
ESTABLISHING A LIMITED LIABILITY COMPANY: A COMPARATIVE ANALYSIS ON SINGAPOREAN AND INDONESIAN LAW

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ABSTRACT

The government in each country sets different requirements in order to establish a limited liability company in their country. This paper aims to do a comparative analysis on the requirements needed in order to establish a limited liability company in Indonesia and Singapore, both private company and public company, and further analyze which countries' requirements are easier. The legal research method used in this paper is doctrinal legal research that focuses on elaborating the laws and regulations applicable. The requirement to establish a company is easier in Singapore in terms of shareholders and capital requirements, and easier in Indonesia in terms of directors and company secretary.

Keywords: establishment, private company, public company, publicly-listed company.

INTISARI

Setiap negara memiliki regulasi yang berbeda-beda untuk mengatur syarat pendirian perusahaan terbatas di negara mereka. Tulisan ini bertujuan untuk melaksanakan analisis komparatif terhadap syarat yang dibutuhkan untuk mendirikan perusahaan terbatas di Indonesia dan Singapura, baik perusahaan privat maupun perusahaan publik, dan kemudian menganalisa syarat di negara mana yang lebih mudah. Metode penelitian hukum yang digunakan dalam tulisan ini adalah metode penelitian hukum doktrinal yang fokus kepada elaborasi dari hukum dan regulasi yang berlaku. Syarat pendirian perusahaan terbatas di Singapura lebih mudah dari aspek pemegang saham dan modal, sedangkan syarat di Indonesia lebih mudah dalam aspek anggota direksi dan sekretaris perusahaan.

Kata Kunci: pendirian, perusahaan privat, perusahaan publik, perusahaan terbuka.

INTRODUCTION

Singapore and Indonesia adopt different legal systems, Indonesia adopts civil law as inherited by Netherlands, while Singapore adopts common law as inherited by England. Company law in Indonesia was first regulated through Indonesia Commercial Code and Indonesian Civil Code. In the new order era, Indonesia legitimized a *lex specialis* regulation which is Law No. 1/1995 concerning Limited Liability Company that replaced the company law provision in Indonesia Commercial Code. Indonesia then legitimize another *lex specialis* regulation to replace the Law No.1/1995, which is Law No. 40/2007 concerning Limited Liability Company (hereinafter “Law No. 40/2007”). Law No. 40/2007 is the one applicable until now. Singapore first regulated company law through Companies Act 1967. It was made based on Malaysia’s Companies Act 1965, that was made based on the United Kingdom’s Companies Act 1948 (Pey-Woan Lee and Christopher Chen, 2016, p. 157). The Companies Act 1967 has gone through several amendments until Singapore released the Companies Act 1994 (Rev Ed) and the latest one Companies Act 2006 (Rev Ed). The Companies Act 2006 again went through several other important amendments, however the latest version used in this paper is the Companies Act 2006 (Rev Ed) (hereinafter “Companies Act”).

The ease of doing business is a system that ranks the regulatory environment on countries around the world. It creates competition for countries to improve their business climate while at the same time becoming a platform for well ranked countries to gain recognition and reputation. The ease of doing business indicator has caught the government’s attention in the area of regulatory behaviour, in which governments improved their policies in order to step up the ranking. Government leaders use these ranks and rankings to drive some of their own policy priorities under the cover of a strategy to perform well internationally. These rankings can be used to promote a set of reforms domestically, as what happened in India, it is used by the prime minister to subnational indicators that reflected this international ranking strategy. It also makes states reform their bureaucratic structure in accordance with the recommendations that the World Bank is asking for in response to the rankings. As for investors, the ease of doing business indicators creates a big impact on the attitude of potential investors. Countries that have higher ranking are considered as a better site for investment as these rankings have concluded several important investment indicators in a form that are easier to understand rather than narrative reports. (Wharton Business Daily, 2019).

Located in the heart of Asia, Singapore is ranked as the second easiest place in the world to do business and fourth-best place in the world to start a business according to a study done by Doing Business 2020 (The World Bank, n.d.) This study looks at regulations affecting business, using ten indicators to analyze: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency (The World Bank, 2019). As for Indonesia, Indonesia is not even included in the top 10 list. Indonesia is far away from that as Indonesia ranked 73rd for place to do business and 140th for place to start a business (The World Bank, n.d.).

This paper will emphasize on starting a business aspect, focusing on the establishment of a limited liability company. Limited liability company is chosen because it is the most preferred type of business entity (Agus Riyanto, 2017). The main reason why people prefer limited liability companies is because of the separate liability concept. Members of limited liability companies generally are not liable, either directly or indirectly, for the debts, obligations or liabilities of the firm (Jonathan R. Macey, 1995, p. 447). Starting a business by establishing a limited liability company is closely related to the laws governing the procedures and criterias of the establishment itself. Seeing the gap of Doing Business rank between Indonesia and Singapore, two questions arise then: (a) how both countries regulate the establishment of limited liability companies; and (b) which countries have an easier requirement.

METHODS

Research method is a systematic method used in producing science. Legal research method is classified into two: doctrinal legal research and empirical legal research or socio-legal research. Doctrinal legal research tends to portray law as a perspective discipline where it only sees the law from the view of its norms (Depri Liber Sonata, 2014, p. 25). Empirical legal research is intended to make researchers to not only think about legal issues that are normative (law as written in a book), because law is not only limited to norms (Depri Liber Sonata, 2014, p. 28). This paper will use the first legal research method, doctrinal legal research.

In research, there are two types of data: primary data and secondary data. Primary data is data obtained and collected directly by researchers (M. Iqbal Hasan, 2002, p. 84), while secondary data is data obtained and collected by researchers based on existing sources (M. Iqbal Hasan, 2002, p. 58). The type of data used in this paper is secondary data in the form of primary, secondary, and tertiary legal sources. Primary legal sources used are both Indonesian and Singaporean laws and regulations in relation with company law. Secondary legal sources used are books and journals that can further explain the primary legal sources. Tertiary legal sources used are articles found on the internet that help to better understand certain subtopics.

RESULT AND DISCUSSION

As explained beforehand, this paper will emphasize on starting a business aspect focusing on the establishment of a limited liability company because the business method commonly preferred in starting a business are limited liability company, and starting a business by establishing a limited liability company is closely related to the laws governing the procedures and criterias of the establishment itself. Therefore, the research result will be presented in two subchapters, discussing the topics 'Establishment of Private Company' and 'Establishment of Public Company'. Provision in Indonesia will be discussed first, then the provision in Singapore afterwards.

1. Establishment of Private Company

1.1. Definition of Private Company

Law No. 40/2000 itself does not give a definition of a private company. However, a private company can be interpreted as a limited liability company that has never offered its shares to the public through a public offering and the number of shareholders has not reached the number of shareholders of a public company (Munir Fuady, 2003, p. 14).

While Singapore has a clear definition of private company in its Companies Act. Section 18(1) defined a private company as a company that restricts the right to transfer its shares and limits to not more than 50 members. Singapore also acknowledge what referred as exempt private company as can be seen in Section 4(1), that means a private company in the shares of which no beneficial interest is held directly or indirectly by any corporation and which has not more than 20 members; or any private company that is wholly owned by the Government, which the Minister in the national interest declares by notification to be an exempt private company. Private exempt company is basically a regular private company with several benefits:

1. Less compliance regulations, such as exemptions from annual audits and account submission under certain requirements that need to be met.
2. Freedom in financial loan activities. Under Section 163 of the Companies Act, companies are not allowed to give loans or provide guarantees and/or security for loans of another company if the director of the company has a 20 percent or more interest or shareholdings in that other company. The Companies Act also prohibits a company to extend loans to its directors except on certain purposes. Exempt private companies are exempted from both of that.
3. Tax exemptions are given under the scheme regulated by Start-up Tax Exemption (SUTE) (Singapore Company Incorporation, n.d.a).

1.2 Shareholders and Capital Requirements

Article 7(1) of Law No. 40/2000 determined that in order to establish a company, a minimum of 2 shareholders is needed because a company is established based on an agreement. The explanation of that article further explains that the shareholders can be either Indonesian (WNI) or foreigners (WNA) as well as Indonesian legal entity or foreign legal entity. Indonesia through Law No. 40/2000 acknowledged 3 types of capital: authorized capital, issued capital, and paid-up capital. Authorized capital is the entire nominal value of shares referred to in the Articles of Association (hereinafter "AoA"). Authorized capital of a company is the total number of shares that can be issued by the company, which the AoA itself determines the number of shares that will become authorized capital (Yahya Harahap, 2013, p. 233). Issued capital is the number of shares that have been taken by the founder or shareholders, some of it have been paid and others have not. Thus, issued capital is the amount of capital that the founder or shareholders willing to pay and the shares have been handed over to them to own (Yahya Harahap, 2013, p. 236). Paid-up capital is shares that have been paid fully by the founder or shareholders (Yahya Harahap, 2013, p. 236).

Article 32(1) of Law No. 40/2000 determined that the minimum of authorized capital is 50 million Rupiah, but paragraph 3 further stated that changes of authorized capital as referred to in paragraph 1 will be further regulated in regulation of the government. Therefore Article 1(3) of Regulation of the Government No.29/2016 concerning Changes in Authorized Capital of a Limited Liability Company stated that the amount of authorized capital of a company is determined based on the agreement made by founders of the company. However, the issue is: regulation of the government is not allowed to change any provisions in the law (Agus Sahbani, 2020), it is only meant to further regulate the law. Apart from that, Article 33(1) of Law No.40/2000 determined that a minimum 25% of the authorized capital needed to be issued and paid-up when the company was established.

Singapore through Section 20A of Companies Act explains that a company shall have at least one shareholder. Singapore used to acknowledge the exact same 3 types of capital too, but on 30 January 2006 authorized capital was abolished, therefore leaving issued capital and paid-up capital. Issued capital is the total amount of consideration (in a form of money or assets) that shareholders have contributed in exchange for shares that may or may have not been fully paid-up. Paid-up capital is the amount that has been paid up on shares that have been issued by a company (Singapore Legal Advice, 2019). Minimum issued capital is \$1 in any currencies and there is no minimum of paid-up capital (Accounting and Corporate Regulatory Authority, 2019b). In terms of shareholders and capital requirement, the provisions are clearly easier in Singapore because it requires less number of shareholders and capital, besides it also allows capital in any currency. High minimum capital requirements can become an obstacle for small and medium enterprises (SMEs) to establish a company.

1.3 Directors Requirements

According to Article 92(3) of Law No. 40/2007, minimum one director is required in order to establish a private company. Article 94 of Law No.40/2007 further explains that a director is appointed by GMS (in paragraph 1), but in case of initial establishment, directors is appointed by the founder in the deed of establishment (in paragraph 2). Requirement to be a director of a public company according to Article 93(1) of Law No.40/2000 are: (a) has the capacity of committing legal acts; and (b) within 5 years prior to his/her appointment he/she has never: been declared bankrupt, been a member of the directors who was declared guilty for the company's bankruptcy, or been convicted for commission of a criminal offense that damages the state finance and/or the relevant financial sector. The explanation of that article further explains that "financial sector" means, inter alia, bank and nonbank financial institutions, capital markets, and other sectors dealing with public fundraising and management.

Section 149B of Companies Act stated that a director is appointed by ordinary resolution passed at a general meeting, unless the constitution provides otherwise. Section 145 of Companies Act determined that every company shall have at least one director who is ordinarily resident in Singapore and, where the company only has one member, that sole director may also be the sole member of the company. Only natural persons who have attained the age of 18 years and who are

otherwise of full legal capacity shall be a director of a company. There are several disqualifications under Companies Act:

- a. Section 148: a director is declared bankrupt by Singapore court or foreign court.
- b. Section 149: the person was a director of an insolvent company which was liquidated and his/her conduct as a director of an insolvent company makes him unfit to continue to be a director (disqualification is issued by the court).
- c. Section 154: the person is convicted with offences that are subjected to automatic disqualification or disqualification by the court. Automatic disqualification applies to offences involving fraud or dishonesty in Singapore or other country that is punishable with 3 months or more of imprisonment. Disqualification by the court applies to offences concerning the formation or management of a company; or offences concerning the failure to carry out duties honestly and diligently, also failure to keep proper accounts or trading in case of insolvent company.
- d. Section 155: the person is convicted with minimum 3 offences regarding required fillings, delivery of documents, or giving notice to the Registrar of Companies within 5 years.
- e. Section 149A: the person was a director of a company that wound up on grounds of national security or interest (Rikvin, n.d.).

In terms of director requirements, the provisions in Singapore are generally stricter than Indonesia as it covers a wider range of criterias for disqualifications. For instance, it disqualified persons that have been convicted with offences for administrative matters related to the Registrar of Companies, or persons that convicted with offences without having to first impact the state finance or other sectors. Singapore also clearly emphasizes that an act or court decision can be done or from other countries, while Indonesia did not explain this matter. These strict criteria will actually benefit the company itself. However, provisions in Indonesia are slightly easier in this aspect.

1.4 Company Secretary Requirements

Indonesia does not require a company secretary for a private company. While in Singapore, a company secretary is required for both private and public companies. Section 171(1) of Companies Act stated that every company shall have one or more secretaries that are a natural person who is locally resident in Singapore and is not debarred under Section 155(B). Debarment under Section 155(B) is made for the secretary who is in default in relation to a relevant requirement in the Companies Act. Section 171(1A) further determines that it is the duty of the company directors to take all reasonable steps to ensure that each secretary has the requisite knowledge and experience. As Indonesia does not require a company secretary for a private company, thus it is clear that in this aspect the provision in Indonesia is easier.

2. Establishment of Public Company

2.1. Definition of Public Company and Publicly-listed Company

Article 1(8) of Law No. 40/2007 defined a public company as any company that qualifies for the criteria for the number of shareholders and paid-up capital under the laws and regulations in the field of capital markets. Therefore, referring to Article 1(22) of Law No. 8/1995 concerning Capital Market (hereinafter “Law No. 8/1995”), a public company is a company that its shares are owned by at least 300 shareholders and have a paid-up capital of at least 3 billion rupiah. After both of that criteria are fulfilled, then according to Article 24 of Law No. 40/2007: (a) the company must amend its articles of association within 30 days from the criteria are met and (b) the directors of the company must submit a registration statement under the laws and regulations in the field of capital markets. Thus, referring to Article 1(19) of Law No. 8/1995 jo. Article 1(2) of Financial Services Authority No. 7/POJK.04/2007 concerning Documents for Registration Statements in the Context of Public Offering of Equity Securities, Debt Securities and/or Sukuk, registration statement is given to Capital Market Supervisory Board (now Financial Services Authority) by issuer in case of public offering or public company. Indonesia also acknowledged what is known as a publicly-held company. According to Article 1(7) of Law No. 40/2007, publicly-listed company includes any public company or any company that makes a public offer of shares (issuer). Thereby can be concluded that every public company is a publicly-listed company, but not vice versa.

In contrast to private companies, Singapore does not define clearly the meaning of public company in its Companies Act. Section 4(1) of Companies Act only stated public company as a company other than a private company. However, public company can be classified into 2 types: public company limited by shares and public company limited by guarantee. Public company limited by shares has more than 50 shareholders and is allowed to raise capital by offering shares or debentures to the public, but it must register a prospectus with the Monetary Authority of Singapore before doing so. While a public company limited by guarantee is usually formed for non-profit activities, it does not have shareholders but members, and these members agreed to pay a fixed sum in case the company is wound up (Accounting and Corporate Regulatory Authority, 2019a).

Not every public company is a listed company. In order to become a publicly-listed company, the company must be listed in the stock exchange, Indonesia Stock Exchange (IDX) in Indonesia and Singapore Exchange (SGX) in Singapore.

2.2 Shareholders and Capital Requirement

In Indonesia, according to Article 1(22) of Law No. 8/1995, the minimum shareholder required to be a public company is 300 shareholders. While according to Article 1(22) of Law No. 8/1995, minimum capital required to be a public company is 3 billion Rupiah. In Singapore, referring to Section 18(1) of Companies Act that sets out a maximum of 50 shareholders for a private company,

thus the minimum shareholder required in order to become a public company in Singapore is 50 shareholders. Singapore seems to have not determined the minimum capital required to become a public company, so as long as the criteria of 50 shareholders minimum is met, then the company becomes a public company. Thus, the provision on shareholders and capital requirements for public companies is easier in Singapore because it requires less number of shareholders and it does not regulate the minimum capital required. While in Indonesia the minimum number of shareholders and capital required is quite high.

2.3 Directors Requirements

Regulation governing directors for public companies in Indonesia is Financial Services Authority No.33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners of Issuers or Public Companies (hereinafter “FSA No.33/2014”). According to Article 2 of FSA No.33/2014, minimum directors required for public company is 2 persons, and one of the directors should be appointed as president director. Article 3(1) of FSA No.33/2014 further determined that directors are appointed and dismissed by a General Meeting of Shareholders. Requirement to be a director of a public company in Indonesia is basically the same as a private company, with few additions as can be seen from Article 4(1) of FSA No.33/2014. That additions are: (a) having good characters, morals and good integrity; (b) within the period of 5 years prior to the appointment and during the tenure never become directors who: failed to conduct an annual GMS, their accountability as directors was rejected by GMS or failed to provide accountability as directors to the GMS, and caused a company that had the license and approval from or registered at the FSA failed to meet its obligation to submit the annual report and/or financial reports to the FSA; (c) committed to complying with the laws and regulations; and (d) have the knowledge and/or expertise in the field needed issuer or public company.

While in Singapore, the requirements are basically the same as private companies. The only difference is according to Section 150(1) of Companies Act, the minimum director required is 2 persons and it should be voted individually, not in a single resolution unless it is unanimously agreed to do so by the meeting. In terms of directors requirements for public companies, both countries are actually quite similar in regulating the requirements. The main difference is that as mentioned in earlier analysis on directors requirements for private company, Singapore emphasizes that an act or court decision can be done or from other countries, while Indonesia did not explain this matter. Therefore, provisions in Indonesia are slightly easier in this aspect.

2.4 Company Secretary Requirements

Regulation governing company secretary in Indonesia is Financial Services Authority No.35/POJK.04/2014 concerning Company Secretary for Issuer or Public Company (hereinafter “FSA No.35/2014”). As can be seen from the title of the regulation, Indonesia only requires a company secretary for public company, this is emphasized again in Article 2(1) of FSA No.35/2014. Article 2(2) of FSA No.35/2014 stated that company secretaries can be an individual or working unit. Moreover, Article 3 of FSA No.35/2014 stated that a company secretary is

appointed and dismissed based on the decision of the director, and the director itself is allowed to be a company secretary if he/she wants to. Minimum requirement for company secretary according to Article 9(1) of FSA No.35/2014 is: (a) has the capacity of committing legal acts; (b) has the knowledge and understanding in law, finance, and corporate governance; (c) understand the business activities of the publicly-held companies; (d) able to communicate well; and (e) domiciled in Indonesia.

While in Singapore, the requirements are basically the same as private companies. Section 171(1AA) of Companies Act explains that it is also the duty of company directors to take all reasonable steps to ensure that each secretary satisfies such requirements relating to experience, professional and academic requirements and membership of professional associations, as may be prescribed. Requirement for public company's secretary as intended in Section 171(1AA) is: (a) has been a company secretary of a company for at least three years before his appointment as company secretary of the public company; (b) qualified person under Legal Profession Act (Cap. 161); (c) public accountant registered under the Accountants Act (Cap. 2); (d) member of the Institute of Certified Public Accountants of Singapore; (e) member of the Singapore Association of the Institute of Chartered Secretaries and Administrators; (f) member of the Association of International Accountants (Singapore Branch); (g) member of the Institute of Company Accountants, Singapore. If one of these criteria satisfied, then that person is qualified as a company secretary (Singapore Company Incorporation, n.d.b)

In terms of company secretary for a public company, the provisions in Singapore are generally stricter than Indonesia as it covers a wider range of criterias. Provisions in Indonesia mentioned quite general criterias, while provisions in Singapore require specific criterias such as prior experience in being a secretary and certain professional associations membership. These specific criteria will actually benefit the company itself. Therefore again, provisions in Indonesia are slightly easier in this aspect.

2.5 Listing (in order to become a publicly-listed company)

Article 1(13) of IDX Regulations No. I-V concerning Special Provisions of Listing in Acceleration Board (hereinafter "IDX Regulations No. I-V") defines listing as the inclusion of a securities in the list of securities listed on the exchange so that it can be traded on the exchange. Indonesia acknowledged 3 types of listing: mainboard, development board, and acceleration board. Article 1(11) of IDX Regulations No. I-V defines mainboard as a listing board meant for large companies that have a long operational experience. Article 1(10) of IDX Regulations No. I-V defines a development board as a listing board meant for medium-sized companies that are expected to develop. While Article 1(9) of IDX Regulations No. I-V defines acceleration board as a listing board meant for issuer with small or medium scale assets (in accordance with Financial Services Authority No. 53/POJK.04/2017 on Registration Statements for Public Offering and Capital Increase with Pre-Emptive Rights by Issuer with Small or Medium-Sized Asset, small scale assets is under 50 billion Rupiah while medium scale assets is between 50 billion Rupiah and 250 billion

Rupiah) and have not been able to meet the requirements to be on development board. Minimum shareholders required to be listed is 1000 shareholders for mainboard, 500 shareholders for development board, and 300 shareholders for acceleration board.

As for the acceleration board in Indonesia it should be noted that this board just launched in middle-year of 2019, therefore there are higher possibilities that only few companies are aware of it. About this new type of board, there is this issue that may make the companies doubt to be listed in this type of listing: large companies are not allowed to become controllers in the issuer company. Whereas, large companies often become “guarantees” for investors in investing as usually large companies have had good reputation and track record in the public (Monica Wareza, 2019). This issue can affect investor interest to invest in companies that are listed in the acceleration board, therefore, can also affect the interest of companies in the acceleration board. Indra Syafitri, Head of Honorary Council of Capital Market Legal Consultant Association, furthermore said that only few companies are interested in being listed on the acceleration board because without it, the companies are stable already. He then said that acceleration boards still need further improvement to become effective (Indra Syafitri, personal communication, June 13, 2020).

Section 4(1) of Companies Act defines listing as a company or corporation that has been admitted to the official list of an approved exchange in Singapore and has not been removed from that official list. Singapore acknowledged two types of listing: mainboard listing and catalist listing. SGX has created a rulebook to regulate each of it (see further: <http://rulebook.sgx.com/rulebook/sgx-rulebooks>). Mainboard is meant for established companies. In order to be listed in the mainboard, companies must meet the entry criteria, including minimum profit and/or market capitalization levels. Mainboard-listed companies will enjoy an established market place and access to a wide range of institutional and retail investors (SGX, n.d.b). Catalist is for fast-growing companies. In catalist, there are no quantitative requirements, it is up to the Full Sponsors to decide whether the listing applicant is worth to be listed (SGX, n.d.a). Minimum shareholders required to be listed is 500 shareholders for mainboard (SGX, n.d.b) and 200 shareholders for catalist (SGX, n.d.a).

In terms of listing, from the minimum number of shareholders required, listing in Singapore is easier because it requires 200 shareholders for the lowest board, while Indonesia requires 300 shareholders. However, it should be taken into a note that the number of shareholders is not the only criteria for listing, there are lots others that are regulated by each countries’ stock exchange; thus, it cannot be merely concluded which countries’ provisions are easier.

CONCLUSION

Table 1. Requirements to Establish a Company in Indonesia and Singapore

Criteria	Requirements		Easier Requirement
	Indonesia	Singapore	
Establishment of Private Company			
Shareholders Requirements	2 shareholders.	1 shareholder.	Singapore
Capital Requirements	Minimum of authorized capital is 50 million Rupiah, 25% of it must be issued and paid-up when the company was established.	Minimum issued capital is \$1 in any currencies and there is no minimum of paid-up capital.	Singapore
Directors Requirements	Minimum 1 director appointed by GMS; has the capability of committing legal acts. Further requirements on Article 93(1) of Law No.40/2000.	Minimum 1 director appointed by GMS; has the capability of committing legal acts. Further requirements on Section 148, 149, 154, 155, and 149A Companies Act.	Indonesia, because Singapore covers a wider range of criterias for disqualifications.
Company Secretary Requirements	Does not require a company secretary.	Requires one or more company secretaries.	Indonesia
Establishment of Public Company			
Shareholders Requirements	300 shareholders.	50 Shareholders.	Singapore
Capital Requirements	3 billion Rupiah.	Not determined.	Singapore
Directors Requirements	Minimum 2 directors appointed by the GMS; one should be president director. Further requirement is basically the same as in a private company, with few additions as on	Minimum 2 directors appointed by the GMS. Further requirement are the same as in private companies.	Indonesia, because Singapore covers a wider range of criterias for disqualifications.

	Article 4(1) of FSA No.33/2014.		
Company Secretary Requirements	Require company secretary, can be an individual or working unit. Further requirements on Article 9(1) of FSA No.35/2014.	Requires one or more company secretaries. Further requirements on Section 171(1AA) Companies Act.	Indonesia, because Singapore requires specific criterias such as prior experience and certain professional associations membership.
Listing	Mainboard: 1000 shareholders Development board: 500 shareholders Acceleration board: 300 shareholders	Mainboard: 500 shareholders Catalist: 200 shareholders	It can not be merely concluded which countries' provisions are easier because there are lots of other criterias that are regulated by each countries' stock exchange.

The requirement to establish a company in Singapore and in Indonesia has not much of a difference. As seen on the table above, the requirement for shareholders and capital is typically easier in Singapore, while Indonesia has easier requirements in terms of directors and company secretary. These requirements to establish a company is closely related to starting a business as one of the indicators of ease of doing business ranks. The ranking for ease of doing business is important as it triggers countries to reform their policy and regulation in order to improve their business climate. Countries as well have a potential to gain recognition and reputation in the international society if they manage to get a good rank. Most importantly, investors usually take into account the ranking prior to entering as it depicts several important investment indicators. Thus, the ease of doing business is a significant measurement to improve investment rate in every country.

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