IV. TRADE POLICIES BY SECTOR

(1) MANUFACTURING

1. Singapore's manufacturing sector accounted for 20.9% of GDP in 2011 (down from 24.1% in 2007). The Government's economic strategy is founded on a strong manufacturing base with an output target in the range of 20-25% of GDP and aims to achieve a further shift away from labour-intensive manufacturing towards high-value-added, capital-intensive industries. The restructuring of the economy is driven by competition from low-cost producers in the region and Singapore's rising labour costs. Singapore's labour productivity in manufacturing has been lagging compared with major competitors. For example, its labour productivity level has been about one-third lower than in the United States. One the main thrusts of the economic strategy therefore is to achieve productivity-led growth (Chapter I(4)).

2. In 2010, the Economic Strategies Committee (ESC) submitted recommendations, and their key directions were adopted by the Government and implemented within the framework of the 2010 and 2011 budgets.[1] The ESC's recommendations focus on ways to enhance productivity as a basis for growth and competitiveness. Singapore is looking at increasing productivity growth from 1%, achieved annually during the last decade (1.4% in the manufacturing sector), to an average of 2-3% per annum over the next decade. To achieve this, the Government plans to deepen skills and expertise within every sector of the economy and encourage businesses to expand abroad and capture new growth opportunities. The ESC recommends a further move into complex manufacturing where know-how and intellectual property are crucial, such as nutriceuticals; the design and production of medical device components; and cross-disciplinary areas, for example bioelectronics. The Committee also proposes assisting manufacturing-related services, such as headquarter-related activities, R&D, intellectual property management, and product lifecycle management, so as to capitalize on the convergence of manufacturing with services.

3. The Government has launched a number of incentive schemes that emanate from the recommendations of the ESC. The National Productivity Fund, with a budget of S$2 billion over ten years, provides support to help enterprises improve productivity. The Land Intensification Allowance scheme was introduced in 2010 to support the intensification of land use towards more land-efficient and higher-value-added activities (see also Chapter III(3)(i)). In order to reduce the growth of the foreign workforce and reallocate resources towards investing in skills of local and foreign employees, the foreign worker levy in the manufacturing sector will be increased progressively over 2010 to 2012.[2]

4. The sectoral clusters in manufacturing that are monitored annually by the Singapore Government are: electronics, chemicals, biomedical sciences (comprising the pharmaceutical, medical technology, biotechnology, and healthcare service industries), and engineering (including precision and transport engineering). After a severe downturn during the global financial crisis, the electronics industry has recovered and maintains its position as the largest industry (Table IV.1). The transport engineering cluster has expanded strongly in recent years. Its growth is attributable, *inter alia*, to increased activity in shipbuilding, ship repair, and offshore conversion. The production of oil rigs and production of oil-field equipment has also increased substantially to meet higher demand. Singapore's aerospace industry has grown to become the most comprehensive maintenance,

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[1] Ministry of Finance online information. Viewed at: http://app.mof.gov.sg/esc.aspx.

[2] For more information on foreign worker changes, see Ministry of Manpower online information. Viewed at: http://www.mom.gov.sg/newsroom/Pages/PressReleasesDetail.aspx?listid=349.

repair and overhaul hub in Asia. Singapore's Jurong Island is among the world's top 10 petrochemical hubs.

Table IV.1
Employment, output and value-added manufacturing by industry cluster, 2007 and 2011
(% and S$ billion)

	Employment		Total output[a]		Value added[b]	
	2007	2011	2007	2011	2007	2011
Electronics	23.5	19.6	30.6	30.2	29.7	29.2
Semiconductors	10.5	10.3	16.0	17.3	17.6	17.9
Computer peripherals	4.0	2.7	4.4	2.9	3.9	4.4
Data storage	4.0	2.7	3.9	2.9	2.8	3.0
Infocomms & consumer electronics	2.6	2.3	5.1	6.4	3.6	3.1
Other electronic modules & components	2.5	1.7	1.1	0.6	1.7	0.8
Chemicals	5.7	5.8	33.2	34.0	11.8	9.0
Petroleum	0.8	0.9	19.0	19.2	4.1	0.5
Petrochemicals	1.3	1.3	11.1	11.3	3.6	4.9
Specialty chemicals	2.3	2.4	2.4	2.8	3.0	2.6
Others	1.3	1.2	0.7	0.7	1.1	1.0
Biomedical manufacturing	2.9	3.6	9.6	9.5	24.4	22.4
Pharmaceuticals	1.0	1.4	8.4	8.0	21.8	19.3
Medical technology	1.9	2.2	1.3	1.5	2.6	3.2
Precision engineering	25.0	22.1	9.6	9.6	13.0	12.6
Machinery & systems	8.8	10.0	4.2	5.7	5.7	7.2
Precision modules & components	16.1	12.1	5.4	3.9	7.3	5.3
Transport engineering	21.9	26.6	10.0	9.1	11.9	15.6
Marine & offshore engineering	15.8	20.6	6.6	5.7	6.2	9.4
Aerospace	4.6	4.6	2.7	2.8	4.9	5.1
Land	1.5	1.5	0.7	0.7	0.8	1.0
General manufacturing industries	21.0	22.2	7.0	7.6	9.2	11.3
Printing	4.4	4.0	1.2	0.9	2.5	2.3
Food, beverages & tobacco	5.4	6.3	2.3	2.9	2.4	3.9
Miscellaneous industries	11.2	11.9	3.5	3.8	4.3	5.1
Total manufacturing	100.0	100.0	100.0	100.0	100.0	100.0
	(404,057 persons)	(418,560 persons)	(S$253.4 billion)	(S$285.5 billion)	(S$56.0 billion)	(S$57.7 billion)

a Total output includes manufacturing output (total value of all commodities produced (including by-products) and industrial services rendered during the year) and other operating income.
b Value added is total output less materials, utilities, fuel, transportation charges, work given out and other operating costs.
c Preliminary.

Note: Figures may not add up due to rounding.

Source: Information from the Economic Development Board.

(2) SERVICES

(i) Overview

5. Services is the most important sector in terms of contribution to GDP and employment (Chapter I(1)). In 2011, wholesale and retail trade contributed 17.4% of GDP, followed by business services (14.1%), finance and insurance (11.9%), other service industries (11.4%), transportation and storage (8.2%), information and communication (3.6%), and accommodation and food services

(2.4%). During 2007-11, the fastest growing subsectors were: finance and insurance (7.1% average annual rate), other service industries (7%), business services (4.8%), accommodation and food services (4.1%), wholesale and retail trade (3.5%), and transportation and storage (1.7%).[3]

6. Under the GATS, Singapore made commitments in 7 of the 12 sectors listed in the Services Sectoral Classification List (business services; communication services; construction services; financial services; tourism and travel related services; recreational, cultural and sporting services; and transport services); and in a total of 67 of the 156 subsectors.[4] Singapore also participates in the Fourth Protocol to the GATS (basic telecommunications) and the Fifth Protocol (financial services). Since the previous Review of Singapore, in 2007, there have been no changes to its commitments or its MFN exemptions.[5] Nonetheless, Singapore has offered to remove one of its MFN exemptions relating to financial services. Singapore submitted an initial conditional offer on services in the context of the DDA negotiations in July 2003 and a revised offer in May 2005.[6]

7. Singapore also has services commitments under the ASEAN Framework Agreement on Trade in Services (AFAS), signed in December 1995 (see Chapter II). The AFAS aims to enhance cooperation in and substantially eliminate restrictions to trade in services among member states, with a view to realizing a free-trade area in services.[7] ASEAN has concluded seven packages of AFAS commitments through five rounds of negotiations since January 1996. In addition, there have been five packages of commitments in financial services and six on air transport. Individual commitments contain horizontal and sector-specific commitments and MFN exemptions; the latest package was signed in 2010.[8]

8. During the review period, Singapore remained active in negotiating and implementing preferential trading agreements, most of which include services provisions (Table II.2). A positive-list approach was followed in the ASEAN-Australia-New Zealand Free Trade Area; the Agreement between ASEAN and Korea; and the China-Singapore Free Trade Agreement; while a negative-list approach was adopted in the Peru-Singapore Free Trade Agreement. Overall, there is much diversity in Singapore's services commitments in its various preferential agreements. In most cases, commitments go beyond the GATS schedule/offer.

(ii) Financial services

(a) Overview

9. The structure of financial services institutions in Singapore basically consists of banks, insurance companies, and other financial institutions including those dealing in securities (Table IV.2). The Monetary Authority of Singapore (MAS) supervises all financial institutions on the basis of the Monetary Authority of Singapore Act. In general, the MAS allows financial institutions

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[3] Ministry of Trade and Industry (2012).

[4] WTO documents GATS/SC/76, 15 April 1994; GATS/SC/76/Suppl.1, 28 July 1995; GATS/SC/76/Suppl.1/Rev.1, 4 October 1995; GATS/SC/76/Suppl.2, 11 April 1997; and GATS/SC/76/Suppl.3, 26 February 1998.

[5] WTO document GATS/EL/76/Suppl.1, 28 July 1995.

[6] It includes an additional 23 sub-sectors in: business services; distribution services; education services; environmental services; health-related and social services; tourism; and maritime transport services (WTO document TN/S/O/SGP/Rev.1, 6 June 2005).

[7] ASEAN Framework Agreement on Services (AFAS). Viewed at: http://www.aseansec.org/6628.htm.

[8] The 8th Protocol to Implement the Package of Commitments under the AFAS.

that are better able to manage their risks to have greater business latitude, while supervising weaker ones more closely.[9] It also administers, *inter alia,* the Banking Act, the Finance Companies Act, the Securities & Futures Act, the Financial Advisers Act, and the Insurance Act. The Financial Industry Disputes Resolution Centre (FIDReC) is an independent one-stop service centre where consumers may seek help to resolve disputes with financial institutions.[10]

Table IV.2
Structure of financial services institutions, 2007-11
Number (end-March of each year)

	2007	2008	2009	2010	2011
Banks	108	113	114	120	120
Local[a]	5	6	6	7	6
Foreign	103	107	108	113	114
Full banks	24	24	27	25	26
Wholesale banks[b]	36	42	41	46	50
Offshore banks	43	41	40	42	38
(Banking offices including head offices and main offices)	399	408	409	421	428
Asian Currency Units	154	158	161	162	163
Banks	106	111	112	117	117
Merchant banks	48	47	49	45	46
Finance companies	3	3	3	3	3
(Finance companies' offices including head offices)	39	39	39	39	39
Merchant banks	49	49	50	46	47
Insurance companies	153	151	158	158	157
Direct insurers	61	59	62	64	63
Professional reinsurers	27	25	27	26	28
Authorized reinsurers	5	5	6	6	6
Captive insurers	60	62	63	62	60
Insurance brokers	62	65	66	63	64
Bank representative offices	43	45	36	30	34
International money brokers	10	10	10	10	10
Licensed financial advisers	67	69	73	71	67
Capital markets services licensees	183	215	221	224	251
Dealing in securities	77	93	90	99	98
Trading in future contracts	40	46	50	48	47
Advising on corporate finance	36	37	37	34	33
Fund management	97	110	113	107	118
Leveraged foreign exchange trading	14	18	19	19	19

Table IV.2 (cont'd)

[9] The aim of MAS risk-based supervision is to foster the safety and soundness of financial institutions and promote transparency and fair-dealing by institutions in relation to their customers and counterparties. It is inter-related with the other oversight functions that MAS performs to achieve its supervisory objectives such as: authorizing financial institutions to offer financial services, setting regulatory rules and standards, and taking actions against institutions and individuals for regulatory breaches. The MAS also undertakes surveillance of the financial system to identify emerging trends and potential vulnerabilities in order to guide and support its regulatory activities (WTO, 2008).

[10] The dispute resolution process comprises a mediation stage followed by an adjudication stage, where necessary. The consumer may reject the adjudicator's decision, and pursue other resolution options, such as filing a lawsuit. However, the financial institution is bound by the adjudicator's decision should the consumer choose to accept it.

	2007	2008	2009	2010	2011
Securities financing	15	16	16	17	18
Providing custodial services for securities	34	38	40	39	40
Real estate investment trust management[c]	-	-	1	7	22
Licensed trust companies[d]	31	35	38	40	48

a Prior to 2012, all locally incorporated banks were full banks. As from 2012, locally incorporated banks comprise 6 full banks and 1 wholesale bank.
b Previously known as restricted banks.
c Regulation of real estate investment trust management entered into effect on 1 August 2008.
d Trust companies are regulated by the MAS since 1 February 2006 when the Trust Companies Act entered into effect.

Source: MAS (2011), *Annual Report 2010/2011, Yearbook of Statistics Singapore 2011*; and information provided by the authorities.

10. Despite the global economic crisis, Singapore's finance and insurance subsector grew by an average of 7.1% per year during 2007-11, led by strong growth of Asian corporate activity and increasing wealth accumulation in the region. Singapore's resilience as an international financial centre is largely attributed to its high regulatory standards, stable economy, pro-business operating environment, and its competent financial sector workforce. Moreover, Phase 1 of the development of the Marina Bay Financial Centre was completed in 2010 to support the long-term growth of Singapore's financial industry.[11]

11. The MAS offers various incentives to financial institutions (Table IV.3). The main tax incentive is the Financial Sector Incentive (FSI), which offers concessionary tax rates of 10% or 5% on income from qualifying activities that are important to Singapore's financial sector growth. Financial institutions (both foreign and national) may obtain these incentives if they meet the qualifying criteria. The MAS monitors the effectiveness of all incentives through a series of post-implementation reviews, which are neither published nor publicly available.

12. Singapore has evolved into a major asset-management centre over the past few years, with assets reaching S$1.4 trillion in 2010 (up from S$891 billion at end 2006), 80% was from international sources. The Government and the MAS are encouraging the development of a fund-management industry to attract well-recognized firms to Singapore. Fund managers approved under the FIS-Fund Management award are accorded a concessionary corporate tax rate of 10% on income from fees and commissions derived from qualifying funds managed, investment advisory services provided or loans of securities arranged by such managers in Singapore.[12]

13. With foreign exchange turnover of US$266 billion in April 2010 (US$242 billion in April 2007), Singapore has the second foreign exchange centre in Asia-Pacific after Japan, and the fourth largest worldwide (up from fifth in 2007). Singapore's Real Estate Investment Trust (REIT) market is also the largest in the Asia-Pacific region after Japan; 22 REITs are listed on the Singapore Exchange (SGX) with a combined market capitalization of S$36 billion.[13]

[11] This is part of an initiative to extend the business district and double the size of the financial district.

[12] Specific requirements for obtaining AFM status include that the activities pursued should be important to Singapore's financial-sector development objectives. The AFM scheme merged into the FSIF, which entered into effect in February 2003.

[13] MAS (2011).

Table IV.3
Incentives offered scheme by the Monetary Authority of Singapore, 2012

Scheme and summary description	Changes over review period
Asset Securitization Tax exemption for income derived from asset securitization arrangements through Approved Special Purpose Vehicles (ASPVs) based in Singapore. Tax concessions for withholding tax, stamp duty, and GST concession for qualifying transactions	Renewed in the 2008 Budget until 2013.
Fund Management Incentive Scheme Qualifying funds benefit from a tax exemption on specified income from designated investments, subject to investor residency conditions	The 2009 Budget introduced an enhanced tier that does not impose any investor residency conditions, subject to the fund meeting certain economic commitments. The scheme is open to fund vehicles in the form of companies, trusts, and limited partnerships. All fund management schemes expire 31 March 2014.
Locally Administered Trust (i.e. Domestic Trust) Tax exemption for specified income (by qualifying local trusts and eligible underlying holding companies that are administered by a trustee company in Singapore) that would not have been taxable if received directly by any individual	None
Tax incentive for trustee company Tax concession on qualifying fee income derived by an approved trustee company from providing trustee services to certain trusts (i.e. trusts under a foreign trust scheme)	As a result of the 2011 Budget, a sunset clause of 31 March 2016 was imposed on the scheme and an incentive tenure of 10 years was introduced to the recipients of this scheme. The scope of qualifying activities was also expanded.
Foreign Trust Tax exemption on specified income from designated investments received by the foreign trust	None
Foreign Charitable Purpose Trusts Tax exemption on specified income from designated investments made by qualifying charitable-purpose trusts or their eligible holding companies	None
Financial Sector Incentive Scheme (FSI) A) Tax concessions on income derived from FSI-Standard Tier and FSI-Enhanced Tier qualifying activities in the debt capital market, equity capital market, treasury, fund management, and headquarter services, etc.	Renewed in the 2008 Budget for 2009-13, and enhanced to give 5% concessionary tax rate for five years on income from Sharia compliant activities. As a result of the 2010 Budget, the list of incentivized activities was updated. Over the review period various schemes were subsumed under the FSI scheme: the Commodities Derivatives Traders (CDT) scheme; the Futures Members of the Singapore Exchange (SGX).
Financial Sector Incentive Headquarter Services (FSI-HQ) Scheme 10% concessionary tax rate on qualifying income derived from providing qualifying services to qualifying network companies	Enhanced in the 2009 Budget to, *inter alia*, grant withholding tax exemption (on an application basis) on interest payments on qualifying loans taken by a FSI-HQ company.
Offshore Insurance Business Incentive 10% tax (for up to 10 years) on qualifying income derived from an offshore insurance business conducted in Singapore	Enhanced in the 2008 Budget to provide 5% concessionary tax rate (for five years) on income from offshore Islamic insurance. Approval period 2008-13. As a result of 2010 Budget, the scheme (excluding the offshore Islamic concession) was extended until 2015.
Tax incentive for Captive Insurers and Tax Incentive for Marine Hull and Liability Insurers Tax exemption on qualifying income derived by approved captive insurers/insurers from offshore insurance business/marine hull and liability insurance business, for up to 10 years	As a result of the 2011 Budget, the tax incentive for captive insurers was extended until 31 March 2018, while a sunset clause of 31 March 2016 was introduce for the tax incentive for marine hull and liability insurers. For both incentives, an award renewal framework was introduced for incentive recipients with effect from February 2011.

Table IV.3 (cont'd)

Scheme and summary description	Changes over review period
Tax incentive for Specialised Insurers Tax exemption on qualifying income derived by approved insurers from a qualifying offshore specialized insurance business for five years	As a result of the 2011 Budget, the scheme was extended until 31 March 2016. An award renewal framework was introduced for incentive recipients.
Bond Market Incentives Tax exemption on income from (a) qualifying debt securities (QDS) and (b) trading in Singapore Government Securities by primary dealers	As a result of the 2008 Budget, the scheme was extended until 2013. The scheme was also enhanced to exempt all investors from income tax on qualifying income derived from Islamic bonds and debt securities of at least ten years.
Withholding Tax Exemption Regime for Banks Banks may benefit from withholding tax exemption on interest and other qualifying payments made to their branches or other banks outside Singapore	Liberalized as a result of the 2011 Budget. A withholding tax exemption is granted on interest and other qualifying payments made by banks and finance companies to all non-resident persons. A sunset clause of 31 March 2021 was also imposed on the scheme.
Incentive Schemes for Project Finance Package of tax incentives for promoting project finance targeted at investors, intermediaries, and financing vehicles	As a result of the 2011 Budget, these schemes (excluding FSI-PF) were extended until 2017.

Source: Information provided by the authorities of Singapore.

14. Changes introduced in financial services since Singapore's last Review include: reducing the loan-to-value limit (LTV) for residential property loans from 80% to 60% for borrowers who have one or more outstanding housing loans, with the aim of maintaining a stable and sustainable property market[14]; launching a Code of Conduct for the Private Banking Industry in April 2010 to enhance the competency of private banking professionals and foster high market standards[15]; and issuing revised regulations and guidelines in December 2010, to strengthen corporate governance standards. In addition, an Enhancing Regulatory Regime for Fund Management Companies is expected to take effect in early 2012.[16]

15. Under the Roadmap for Monetary and Financial Integration of ASEAN, member states have committed to progressively liberalizing financial services and capital accounts, and to develop and integrate capital markets by 2015. They have also committed to strengthening the monitoring of capital flows in view of the recent surges of direct and portfolio investments in the region. Towards the integration of capital markets, Malaysia, Singapore and Thailand adopted the "ASEAN and Plus standards" in 2010; this will facilitate cross-border offerings of securities among these countries. In the bond markets, plans are under way to formulate a set of "development bond indicators" to further deepen regional bond markets in the region.[17]

(b) Banking

16. The Banking Act governs the licensing and operation of commercial banks (local and foreign) in Singapore. Commercial banks in Singapore may undertake universal banking, which besides deposit taking, cheque services and lending, includes any other business regulated or authorized by the MAS, including financial advisory services, insurance broking, and capital market services.

[14] The minimum cash payment was also increased from 5% to 10% for this group of borrowers. The LTV for borrowers who are not individuals was further lowered to 50%. The LTV applies to loans by financial institutions in Singapore for the purchase of residential property in Singapore.

[15] Under the Code, private banking professionals are expected to pass a common competency assessment called the "Client Advisor Competency Standards" (CACS) to ensure that they have foundational level of competency before they can engage with clients.

[16] Some of the key changes include the need for an independent fund valuation, and the independent "custodization" of customers' monies and assets.

[17] ASEAN online information. Viewed at: www.aseansec.org/24538.htm.

Commercial banks operate as full banks[18], wholesale banks[19], or offshore banks.[20] The Government intends to upgrade all offshore banks to wholesale banking status over time. Singapore maintains legal distinctions between foreign currency transactions conducted in the Asian dollar market and Singapore dollar transactions.

17. By end-2011, eight foreign banks operating in Singapore had been awarded qualifying full bank (QFB) privileges under their full service licences.[21] Full banks are granted the widest range of permissible banking activities, while wholesale and offshore banks cannot carry out Singapore dollar domestic retail operations. Offshore banks cannot offer interest-bearing accounts to residents who are not existing customers and may extend them credit facilities only up to S$500 million. Except in retail banking, Singapore laws do not distinguish operationally between foreign and domestic banks.

18. Financial institutions may also operate as finance companies or merchant banks, as approved under the Monetary Authority of Singapore Act.[22] Finance companies, licensed under and governed by the Finance Companies Act, focus on providing small-scale financing (e.g. instalment credit for motor vehicles and consumer durables, and mortgage loans for housing) but may not offer current deposit accounts. Merchant banks are approved under the Monetary Authority of Singapore Act, are governed by the Merchant Bank Notices, Directives, Guidelines, and Circulators, and operate subject to the Banking Act. Typical activities of merchant banks include corporate finance, underwriting of share and bond issues, mergers and acquisitions, portfolio investment management, management consultancy, and other fee-based activities.

19. There are no formal ceilings of foreign ownership of local banks and finance companies. Nonetheless, the Government of Singapore has indicated that it will not allow a foreign takeover of its three major local financial institutions.[23]

20. Singapore's banking sector remains strong despite the global financial crisis. As of September 2011, commercial banks accounted for about 80% of total financial-sector assets. The aggregate of local banks' total capital adequacy ratio (CAR) has remained above the regulatory minimum requirement of 10%, averaging 16.1% during 2007-11. The aggregate non-performing loan (NPL) ratio increased from 1.5% in 2007 to 2.4% in 2009 mainly due to the global financial crisis but decreased thereafter, and is estimated at 1.2% for 2011 (Table IV.4).

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[18] Full banks may provide the whole range of banking business approved under the Banking Act.

[19] Wholesale banks may engage in the same range of banking business as full banks, except they may not operate savings accounts denominated in Singapore dollars or accept Singapore dollar fixed deposits of less than S$250,000. Currently, all wholesale banks in Singapore operate as branches of foreign banks. Wholesale banks may operate in only one location unless the MAS approves an additional location.

[20] Offshore banks may engage in the same activities as full and wholesale banks for businesses transacted through their Asian currency units (ACUs), which the banks use to book all their foreign currency transactions conducted in the Asian Dollar Market (ADM). The scope of business transacted in offshore banks' domestic banking units (DBU) has slightly more restrictions on dealings with residents compared with wholesale banks.

[21] According to the authorities, a QFB may, with prior approval of the MAS, enter into an arrangement with a local bank for access to its ATM network for the purpose of permitting a QFB cardholder to obtain cash advances from their credit or charge card account.

[22] The approval is equivalent to a licence.

[23] USTR (2011).

Table IV.4
Main performance indicators in banking, 2007-11

	2007	2008	2009	2010	2011
Assets	582,859	668,298	706,814	781,607	858,695
Total non-bank loans (S$ million)[a]	233,394	272,175	281,297	322,744	420,437
US$ equivalent (million)	161,944	189,116	200,440	250,675	323,239
Loans by sector (% of total DBU loans)[a]					
Manufacturing	2.8	2.8	2.5	2.2	3.2
Building and construction	10.1	12.0	11.6	10.9	11.3
Housing	19.8	19.1	21.6	22.9	22.7
Professional and private individuals	9.5	9.1	9.3	8.6	8.9
Non-bank financial institutions	8.5	8.0	7.7	7.7	9.2
Total non-bank deposits (S$ million)[a]	314,986	347,507	391,495	433,758	483,323
US$ equivalent (million)	218,558	241,459	278,962	336,899	371,587
Return on assets (%)[b]	1.3	1.0	1.1	1.2	1.1
Capital to risk-weighted assets ratio (%)[b]	13.5	14.7	17.3	18.6	16.2
NPL ratio (%)[b]	1.5	1.7	2.4	1.6	1.2

a Figures for assets, loans and deposits are for domestic banking units (DBUs) only.
b Figures are for local banks' global operations.

Source: MAS (2011), *Financial Stability Review, November 2011*, Singapore; and information provided by the authorities.

21. The legal requirements for establishment of a bank in Singapore were, in the main, not changed during the review period.[24] Domestic banks, which are all locally incorporated, must meet a minimum paid-up capital requirement of S$1.5 billion and meet risk-based capital requirements based on the capital framework established by the Basel Committee on Banking Supervision (BCBS). For foreign banks to apply for a licence to operate in Singapore, the head office must have minimum capital of S$200 million and they must satisfy the capital adequacy requirements under the Basel capital framework.

22. The Banking Act and its accompanying regulations prescribe the minimum capital and liquidity requirements as well as prudential limits on credit and investments. In light of recent developments in the international financial system, the MAS is taking steps to strengthen the risk-based capital requirements for Singapore-incorporated banks and promote a more resilient banking sector. On 28 June 2011, the MAS announced that Singapore-incorporated banks will be required to meet CARs that are higher than the Basel III global capital standards.[25]

(i) Singapore-incorporated banks must meet the Basel III minimum CAR requirements of 4.5% Common Equity Tier 1 (CET1) CAR and 6% Tier 1 CAR from 1 January 2013, two years ahead of the BCBS 2015 timeline. The MAS's existing requirement for total CAR will remain unchanged at 10%.

[24] The evaluation of new licences is based on, *inter alia*, the applicant's track record, international standing, its reputation, and financial soundness and that of its parent institution or major shareholders; the home-country's supervisory strength and the willingness and ability of the home supervisory authority to cooperate with the MAS; whether the applicant has a well-developed strategy in banking or financial services, supported by business plans; and whether the applicant has risk-management systems and processes in place, commensurate with the size and complexity of the business. Refusal by the MAS to grant a licence may be appealed to the Minister.

[25] Basel III is a global regulatory standard on bank capital adequacy, stress testing, and market liquidity risk, agreed upon by the BCBS in 2010-11.

(ii) Singapore-incorporated banks must meet a minimum CET1 CAR of 6.5%, Tier 1 CAR of 8% and total CAR of 10% from 1 January 2015.

(iii) In line with Basel III, a capital conservation buffer of 2.5%, to be met with CET1 capital, will be phased in between 1 January 2016 and 1 January 2019.

23. Taking both minimum capital requirements and the capital conservation buffer into account, Singapore-incorporated banks will be required to meet a CET1 CAR of 9%, which is higher than the Basel III requirement of 7%.[26] According to MAS, the revised capital requirements will strengthen the bank's ability to absorb unexpected losses effectively in a crisis and therefore, protect depositors, reduce risks to the real economy, and safeguard financial stability.

(c) Insurance

24. The insurance sector is regulated by the Insurance Act (Cap. 142) and subsidiary legislation, notices and guidelines. To carry out insurance business in Singapore, insurers must be registered with the MAS.[27] They must maintain two forms of solvency margin: a surplus of assets over liabilities applies to both the company concerned and its individual funds. In registering an insurer to write either life or general insurance business, the MAS will specify the registration as being for direct insurance, reinsurance, or captive insurance.[28] Insurers registered to write both life and general insurance are known as composite insurers. A direct insurer may undertake both direct and reinsurance business; however, a re-insurer is confined to only reinsurance business. Insurers in Singapore are subject to prudential and market-conduct standards.

25. The authorities note that there is no difference in the standards applied to domestic or foreign-owned companies, whether they are locally incorporated or branches of foreign incorporated companies. There is no difference in the requirements for domestic or foreign-owned companies except that offshore insurance business or reinsurance branches are exempted from the need to maintain risk charges.

26. Under the Insurance Act, no person is allowed to obtain effective control (defined as owning 20% or more of issued shares or voting power) or acquire a substantial shareholding (5% or more of issued shares or voting power) of any locally incorporated insurer without the MAS approval. The Act also requires insurers to seek the MAS approval for the appointment of principal officers of all insurers and the directors of locally incorporated insurers (captive insurers are exempt).

27. The insurance industry accounted for about 6% of total financial assets or S$152.4 billion as of March 2011. American International Assurance (US), Great Eastern Life, NTUC Income and Prudential Assurance Singapore (UK) together account for about 87% of life insurance assets. Selected indicators of the insurance industry during 2007-11 are shown in Table IV.5.

[26] MAS (2011).
[27] The Insurance Department in MAS licences insurance companies.
[28] A captive insurer is an insurer whose registration is restricted to carrying on business which consists principally of risks (direct and reinsurance) of its related corporations.

Table IV.5
Selected indicators of the insurance industry, 2007-10
(S$ millions)

Life insurance data	2007	2008	2009	2010
Total new business[a]				
Number of policies	1,047,059	1,094,560	1,058,507	1,065,126
Sum insured	72,775.7	92,268.1	82,707.7	91,343
Annual premiums	971.2	1,194.3	1,151.8	1,449
Total business in force[a]				
Number of policies	9,926,661	10,427,504	11,386,229	11,764,901
Sum insured	491,389.2	534,944.4	586,346.2	629,500
Annual premiums	7,167.7	7,735.7	8,407.5	9,214
New annuity business				
Number of policies	6,496	6,317	2,528	2,186
Considerations	399.5	551	187	152
Annuity business in force				
Number of policies	65,613	70,755	71,632	72,286
Annual payments[b]	381.9	546.2	610.4	588
Net premiums	16,074.3	15,537.2	13,357.6	14,300
Benefit payments	11,864.1	9,590.2	9,707.8	10,082
Total assets[c]	105,384.0	91,999.1	108,692.8	118,013
Surrender rate	2.2	2.6	2.3	2.3
Average 2-year persistency rate	92.5	93.0	93.2	n.a.
Net Premiums				
Direct insurers	122.8	356.1	1,341.0	1,535
Professional reinsurers	461.0	542.6	1,230.9	2,103
Gross premiums[d]	2,621.9	2,962.5	2,940.8	3,230.6
Net premiums	2,065.9	2,324.8	2,235.8	2,518.1
Retention ratio (%)	78.8	78.5	76.0	77.9
Incurred loss ratios (%)	54.2	58.0	56.0	55.1
Underwriting results	234.8	151.8	260.9	276.3
Total assets	7,179.9	7,424.9	7,761.4	8,363.9
Gross premiums	3,483.5	3,866.8	4,495.4	5,349.4
Net premiums	2,554.2	2,906.8	3,054.3	3,670.8
Retention ratio (%)	73.3	75.2	67.9	68.6
Incurred loss ratios (%)	54.6	55.2	62.8	64.4
Underwriting results	283.8	94.7	165.6	19.0
Total assets	8,576.6	9,189.8	10,108.9	11,197.0

n.a. Not applicable.

a Total business excludes annuities.
b "Annual Payments" under annuity business in force, include deferred annuity payments, whereas benefit payments for annuity relate to the amount of annuities actually paid during the year.
c Includes direct insurers and reinsurers.
d For direct insurers only.

Source: MAS (2011), *Annual Report 2010/2011*, Singapore.

28. The MAS takes into account a number of factors when awarding a direct insurance licence including reputation and track record. According to the authorities, MAS policy on admission to the reinsurance market is unchanged. The minimum capital requirements of S$10 million and S$25 million for direct insurers and re-insurers, respectively, have not changed. Domestic-owned and foreign-owned insurers have the same requirements; for Singapore branches of foreign incorporated

insurers, the paid-up capital of the legal entity is used in the assessment of whether the requirement is fulfilled. There is no difference between domestic or foreign-owned companies as regards the personal tax treatment of contributions to life insurance/pension plans.

29. The Deposit Insurance and Policy Owner's Protection Schemes Act (DI-PPF Act) entered into effect on May 2011. It aims to enhance protection schemes for depositors and insurance policy owners, and brings them together into a single piece of legislation.[29] For the DI scheme, the key changes were to increase the coverage limit from S$20,000 to S$50,000 and to expand the scope of coverage from insuring individuals and charities to include other non-bank depositors (e.g. sole proprietorships, partnerships, companies, and unincorporated entities).

30. The scope of the PPF scheme was extended to cover all accident and health policies written by life insurers, and Singapore policies of specified personal lines written by general insurers. The PPF scheme has been enhanced to cover 100% (up from 90%) of the liabilities of life policies, subject to caps. Protected general insurance policies will be fully covered with no caps. In addition, the revised PPF Scheme will be pre-funded, like the DI Scheme. Life insurers and general insurers will pay levies annually into the PPF Life Fund and PPF General Fund, respectively.

31. A review of Singapore’s existing Insurance Act, regulations and guidelines is being undertaken to ensure that Singapore keeps pace with international standards, including on group-wide supervision, enterprise risk-management, good corporate governance, and risk-based capital regime.

(iii) Telecommunications and postal services

32. Singapore's telecommunications sector has continued to grow over the last few years, notably the mobile market where penetration rose from 129% in 2007 to 150% in 2011 (Table IV.6). In 2011, the 85% of households was internet access (up from 74% in 2007); access to broadband also increased to 85% (71% in 2007); 86% of households in Singapore have access to at least one computer at home; and there are 5.7 million 3G subscribers (1.7 million in 2007). The World Economic Forum ranked Singapore second in terms of the impact of IT on the development process and competitiveness of nations.[30] According to the latest International Telecommunications Union, in the Information and Communication Technology Development Index, Singapore ranked 19th out of 152 countries.[31]

Table IV.6
Selected telecommunication indicators, 2007-11

	2007	2008	2009	2010	2011
Fixed telephone subscriptions (million)	1.87	1.88	1.93	2.00	2.02
Fixed telephone subscriptions per 100 inhabitants	40.61	39.31	39.04	39.24	38.91
Mobile cellular subscriptions (million)	5.9	6.4	6.9	7.4	7.8
Mobile cellular subscriptions per 100 inhabitants	129.21	134.42	139.21	145.18	149.61
Household access to internet (%)	74	76	81	82	85
Fixed internet subscriptions (million)	1.93	1.12	1.25	1.33	1.38
Fixed internet subscriptions per 100 inhabitants	42.04	23.51	25.22	26.22	26.65

Table IV.6 (cont'd)

[29] The Deposit Insurance Act, which established the Deposit Insurance (DI) Scheme, as well as provisions under the Insurance Act relating to the Policy Owners’ Protection (PPF) Scheme were repealed.

[30] World Economic Forum online information. Viewed at: www.weforum.org/issues/global-information-technology; and World Economic Forum (2011).

[31] ITU (2010), *Measuring the Information Society*, Geneva.

	2007	2008	2009	2010	2011
Household access to broadband	71	75	80	82	85
Fixed broadband subscriptions (million)	0.9	1.02	1.17	1.27	1.32
Fixed broadband subscriptions per 100 inhabitants	19.55	21.45	23.67	24.94	25.53
Total telecom revenue (S$ billion)	51.68	58.10	62.74	70.39	..
Domestic market (%)	64.9	60.7	64.5	66.2	..
Export market (%)	35.1	39.3	35.5	33.8	..

.. Not available.

Source: ITU online information, "ICT Statistics Database". Viewed at: http://www.itu.int/ITU-D/ict/statistics/; and information provided by the authorities.

33. Singapore has three main fixed-line services providers (compared with two in 2007)[32]: Singapore Telecommunications Limited or SingTel[33], Starhub[34], and OpenNet[35]; and three main mobile telephony providers (the same as in 2007): SingTel and Starhub through their mobile subsidiaries[36], and MobileOne (M1).[37] As of December 2011, SingTel had 84% market share of the fixed-line market and 46% of the mobile phone market.[38] There are over 100 Internet services providers and 400 licensed Voice services providers.[39]

34. Overall, Singapore ranked 6th out of 165 countries in the ITU's Information and Communication Technology (ICT) Price Basket (2010). This study found that, measured as a percentage of GNI per capita, the price basket containing fixed-line, mobile cellular, and broadband prices is relatively low in Singapore.[40]

35. There have been no major changes to the laws/regulations and institutional framework governing Singapore's telecommunications since its previous Review. The Infocomm Development Authority (IDA), a statutory board under the Ministry of Information, Communications and the Arts (MICA), is Singapore's regulator for all telecommunication services. The IDA grants two types of licence: for facilities-based operations (FBO) and for services-based operations (SBO).[41] Any

[32] In addition to the main fixed-line operators, there are over 40 providers of IP telephony services.

[33] SingTel held the monopoly on fixed and international telecom services until April 2000. It is owned by Temasek Holdings (54.4%) and public investors.

[34] The main shareholders of StarHub are: ST Telemedia (owned by Singapore Technologies, in turn owned by Temasek); NTT Communications; and Qatar Telecom.

[35] OpenNet is a joint-venture between four partners: Axia NetMedia (Axia), SingTel, Singapore Press Holdings (SPH), and Singapore Power Telecommunications (SPT).

[36] SingTel Mobile Singapore Pte Ltd and Starhub Mobile Pte Ltd.

[37] The main shareholder of M1 are: Keppel Telecoms (19.89%); SPH Multimedia (13.79%); and Aixiata Investment (29.41%).

[38] SingTel online information. Viewed at: info.singtel.com.

[39] Voice services excludes mobile and IP telephony services, but includes all other voice-related services, e.g. call-back services, international simple resale services, internet-based voice and data services, and international calling card services.

[40] The ICT Price Basket measures the affordability of fixed and mobile telephony and fixed broadband internet services. Increased market liberalization and competition tends to reduce prices, which in turn leads to higher levels of ICT uptake (ITU, 2011).

[41] FBOs are operators intending to deploy any form of telecommunication network, systems and facilities to offer telecommunication switching and/or telecommunication services to other licensed telecom operators, business, and/or consumers. SBOs are operators intending to lease telecommunication network elements such as transmission capacity, switching services, ducts and fibre from any FBO licensed by IDA to provide telecommunication services to third parties or resell the telecommunication services of FBO.

foreign or domestic company may provide FBOs (fixed-line or mobile) or SBOs (local, international and internet) telecommunication services in Singapore. There is no foreign equity restriction and there are no limits on the number of licences that may be granted, except for reasons of technical constraints, such as spectrum availability. At the end of 2011, 1,055 telecoms licences had been awarded by the IDA, of which 50 were for FBOs (43 in 2008) and 1,005 for SBOs (879 in 2008). In November 2011, the IDA revised the annual licence fees with effect as from 2013: all FBOs will benefit from a reduction of between 20-75%, while most SBOs will benefit from a reduction of 20%.

36. Singapore's Competition Act does not apply, *inter alia*, to telecommunications and postal services, because IDA has its own Telecom Competition Code[42] and Postal Competition Code[43] (Chapter III(3)(ii)). For example, under the Telecom Competition Code, recognizing that dominant licensees may not have sufficient incentive to enter voluntarily into interconnection agreements, the dominant licensee is obliged to offer competing licensees three options for interconnection: an IDA-approved reference interconnection offer; any existing interconnection agreement between the dominant supplier and any other licensee; and an individualized agreement between the dominant and requesting licensee. To facilitate access by consumers and allow them to shift from one service provider to another, all licensees are obliged to ensure interconnection, interoperability, and access with other telecommunications operators.

37. The IDA determines the cost-based rates for interconnection charges for a comprehensive list of interconnection services that the dominant licensee, SingTel, must offer to other licensees. The IDA ensures that prices of interconnection services offered under the reference interconnection offers by dominant service suppliers are made public. This is to enhance transparency and helps potential market entrants to undertake price comparison and make informed business decisions. Comprehensive service level guarantees for ordering, provisioning, and fault restoration of interconnection services, which are also included in the reference interconnection offers, provide telecom operators greater certainty in obtaining interconnection services and access to dominant suppliers’ networks. Dominant operators are subject to tariff-filing requirements and need the IDA's approval to offer, modify, or withdraw services. This is to ensure that dominant operators provide services on just, reasonable, and non-discriminatory terms.[44]

38. In 2005, the IDA launched its ten-year master plan Intelligent Nation "iN2015 Vision" with the aim of enhancing the competitiveness of the economy as a whole. Some of the key goals are: to be the best in the world in harnessing telecommunications to add value to the economy; a two-fold increase in the value-added of the telecom industry to S$26 billion; a three-fold increase in telecom

[42] In September 2000, the IDA established the Code of Practice for Competition in the Provision of Telecommunication Service (Telecom Competition Code) to help foster competition in the market. It covers *ex ante* regulations (e.g. price regulation, interconnection, mergers and acquisition) and *ex post* regulations (e.g. completion rules). Revisions in the Code (every three years) see stronger reliance on market forces and self-regulation as more effective means of sustaining competition in the long term. For example, the IDA will encourage non-dominant licensees to resolve disputes through commercial negotiations or alternative means of dispute resolution.

[43] In May 2008, the IDA established the Postal Competition Code to promote competition in the provision of basic letter services. The Code sets forth rules to facilitate entry of new operators and prevent abuse by operators not yet subject to constraints of market forces, and puts in place an enforcement regime against actions that threaten competition.

[44] The IDA makes public the prices of interconnection services offered by dominant suppliers under their reference interconnection offers in order to help potential market entrants greater certainty in obtaining interconnection services and access to dominant suppliers' networks.

export revenue, to S$60 billion; to create 80,000 additional jobs; to achieve 90% broadband usage in all homes; and to achieve 100% computer ownership in homes with school-going children.[45]

Main regulatory developments since 2007

39. In June 2009, SingTel was exempted from dominant licensee obligations for the provision of Terrestrial IPLC services and backhaul services. SingTel will no longer be required to file tariffs, and will have more flexibility in packaging and bundling these services. The exemption was granted for both services since the IDA determined that the two service markets are competitive and that SingTel's market share had also fallen over the years.[46] The IDA deemed that it was no longer necessary to impose ex ante dominant licensee obligations on SingTel to preserve fair and effective competition among the operators in these two markets.

40. In December 2010, the IDA issued the revised Telecom Competition Code 2010, which entered into force on 21 January 2011.[47] These changes aim to safeguard consumers' interest and further promote competition. Key changes to the Code include allowing the IDA to apply a prohibition against abuse of dominant position to any licensees found to have significant market power even though they may not yet be classified by the IDA as dominant licensees. The Code was re-issued in 2012 due to amendments made to the Telecommunications Act (TA).

41. The amended TA entered into operation on 1 February 2012 to ensure that Singapore's legislative framework keeps track with the rapidly changing telecoms industry whilst encouraging competition. Key changes to the TA include: increasing the maximum financial penalty that may be imposed on telecommunication licensees (to S$1 million or 10% of annual business turnover for licensable services, whichever is higher); updating the consolidation provision to include new concepts and business models (such as business trust structure); and providing powers for the IDA to issue written orders to building owners and developers to ensure their compliance with code practices issued for the provision, maintenance, and use of, and access to, space and facilities for the installation and operation of telecommunication systems.

42. The IDA also completed its second triennial review of SingTel's Reference Interconnection Offer (RIO) in 2012.[48] The key change made to RIO was the full liberalization of access to SingTel's submarine cable landing stations. Previously, only licensees with Indefeasible Rights of Use (IRUs) or long-term capacity may access and co-locate at the landing stations. With the lifting of such restrictions in the latest RIO review, any facilities-based licensee may deploy and access SingTel's submarine cable landing stations for the purpose of providing backhaul services to other licensees. This is expected to bring further competition to the backhaul services market.

43. Other measures taken by the IDA to help consumers and improve welfare include: a Premium Rate Services Code, introduced in October 2007, to guide the conduct of providers that offer premium rate services, which are mobile content services (e.g. ringtone, game downloads, quiz services, news services, and chat-lines); the Full Mobile Number Portability framework, adopted in June 2008, to allow end-users to retain full use of their existing phone number even after switching

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[45] IDA (2010).

[46] According to the authorities, SingTel's market share in terrestrial IPLC services was about 45% and less than 30% in backhaul services in 2007.

[47] The revision takes into account market developments between 2003 and 2005, IDA's experience with the implementation of the Code, and feedback from consumers and industry.

[48] RIO refers to the IDA-approved reference interconnection offer by SingTel, subject to the Telecom Competition Code requirements.

mobile operators; a set of Guidelines on Contract Length and Early Termination Charges, introduced in 2010, to regulate the maximum contract length and early termination charges that operators can impose for mobile, broadband, and fixed-line services, so as to lower the barrier for consumers to terminate services and/or switch operators; and an increase in the minimum quality of service standards for 3G mobile services, in January 2012. Other consumer protection measures take have taken effect in 2012 include the introduction of a premium-rate-services barring service, a data roaming bill cap to reduce expenses by consumers; and the requirement for broadband operators to publish typical download speeds by end users.

Postal services

44. Singapore's basic letter services market was liberalized on 1 April 2007 after the exclusivity rights granted to Singapore Post Ltd (SingPost) expired.[49] Local and foreign operators are allowed in both domestic and international mail services. The IDA grants two types of licence: for postal services operators (PSOs) with universal service obligations (e.g. providing island-wide letter collection and delivery services, maintaining a minimum number of post boxes and post offices for easy consumer access); and for express letter licensees. Licences for PSOs are for ten years, subject to an annual fee of 0.4% of annual audited gross turnover (minimum of S$4,000). Licences for express letter service operators are valid until cancelled or suspended and are subject to a one-time registration fee of S$200. At end-2011, five operators had been licensed to offer basic mail services, of which SingPost is designated as Public Postal Licensee[50]; and there were over 140 express letter licensees.

45. To facilitate market entry and competition, the IDA introduced the Postal Competition Code 2008 and Postal Services Operations Code 2008. In addition, SingPost is required to develop a Reference Access Offer to provide downstream delivery services to all requesting licensees; and to adopt a Reference Offer to address common inter-operator issues that are likely to arise between SingPost and other licensees in Singapore's basic letter services market.

(iv) Transport

(a) Maritime transport

Overview

46. The maritime sector remains a pillar of the Singapore economy, contributing about 7% of GDP and about 5.5% of employment in 2010. Over 5,000 maritime service companies are established in Singapore, including more than 120 international shipping groups. Singapore remains the busiest port in the world in terms of annual vessel arrival tonnage (2.12 billion gross tons as of December 2011) and the world's top bunkering port (43.2 million tons in 2011). In 2011, the Port of Singapore's annual container throughput was 29.9 million TEUs, ranked second behind Shanghai. The Singapore Registry of Ships ranks among the top 10 worldwide.

47. Faced with intensifying competition among major ports in the region, the Government has taken a number of steps to enhance the competitiveness of Singapore's port. Measures include streamlining the preferential corporate tax regime for the maritime sector (Maritime Sector Initiative); and further investments in port infrastructure. The Government's principal maritime policy objectives

[49] Liberalization in other segments, such as express letter services, was in 1995.

[50] SingPost manages the centralized postal code management system, while providing access to the postal codes database to all interested PSOs. SingPost is the only operator to issue national stamps.

are to promote trade and investment in Singapore to strengthen its position as a global hub port and international maritime centre that offers a one-stop-shop for all port, shipping, and maritime activities.

48. The main legislation governing Singapore's maritime sector comprises the Maritime and Port Authority of Singapore Act, the Merchant Shipping Act, the Carriage of Goods by Sea Act, and the Bills of Lading Act, as well as regulations made under these Acts. Singapore is a Member of the International Maritime Organization and party to a wide range of international conventions on maritime safety and protection of the marine environment.

GATS commitments

49. Singapore's GATS commitments in the maritime sector include shipping agency services, brokerage services, and freight transportation, except cabotage services. There are no limitations on market access or national treatment with respect to the first three modes of supply. On the presence of natural persons, national treatment is unbound and market access is subject to Singapore's horizontal commitments. Additionally, Singapore has committed to provide non-discriminatory access to port services, excluding berth and berthing services. Singapore's MFN exemptions under the GATS include reciprocal rights with regard to four maritime transport subsectors based on bilateral agreements. Singapore has bilateral shipping agreements with China, Germany, India, Korea, Myanmar, and Viet Nam.

Port services

50. The Maritime and Port Authority of Singapore (MPA) under the Ministry of Transport implements maritime policy, including licensing of maritime and port services and facilities, and managing port waters and ensuring navigational safety. Port dues and marine services are the MPA's main source of income.

51. Singapore's ports are managed under licence by PSA Corporation Limited (PSAC) and Jurong Port Private Limited.[51] PSAC manages four container terminals (Brani, Keppel, Pasir Panjang 1 & 2, and Tanjong Pagar), which handle most of Singapore's container traffic. PSAC has four joint ventures with foreign shipping lines to operate dedicated berths in some parts of these terminals. Expansion of the Pasir Panjang Terminal is under way to cater for future growth in container volumes, which will increase container handling capacity in the Port of Singapore from currently 35 million TEUs to around 50 million TEUs. Jurong Port Private Limited operates cargo terminal facilities to handle conventional cargo, bulk cargo, and containers. According to the authorities, berth and berthing services are provided by the terminal operators on a non-discriminatory basis. However, operational and commercial considerations may be involved in determining how the berths are allocated.

52. Singapore has liberalized (i.e. issued more than one licence) for certain port services, such as towage and bunkering. Pilotage service is provided by one licensee, PSA Marine Private Limited, for reasons of navigational safety. Maintenance and repair services are carried out by private companies/shipyards. Singapore's competition law applies to maritime service providers (Chapter III(3)(ii)).

[51] PSA was corporatized on 1 October 1997 and is fully owned by Temasek Holdings. Jurong Port was corporatized on 1 January 2001 and is a fully owned subsidiary of JTC Corporation.

Maritime services

53. Singapore has no laws or regulations restricting foreign participation in international maritime freight and passenger transport. The Singapore Registry of Ships registers ships of citizens and permanent residents of Singapore and of companies incorporated in Singapore. The registry ranks among the ten largest in the world, with more than 4,000 registered vessels, equivalent to 57.4 million gross tons (as of December 2011). There are no nationality requirements for the crew on-board a Singapore-registered ship, and Singapore recognizes competency from reputable maritime administrations issued to officers and engineers who serve on-board.

54. To develop Singapore as a leading international maritime centre, the MPA collaborates with industry partners to provide shipping companies with a one-stop location for port, shipping, and other maritime activities, as well as services in ship management, ship financing, marine insurance, ship broking, maritime legal services, and marine and offshore engineering. Singapore has consolidated all tax incentive schemes for the maritime sector under the Maritime Sector Incentive (Table IV.7).

Table IV.7
Main features of the Maritime Sector Incentive, 2011

Name of award	Major benefits
MSI-Singapore Registry of Ships (MSI-SRS)	Qualifying income derived from operating or chartering of a Singapore-registered ship outside the port limits of Singapore is tax-exempt.
MSI-Approved International Shipping Enterprise (MSI-AIS)	Qualifying income derived by an approved company from operating or chartering of Singapore- and foreign-flagged vessels outside the port limits of Singapore is tax exempt for up to 10 years, with the possibility of extension for further periods of 10 years up to a total of 30 years.
MSI-Shipping-related Support Services (MSI-SSS)	Qualifying incremental income derived from the provision of shipping-related support services by an approved company is eligible for a concessionary tax rate of 10% for five years.
MSI-Maritime Leasing (MSI-ML)	An approved ship/container investment vehicle benefits from 0%, 5% or 10% tax on qualifying income for 5 years. The approved manager benefits from a concessionary tax rate of 10% for 5 years.

Source: Singapore authorities.

55. The MPA also provides maritime companies with other support schemes, such as the S$100 million Maritime Innovation and Technology (MINT) Fund and the S$100 million Maritime Cluster Fund (MCF), to encourage maritime research and development, as well as manpower and business development needs.

56. Singapore has extended the block exemption for liner shipping agreements under the Competition Act until 31 December 2015. While freight rates are deregulated, the block exemption permits agreements between liner operators, including on capacity and prices, subject to certain conditions for liner agreements with more than 50% market share. The block exemption, which is administered by the Competition Commission, is aimed at aligning Singapore's competition regime in the maritime sector with that of other major jurisdictions, including the United States, Australia, and Japan. Liner conference agreements have commercial significance mainly in intra-Asian trade.

(b) Air transport

Overview

57. The air transport sector contributed nearly 2% of GDP and about 0.8% of employment in 2010. Changi Airport is one of the major air hubs in the Asia-Pacific region; it was the world's

seventh busiest international airport in 2011, handling 46.5 million passengers (with some 100 airlines flying to over 200 cities in over 60 countries) and 1.865 million tons of air cargo. The Government pursues an open skies policy. Since its last TPR, Singapore has further opened up its air services sector, mainly bilaterally and within the framework of ASEAN to create new business opportunities for carriers based in Singapore and abroad. The Civil Aviation Authority of Singapore (CAAS) has been restructured to separate its strategic and regulatory functions from the management of the airport, to allow the new airport company greater flexibility in operating in an increasingly competitive environment. The CAAS has launched a new incentive scheme (Aviation Development Fund) to enhance the competitiveness of the Singapore aviation industry.

GATS commitments

58. Singapore has scheduled an MFN exemption under the GATS for computer reservation systems services, whereby market access and national treatment are based on reciprocity in mutual concessions, but not necessarily in the same areas, as established under bilateral air services agreements.

Air services

59. The conditions and level of market access granted in air transport services are primarily governed by Singapore's bilateral air services agreements, regional (ASEAN), and plurilateral agreements (Multilateral Agreement on the Liberalization of International Air Transportation - MALIAT). Singapore has extended its network of bilateral air services agreements from 90 at the time of its last TPR to 113 countries. Over 40 of them provide for open skies arrangements. Open skies arrangements typically provide for multiple carriers to operate unlimited 3rd, 4th and 5th freedom cargo and passenger services (in terms of both capacities and frequencies, using any aircraft type on an open route schedule).

60. During the review period, ASEAN members agreed to gradually open up their aviation markets for unlimited air cargo services and unlimited air passenger services to all cities with international airports within the region (Table IV.8). These agreements are seen as a significant step towards open skies among ASEAN members under the region's objective of an ASEAN Economic Community by 2015. In November 2010, ASEAN members concluded the ASEAN-China Air Transport Agreement.

Table IV.8
ASEAN air services agreements signed since 2006

Agreement	**Entry into force of the Agreement**	**Description**
ASEAN Multilateral Agreement on Air Services (MAAS)	22 December 2009	Designation of carriers based on either substantial ownership and effective control (SOEC) or principal place of business and effective control (PPOBEC) is subject to acceptance by the ASEAN members. Multiple designation applies. Covers unlimited capacities and exercise of 3rd, 4th and 5th freedom traffic rights for air passenger services among ASEAN capital cities.
ASEAN Multilateral Agreement on the Full Liberalization of Passenger Air Services (MAFLPAS)	1 July 2009	Builds on the MAAS to allow designated carriers of ASEAN members to provide air passenger services from international airports in one territory to cities with international airports in another territory within the ASEAN region, with full 3rd, 4th and 5th freedom traffic rights.

Table IV.8 (cont'd)

Agreement	Entry into force of the Agreement	Description
ASEAN Multilateral Agreement on the Full Liberalization of Air Freight Services (MAFLAS)	13 October 2009	Similar to the MAAS and the MAFLPAS except that the MAFLAFS covers the 3rd, 4th and 5th freedom traffic rights for air freight services among ASEAN cities with international airports.
ASEAN-China Air Transport Agreement (AC-ATA)	9 August 2011	Allows designated carriers of ASEAN members to provide air services from any city with an international airport in its territory to any city with an international airport in the territory of China and vice versa with 3rd and 4th freedom traffic rights. Discussions are ongoing to expand the Agreement to include 5th freedom traffic rights.

Source: Singapore Authorities.

61. Airlines must be designated by their respective governments to provide scheduled air services to and from Singapore. Designations criteria under the air services agreement can be based either on principal place of business in Singapore or substantial ownership and effective control. In 2011, eight airlines held an air operator's certificate issued by the CAAS to provide air services on scheduled and non-scheduled routes. The major Singapore carriers are Singapore Airlines (SIA), Singapore Airlines Cargo, SilkAir, Tiger Airways, and Jetstar Asia Airways. SIA is a publicly listed company, majority-owned by the Government through Temasek Holdings (55.59%). SIA's wholly owned subsidiary, SilkAir, provides regional air transport services. Licensing requirements for air transport services remain unchanged.[52] According to the authorities, there is no preferential treatment for Singapore airlines.

Airport management and ground-handling services

62. The aviation industry regulator, the Civil Aviation Authority of Singapore (CAAS), has been restructured, by separating its regulatory functions from the operation of Changi Airport and Seletar Airport. The responsibilities of the reconstituted CAAS include economic regulation of the airport operator, air services negotiations, regulation of aviation safety, and air navigation services. Additionally, it has the task of developing aviation-related sectors, including air cargo, aircraft maintenance, repair, overhaul, and business aviation. The main regulatory instruments are the Civil Aviation Authority of Singapore Act 2009 and the Air Navigation Act.

63. In June 2009, Changi Airport Group (Singapore) Pte Ltd, a 100% state-owned corporation, was incorporated and granted a licence in July 2009 to operate Changi Airport and Seletar Airport. Its portfolio includes handling overseas investments and contracts through the company's international arm, Changi Airport International. The airport operator is required to comply with the licence conditions, as well as the codes of practice promulgated by CAAS. These codes govern service performance standards pertaining to the two airports and fair competition in the airport market. The Airport Competition Code introduced in July 2009 prohibits anti-competitive agreements and abuse of dominance on the part of Changi Airport Group, as well as mergers and acquisitions that will lessen competition in the airport market. Any operator licensed to operate an airport is authorized to make by-laws after consulting CAAS and with the approval of the Minister for Transport. The by-laws may provide for the proper management, operation, safety, and security of the airport, securing the safety of persons and of aircraft at the airport, regulating traffic at the airport, and preserving orderly conduct at the airport. According to the authorities, slot allocation rules are in accordance with the IATA World Scheduling Guidelines and have not changed since the last TPR.

[52] Air Navigation (Licensing of Air Services) Regulations. CAAS online information. Viewed at: http://www.caas.gov.sg/caas/en/Regulations/Licensing_of_Air_Services/2.1.3.14.pdf.

64. The CAAS has put in place a pricing regulatory framework, which caps the aeronautical revenue per passenger (revenue yield cap) that Changi Airport Group may charge at Changi Airport. The caps are set after taking into account allowable operating and capital expenditure and a portion of profits from non-aeronautical activities. This approach (cross-subsidy) aims to lower the overall aeronautical charges on airport users. The revenue yield cap determination process includes mandatory consultation with airport users.

65. The Government's strategy is to expand airport capacity ahead of demand. The airport can handle about 73 million passengers annually, 57% more than actual passenger traffic in 2011. To address the risk of the corporatized airport operator under-investing or delaying investments in airport infrastructure, the CAAS regulates Changi Airport Group in the planning of airport infrastructure, including setting triggers for planning additional passenger capacity and timeframes for the construction of the necessary infrastructure, runways, and other facilities. Changi Airport's land has been leased to the airport operator, while the CAAS retains overall control over land use to ensure it is developed to meet the needs of all airport users.

66. In order to diversify Singapore's air freight handling activities, a number of infrastructure projects were completed during the review period, including specialized terminals for perishables (Coolport@Changi) and high-value collectibles (Singapore Freeport). The opening of an Air Cargo Express hub is planned for 2012. Infrastructure and facilities are being upgraded at Seletar Airport to develop Singapore as an aviation hub and to support the development of the Seletar Aerospace Park (SAP). The SAP will support activities in the maintenance, repair and overhaul (MRO) of aircraft and components, business and general aviation, manufacturing and assembly of aircraft engines and components, as well as training and research and development.[53] There are presently over 100 companies carrying out MRO activities employing over 19,000 workers in Singapore.

67. Two companies currently provide ground-handling services (SATS and Dnata Singapore Pte Ltd).[54] US-based Aircraft Service International Group (ASIG) holds the third ground-handling contract, awarded by Changi Airport Group in June 2011. With its ten-year contract, ASIG will be able to provide a full range of passenger handling, apron handling, and cargo handling services. In addition, SIA Engineering Company provides "technical ramp" services, such as aircraft marshalling and parking, tow-in/push-back services, and aircraft exterior cleaning. The right of self-handling is to be negotiated under the bilateral air services agreements with Botswana, Australia, and the MALIAT.

68. The Aviation Development Fund (ADF) was launched by the CAAS with a budget of S$100 million over a five-year period between April 2010 and March 2015 (Table IV.9).

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[53] Some of companies that have decided to set up operations in the SAP include Jet Aviation, Rolls-Royce, Eurocopter, Bell Helicopter, Cessna, ST Aerospace, Hawker Pacific and Fokker Services.

[54] SATS is a publicly held corporation traded on the Singapore stock exchange. Its major shareholder is Venezio Investments Pte. Ltd., an indirect wholly-owned subsidiary of Temasek Holdings Pte. Ltd. Dnata Singapore Pte Ltd is a member of the Emirates Group of companies.

Table IV.9
Main non-tax incentive schemes in the civil aviation sector

Name of scheme	Main incentives
Aviation Development Fund - Aviation Innovation Programme (AIP)	To encourage innovation and development of new or enhanced capabilities in niches of excellence within the aviation industry. Open to all Singapore-registered companies or organisations with a presence in Singapore, including institutes of higher learning and research centres. The supported projects must have an innovative element. Grants of up to 70% of qualifying expenses, capped at S$2 million per project over two years, to support the purchase/lease of equipment, IPR acquisition, staff salaries, training costs, and consultancy/professional services. Budget of S$25 million.
Aviation Development Fund - Aviation Partnership Programme (APP)	To support the adoption of industry-level standards or processes that help to enhance overall productivity, effectiveness and competitiveness. Initiatives will be identified by the CAAS in consultation and partnership with the industry. APP provides two tiers of funding support: the first is for the development of common standards and platforms; the second is to fund companies for up to 70% of the cost required to adopt the established initiative.
Aviation Development Fund - Aviation Manpower Programme (AMP)	To support manpower development efforts of the Singapore aviation industry. Four initiatives have been launched under the AMP, such as the CAAS Aircraft Maintenance Examination Rebate Programme.

Source: Singapore authorities.

(v) Professional services

(a) Commitments under the GATS and FTAs

69. Singapore has undertaken specific commitments on professional services under the GATS, the ASEAN Framework Agreement on Services (AFAS), and several of its FTAs, negotiated both directly or together with ASEAN Members (Table IV.10).

Table IV.10
Specific commitments on professional services undertaken in the GATS and FTAs, 2012

	GATS	AFAS	Singapore-New Zealand (2001	Singapore-Australia[a] (2003)	Singapore-Japan (2002)	Singapore-EFTA (2003)	US-Singapore[a] (2004)	Singapore-Jordan (2005)
Legal services (861)				X	X		X	
Accounting, auditing and bookkeeping services (862)	X	X	X	X	X	X	X	X
Taxation services (863)	X	X	X	X	X	X	X	X
Architectural services (8671)	X	X	X	X	X	X	X	X
Engineering services (8672)	X	X	X	X	X	X	X	X
Integrated engineering services (8673)		X		X	X	X	X	
Urban planning and landscape architectural services (8674)		X	X	X	X	X	X	X
Medical and dental services (9312)	X		X	X	X	X	X	X
Veterinary services (932)	X		X	X	X	X	X	X
Services provided by midwives, nurses, physiotherapists and para-medical personnel (93191)			X	X	X	X	X	X
Other					X			

	Korea-Singapore[a] (2006)	Panama-Singapore[a] (2006)	Trans-Pacific SEP (2006)	ASEAN-Korea (2009)	Peru-Singapore[a] (2009)	China-Singapore (2009)	ASEAN-Australia, NewZealand (2010)
Legal services (861)							
Accounting, auditing and bookkeeping services (862)	X	X	X	X	X	X	X
Taxation services (863)	X	X	X	X	X	X	X
Architectural services (8671)	X	X	X	X	X	X	X
Engineering services (8672)	X	X	X	X	X	X	X
Integrated engineering services (8673)	X	X	X		X		
Urban planning and landscape architectural services (8674)	X	X	X	X	X	X	X
Medical and dental services (9312)	X	X	X	X	X	X	X
Veterinary services (932)	X	X	X	X	X	X	X
Services provided by midwives, nurses, physiotherapists and para-medical personnel (93191)	X	X	X		X		
Other							

a Negative list approach used for scheduling of services commitments.

Note: "X" indicates that either a full or partial commitment has been made in this subsector.

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

70. Progress in developing and implementing mutual recognition agreements (MRAs) under the AFAS has been slow. ASEAN framework agreements on services to facilitate the development of MRAs have been reached on: accountancy services (2009), medical practitioners (2009), dental practitioners (2009); architectural services (2007); surveying qualifications (2007); nursing services (2006); and engineering services (2005).[55] MRA discussions are most advanced in health-related areas.[56] An estimate could not be given of when these or other MRAs would be concluded.

71. Similarly, there are provisions in a number of Singapore's FTAs encouraging the relevant bodies within the parties' territories to develop licensing standards and mutual recognition of professional degrees. The authorities noted that under FTAs, work is only under way in establishing licensing standards and mutual recognition of professional dental degrees.

(b) Developments over the review period (2008-12)

72. There has been some opening of domestic legal services to foreign law practices (FLPs) in response to increasing demand for corporate and commercial legal services. Previously, while Singapore maintained a liberal policy with respect to the practice of foreign law, the domestic market

[55] ASEAN online information. Viewed at: http://www.aseansec.org/19087.htm.
[56] WTO document WT/TPR/S/261.

was tightly regulated. The most significant change to legislation governing the legal profession has been the opening up of "permitted areas" of domestic law to FLPs licenced under a newly introduced Qualifying Foreign Law Practice (QFLP) scheme, as well as to joint ventures between FLPs and Singapore law practices (SLPs) under the existing Joint Law Venture (JLV) scheme (Table IV.11). These permitted areas include commercial areas of law but exclude: constitutional and administrative law; conveyancing; criminal law; family law; succession law (including wills, intestate succession, and probate and administration); trust law (where the settlor is an individual); litigation; and appearance in any hearing before a quasi-judicial or regulatory body, authority or tribunal in Singapore. The practice of permitted areas of Singapore law may be undertaken through a Singapore lawyer (SL), or a foreign lawyer (FL) who has obtained a Foreign Practitioner Certificate, which involves passing an examination (introduced in 2012).

73. In addition, Singapore's regime for international commercial arbitration has been opened up; rules have been amended giving SLPs greater flexibility to collaborate with FLPs, given the increasingly competitive and globalized legal services markets[57]; and greater flexibility has been introduced to admit Queen's Counsel for cases where expertise is required or when a Singapore Senior Counsel is unavailable. There have also been some amendments to the Legal Profession Act to amend the regime for admission to the Singapore Bar.

74. Incentives have been introduced to encourage law practices to do more international services work from Singapore. As a result of the 2010 Budget, the Development and Expansion incentive (DEI) scheme was extended to international legal services. The incentive is open to law practices that are incorporated as companies in Singapore. Law practices awarded the incentive will enjoy a 10% concessionary tax rate for a period not exceeding 5 years on their qualifying income derived from the provision of international legal services in Singapore, in excess of a base (Chapter III(3)(i)).

75. Amendments made to the Accountants (Public Accountants) Rules pertain to continuing professional education (CPE) requirements (to add flexibility to the annual requirements in line with international benchmarks), the recognition of international experience for the purposes of registration (to facilitate registration of experienced auditors from other jurisdictions), and the Code of Professional Conduct and Ethics for Professional Accountants (to update it in line with international benchmarks).

76. In 2011 there were 1,037 foreign lawyers practicing in Singapore, and 116 foreign law practices, compared with 4,206 Singapore lawyers and 821 Singapore law practices. Around one-quarter of registered architects and engineers in Singapore are foreigners. Data on foreign accountants registered in Singapore was not available.

77. Key features of Singapore's legal services and accountancy regimes are summarized in Table IV.11, together with the respective features of Singapore's regimes for architectural and engineering regimes, which remained unchanged over the review period.

[57] These relate to increased profit and equity share provisions and provisions allowing concurrent partnerships.

Table IV.11
Selected professional services, key features, 2012

Legal services	
Legislation	Legal Profession Act (LPA)
Regulatory bodies	The Singapore Institute of Legal Education (SILE) oversees the professional training, education and examination of persons seeking to be admitted as SLs The Attorney-General oversees the licensing and regulation of foreign law entities, SLs and FLs working in foreign law entities, and FLs working in Singapore Law Practices The Law Society of Singapore oversees the regulation of SLs practicing in SLPs. Membership with the Law Society is mandatory for SLs and FLs who hold a FPC
Professions	Advocate and Solicitor of the Singapore Supreme Court (aka SLs)
Requirements for SLs and Singapore law practices (SLPs)	Individuals (Qualified Persons) seeking admission to the Singapore Bar must be: (a) a graduate from the National University of Singapore (NUS) or Singapore Management University (SMU) with at least a second lower honours or equivalent; or (b) have obtained a law degree overseas and fulfil various other requirements, including: (i) being a Singapore citizen/permanent resident; (ii) obtaining an approved law degree as a full-time internal candidate for at least three years from an approved university (listed in the schedules to the Legal Profession (Qualified Persons) Rules); and (iii) passing Part A of the Singapore Bar Examinations and fulfilling 6 months of relevant legal training All above-mentioned Qualified Persons must attend the Part B course and pass Part B of the Singapore Bar Examinations. Thereafter, they must also fulfil 6 months of practice training at a SLP SLs may be organized as a sole proprietorship, partnership, limited liability partnership (LLP), or law corporation (LC)
Requirements for foreign lawyers (FLs) and foreign law practices (FLPs)	An FLP is a law practice (including a sole proprietorship, partnership, limited liability partnership (LLP), or law corporation (LC)) providing legal services in foreign law in Singapore or elsewhere but does not include an SLP. All FLPs are regulated by the Attorney-General, through a licensing regime under Part IXA of the LPA. There are different categories of licences accorded to FLPs with different privileges and licence conditions attached: (a) FLP: may offer the full range of foreign-law-related legal services. It may not practice Singapore Law, except in the context of international commercial arbitration. (b) Qualifying Foreign Law Practice (QFLP): may employ their own SLs, or FL's who have obtained a Foreign Practitioner Certificate (FPC) to practice Singapore law in "permitted areas" of legal practice (see above). QFLPs are subject to a 4SL:1 FL ratio and other conditions apply. As at April 2012, six FLPs had been licensed under this scheme. (c) Joint Law Venture (JLV): is a joint venture between an FLP with an SLP, which may be constituted as a partnership or company. The JLV may practice Singapore law through SLs or FL's who have obtained a Foreign Practitioner Certificate (FPC) in "permitted areas" of legal practice (see above). A JLV may market/publicise itself as a single service provider and bill clients as if it were a single law practice. The constituent SLP of a JLV may share up to 49% of its total profits in the "permitted areas" with the constituent FLP. If the JLV is a partnership, the number of FLP equity partners resident in Singapore must not exceed the number of SLP equity partners. If the JLV is a corporation, the number of directors nominated by the FLP should not be greater than the number of those nominated by the SLP (d) Formal Law Alliance (FLA) licence: an FLP may collaborate with an SLP to form an FLA. The FLP and the SLP remain legally separate entities. However, the FLA may market/publicise itself as a single service provider. The FLA may also prepare documents relating to cross-border transactions, including documents governed by Singapore law, and issue legal opinions relating to Singapore law through the SLP member of the FLA
Accountancy services	
Legislation	Accountants Act
Regulatory bodies	The Accounting and Corporate Regulatory Authority (ACRA) and Public Accountants Oversight Committee (PAOC) are responsible for registering and regulating public accountants as well as other permitted public accounting entities (firms, corporations and limited liability partnerships (LLPs)) Membership of the professional association (the Institute of Certified Public Accountants of Singapore) is required
Professions	Public accountant *inter alia* involves auditing and reporting on financial statements
Qualification requirements	Professional examination; at least three years practical experience, of which at least two years must be structured experience; or six years practical experience (either structured or unstructured); completion of at least 40 hours of continuing professional education in the 12 months immediately preceding the date of application; completion of course on ethics and professional practice; and demonstration of proficiency in local laws

Table IV.11 (cont'd)

Recognition of qualifications and additional requirements for foreign accountants	Recognized foreign qualifications for registration: the Institute of Chartered Accountants of Scotland (ICAS); the Institute of Chartered Accountants in England and Wales (ICAEW); the Institute of Chartered Accountants in Ireland (ICAI); the Association of Chartered Certified Accountants (ACCA); the Institute of Chartered Accountants in Australia (ICAA); CPA Australia; New Zealand Institute of Chartered Accountants (NZICA); the Canadian Institute of Chartered Accountants (CICA); the American Institute of Certified Public Accountants (AICPA); and the Chartered Institute of Management Accountants of the United Kingdom (CIMA) Additional requirements: foreign accountants must have at least three years of practical experience, of which at least one year must be local practical experience (up to two years of foreign experience may be considered if certain criteria are met); and pass examinations in Singapore company law and taxation, unless the applicant has at least 2 years of relevant local experience
Selected requirements	Firms and LLPs: two thirds of partnership must be public accountants (if the partnership has two partners, then one must be a public accountant) Corporations: two-thirds of board of directors must be Singapore-registered public accountants; two-thirds of voting shares must be owned by Singapore-registered public accountants No citizenship or residency requirements, except that all above-mentioned accounting entities must have at least one director or partner that is ordinarily resident in Singapore
Engineering services	
Legislation	Professional Engineers Act
Regulatory bodies	Professional Engineers Board, responsible for registration of engineers (which is mandatory in order to practice) and regulation of the profession
Professions	The Professional Engineers Act regulates civil engineering, mechanical engineering, and electrical engineering. There are also provisions for registered professional engineers in these branches to further register themselves as specialized professional engineers (currently in geotechnical engineering (a specialization of civil engineering) and amusement-ride engineering (a specialization of mechanical engineering))
Qualification requirements	Applicants applying to register with the Professional Engineers Board must meet qualification requirements (such as a degree in branches of engineering covered by the Act from the National University of Singapore or the Nanyang Technological University); pass prescribed exams (the Fundamentals of Engineering and the Practice of Professional Engineering exams); and have at least four years of practical experience
Recognition of qualifications and additional requirements for foreign engineers	Qualifications from approved foreign universities and accredited by stipulated accrediting organizations are considered to meet qualification requirements under certain conditions. Approved universities/accrediting organizations and the respective conditions applied are set out in the Professional Engineers (Approved Qualifications) Notification 2009. These include institutions in: Australia; Belgium; Canada; China; Chinese Taipei; France; Germany; Hong Kong, China; India; Ireland; Japan; Korea (Rep. of); Malaysia; the Netherlands; New Zealand; South Africa; Sweden; Switzerland; the United Kingdom; and the United States
Selected requirements	Multi-discipline partnership: partnership must consist of only registered professional engineers and allied professionals LLP: partners must be registered professional engineers, allied professionals, licensed corporations or licensed limited liability partnerships licensed under the PE Act, Architects Act or Land Surveyor Act Corporation: simple majority of board of directors must be engineers registered with Professional Engineers Board or allied professionals No citizenship or residency requirements
Architectural services	
Legislation	Architects Act
Regulatory bodies	Board of Architects, responsible for registration of architects (which is mandatory in order to practice) and regulation of the profession
Professions	Architect
Qualification requirements	Applicants applying to register with the Board must meet qualification requirements (Degree of Bachelor of Architecture from the National University of Singapore or the University of Singapore), pass the prescribed exams (the Professional Practice Examination) and have two years of practical experience in architectural work, including such practical experience in Singapore for a continuous period of minimum 12 months
Recognition of qualifications	Qualifications from certain approved schools of architecture are accepted in Singapore (these are listed at http://www.boa.gov.sg/education.html, and include schools in: Australia; Canada; China; England; France; Germany; Hong Kong, China; Ireland; Japan; New Zealand; Northern Ireland; Scotland; United States; and Wales). Applicants applying to register with the Board must meet qualification requirements and pass the prescribed exams (the Professional Practice Examination) and have two years of practical experience in architectural work, including such practical experience in Singapore for a continuous period of minimum 12 months
Selected requirements	Multi-discipline partnership and LLP: no conditions Corporation: simple majority of board of directors must be architects registered with Board of Architects No citizenship or residency requirements

Source: Attorney-General's Chambers online information. Viewed at: http://statutes.agc.gov.sg.

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