

Volume 3, Issue 7. July 2014.

# RIKVINCONNECT

*The Compliance Issue*

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# FOREWORD

“ *Stay focused, and keep your ears on the ground...* ”

The outlook for Q3 2014 has been mixed. In late June, Fitch Ratings said that Singapore’s 3 major bank groups (DBS, OCBC Bank and United Overseas Bank) are well-positioned to meet the new liquidity coverage ratio (LCR) requirements announced by MAS.

However, early this month, in its ‘Banking System Outlook Singapore’ report, Moody’s Investors Service said that its outlook on Singapore’s banks remains negative over the next 12 to 18 months. This is partly due to the risk of rising interest rates and potentially more bad loans.

In addition, the Ministry of Trade and Industry (MTI) announced in mid July that the Singapore economy grew by 2.1% on a year-on-year basis in the Q2 2014, well below the 4.7% growth in the previous quarter.

On the bright side, as discussed in last month’s issue, hiring outlook remains strong according to Manpower Group.

Furthermore, there is another bright spot. As indicated in our company formations report, the average number of incorporations has grown this year, compared to the last two years - signalling a positive business sentiment in resilient industries. In addition, economists are optimistic that manufacturing will pick up this quarter.

So stay focused, and keep your ears on the ground.

Yours sincerely,

***Christine Lim***  
General Manager, Rikvin

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### RIKVIN PTE LTD

20 Cecil Street, #14-01 Equity Plaza  
Singapore 049705

Phone: (+65) 6320 1888

Fax: (+65) 6438 2436

Email: [info@rikvin.com](mailto:info@rikvin.com)

Website: [www.rikvin.com](http://www.rikvin.com)

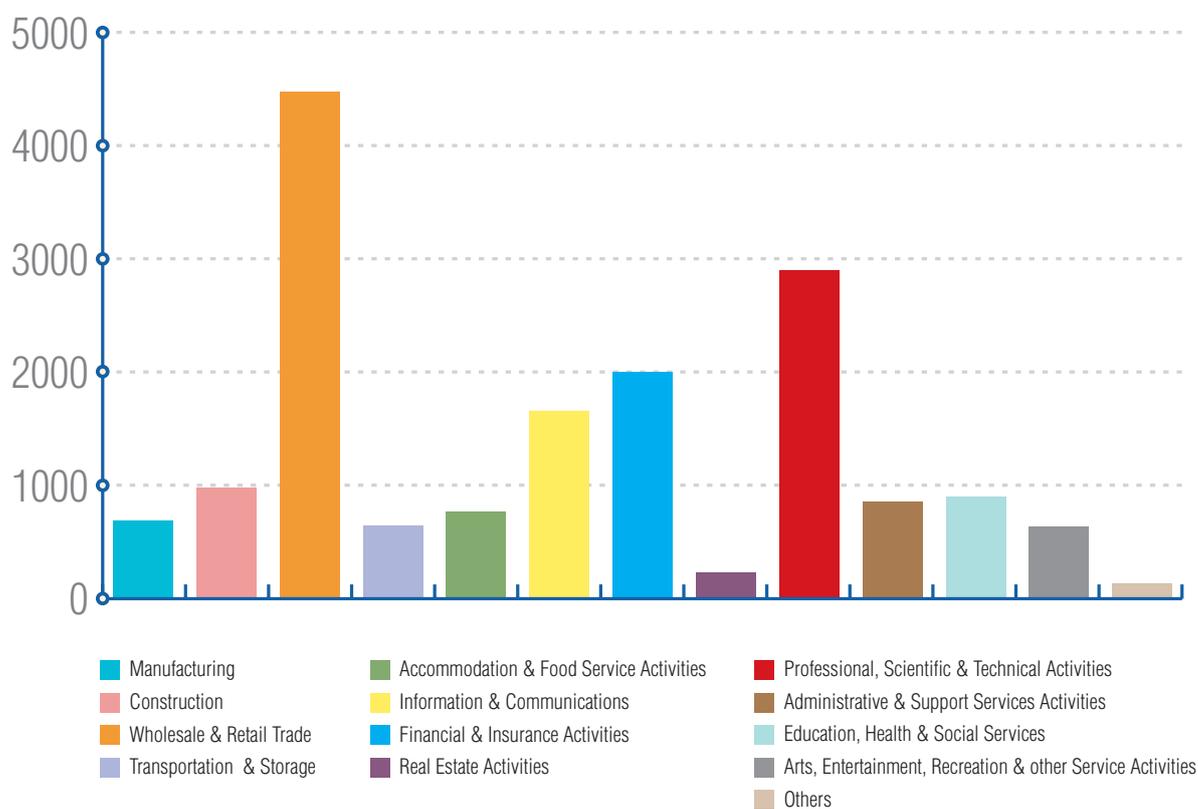
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# Which Industries Have Been Growing this Year?

Which industries are growing and which are declining to date this year? Find out in our Singapore Company Formation Report. The data is derived from the June 2014 Monthly Digest of Statistics Singapore from SingStat published early this month.

## TOTAL INCORPORATIONS BETWEEN JANUARY AND MAY 2014



The good news is that the average number of company formations has improved year on year. To date, the average number of company formations between January and May 2014 is 3,377 per month. In 2013, the average figure was 3,107 company formations and in 2012, the average was lower, at 2,829 company formations per month.

To see the full report and infographic please visit:

<http://www.rikvin.com.sg/reports/singapore-company-formation-report-january-may-2014/>

# *Will Your Business Be Regulated?*



Singapore is taking an integrated approach to mitigating financial crimes such as money laundering and terrorism financing. On 7 July, a bill amending the Corruption, Drug Trafficking and Other Serious Crimes Act was passed in Parliament. The bill is set to improve international cooperation in tackling serious crimes and enforce tougher penalties.

This comes on the back of an address at the annual ABS Financial Crime Seminar on 2 July, which saw Mr. Ong Chong Tee, Deputy Managing Director, Financial Supervision of the Monetary Authority Singapore (MAS) affirming Singapore's holistic approach to anti-money laundering and counter-terrorism financing (AML/CTF) activities.

In addition to supervising the financial sector, Singapore will continue to monitor other vulnerable non-financial sectors to mitigate financial crimes.

Singapore's National Risk Assessment (NRA), which comprises of 15 key government agencies, published an assessment of the city-state's ML/TF environment and related measures. Its National Money Laundering and Terrorist Financing Risk Assessment Report 2013, published in January this year, found that vulnerable sectors are those that are internationally-oriented and cash-intensive.

These include private and retail banks, remittance agents, money changers, internet-based stored value facility holders, corporate service providers, casinos and pawnbrokers. Others include the high-end property and jewelry markets.

According to Mr. Ong, the government is going to address the potential risks associated with these sectors. For example, to mitigate the risks of shell companies that are incorporated for illicit purposes, ACRA will implement stricter regulatory framework for corporate service providers in the last quarter of 2014.

Read more at [www.rikvin.com.sg/press-releases/singapores-takes-integrated-approach-mitigate-financial-crimes](http://www.rikvin.com.sg/press-releases/singapores-takes-integrated-approach-mitigate-financial-crimes)



# *Amendment to Income Tax Act:* **Feedback Required**

*The Ministry of Finance (MOF) has urged members of the public to give feedback on the draft Income Tax (Amendment) Bill 2014 until 24th July.*

The consultation paper details 14 changes including extending the Productivity and Innovation Credit (PIC) scheme for 3 more years, introducing the PIC+ scheme, as well as the extending tax deductions for R&D activities.

Full details can be found at the [MOF website](#). You may send comments to MOF directly via the website, email, fax or post.

# *Why are tech startups flocking to Singapore?*

*“The Financial Times has recently reported that tech startups from all over the world are flocking to Asia in search of funding, especially Singapore, its most prolific investment destination.”*

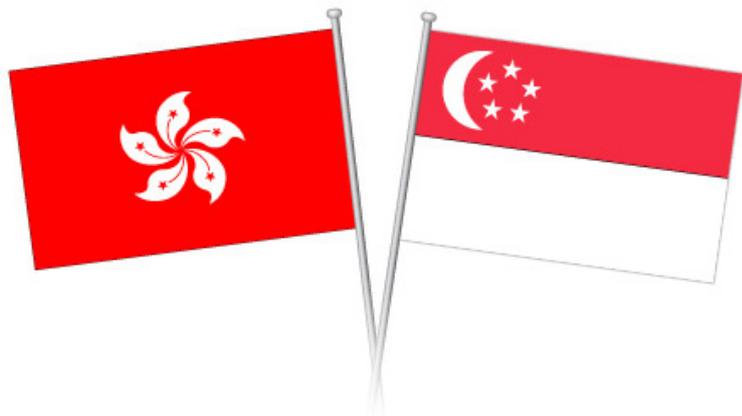


Tech startups from all over the world are always seeking for jurisdictions that have the perfect combination of potential consumer market, good supply of talent and healthy competition. Above all, they look out for funding. The Financial Times has recently reported that tech startups from all over the world are flocking to Asia in search of funding, especially Singapore, its most prolific investment destination.

Who are the biggest investors in Singapore?

Find out in <http://www.rikvin.com.sg/blog/tech-startups-around-world-flock-singapore-funding/>.

# Ease of Doing Business *in Hong Kong versus Singapore*



Hong Kong and Singapore are among the world's top financial centers and it is often difficult for entrepreneurs to choose between the two.

What are the advantages of starting a company in Singapore instead of Hong Kong? Which jurisdiction has a more attractive tax regime? What are the immigration and business regulations in each city? Find out the answers to these questions and more in our comparison chart.

<http://www.rikvin.com.sg/infographics/ease-of-doing-business-in-hong-kong-versus-singapore-a-comparative-report/>

