

Singapore Registry of Ships Reigns, says www.rikvin.com

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Dated: Aug 06, 2007

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Singapore is strategically located in the Asia Pacific region and its seaport is the largest in the world in terms of shipping tonnage. With links to more than 600 ports world-wide, it is the focal point for more than 400 shipping lines. 2006 was yet another good year for the maritime industry in Singapore. It retained its position as the world's busiest container port with a throughput of 24.8 million TEUs following 6.9% increase over 2005. Singapore was also the world's busiest port in terms of shipping tonnage, the biggest bunkering port and fourth largest shipping registry. The Singapore Registry of Ships also did well last year. The total tonnage of ships under Singapore register grew by some 5.6 per cent to reach 34.8 million GT as of end December 2006

To further capitalize on the development of Singapore as a premier shipping and logistics hub, the government of Singapore has introduced various incentives to promote the international trade. The Singapore Government is committed to attract international shipping companies, competent international ship management companies, and ship agencies to establish and expand their operations in Singapore. Some of the key benefits of registering Ships in Singapore are as below

Exemption of Profits from Income Tax

Profits of a shipping enterprise derived from the operation of a Singapore ship are exempt from Singapore income tax. The exemption applies

Income derived from carriage in international waters of passengers, mails, livestock or goods
Income derived from towing or salvage operations carried out in international waters by Singapore ship
Includes income derived from the charter of Singapore ships

Dividends paid out of such exempt profits are also exempted from tax in the hands of the shareholders, provided that the shares are not preferential in nature. Where the shareholder is a holding company, the exemption is also extended to the shareholders on the holding company.

Treatment of Vessel Sales Proceeds as Capital Gains Shipping companies owning SRS ships are assured of upfront certainty that vessel sales will be treated as capital gains, from YA2005 for a period of 5 years.

No Restrictions on Crew Nationality

Owners may engage officers and crews of any nationality on board Singapore ship so long as they meet the standards laid down in the International Convention on the Standards of Training, Certification and Watch keeping for Seafarers (STCW) 1978.

Approved International Shipping Enterprise (AIS) and Approved Shipping Logistics Schemes (ASL) are other hall mark schemes of Singapore shipping registry introduced in the year 1991 and 2003 respectively. Under the AIS scheme, the ship owner given the status of AIS will be exempted from Singapore income tax on income from the operation of all its vessels, whether registered in Singapore or otherwise. However, income from the uplift of freight in Singapore by its non-Singapore registered vessels would not be exempted. Dividends received from approved subsidiaries and associated shipping companies will also be exempted.

As a resident company, the AIS will also avail itself to the tax treaties Singapore signed with other countries. These treaties would in general provide 50% to 100% exemption from income tax on the freight income derived from these treaty countries

AIS status is granted for an initial period of 10 years, after which it can be extended for every five years with a maximum period of incentive for 30 years, to qualify for the AIS status, the company must:

be a resident shipping company

be a significant owner and operator of a fleet of ships (minimum four vessels)

have directly attributable business spending in Singapore of at least S\$4 million a year

have at least 10 percent of its fleet (minimum one vessel) registered under the Singapore flag

AIS scheme has attracted more than 80 shipping groups from diverse industry segments to base their operations here. In particular, the last 2 years have seen very strong growth. In 2005 alone, we registered a strong 50% increase in the number of AIS shipping groups. The Approved Shipping Logistics, or ASL Scheme, was launched in 2003 to encourage ship management companies and ship agencies to undertake more activities from Singapore.

Commenting on these developments Ms. Ragini Dhanvantray of Rikvin consultancy says "... Maritime and shipping industry is one of the key enablers of the global economy. In fact, it has been the efficiency and competitive cost of maritime transport that has made possible the shift of industrial production to the relatively lower-cost areas of the world, such as Asia. Singapore has been witnessing a highly enthusiastic maritime industry from the very commencement of this decade because of its evolution into an integrated maritime center and is now home to a dense network of ship managers, ship brokers and shipping agents, among others. We have also made some headway in the areas of shipping finance, marine insurance and legal services. Almost every major international shipping bank has set up a shipping desk in Singapore, with the European banks Natexis and Nord LB being the latest. Industry operators feel that as Asia fully blooms into a market as well a manufacturing base the maritime industry will experience magnificent growth and several attractive incentive schemes can be expected from the Government which is keen to sustain its edge over Hong Kong".

Now as the celebration of the 2nd Maritime week 2007 (21 September 2007 - 28 September 2007) is nearing industry is keen to catch the event's highpoint, the Singapore Maritime Lecture, with Singapore's Minister Mentor delivering the inaugural lecture. Quite recently on July 20 MPA was recognized as the most Pro-enterprise government agency by the fourth annual survey commissioned by the Action Community for Entrepreneurship (ACE), giving more reasons for Shipping enterprises to base their operations here and their ships to fly the Singapore Flag.

For further information please visit <http://www.rikvin.com>

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About Rikvin consultancy Pte Ltd:

Rikvin consultancy started in 1995 is an incorporation specialist specializing in company incorporation, registration and administration processing for all business types and sizes in Singapore and throughout the world. Rikvin facilitates foreign entrepreneurs' immigration into Singapore by assisting in obtaining Entrepass for themselves and their families and employment pass for their employees. For further information visit <http://www.rikvin.com>

Category Business

Tags singapore ship company registry, singapore entrepass, employment pass tax exempt, singapore income tax
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