

**FDI Guide**  
**Singapore**

**Contact**

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**Foreword:** A specific chapter is dedicated to the new Regulation (EU) 2019/452 of 19 March 2019 creating a framework for the screening of foreign direct investment (FDI) into the European Union through a combination of: (1) mandatory information by the Member State receiving a filing under its FDI regime of all other Member States and the European Commission; and (2) the possibility for the latter to make comments or issue opinions to the former.

	<b>Topic</b>	<b>Explanation/Description of what is expected</b>	<b>Singapore</b>
<b>1.</b>	<b>Principle</b>	Describe if the FDI regime is built by exception to a principle of freedom of investment or whether restrictions to transferring funds to and from your country apply generally.	<p>Singapore maintains a heavily trade-dependent economy characterised by an open investment regime, with restrictions on foreign investment in particular sectors (see item 3 below).<sup>1</sup> Singapore does not have an umbrella regime for regulating foreign investment. Instead, foreign investment is regulated (if at all) by sector.</p> <p>Singapore imposes no significant restrictions on the repatriation of earnings and capital, or on remittances, foreign exchange transactions and capital movements.</p>
<b>2.</b>	<b>Legal regime</b> <b>Authority(ies) in charge</b>	<p>Describe source(s).</p> <p>Name of authority in charge of applying the FDI rules (Minister/Agency/...).</p>	<p>The primary authority in charge of formulating policies on foreign investment is the Ministry of Trade and Industry. Other authorities are also involved in formulating policies on foreign investment, to the extent that such policies come within their scope of competence. We set out below the legislation providing for foreign investment restrictions in particular sectors (see item 3 below) and the authorities in charge of administering such restrictions.</p> <p><b>Real estate</b></p> <p>The primary legislation providing for restrictions on foreign investment in real estate (see item 3 below) is the Residential Property Act 1976 of Singapore. The primary authority in charge of administering such restrictions is the Singapore Land Authority.</p> <p><b>Broadcasting companies</b></p> <p>The primary legislation providing for restrictions on foreign investment in broadcasting companies (see item 3 below) is the Broadcasting Act 1994 of Singapore. The primary authority in charge of administering such restrictions is the Info-communications Media Development Authority of Singapore (IMDA).</p>

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<sup>1</sup> The United States Department of State, ‘Investment Climate Statements: Singapore’ (2020).

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			<p><b>Newspaper companies</b></p> <p>The primary legislation providing for restrictions on foreign investment in newspaper companies (see item 3 below) is the Newspaper and Printing Presses Act 1974 of Singapore. The primary authority in charge of administering such restrictions is the IMDA.</p>
3.	<p><b>Transactions that may be subject to FDI</b></p> <ul style="list-style-type: none"> <li>• Type</li> <li>• Materiality thresholds</li> <li>• Rights of evocation</li> </ul>	<p>Describe the nature of the transactions that may be subject to FDI rules.</p> <p>In the case of share acquisition, specify if the FDI regime is triggered only beyond a certain threshold and, if so, describe such a threshold.</p>	<p><b>Real estate</b></p> <p>Foreign persons<sup>2</sup> are not permitted to purchase most types of public housing in Singapore. Foreign persons are required to seek prior approval from the Singapore Land Authority for the purchase of landed residential property, land zoned for residential purposes, all the apartments or units in a residential development, place of worship, worker’s dormitories or serviced apartments and boarding houses (not registered under the Hotels Act 1954 of Singapore).</p> <p>The Singapore Land Authority may, in its discretion, grant approval for the purchase of any of the above properties, with or without conditions, to any applicant who/which:</p> <ul style="list-style-type: none"> <li>• if a natural person: <ul style="list-style-type: none"> <li>– intends to make the purchase for the purpose of his/her own occupation and that of his/her family as a dwelling house and not for the purpose of rental or any other purpose;</li> <li>– is a permanent resident of Singapore;</li> <li>– is of economic benefit to Singapore, or makes or is able to make an adequate economic contribution to Singapore; or</li> <li>– not being a citizen, possesses professional or other qualifications or experience that are of value or of benefit or advantageous to Singapore; and</li> </ul> </li> <li>• if a foreign company or foreign limited liability partnership:</li> </ul>

<sup>2</sup> Defined as any person who is not any of the following: (1) citizen of Singapore; (2) Singapore company; (3) Singapore limited liability partnership; or (4) Singapore society. ‘Singapore company’ is defined as any company that satisfies the following requirements: (1) the company is incorporated in Singapore and its directors and members are all citizens; (2) if any member of the company is another company, that other company satisfies the requirements of paragraph (1); (3) if that other company mentioned in paragraph (2) has a member that is a company, which in turn has a member that is also a company and so on, all the members of each such company consist only of any or any combination of the following: (i) citizens; and (ii) companies that satisfy the requirements of paragraphs (1) and (2); and (4) if any member of the company is a limited liability partnership, that limited liability partnership is a Singapore limited liability partnership.

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			<ul style="list-style-type: none"> <li>- intends to make the purchase for the purpose of occupation as a dwelling house by its executives, managers, partners, employees or other personnel and their families, and not for any other purpose; and</li> <li>- is of economic benefit to Singapore or makes or is able to make an adequate economic contribution to Singapore.</li> </ul> <p>Foreign persons are permitted, without prior approval from the Singapore Land Authority, to purchase a condominium unit, flat unit, industrial and commercial properties, and hotels (registered under the Hotels Act 1954 of Singapore).</p> <p><b>Broadcasting companies</b></p> <p>A broadcasting company must not, unless the IMDA approves, be granted or hold a relevant licence<sup>3</sup> if the IMDA is satisfied that any foreign source,<sup>4</sup> alone or together with other foreign sources:</p> <ul style="list-style-type: none"> <li>• holds at least 49 per cent of the shares in the company or its holding company;</li> <li>• is in a position to control the voting power of at least 49 per cent in the company or its holding company; or</li> <li>• all or the majority of the persons having the direction, control or management of the company or its holding company are appointed by, or accustomed or under an obligation to act in accordance with the directions of, the foreign source.</li> </ul> <p>A person must not, without the prior approval of the IMDA, receive any funds from any foreign source for the purposes of financing, directly or indirectly, wholly or partly, any broadcasting service owned or operated by a broadcasting company. The IMDA may grant approval if satisfied, on any information required to be provided, that the funds</p>

3 Defined as (1) any free-to-air licence; or (2) any broadcasting licence under which a subscription broadcasting service may be provided, in the case of the licences mentioned in paragraphs (1) and (2), a licence that permits broadcast that is capable of being received in 50,000 dwelling houses or more, but does not include any class licence; or (3) any other broadcasting licence that the Minister may specify in the public interest or in the interest of public security or order, or national defence.

4 Defined as including (1) the government of a country outside Singapore or the agent of that government, whether resident in Singapore or otherwise; (2) any company, association or society incorporated or constituted under any law in force outside Singapore, whether or not it has a branch office or place of business in Singapore; (3) any person who is not a citizen of Singapore, whether or not he or she is resident in Singapore; (4) any: (i) body corporate formed or incorporated in Singapore, one or more of whose members or directors are not citizens of Singapore, or in the case of a member being another company, where one or more of the members or directors of that company are not citizens of Singapore; or (ii) unincorporated association or body constituted under any law in force in Singapore, one or more of whose members or directors are not citizens of Singapore, or in the case of a member being another company, where one or more of the members or directors of that company are not citizens of Singapore, in relation to such body corporate, unincorporated association or body mentioned in paragraphs (i) and (ii), as the Minister may declare to be a foreign source; or (5) any other source outside Singapore that the Minister may declare to be a foreign source.

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			<p>are intended for bona fide commercial purposes.</p> <p><b>Newspaper companies</b></p> <p>A person must not, on or after the grant or renewal of a permit to publish a newspaper, receive on behalf or for the purposes of any newspaper company any funds from a foreign source without the prior approval of the IMDA. The IMDA may grant approval if satisfied, on any information required to be provided, that the funds are intended for bona fide commercial purposes.</p>
		<p>Are indirect acquisitions of assets or shares in the jurisdiction subject to the relevant FDI rules (acquisitions in a parent company outside the jurisdiction)?</p> <p>Are share transfers involving a group company internal restructuring covered?</p> <p>Are greenfield investments covered?</p>	<p>This depends on the foreign investment restriction in question. For example, in the case of restrictions on foreign investment in broadcasting companies (see item 3 above), where a company (Company A) has, or is deemed to have, an interest in the shares in a broadcasting company (Company B), the following persons are also deemed to have an interest in the shares in Company B:</p> <ul style="list-style-type: none"> <li>• a person who has a controlling interest in Company A;</li> <li>• a person in accordance with whose directions, instructions or wishes Company A (or its directors) is accustomed to act; and</li> <li>• a person who either alone or with his associates controls 20 per cent or more of the votes in Company A.</li> </ul> <p>Given the foregoing, the foreign investment restrictions may apply to such persons, notwithstanding that such persons have only an indirect interest in the shares of Company B, by virtue of their interest in the shares of Company A.</p> <p>Foreign investment restrictions apply equally to share transfers involving group company internal restructuring.</p> <p>Foreign investment restrictions apply equally to greenfield investments.</p>
		<p>Does the FDI authority (or another type of governmental authority) have a power of evocation/ex officio/call-in powers? If so, please describe.</p>	<p>The relevant authorities generally have extensive powers of investigation, including to order the disclosure of information from foreign investors and recipients of foreign investment.</p>

	<b>Topic</b>	<b>Explanation/Description of what is expected</b>	<b>Singapore</b>
4.	<b>Sectors falling under the FDI scope</b>	<p>Describe the economic sectors for which FDI regime will apply. If relevant, explain for each sector the level of flexibility that the authority may apply (or not) in evaluating whether FDI rules should apply.</p> <p>Are there sector-specific stricter limits on foreign investment that will apply, such as a lower threshold of investment by foreign interests or sectors for which no foreign investment is possible? If yes, which sectors (eg, nuclear energy/agriculture)?</p>	Please see item 3 above for the sectors in which foreign investment restrictions apply, and the circumstances in which such restrictions are triggered.
5.	<b>Qualified investors</b>	Describe the main characteristics of investors that fall under the FDI regime and if there are nuances depending on their origin (eg, EU v not EU).	Please see item 3 above for the types of foreign investors to which foreign investment restrictions apply. The application of such restrictions does not vary depending on the country of origin of the investor. For completeness, we note that the Free Trade Agreement between the EU and Singapore, which entered into force on 21 November 2019, does not alter the application of foreign investment restrictions.
6.	<b>Procedure</b> 6.1 Before or post-closing filing		The filing procedure varies depending on the foreign investment restriction in question.
7.	6.2 In the case of pre-closing filing	Mandatory/optional filing	
8.	6.3 In the case of post-closing, what are the powers of the authority?		
9.	6.4 Advance ruling	Explain if it is possible to obtain a pre-ruling from the authority as to whether the transaction falls under the FDI rules	

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		and, as the case may be, describe the process to be followed.	
10.	6.5 Timing of various steps (i) Filing	How much lead time is required?	
11.	(ii) Review by the authority	Specify the timing available to the authority; indicate if the timeframe is mandatory or not and describe what other flexibility may exist <i>de facto</i> or <i>de jure</i> .	
12.	(iii) Negotiation with the authority	Describe how to handle the relationship with the authority, including when approval is subject to commitments from, or conditions imposed on, the investor.  Are there any guidelines issued by the authority?	
13.	(iv) Filing fees	Is there a filing fee?	
14.	(v) Information needed for filing	What information about the investor is required? Are there any thresholds for the identity and nationality of minority passive shareholders? Information on other FDI approvals by other authorities?	
15.	(vi) Final decision	Indicate if the final decision is to be issued within a set timeframe and what are the consequences if the authority	

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		does not issue a decision within the set timeframe.	
16.	<p><b>Conditionality of approval</b></p> <p>(i) Type of conditions or commitments</p>	Describe the type of conditions or commitments to which FDI approval may be subject. Specify their usual duration. Specify what powers the authority may exercise to control/monitor the satisfaction of such conditions/commitments	<p>The conditions to which foreign investment approval may be subject vary depending on the foreign investment restriction in question and the circumstances of each particular case. For example, in the case of restrictions on foreign investment in real estate (see item 3 above), the Singapore Land Authority may subject its approval for the purchase of restricted property to any or all of the following conditions:</p> <ul style="list-style-type: none"> <li>• the foreign investor : <ul style="list-style-type: none"> <li>- if a natural person, he/she must use the residential property for his/her own occupation and that of his/her family as a dwelling house and not for any other purpose; or</li> <li>- if a foreign company or limited liability partnership, it must use the residential property for occupation as a dwelling house by its executives, managers, partners, employees or other personnel and their families, and not for any other purpose;</li> </ul> </li> <li>• the foreign investor must not sell, assign, transfer or otherwise dispose of the foreign investor's estate or interest in the residential property within such a period as may be specified by the authority;</li> <li>• the foreign investor must provide such security as the authority may determine for the purposes of complying with any condition imposed by the authority; and</li> <li>• the foreign investor must give an undertaking in writing to comply with the conditions imposed.</li> </ul> <p>Please see item 3 above for details on how the relevant authorities determine an application for approval of foreign investment.</p> <p>The relevant authorities do not publish the number of applications for approval of foreign investment submitted and/or rejected.</p>
17.	(ii) Level of discretionary power of the authority	Indicate if it exists and, if so, describe exceptional circumstances that have led to the use of such discretionary power.	



	<b>Topic</b>	<b>Explanation/Description of what is expected</b>	<b>Singapore</b>
18.	(iii) Risk of veto	Describe a topical case.  Statistics	
19.	<b>Role of other national authorities</b>	Indicate if other authorities or administrations (eg, Army or Defence Minister) can get involved and, if so, how (by the authority or otherwise) and how much influence it may exercise.	Generally, an application for the approval of foreign investment is submitted to the relevant authority. Other authorities may become involved in the application process to the extent that such an application comes within their scope of competence. The amount of influence that other such authorities may exercise differs from case to case and is not expressly provided in the applicable legislation.
20.	<b>Sanctions</b>	Describe the type of sanctions that may be imposed by the authority in the case of: <ul style="list-style-type: none"> <li>• breach of conditions and/or commitments attached to the approval; and</li> <li>• investment carried out without prior approval.</li> </ul>	<p>The type of sanction that may be imposed varies depending on legislation applicable to the foreign investment restriction in question.</p> <p>The most common sanctions imposed by the relevant authorities in respect of a breach of foreign investment restrictions are fines. Foreign individuals and directors of foreign companies in breach of such restrictions may also face imprisonment.</p> <p>Any licence, approvals and/or registration that were obtained in breach of such restrictions may also be revoked by the relevant authorities. The relevant authorities may also impose additional penalties on a licence holder for submitting false or misleading information in the course of applying for such a licence, approvals and/or registration.</p> <p>For example, if the IMDA is satisfied that a broadcasting company breached the relevant foreign investment restrictions (see item 3 above), the IMDA may do either or both of the following:</p> <ul style="list-style-type: none"> <li>• cancel or suspend the broadcasting licence granted to such a broadcasting company; and/or</li> <li>• require the payment of a fine of such an amount as the IMDA sees fit.</li> </ul> <p>In addition, any person who, without the prior approval of the IMDA, receives funds from a foreign source for the purposes of financing a broadcasting service (see item 3 above) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD 50,000, imprisonment for a term not exceeding three years or both, and the court may, in addition to any other penalty, order the forfeiture to the IMDA of any such funds that are the subject of the charge.</p>

	<b>Topic</b>	<b>Explanation/Description of what is expected</b>	<b>Singapore</b>
<b>21.</b>	<b>Covid – special regime</b>	Please describe specific rules applicable as a result of the Covid-19 pandemic.	There are no specific rules that alter the foreign investment restrictions as a result of the Covid-19 pandemic.

<b>Theme</b>	<b>Relevant Item</b>
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Foreign source .....	3
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<b>Theme</b>	<b>Relevant Item</b>
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Ministry of Trade and Industry .....	2
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<b>Theme</b>	<b>Relevant Item</b>
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