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¶4-001 Introduction

We saw in Chapter 1 that the company limited by shares is a common form of business organisation in Singapore. In this chapter, we introduce other vehicles which may be used for doing business in Singapore and highlight some of the key differences between these and the company as a business organisation. The aim is to facilitate the decision as to which form of business organisation may be the most appropriate form through which to conduct a particular enterprise.

We also explore the different forms that companies may take. Different types of companies are governed by different sets of rules, some of which may be better suited to a particular enterprise than others. This discussion forms the second part of this chapter.

The third part deals with the requirements for registration and the process by which companies are formed. The fourth part looks at listing of a company's shares for trading in a securities market, and the fifth part with the use of corporate groups in business planning.

CHOICE OF FORM OF BUSINESS ORGANISATION

¶4-100 What are the different forms of business organisations?

Companies are one possible vehicle for the conduct of business. Others include sole proprietorship, partnership, limited partnership, limited liability partnership, business trust and unincorporated joint venture. This section summarises some of the key features of these other vehicles, and suggests some criteria according to which a person or persons proposing to carry on a particular enterprise might decide which form to use.

It is important to note that, although our focus in this section is on different types of business organisations, it is possible to have organisations whose primary purpose is something other than conducting a business. Such organisations may also operate as companies' or may take on a different organisational form. These non-business organisations may also need to transact in a business environment to facilitate the conduct of their primary purpose. We commence this section with a brief description of these other organisational forms so as to give a better appreciation of the various types of business organisations we describe later in this section.

1 In such cases, they usually take on the form of companies limited by guarantee (see ¶4-200 below).