

APPENDIX 3 TO ANNEX XI

RESERVATIONS BY SINGAPORE

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A.	All sectors
Obligation Concerned:	National Treatment
Legal Citation:	Companies Act, Cap 50 (1994) Business Registration Act, Cap 32 (2001)
Description:	<p>Compliance by Foreign Companies and Foreigners with the Companies Act and Business Registration Act requirements as to the establishment of a branch/business firm/company and the filing of accounts (where applicable).</p> <p>a) Commercial presence, right of establishment and movement of juridical persons are subject to compliance with the following provisions:</p> <p>i) a foreigner who wishes to register a business firm must have a local manager who should be:</p> <p style="margin-left: 40px;">A) a Singapore citizen; B) a Singapore permanent resident; or C) a Singapore employment pass holder.</p> <p>However, a foreigner who is a Singapore permanent resident or a Singapore employment pass holder can register a business without appointing a local manager;</p> <p>ii) for establishing a company, at least 1 director of the company must be locally resident;</p> <p>iii) all branches of foreign companies registered in Singapore must have at least 2 locally resident agents. (To qualify as locally resident, a person should be either a Singapore citizen or Singapore permanent resident or Singapore employment pass holder.)</p> <p>b) establishment of the branch of a foreign company is subject to the filing of the prescribed documents.</p>
Purpose or motivation of the measure:	To facilitate judicial proceedings

SINGAPORE

B.	All sectors
Obligation Concerned:	National Treatment
Legal Citation:	Residential Property Act, Cap 274 (1985) Housing & Development Act, Cap 129 (1997) Executive Condominium Housing Scheme Act, Cap 99A (1997) Banking Act, Cap 19 Finance Companies Act, Cap 108 MAS Act, Cap 186
Description:	<p>1 Ownership of land:</p> <p style="padding-left: 40px;">a) non-citizens cannot own residential land.</p> <p>2 Ownership of property:</p> <p style="padding-left: 40px;">a) non-citizens are restricted from purchasing landed property and residential property in a building of less than 6 levels;</p> <p style="padding-left: 40px;">b) there are also restrictions on non-citizens owning residential properties under government public housing schemes;</p> <p>3 Housing loans:</p> <p style="padding-left: 40px;">Measures may be imposed to restrict financial institutions from extending S\$ loans to non-Singapore citizens and non-Singapore companies for the purchase of residential property in Singapore.</p>
Purpose or motivation of the measure:	Scarcity of available land

SINGAPORE

C.	All Sectors
Obligation Concerned:	National Treatment
Legal Citation:	Banking Act, Cap. 19, MAS Notice 757 to Banks Securities Industry Act, Cap. 289, MAS Notice 1201 to Securities Dealers Finance Companies Act, Cap 108, MAS Notice 816 to Finance Companies Insurance Act, Cap 142, MAS Notice 109 to Insurers MAS Act, Cap 186, MAS Notice 1105 to Merchant Banks
Description:	<p>1 Where amounts exceed S\$5 million per entity¹, non-residents may obtain from banks² S\$ credit facilities for any purpose in Singapore or overseas, subject to the following conditions:</p> <p>a. For S\$ investments in financial assets and real estate, banks are required to ensure that the S\$ credit facilities extended are withdrawn when the investments, or part thereof, are in any way converted into S\$ cash proceeds.</p> <p>b. Where the S\$ proceeds are to be used or invested offshore, non-residents are required to swap these proceeds into foreign currency upon draw-down. In this instance, banks are not allowed to convert the S\$ proceeds into foreign currency via the spot or forward market. For S\$ equity listings and bond issues by non-residents wishing to tap S\$ markets to finance their activities offshore, non-residents are required to swap or convert the S\$ proceeds into foreign currency for use offshore.</p> <p>2 Banks should not extend S\$ credit facilities to non-residents for speculative activities in the S\$ currency market.</p> <p>3 Banks may lend S\$-denominated securities in any amount to non-residents as long as it is fully collateralised with S\$ cash or other S\$ assets upon the extension of the S\$-denominated securities loan.</p> <p>4 Banks may transact with non-residents S\$ currency options as long as there is a requirement to hedge the S\$ exchange rate risks arising from trade with, or economic and financial activities in, Singapore. There must be</p>

¹ For financial institutions seeking to obtain S\$ credit facilities, each subsidiary is considered a separate entity while the Head Office and all overseas branches are collectively regarded as one entity.

² The restrictions in this Reservation describe the measures in MAS' Notice 757 to Banks. Similar measures are set out in MAS Notice 1201 to Securities Dealers, MAS Notice 816 to Finance Companies, MAS Notice 109 to Insurers, and MAS Notice 1105 to Merchant Banks.

	<p>documentary evidence of the non-resident's need to hedge its trade with, or its economic and financial activities in Singapore.</p> <p>(The above reservation shall not be construed as causing a delay in transfers as defined in Article 44).</p>
Purpose or motivation of the measure:	Measures with regards to the internationalisation of the Singapore currency

SINGAPORE

D.	Printing and Publishing Sector
Obligation Concerned:	National Treatment and Most-Favoured-Nation Treatment
Legal Source or Authority:	Newspaper and Printing Presses Act, Cap 206 (1991 Revised Edition) Ministry of Information, Communications and the Arts
Description:	National Treatment and Most-Favoured-Nation Treatment shall not apply to the printing and publishing sector
Purpose or motivation of the measure:	National social policy and national interest

SINGAPORE

E.	Arms and Explosives Sector
Obligation Concerned:	National Treatment and Most-Favoured-Nation Treatment
Legal Citation:	Arms and Explosives Act, Cap 13 (1985)
Description:	National Treatment and Most-Favoured-Nation Treatment shall not apply to the arms and explosives sector. The manufacture, use, sale, storage, transport, importation, exportation and possession of arms and explosives are regulated for protection of vital security interests.
Purpose or motivation of the measure:	Protection of security interests

SINGAPORE

F.	Privatisation
Obligation Concerned:	National Treatment and Most-Favoured-Nation Treatment
Legal Citation:	Not applicable
Description:	National Treatment and Most-Favoured-Nation Treatment shall not apply to the privatisation or divestment of corporate entities or assets currently in Government ownership
Purpose or motivation of the measure:	Government Policy

SINGAPORE

G.	Manufacturing Sector
Obligation Concerned:	National Treatment and Most-Favoured-Nation Treatment
Legal Citation:	Control of Manufacture Act, Cap 57 (2001)
Description:	<p>For various reasons relating to public interest in certain manufacturing activities, National Treatment and Most-Favoured-Nation Treatment may not apply with regards to statutory licensing requirements and conditions imposed for the manufacture of the following:</p> <ul style="list-style-type: none"> a) air-conditioners; b) beer and stout; c) cigars; d) drawn steel products; e) firecrackers; f) pig iron and sponge iron; g) refrigerators; h) rolled steel products; i) steel ingots, billets, blooms and slabs; j) chewing gum, bubble gum, dental chewing gum or any like substance; k) CD (compact disc), CD-ROM (compact disc-read only memory), VCD (video compact disc); l) DVD (digital video disc), DVD-ROM (digital video disc-read only memory); m) cigarettes; n) matches;
Purpose or motivation of the measure:	Public interest in certain manufacturing activities