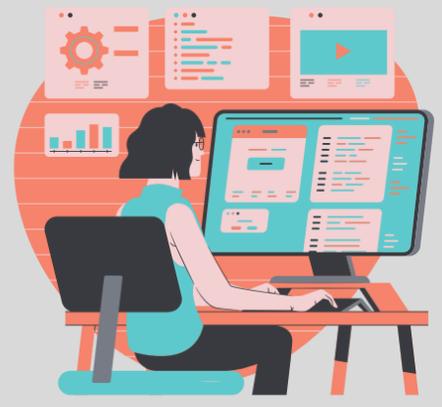


# FLIPPING INTO SINGAPORE: A QUICK GUIDE



## SHARE TRANSFER

1



### OLD COMPANY (OLDCO)



- To kickstart the process, you will need to set up a new holding company (NEWCO) in Singapore and choose an appropriate category from the Singapore Standard Industrial Classification (SSIC). For many Founders Doc clients, this might be 72105/62090 (IT) or 62011 (e-Commerce).
- Next, all the shares from the Old Company (OLDCO) will need to be transferred to the NEWCO. The NEWCO will mirror the existing arrangement and issue the same amount of shares to the respective shareholders. In the event that you wish to transfer ownership of Intellectual Property to NEWCO, this would require a transfer agreement.
- You need to attribute a value to the OLDCO shares in order to record the share issue. This may require you to consider the OLDCO's valuation at the time of the share transfer. Crucially, there is no monetary exchange for the shares that are issued. An agreement will be required to set out the non-cash consideration. Alternatively, you may also transfer the shares at a token \$1 value.



### NEWCO

# ASSET TRANSFER

2



The second method involving an asset transfer necessitates the sale of individual assets from OLDSCO to NEWCO. Typically, this method is only executed if there are issues with a share transfer. This will require assigning or transferring of intellectual property, assets, contracts and employees, potentially needing consent from third parties.

This transfer will usually leave OLDSCO without any assets other than consideration from NEWCO or shares in NEWCO.

# KEY DOCUMENTS

3



## To facilitate incorporation in Singapore:

- Company name registered with the Accounting and Corporate Regulatory Authority (ACRA)
- A brief description of business activities
- Details of Singapore registered address of the company
- Particulars of shareholders, directors and company secretary
- Foreign Entrepreneurs must submit a copy of their passport and residential address proof (overseas)
- Foreign Companies must submit Memorandum & Articles of Associations
- Singapore Residents must submit a copy of their Singapore identity card

## To facilitate the transfer of shares:

- Board Resolution
- Share Certificate
- Share Purchase Agreement

## To facilitate the transfer of assets:

- Board Resolution
- Sale and Purchase Agreement

\*This list is not exhaustive nor indicative. Individual cases may vary.

# KEY CONSIDERATIONS

4



Due Diligence needs to be conducted to examine the impact of the flip on existing contractual obligations and arrangements. The share transfer may constitute a change of control or liquidity event, potentially requiring third party approval. Additionally, documents such as shareholder's agreements need to be restated under the jurisdiction of the NEWCO.

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