); Luxembourg (1996); Malaysia (2006); Malta (2008); Mauritius (1996); Mexico (1995/2012); Mongolia (2004); Myanmar (2009); Netherlands (1971/2010); New Zealand (2010); Norway (1998/2010); Oman (2006); Pakistan (1993); Panama (2011); Papua New Guinea (1992); the Philippines (1977); Poland (1993); Portugal (2001); Qatar (2007/2012); Romania (2002); Russian Federation (2009); Saudi Arabia (2011); Slovak Republic (2006); Slovenia (2010); South Africa (1997); Spain (2012); Sri Lanka (1980); Sweden (1969); Switzerland (1976); Chinese Taipei (1982); Thailand (1976); Turkey (2001); Ukraine (2009); United Arab Emirates (1996); United Kingdom (1997/2011); Uzbekistan (2008/2011); and Viet Nam (1994) |
| Limited treaties ^a | Bahrain (1995); Chile (1993); Hong Kong, China (2004); Oman (2000); Kingdom of Saudi Arabia (1992); United Arab Emirates (1991); and United States (1988) |
| Treaties signed but not ratified | Bahrain; Belgium; Canada; Estonia; Italy; South Korea; Malta; Morocco; and Switzerland |

a These cover income from shipping and/or air transport.

Source: Government of Singapore.