

Singapore

at a glance



Executive message: Welcome to Singapore



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Singapore ranks as one of the top financial centres in the world, and a centre of excellence for digitalisation and sustainable finance. With an extensive network of free trade agreements, a stable socio-economic environment and a highly skilled workforce, it offers a world-class business environment with a global reputation.

As the largest intra-regional investor in ASEAN and home to over 4,200 Regional Treasury Centres and Regional Headquarters, Singapore is recognised as a global hub for regional businesses, from home-grown SMEs to large multinational conglomerates, and is a connector to business opportunities in ASEAN. Singapore also has a strong reputation as a leading wealth hub for the region, supporting the rising affluence in ASEAN and the growing wealth needs of individuals, family offices and asset managers. Singapore is currently rated as the second-easiest place in the world to do business by the World Bank.

HSBC's history in Singapore dates back to 1877 when The Hongkong and Shanghai Banking Corporation Limited opened its first branch on the island. One of the earliest banks to set up in Singapore, HSBC is today a prominent player in the financial services sector. HSBC's long-established heritage and global network positions us well to help businesses navigate the opportunities which have emerged from the exciting ASEAN economies. Singapore provides the perfect gateway to capture growth in the region.

Please get in touch to find out how HSBC can help your business capture opportunities in this exciting region.

Watch the video to learn more about the growth opportunities Singapore offers to your business.

 Click here to watch



A gateway to Southeast Asia and beyond.

Overview



Population
5.7 million (2024 est.)

Total area
734 sq km

Capital
N/A

Major language(s)
English, Malay, Mandarin and Tamil

Time zone
UTC +8

Gross domestic product (GDP)
USD673 billion (2023);
1.1% growth rate (2023);
USD84,724 per capita (2023)

Consumer price index, average
6.1% (2022);
5.0% (2023 est.);
3.5% (2024 est.)

Central bank
Monetary Authority of Singapore (MAS)

Currency
Singapore Dollar (SGD)

Exchange rate vs. USD
1.35
(as of 30 June 2024)

Thrive regionally, grow confidently

Businesses across the globe are finding the ASEAN opportunity increasingly compelling. Why? Because it is built on multiple pillars, each reinforcing another, rather than relying on a single mega-trend. A combination of factors – demographic, technological, geopolitical and regulatory – is driving this diverse and dynamic region to new and self-sustaining heights.

There's a caveat of course. When its economy becomes the world's fourth largest, as is expected by 2030¹, ASEAN won't be any less complex. But by then, early-mover advantage in its burgeoning industries will have been grasped by those who acted quickly to take the uncertainty out of ASEAN's expansion opportunity.

The leaders will be firms whose CFOs and treasurers have also built a holistic vision from multiple sources of strength, while drawing on and catering to the individual characteristics of ASEAN's fast-evolving – and rapidly digitising – economies. In particular, they will be the businesses that have positioned themselves for success by prioritising treasury innovation, embracing the new economy, and integrating sustainability into their financial strategies. In short, ASEAN's leading firms will have aligned themselves with the future.

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Optimism, dynamism, futurism

With a population that will reach 700 million by 2030 – 61% of which is currently under the age of 35² – ASEAN's expanding and tech-literate middle class is expected to double domestic consumption by the end of the decade. Much of this demand will be digital, with healthcare, biotech and education among the new economy sectors that are likely to benefit.

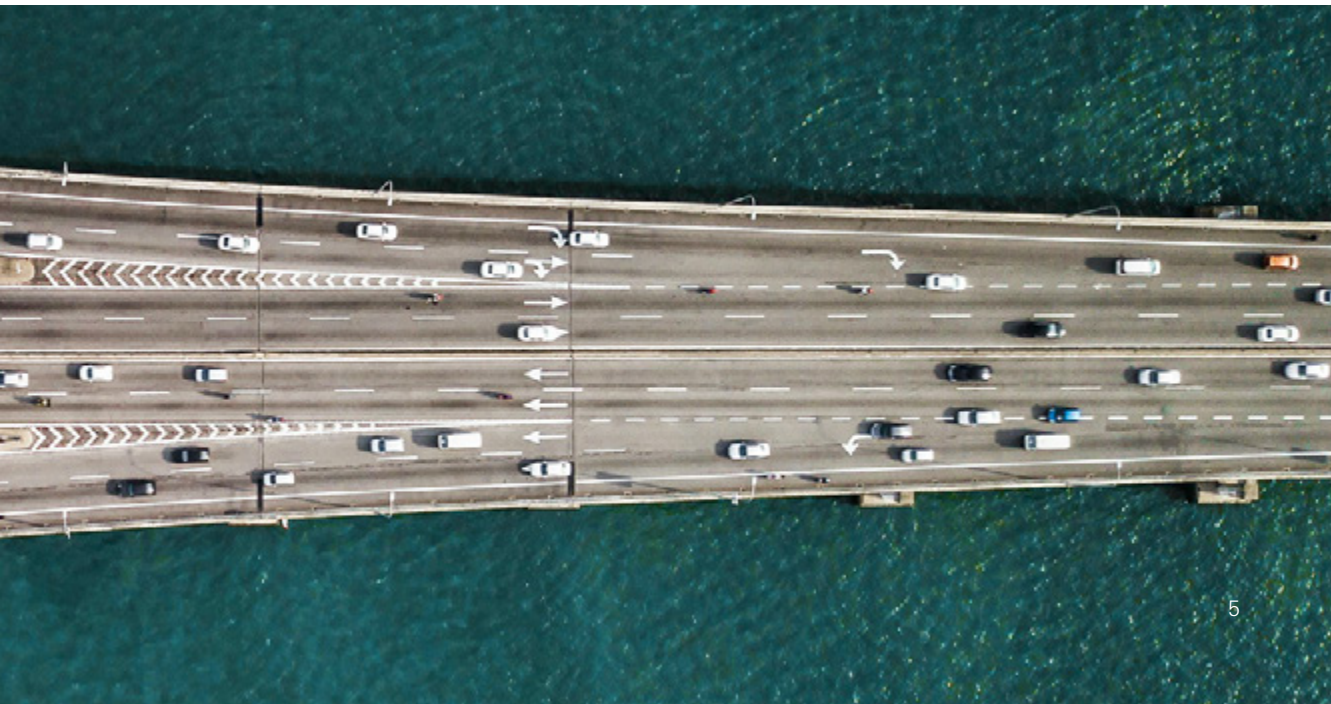
Unsurprisingly perhaps, the region's businesses are also among the most optimistic in the world. More than 90% are more upbeat about the region's prospects than they were a year ago, according to an HSBC survey of decision-makers in its six biggest economies³.

But consumer and business energy does not exist in a vacuum. In recent decades, at least part of ASEAN's appeal has been its proximity to neighbouring giants; however, ASEAN's largest export market is now itself, with intra-community trade reaching

historic levels. According to a survey of 600 businesses in ASEAN's six core economies, 57% of firms expect their intra-ASEAN trade to increase by up to 30% this year, while a further third foresaw a higher uptick⁴. Inflows still matter. Foreign direct investment rose 5.5% to a new high of USD224 billion in 2022, surpassing China, as global levels fell⁵.

The Regional Comprehensive Economic Partnership ensures strong ties with ASEAN's five main regional trading partners – China, Japan, South Korea, Australia and New Zealand – via the world's largest free trade agreement, accounting for around 30% of the world's GDP and over a quarter of global trade⁶.

In combination, these factors are set to drive the ASEAN economy to 5% of GDP growth per annum on average up to at least 2030⁷, offering opportunities to local and global businesses alike.



Visibility, flexibility, liquidity

To capture these exciting and evolving opportunities across ASEAN's strongest markets, CFOs and treasurers will need to reimagine their existing processes and practices, while adhering to first principles. In a varied and sometimes volatile business environment, it will remain important to exert control over multiple risk factors and cash flows, to establish visibility over subsidiaries, business partners and supply chains, and to maintain flexibility to account for local regulations, practices and preferences.

To this end, treasurers are turning to digital platforms for real-time cash visibility, automated payments and streamlined treasury operations, with cloud-based treasury management systems becoming indispensable for managing liquidity and risks across diverse markets.

Firms appreciating the benefits of digitised control and visibility across their ASEAN operations include IHH Healthcare, one

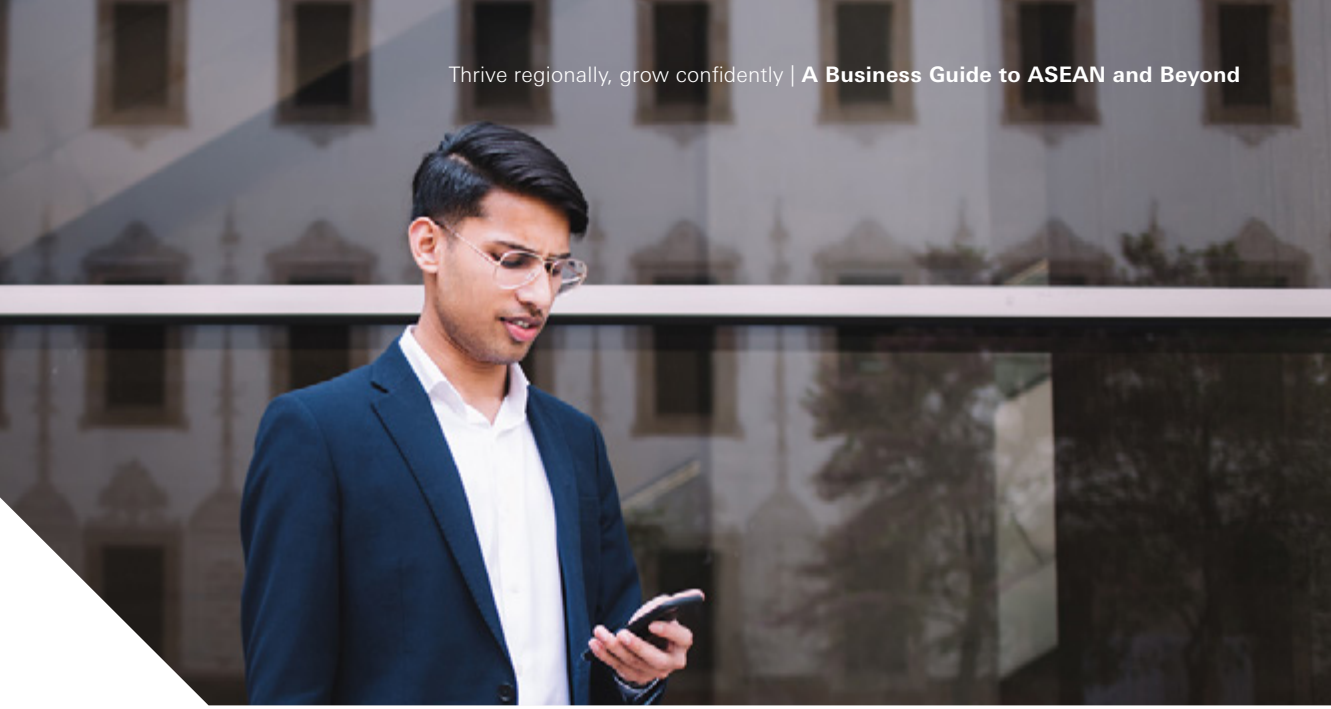
of Asia's largest private healthcare groups. Having grown rapidly through acquisition, the firm has adopted a centralised treasury model based on group-level policies and processes, host-to-host connectivity between banks and in-house payroll and accounting systems, and a multi-currency notional pooling structure to optimise liquidity, funding and investments. Its sharp improvements in visibility and flexibility can be measured in tangible terms, with a halving of bank accounts and an extra USD74 million to pay down debt and boost investments.

Critically, firms are looking to treasury solutions that serve multiple needs and specific contexts, such as streamlined collections services that offer a smooth customer experience as well as internal process efficiencies, by leveraging connectivity to real-time payments networks in key markets.

Digitisation, transformation, solutions

Building on a vibrant ecosystem of tech startups, e-commerce platforms and digital payment solutions, ASEAN's rapid digital transformation is reshaping traditional industries and creating new opportunities. The extent of these is reflected in the fact that Southeast Asia's digital economy is set to double to USD340 billion by 2025, on the road to surpassing USD1 trillion in 2030⁸.

Governments and regulators are creating an enabling environment for e-commerce in response to the mobile-first preferences of middle-class consumers. The authorities in Singapore and Malaysia have awarded digital banking licences, as infrastructure and regulatory roadmaps are rolled out in all major ASEAN markets to encourage digital transformation and prompt the emergence of the next Grab, Ovo or GoTo.



The rise of FinTech innovation presents both challenges and opportunities for treasurers, who must be able to evaluate the value of emerging digital technologies to company-wide e-commerce strategies as well as more specific treasury-focused tasks.

Foodpanda, a Singapore-based food and grocery delivery company operating in 11 Asian markets, has done both, implementing technology-led solutions which streamlined its bank account structure, improved liquidity visibility, control and yield, saved cost and effort through automated processing of high payment volumes, and enhanced the digital experience of clients and partners.

Key elements included the bulk execution of payments on real-time payment rails, virtual accounts that automated the identification of incoming payments from merchants, and an ongoing expansion of supported digital payment methods. Whether one considers the seamless customer experience or the USD1 million generated through the interest

enhancement solution, integration of treasury and business priorities underpinned an award-winning digitisation initiative.

An online delivery platform might be a suitable poster child for the new economy, but firms from a much wider range of sectors are realising treasury efficiencies and business benefits. These include DKSH, a market expansion services provider for companies looking to grow their business in new or existing markets in Asia and beyond, in consumer goods, healthcare, performance materials and technology.

The service provider has streamlined collections by accepting payments via a QR code scanned into a mobile device. Thanks to API connectivity, DKSH receives real-time notification of each payment while payer details and other transaction information are also embedded into the code to automate and accelerate reconciliation, which frees up customer credit lines more quickly for reinvestment into the business.

Sustainable, achievable, buildable

Whether driven by regulation, access to finance or access to markets, sustainability is emerging as a force of value creation in ASEAN.

With 11% of ASEAN GDP loss expected by 2100 if climate change is left unaddressed and having five out of 20 countries most impacted by climate change being from ASEAN⁹, the region's politicians and regulators have established the ASEAN climate vision 2050¹⁰ to ensure business and finance support the Paris Agreement, the Global Biodiversity Framework and the UN Sustainable Development Goals (SDGs).

But they're also alive to opportunity: the pursuit of carbon neutrality in ASEAN is expected to increase its GDP by up to USD5.3 trillion, attract green investments of up to USD6.7 trillion, and create up to 66 million additional jobs across the region by 2050¹¹.

The ASEAN regulators are putting in place an array of standards, strategies, plans and guidance to accelerate climate actions across the region. For example, the latest version of the annually updated ASEAN Taxonomy for Sustainable Finance was unveiled in April, setting sustainable financing and investment criteria for three out of the six focus sectors. Additionally, the ASEAN Climate Change Strategic Action Plan 2025–2030 is currently being developed, which will provide clear prioritised actions, timelines and implementation agencies to sustainably transform ASEAN as a region¹².

Aligning business models with sustainability goals will thus present CFOs and treasurers with multiple opportunities to add value

to the wider organisation over the coming decades, not only on the funding and investment side, but also in terms of reporting performance to stakeholders, and liaising with customers along the supply chain to collaborate on common sustainability objectives.

With lenders and investors expecting sustainability as well as financial performance, there are increasing funding opportunities across ASEAN for firms that can meet climate- or nature-related KPIs. Similarly, corporates can develop stronger relationships with customers and suppliers through programmes that provide financial incentives for better sustainability performance, such as sustainable supply chain financing.

From a cash and payments perspective, firms in the region are already combining customer convenience and process efficiency with sustainability. These include Malaysia's Sunway Property, which has replaced a highly labour-intensive and paper-driven process with a solution developed by HSBC that digitises the processing of multiple documents regularly exchanged by property developers and buyers.

This not only improves operational efficiency, but is a major step toward the alignment of Malaysia's real estate sector with SDG 12 on responsible consumption and production of resources.

Challenging, compelling, connecting

Alongside the opportunities outlined earlier, ASEAN offers its fair share of challenges to treasurers and CFOs. Many risks lie in its divergent regulatory and tax regimes, while geopolitical tensions, trade disputes and other sources of disruption can never be discounted in a region of such scale and contrast.

To negotiate these hurdles and align with the future, firms should seek established, knowledgeable and innovative partners, both at the local and regional level, with a deep understanding of the dynamics of each market and a broad-based experience of connecting businesses across individual economies to connect.

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1. World Economic Forum, 2024
2. World Economic Forum, 2019
3. HSBC
4. HSBC
5. ASEAN Investment Report 2023
6. ASEAN, 2022
7. ASEAN, 2023
8. Temasek in collaboration with World Economic Forum and AlphaBeta, 2021
9. ASEAN.org, August 2023
10. ASEAN.org, June 2022
11. ASEAN.org, August 2023
12. The ASEAN Capital Markets Forum, April 2024; Institute for Global Environmental Strategies (IGES), April 2024

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Banking system and bank accounts

The Monetary Authority of Singapore (MAS) is Singapore’s central bank. Its key objective is to ensure medium-term price stability that supports the sustainable growth of the economy. Unlike most countries that manage inflation through interest rate policy, MAS does so through its exchange rate policy as it is more effective in very open economies such as Singapore.

The MAS has designated seven domestic systemically important banks (D-SIBs), of which HSBC is one. D-SIBs are banks that are assessed to have a significant impact on the stability of the financial system and proper functioning of the broader economy. In addition, MAS regulates and supervises over 150 deposit-taking institutions in Singapore, including full banks, wholesale banks, merchant banks and finance companies, with a total asset size of almost USD2 trillion.

Documentation requirements for opening bank accounts for local corporations include items such as the necessary corporate authorisations, shareholder list, memorandum and articles of association, etc. For foreign corporations there are additional requirements, including:

- certificate of incumbency issued by professional/registered agent or a director’s declaration detailing particulars of the directors and principal shareholders;

- certification letter from a certified public accountant/lawyer of a European Union/Financial Action Task Force member jurisdiction certifying that the information contained in the certificate of incumbency or director’s declaration is correct and accurate;
- certified true copy of certificate of good standing; and
- letter of authorisation to debit account opening fee.

The following types of bank accounts are currently available:

Account type	Local current	Local savings ¹	Foreign current	Foreign savings ¹
Resident	✓	✓	✓	✓
Non-resident	✓	✓	✓	✓

1. In Singapore, savings accounts are not offered to corporates.



Clearing systems and payment instruments

Singapore has a well-developed financial infrastructure that supports a wide range of clearing systems and payment instruments. The principal clearing systems and instruments are:

Clearing system	Comments
MEPS+ (MAS Electronic Payment System Plus)	<ul style="list-style-type: none"> • Operated by the Monetary Authority of Singapore (MAS). • Facilitates real-time gross settlement (RTGS) of Singapore dollar (SGD) interbank fund transfers, customer payments and the settlement of scripless Singapore Government Securities. • Also handles cross-border transactions in real-time.
FAST (Fast and Secure Transfers)	<ul style="list-style-type: none"> • Launched in 2014. • Provides 24/7 instant payment service that allows customers to transfer Singapore dollars from one bank to another in Singapore instantly.
GIRO (General Interbank Recurring Order)	<ul style="list-style-type: none"> • Used for regular, recurring payments such as utility bills, loan installments and insurance premiums. • Payments are not immediate but processed in batches.
NETS (Network for Electronic Transfers)	<ul style="list-style-type: none"> • An integral part of daily life in Singapore, providing innovative and diverse digital payment solutions. • Services include contactless payment, digital payments overseas, QR payment, and online and in-app payment.



Singapore's payment landscape is characterised by a strong push towards digitalisation, with significant support from the government and regulatory bodies such as the MAS. The integration of advanced technologies and infrastructures reflects Singapore's goal to become a smart nation with a less cash-dependent economy.

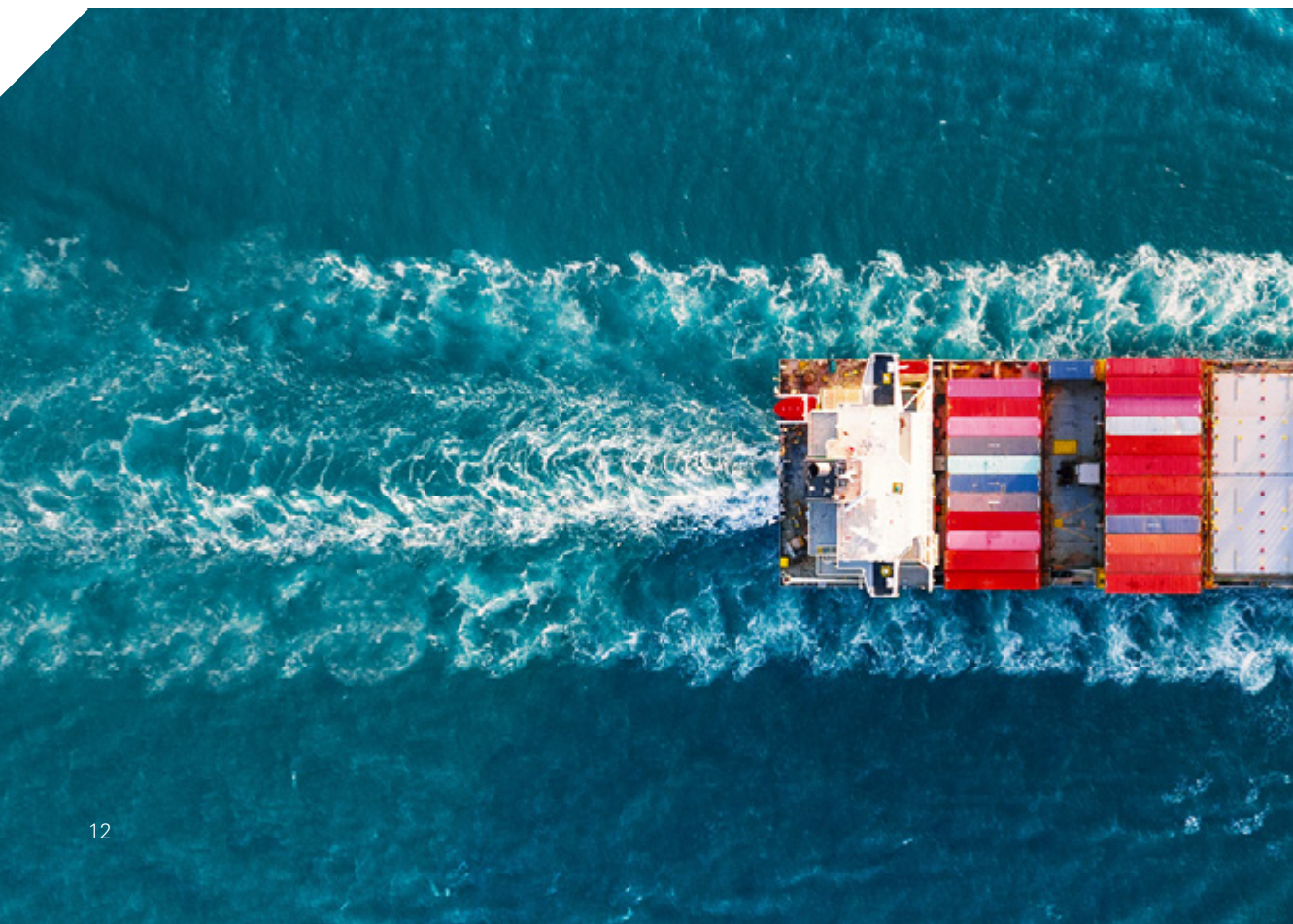
Despite the rise in digital payments, cash is still widely used, particularly for small transactions. Cheque usage is declining due to the rise of electronic payments.

Credit and debit cards are widely accepted across the country, supported by major international card networks like Visa, Mastercard and American Express, as well as domestic networks such as NETS (Network for Electronic Transfers).

NETS is a national banking payment system widely used in Singapore. It enables direct debit transactions at point-of-sale and online payments. It also supports NETS FlashPay, a contactless card solution used for small value purchases and public transport.

Singapore Quick Response Code (SGQR) is an initiative to simplify QR-based payments, consolidating multiple QR codes into a single SGQR label. It facilitates payments from various payment schemes and e-wallets.

Digital wallets and mobile payment apps like Google Pay, Apple Pay, Samsung Pay and local apps such as DBS PayLah! and OCBC Pay Anyone are prevalent. These platforms typically integrate with services like PayNow or NETS for ease of transaction.



Trade

Singapore is a strong, export-driven economy and its key sectors include oil, commodities trading, electronics and tourism. It also has one of the highest trade-to-GDP ratios in the world.

The Straits of Malacca is the world’s busiest shipping lane, while annually more than 130,000 ships call at Singapore. This spot boasts the world’s busiest transshipment hub with 30% of Asia’s trade passing through Singapore.

In 2023, Singapore exported USD474.64 billion worth of goods. In 2023, Mainland China, the US and Malaysia were Singapore’s top trading partners.

Singapore’s exports to Mainland China exceeded Singapore’s imports from Mainland China, while Singapore’s imports from Malaysia and US exceeded exports to these trading partners.

The trade-reliant city-state has been enjoying an upturn in exports because of a global trade rebound.

	Exports	Imports
Value (2023)	USD474.64 billion	USD420.89 billion
% of GDP (2023)	70%	62%





Foreign exchange

Singapore stands as a global financial hub with a highly developed FX market. Ranked among the top three FX centres globally, Singapore's strategic location, robust regulatory framework and advanced financial infrastructure make it an attractive destination for corporates looking to establish or expand operations in ASEAN. The MAS oversees the FX market, ensuring stability and fostering innovation.

For corporates planning to expand in Singapore, understanding the nuances of the FX market is crucial. Here are some important factors to consider:

- **FX risk management:** Volatility in FX rates can significantly impact business profitability. Developing robust risk management strategies via accessible hedging instruments is vital for mitigating exposure.
- **Liquidity and access to markets:** Singapore offers deep liquidity and access to a wide range of currencies, making it easier for corporates to execute large transactions efficiently. Understanding market dynamics and liquidity conditions is important for effective planning.
- **Technological integration:** Leveraging advanced trading platforms and APIs can enhance operational efficiency. Corporates should invest in technology that integrates seamlessly with their existing systems to streamline FX operations.



Taxation

Resident/non-resident

- A company is a tax resident in Singapore for a particular Year of Assessment if the management and control of its business is exercised in Singapore in the preceding calendar year.
- In general, the place of residence refers to the place where the company's directors meet to make strategic decisions concerning the company's business. The tax authority, however, may consider other facts in practice.
- Resident companies are subject to tax on any income accrued in or derived from Singapore or foreign-sourced income received or deemed received in Singapore.
- Non-resident companies which are not operating in Singapore and have no presence in Singapore should only be taxed on Singapore-sourced income unless exempted.

Financial instruments

- Generally, for a company which has adopted Financial Reporting Standards 109, any fair value gain or loss on a financial asset/liability on revenue account recognised in the profit and loss accounts is taxable or deductible.
- For a financial asset/liability on capital account, any fair value gain or loss from such an asset/liability is non-taxable or non-deductible.

Interest and financing costs

- Interest expenses and the related prescribed borrowing costs incurred are generally tax deductible, to the extent that the underlying loans or borrowings were taken to finance income-producing assets.

Foreign exchange

- Any FX gains/losses that are capital in nature, are not taxable/not deductible.
- FX gains/losses that are revenue in nature, are generally taxable/deductible.

Advance tax ruling availability

- Taxpayers can request for advance rulings in respect of the interpretation of the tax law.

Capital gains tax

- Capital gains are generally not taxable.
- Exemption under safe harbour rules on gains from disposal of ordinary shares of an investee company, where the divesting company owned at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months, subject to certain exclusions.
- From 1 January 2024, gains received/deemed received in Singapore by an entity of a relevant group from the sale of foreign assets may be subject to tax under specific circumstances. This applies even if the gains are capital in nature or exempted under the Singapore Income Tax Act (SITA).

Withholding tax

- Payments made to Singapore tax residents are not subject to Singapore withholding tax.
- Singapore does not impose dividend withholding tax.
- Certain payments (e.g. interests on loans, royalties and rent for the use of moveable properties) to non-Singapore tax residents are subject to Singapore withholding tax at 10%, 15%, or prevailing tax rate (currently at 17%). Such Singapore withholding tax could be exempted or reduced under the SITA or a relevant double taxation agreement (DTA) concluded with Singapore.

Tax treaties

- A foreign tax credit (FTC) is granted under Singapore's DTA. The credit is limited to the lower of (1) the actual foreign tax paid, and (2) the Singapore tax payable on that foreign income.
- A unilateral FTC could be granted in respect of foreign tax paid on income derived from countries that have not concluded DTA with Singapore.
- DTA provisions generally take precedence over the domestic law.

Thin capitalisation

- There are no thin capitalisation rules in Singapore.

Transfer pricing

- Certain provisions in the tax law operate to require related-party transactions (RPTs) to be on arm's-length terms, i.e. being carried out as if the parties were unrelated and independent.
- Where pricing of the RPTs is not at arm's length, the tax authority may impose transfer pricing (TP) adjustments to increase income, reduce deductions or losses of a taxpayer. Surcharges may be imposed on the TP adjustments, regardless of whether there is tax payable on the adjustments.

Cash pooling

- General tax deduction rules and transfer pricing principles apply to cash pooling arrangements.

Banking services tax

- There are no specific tax rules relating to banking services in Singapore.

Corporate Income Tax (Rate)	17%
Personal Income Tax (Rate)	Progressively up to 24%
Value Added Tax (Rate)	9%
IMD World Competitiveness Ranking number	04



Environmental, social, and governance

Singapore has committed to peaking its emissions before 2030 and achieving net zero emissions by 2050. To realise this ambition, the Singapore Government has launched various initiatives to accelerate the low-carbon transition for industry, economy and society, such as the Singapore Green Plan 2030, the Finance for Net Zero Action Plan and the Sustainable Finance Jobs Transformation Map, to name a few.

The Singapore Green Plan charts concrete targets to be achieved by 2030 for five key pillars: City in Nature, Energy Reset, Green Economy, Resilient Future, and Sustainable Living. One key target under the Green Economy pillar is for Singapore to be both a leading sustainable finance centre and a carbon services hub in Asia and globally.

Targeted incentives introduced to accelerate Singapore's net-zero transition include, but are not limited to:

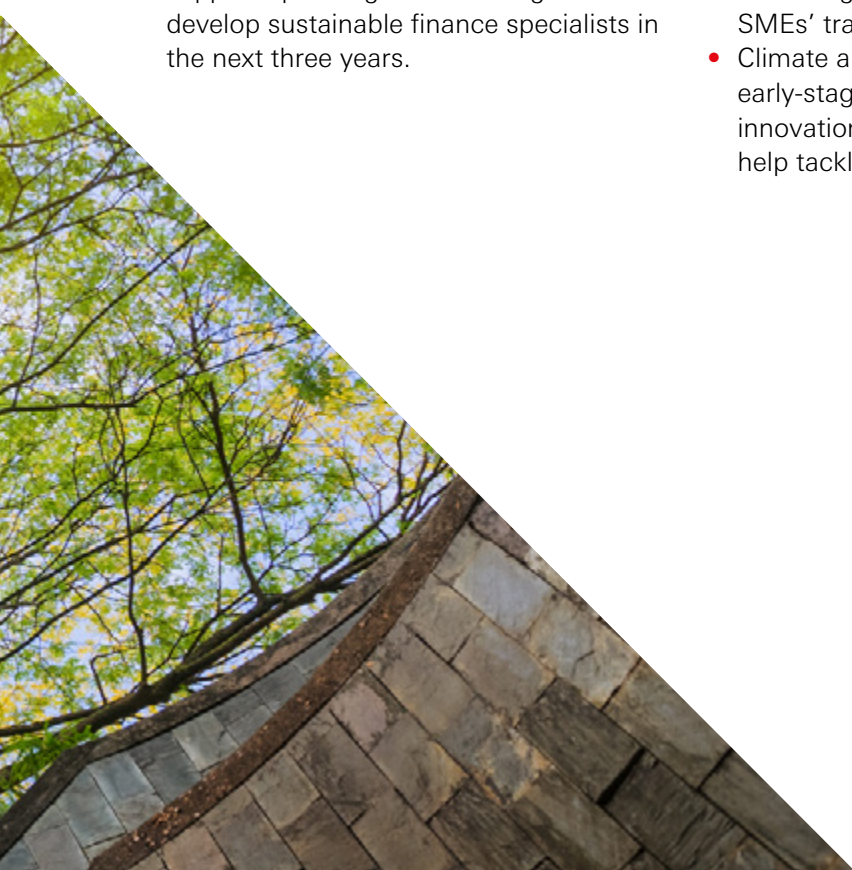
- Carbon pricing: Singapore's carbon tax was raised from SGD5/tCO₂e to SGD25/tCO₂e in 2024. It will be raised to SGD45/tCO₂e in 2026 and 2027, with a view to reaching SGD50-80/tCO₂e by 2030.
- Energy efficiency: The government has introduced the Energy Efficiency Grant, Resource Efficiency Grant for Emissions and the Investment Allowance for Emissions Reduction to support businesses in improving their energy efficiency.
- Green transport: The Land Transport Authority has implemented the EV Early Adoption Incentive (EEAI) and Vehicular Emissions Scheme (VES) to encourage EV adoption.



- Small- and medium-sized enterprises (SMEs) transition: Enterprise Singapore launched the Enterprise Sustainability Programme to support SMEs on their sustainability initiatives, including the Enterprise Financing Scheme – Green, which enhances access to green financing for green solution developers, enablers and adapters. HSBC is the first international bank to participate in the scheme.
- Sustainable financing solutions: MAS has introduced its Sustainable Bond & Loan Grant Scheme to incentivise issuances from corporates, including the SMEs, by defraying the expenses of engaging independent service providers to validate the green and sustainability credentials of an issuance.
- Sustainable talent ecosystem: MAS has allocated SGD35 million in 2024 to support upskilling and reskilling efforts to develop sustainable finance specialists in the next three years.

HSBC offers various sustainable finance and investment solutions for our clients, ranging from corporate, institutional to personal clients. For example, HSBC has a dedicated commercial banking frontline team in Singapore to support its clients on sustainable finance-related arrangements. HSBC plans to provide sectoral-themed thought leadership and assessment tools that will help advance the Singapore business community's low-carbon transition journey, particularly within these three key areas:

- Energy and infrastructure: Providing financing support to renewable energy and energy transition projects that will help reduce Singapore's reliance on fossil fuels.
- SME Transition: With SMEs playing an important role in Singapore's economy, HSBC aims to provide support including knowledge-sharing to encourage local SMEs' transition.
- Climate and social innovation: Funding early-stage companies that provide innovation and new technology that can help tackle climate and social issues.



Clearing systems holidays 2024

Holiday	Date
New Year's Day	1 January, Monday
Chinese New Year	10 February, Saturday 11 February, Sunday ¹
Good Friday	29 March, Friday
Hari Raya Puasa	10 April, Wednesday
Labour Day	1 May, Wednesday
Vesak Day	22 May, Wednesday
Hari Raya Haji	17 June, Monday
National Day	9 August, Friday
Deepavali	31 October, Thursday
Christmas Day	25 December, Wednesday

1. Monday, 12 February 2024, is a public holiday.

Sources: CEIC; Climate Bonds Initiative; Department of Statistics, Singapore; ESG Investor; Global Payments Report 2024 by WorldPay; HSBC; IMF; KPMG (Taxation); Ministry Of Manpower, Singapore; OECD; Monetary Authority of Singapore; Trading Economics; Singstat; US Department of the Treasury; World Bank



The destination of choice for regional headquarters in Asia Pacific

Asia is in the middle of an historic transformation. By 2030, the region is expected to contribute roughly 60% of global growth. It will also make up more than half of the world's middle-class population and form the bulk of demand for consumer goods, according to Asian Development Bank forecasts. For global businesses seeking to make the most of the enormous opportunities that Asia's growth presents, finding the optimum location for a regional headquarters (RHQ) is key.

The diversity of Asia, even just within the ASEAN countries, makes it an exciting place to do business – but it is not without its challenges. Differences in regulatory regimes mix with alternate business conventions, languages and cultures; but these challenges also explain why Singapore remains a compelling choice for an RHQ. As one of the world's leading trade centres, with proximity to some of the fastest-growing markets – including China and India – enhancing its status as a financial centre, Singapore's open and export-oriented economy is incredibly well-connected, both physically and by trading agreements.

Singapore is a trusted and leading gateway to the region. It has the highest number of regional headquarters in the past 10 years in Asia Pacific¹.



An ideal RHQ location

Some 4,200 subsidiaries across a wide spectrum of industries – from technology and commodities to logistics and more – are already taking advantage of Singapore’s stable political, tax, and legal and regulatory systems, and business-friendly environment, to set up their RHQs – the highest number in Asia².

For businesses considering a ‘China Plus One’ strategy, where China remains the main supply source or consumer market, but the company diversifies some activities to other countries, Singapore is an attractive gateway to ASEAN for all the hard financial and legal reasons, as well as the cultural and language closeness the countries share. More international firms in China, for example, are now seeking to set up Singapore-based ‘control towers’ – hubs of operational and technical expertise that can help them capture growth opportunities and manage their expansion in the region³.

From a treasury perspective, navigating regulation in ASEAN economies can be a greater challenge than the more established treasurer-related issues such as foreign exchange (FX) volatility, capital controls and liquidity visibility. Singapore’s regulatory environment is among the least restrictive in the world, and is complemented by one of the most globally competitive tax environments.

Tax incentives are available to businesses that use Singapore as a regional or global headquarters; in particular, the Finance & Treasury Center (FTC) Incentive, administered by the Singapore Economic Development Board, encourages businesses to grow treasury management capabilities and use Singapore as a base for conducting strategic finance and treasury management activities⁴.



A focal point for Asian trade



27 Free trade agreements



39 Trading partners



100 Double taxation agreements



Shipping:

- One of the world’s busiest transshipment hubs with 30% of Asia’s trade passing through Singapore.



Air:

- In close proximity to key countries in ASEAN, all reachable within six hours by plane from Singapore.
- Asia’s top air travel hub, serving over 62 million passengers annually.

Source: Singapore Economic Development Board; Inland Revenue of Singapore; Financial Times, 2023



Watch why IFFCO Group decided to set up its regional hub in Singapore



A leading financial ecosystem with political stability

A politically stable nation with a strong legal framework, Singapore is the only country in Asia rated AAA/A+ by Fitch, Moody's and S&P⁵. The city-state also has a thriving financial ecosystem. As Asia's largest FX trading hub and the world's third-largest FX market, it offers full capital convertibility, with no liquidity restrictions or FX controls, supporting optimal liquidity solutions, including RMB.



A sophisticated innovation hub

Singapore is ASEAN's most innovative city and hosts a vibrant technology ecosystem consisting of businesses and organisations across sectors that are experimenting with new ways to solve challenging problems⁶. Businesses seeking to create, test and export innovative solutions to Asia and beyond are able to tap into a diverse pool of talent, draw on cutting-edge research from top universities and connect with thought leaders in their industries.



A diverse talent pool

The country's highly skilled multinational workforce is another strong drawcard for international corporations looking to set up a regional base. Singapore's bilingual education policy means that the local talent pool is proficient in English and at least one other language, such as Mandarin, Bahasa Melayu or Tamil. The lifestyle and business environment also mean that Singapore can attract top global talent; ranked number 1 in Asia for attracting and growing talent, and as the second-most attractive destination for global talent⁷.



A catalytic sustainable finance centre

Among countries in Southeast Asia, Singapore leads the way when it comes to advancing sustainable finance. Its government has taken considerable steps to mobilise financing to catalyse Asia's net-zero transition and support the growth of the green economy in Singapore and Asia. Singapore is ASEAN's largest sustainable debt market; from 2017 to 2022, Singapore accounted for 63% of the cumulative sustainable debt issuances in the region⁸.

HSBC is uniquely placed to help corporates leverage Asian growth opportunities, thanks to its wide presence across the region. Operating as a full bank, it is also a participating bank in Singapore's clearing and settlement systems, which enables it to take full advantage of the nation's status as the largest FX centre in the Asia Pacific region.

Through our ASEAN Desk network, we support our clients by identifying growth opportunities in Asia Pacific's varied markets. We already serve many regional headquarters in Singapore, providing customised solutions that cover treasury and process optimisation, risk and working capital.

The international business community is clear on where it wants to call home in Asia: Singapore⁹.

1. Singapore Economic Development Board

2. Bloomberg, 2023

3. HSBC

4. Singapore Economic Development Board

5. HSBC

6. Innovation Cities Index 2022-2023: ASEAN – Most Developed Cities

7. Global Talent Competitiveness Index, INSEAD, 2022

8. HSBC Insights, May 2023

9. Bloomberg, 2024

Case study:

Foodpanda

Implementing innovative solutions to support rapid growth

The challenge

Online food and grocery delivery platform Foodpanda is owned by Berlin-based Delivery Hero. Headquartered in Singapore, Foodpanda is currently the largest food and grocery delivery platform in Asia (excluding China), operating in more than 400 cities across 11 Asian markets.

A pioneer of quick commerce, the company handles hundreds of thousands of orders a day. Its rapid expansion across Asia required a reworking of treasury operations.

Foodpanda wanted to centralise and streamline operations; get a better view of its cash position across the region; address a lack of automation on key processes; achieve cash efficiency; and reduce the number of banking relationships and accounts it had to manage.



Find out how Foodpanda fostered innovation and growth in Asia with HSBC



The solution

HSBC worked with Foodpanda's regional headquarters in Singapore to implement a centralised treasury and cash management structure to serve all its regional markets. The structure covers payment and collection solutions, such as omni-channel payments to deliver greater convenience and flexibility to customers.

A range of regional and domestic solutions were deployed:

- Bulk execution of payments via real-time payment (RTP) rails by uploading payment files to HSBC directly from its SAP system, which allows Foodpanda's partners to receive funds in seconds.
- An automated withholding tax generation and direct issuance process, which reduces manual effort for Foodpanda's finance team.
- Virtual accounts (VA), which help automate identification of incoming payments from merchants and reduce the overall number of physical collections accounts.
- Expanding the number of supported digital payment methods in Foodpanda's markets of operation, which enhance customer experience and improve reach.
- A highly efficient ticket management solution, which has significantly reduced time spent on resolving payment incidents, and allows analysis on the tickets, trends and solutions.

HSBC solutions and capabilities



Payments



Receivables



Channels:
Application
Programming
Interface (API)



Service &
implementation

The benefits

With the creation of a future-proof solution, there have been several benefits, including cost savings, process efficiencies, increased automation, mitigation of risk, improved visibility and a reduction in manual intervention and errors.

Foodpanda is one of the first food delivery companies to enable payouts via RTP in Malaysia and Thailand. Up to 100,000 payments are now executed via this method in these two markets, showing the commercial viability of using RTPs to support large daily payment volumes.

USD1 million has been generated through the interest enhancement solution, enhancing yield on balances in both free and restricted currencies across the company's various markets of operation.

The expansion of supported payment options has been appreciated by customers across the region.

In 2023, Foodpanda was named Highly Commended Winner, Best in Class Treasury Solution in ASEAN at the Adam Smith Awards ASIA.

“Throughout ASEAN, the pace of economic growth, supply chain integration and regional connectivity is accelerating – driving increased optimism and ambition for the future. Sitting at the heart of ASEAN, Singapore has a unique role to play, attracting globally ambitious businesses such as Foodpanda.

To unlock these regional opportunities, companies need seamless transaction banking across multiple sites – so we are proud of having worked with Foodpanda to implement first-of-their-kind solutions in each of its markets.”

Priya Kini

Head of Commercial Banking, Singapore, HSBC

Case study:

Glife Technologies

Financing that supports a more sustainable food ecosystem in Southeast Asia

The challenge

The food industry has suffered major supply chain disruptions in recent years amid the Covid pandemic, conflict in Europe and the impact of climate change. Food security has become more of a focus for governments and businesses, and consumers and wholesale buyers are taking more interest in how and where their fruit, vegetables and meat are produced.

Glife Technologies is a business-to-business food-sourcing platform, set up in 2017. Part of a new wave of food tech ventures, the firm provides a reliable link between the hospitality industry and the agricultural sector, using its own distribution network and a platform that works by aggregating orders from multiple restaurants and sourcing in bulk directly from farmers, reducing the number of times produce changes hands. Having fewer intermediaries involved makes it easier to impose consistent food standards and control costs, and reduces the risk of mishandling, damage and contamination.

More than 2,000 food and beverage merchants are currently using the app, which connects them to over 1,000 farmers, to view the flow of their ingredients through the supply chain. It sources food from marginalised communities in Southeast Asia – such as ethnic minority groups, which are among the poorest sections of the regional population – with a particular focus on farmers who lack immediate access to end-buyers. Glife has ambitious expansion plans, aiming to be the market leader in digital food sourcing in Southeast Asia.

“HSBC’s international footprint and global network makes it a very effective partner to help us grow our business internationally.”

Justin Chou
Co-Founder and CEO,
Glife Technologies



The solution

Glifé has been building its regional business by expanding from its Singapore base into Indonesia, Malaysia and Vietnam. It has invested in Koina, a Vietnamese start-up that provides farmers with tech solutions, acquired a controlling stake in PanenID, an Indonesian start-up that connects farmers with restaurant and hotel buyers in Bali, and took a majority share in Yolek, which distributes plant-based foods to food service businesses across Malaysia.

To provide working capital for its expansion into new markets, Glifé took out a loan in 2023, arranged by HSBC. The proceeds from this loan are designed to help finance social projects – in this case, with the aim of improving food security and creating more sustainable food systems while driving socio-economic advancement.

HSBC solutions and capabilities



New economy



Sustainable finance



Trade



Working capital support loan



Service & implementation



The benefits

Glife's financing reflects the strength of HSBC's support for new economy companies in Asia. For example, the bank has a USD200 million fund it can draw on to support high-growth, pre-profit new economy businesses in Singapore. HSBC was delighted to arrange this facility for Glife, one of the first 'new economy' clients of the Singapore Business Banking division to take on a loan. This deal highlights the kind of opportunities there are for HSBC to work with new economy players on sustainable finance transactions.

The deal helped Glife reach more beneficiaries by enabling more farmers to improve their earnings and increasing food security for the communities that source produce from its origins. Justin Chou, Glife's Co-Founder and CEO, says the company's HSBC's relationship manager in Singapore connected Glife with the bank's teams in Malaysia and Indonesia to discuss establishing new relationships in those markets and more potential mergers and acquisitions.

As the momentum behind sustainable and socially responsible food sourcing grows, Glife is accelerating its growth and showing how the food tech sector in Asia can make supply chains more efficient and sustainable, while also helping integrate local communities.



HSBC cash management capabilities

Liquidity management

Physical cash pooling	✓
Notional pooling – balance compensation	✓
Notional pooling – interest optimisation	✓
Liquidity Management Dashboard	✓

Payments

Cash withdrawals	✓
Cheque payments	✓
Direct debit payments	✓
Domestic outgoing transfers	✓
Real Time Instant Payments via Fast and Secure Transfers (FAST) & Paynow Alias	✓
Commercial cards	✓
Virtual cards	
International outgoing transfers	✓
SWIFT GPI	✓
Card issuing	✓

Collections

Over-the-counter deposit (cash)	✓
Inward telegraphic transfers	✓
Inwards Fast and Secure Transfers (FAST)	✓
Inward domestic transfers	✓
QR code SGQR (Singapore Quick Response code) E-labels	✓
FAST Direct Debit Collections	✓
ACH Direct Debit Collections	
Virtual Accounts for Payor Identification	✓
Omni Collect – alternate payment methods enablement (in store & online)	✓

Channels

Local e-banking	✓
Global e-banking – HSBCnet	✓
SWIFT/ host to host	✓
Treasury APIs	✓

HSBC trade finance capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Shipping guarantees	✓
Bank guarantees – domestic and re-issuances through HSBC’s network	✓
Standby documentary credits	✓

Working capital optimisation

Trade loans	✓
Receivables finance	✓
Supply chain finance	✓
Asset-based lending	✓

Real-time updates

Trade Transaction Tracker via HSBCnet Mobile App	✓
Transaction alerts and advices – instant email notifications	✓

Trade channels

SWIFTNet for Corporates	✓
HSBCnet for Trade	✓
Host to host	✓
Trade finance APIs	✓



Markets and securities services

HSBC’s Markets and Securities Services business is one of the largest amongst financial institutions globally. We are active in about 70 countries and territories worldwide.

The Corporate Sales team in Singapore is well equipped in multi-asset and cross-border capabilities to facilitate dialogues with customers from both local and global perspectives. We have an established Regional Treasury Centre (RTC) desk acting as the central point of contact for clients across the globe.

FX and precious metals capabilities

- Spot
- Forwards, swaps and non-deliverable forwards
- Comprehensive range of FX option strategies and structuring solutions
- Precious metals loans, forwards, swaps

Interest rates and thought leadership capabilities

- Asset and liability management.
- Full range of swap and interest rate option strategies covering G10 and emerging market currencies.
- Bespoke models used to simulate clients’ exposures to various market risks.
- Derivation of optimal hedging policy to maximise risk mitigation and minimise cost.

HSBC foreign exchange capabilities

Trading platform

Spot	✓
Forward	✓
Swap	✓
NDF	✓
Time option forwards	✓
Multi deals	✓
Orders	✓
Algorithmic	✓

Transactional FX

FX API	✓
Dynamic currency conversion	✓
Real-time FX rates	✓

Post trade portal

View, confirm, dispute trades online	✓
Historical trade data	✓
Trade reporting	✓

ASEAN's international bank

With over 135 years supporting businesses in six ASEAN countries, and an extensive network across Asia and the rest of the world, HSBC provides clients with an in-depth understanding of local market dynamics, tailored advice and international connectivity.

Businesses can harness HSBC's extensive regional experience, and benefit from local insights, dedicated support and comprehensive market research for a competitive advantage in ASEAN markets.

HSBC's network across ASEAN



Our services

With a deep understanding of the region's markets and businesses, HSBC provides comprehensive financial services to support companies operating in ASEAN.



Source: HSBC Commercial Banking



Global expertise for global businesses

Expectations of, and demands on, corporate treasurers and their teams are high. As well as all the traditional functions of overseeing and being responsible for payment methods and technologies, cash visibility and optimisation, they must also be aware of changing regulatory environments and the increasing demands of ESG compliance and standards.

HSBC's broad and deep international networks connect clients to experienced, on-the-ground specialists and solutions. This extensive network helps businesses scale up, with a full suite of tailored services including access to capital, easy cross-border transactions, advisory services and more.

As the world's number one trade bank, HSBC facilitated USD850 billion in trade in 2023¹. Businesses looking for a banking partner to support international growth and enable them to explore new opportunities can rest assured that HSBC understands individual markets and how to navigate the dynamics between them.

HSBC's extensive banking network facilitates cross-border transactions. With specialist knowledge, dedicated Southeast Asia desks and ASEAN specialists in other countries, and local RMs, HSBC is an invaluable guide to assisting businesses through regulatory, cultural and economic nuances to achieve their growth potential.

HSBC's ASEAN Desk Network comprises individual specialists who provide valuable insights into local business practices, cultures and legal environments. It can also help clients identify growth opportunities and support their entry to new markets in ASEAN. These desks are available for major corridors, including China, Germany, France, the UK and the Middle East – all offering support in local languages.

Treasury cannot work alone, which is why HSBC has a suite of interconnected regional solutions for working capital, trade, liquidity and risk management, and specialist teams across Real Estate, Commodities & Structured Trade, Private Equity, Leveraged Finance and Debt Origination.





Watch the video to find out more about the HSBC Sustainability Tracker

Leading transition pathways

ASEAN countries have seen an increase in the development of policies, standards and initiatives that aim to support greater deployment of sustainable finance. In turn, there is an increased expectation for corporates to be more transparent on their sustainability targets and performance in order to enhance their access to capital.

In six key ASEAN markets, mandatory sustainability disclosure requirements have been implemented for listed companies, with some countries looking to further enhance these requirements to align with global developments. For example, the Singapore Exchange (SGX) announced in February 2024 that all listed issuers and large non-listed companies will be required to report climate-related disclosures from 2025 and 2027, respectively, in line with the

International Sustainability Standards Board (ISSB) standards².

HSBC offers a range of products, services and tools to support clients on their sustainability journey. For businesses involved in carbon-intensive industries, HSBC’s Transition Pathways provides insights and solutions to help guide companies towards net zero. HSBC’s Sustainability Tracker offers tailored suggestions and tangible actions that companies can implement to create a more sustainable business across their operations, energy use and products. HSBC’s global network of analysts actively support dedicated coverage teams in providing key insights into the increasingly broad and fast-moving world of ESG.

Innovating for growth

HSBC gives clients the ability to trade and invest confidently, securely and efficiently all around the world, through the development of innovative new business models and the digitisation of companies' business and financial operations.

Management of the supply chain and quick responses to disruptions can impact cash flow, particularly if businesses face seasonal working capital challenges due to the cyclical nature of purchasing inventory from several suppliers. Across ASEAN, HSBC offers innovative trade finance solutions that help treasurers effectively manage and mitigate risks, improve cash flow and optimise their trade operations, through services including supply chain finance, receivables finance, trade loans, guarantees and letters of credit. In Singapore and Indonesia, HSBC TradePay, a simplified digital trade finance solution, means companies can draw down on their loan and make just-in-time payments to suppliers.

Managing transactions across markets needs simple solutions for complex trades. HSBC Omni Collect simplifies digital payment collections for in-store and e-commerce companies. Multiple payment methods become available to customers, and the business receives a comprehensive overview of all sales receipts.

Businesses can access six ASEAN accounts through HSBCnet with one login, increasing efficiency.

Access to capital is critical for business expansion, as it provides the financial resources necessary to fund growth initiatives, scale operations, penetrate new markets, innovate, mitigate risks, and attract investors and strategic partnerships. HSBC's dedicated ASEAN Growth Fund holds USD1 billion to accommodate debt financing for new economy businesses across the region that are looking to scale up³. In addition, the New Economy Fund (available in Singapore and Malaysia) provides early-stage funding to new economy businesses, while Singapore's Venture Debt offering provides debt financing to high-growth companies that are backed by venture capital or private equity investors.

Ultimately, the key to unlocking growth in ASEAN is understanding the dynamics of each market and grasping how businesses across individual economies can connect and work together. To find out more about how HSBC's network could help you to grow your business in ASEAN, please visit <https://www.business.hsbc.com/asean>.

1. HSBC
2. SGX
3. HSBC

Clients across ASEAN have benefited from HSBC's global expertise, transition pathways and innovations for growth

Vietnam



HSBC's delivery of a green loan helped finance the purchase of equipment for Vietnam's first plastics recycling factory. Duy Tan Plastics Recycling Factory will recondition used plastic bottles for further use in packaging – a step forward in Vietnam's battle against ocean pollution.

Thailand



J&T Express (J&T) is one of Thailand's top express delivery companies, delivering up to two million parcels every day. HSBC's dynamic solutions helped J&T modernise its end-to-end collections and payments processes, with a PromptPay QR solution that leverages Thailand's real time payment network. Improved user experiences for employees, customers and partners have reinforced J&T's position in a competitive market.

Singapore



When Multiplier, a global employment platform, rapidly expanded, it needed a banking partner that could help with streamlined account opening across multiple sites, timely collections, straight-through payment processing and FX hedging solutions, and that's where HSBC stepped in to provide holistic solutions to support its business growth.

The Philippines



Manila-based Prime Infrastructure Capital Inc. is addressing the country's waste disposal problem, with a broader strategy to support sustainable development. Its subsidiary PWS turned to HSBC for a USD24.5 million Green Loan to finance a sustainable waste management facility in Cebu. Not only will the facility recover more reusable material and reduce landfill-generated emissions by doubling the daily waste processing capacity of the plant, it will also produce a lower emission fuel alternative derived from refuse and biowaste.

Malaysia



HSBC provided Malaysia's Guan Chong Cocoa Manufacturer with its first green trade financing facility in support of sustainable cocoa sourcing. Its parent company, Guan Chong Berhad, is the fourth-largest cocoa grinder in the world and has committed to making its cocoa supply chain sustainable by supporting growers, minimising environmental impact and producing sustainable cocoa. This bespoke financing arrangement helps the business to source certified cocoa beans from farms that do not contribute to cocoa-related deforestation.

Indonesia



Digitalisation has been a game-changer for businesses with global expansion plans. However, expanding into foreign countries can be challenging because of varying regulations and cultures. Indonesia-based aquaculture company eFishery partnered with HSBC because of the bank's knowledge of different regulations and cultures, facilitating the business's expansion into India, Singapore and the United States.

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Today we finance a number of industries that significantly contribute to greenhouse gas emissions. We have a strategy to help our customers to reduce their emissions and to reduce our own. Find out more: <https://www.hsbc.com/who-we-are/our-climate-strategy>

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