2026 | February Edition

THE BRIEF

Money, money, money.

Building a business means securing resources, capturing markets, and defending what you've built. This issue breaks down the strategies that make it happen.

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Editor’s note.

Humbled yet proud.

We are honoured to share that The Straits Times has named Silvester Legal one of Singapore's Best Law Firms for 2026.

This marks our fourth consecutive year receiving this recognition.

None of it would be possible without the trust and support of our clients. So here's a huge thank you.

2025 saw a wave of business closures across Singapore.

Hard work matters, but it is not enough.

Having the right financial and legal support system in place makes the difference between weathering challenges and winding up.

In this revamped edition of The Brief, we feature four trusted partners who can help local companies access the expertise they need to reduce risk and sustain growth.

Whether it's ESG strategies from **Finnex**, HR grants from **CWL Consultancy**, funding solutions from **Dr. Loan**, or Malaysian expansion insights from **HeySara,** each brings practical guidance for navigating today's challenges.

We also explore critical legal protections. What recourse you have as a vendor, shareholder, employee, or business owner if closure becomes unavoidable, and how to navigate regulatory changes and strengthen corporate governance to steer clear of that outcome.

Here's to building stronger, more resilient businesses together.

Walter Silvester
Founder and Managing Director
Silvester Legal

News and achievements.

Silvester Legal LLC has been named among Singapore's Best Law Firms 2026 by The Straits Times and Statista, marking the firm's fourth consecutive year on the list.

The firm received recognition in five key practice areas:

The 2026 edition of the survey is based on more than 12,000 recommendations from nearly 6,000 lawyers, in-house counsel, industry professionals, and clients and is conducted by Germany-based Statista using a methodology applied in several jurisdictions, including the United Kingdom and Switzerland.

This recognition reflects the trust placed in us by our clients and peers and reinforces our commitment to delivering strong, reliable legal representation across our core practice areas.

We thank everyone who has supported the firm and contributed to this continued recognition.

Industry recognition for our Director, Akesh Abhilash.

Congratulations to our Director, Akesh Abhilash, for clinching two major awards in his first year with us, marking a strong debut year and reinforcing the quality of dispute resolution work at Silvester Legal.

LexisNexis® 40 UNDER 40 2025 Winner - Asia & Southeast Asia List

Akesh Abhilash, has been recognised as an honouree of the LexisNexis® 40 UNDER 40 2025 Asia list and the Southeast Asia list. This is a strong testament to his legal expertise and influence in dispute resolution across the region.

Since stepping into the Director role, Akesh has strengthened the firm's litigation practice and delivered major wins for our clients. He has been instrumental in establishing Silvester Legal as one of Singapore's leading dispute resolution firms and has set a new benchmark for young dispute lawyers.

Read more about it here.

ALB Singapore Rising Stars 2025

Additionally, Akesh Abhilash has been recognised as an ALB Singapore Rising Star 2025. This is a testament to his dedication, sharp legal acumen, and relentless drive for excellence in commercial law and alternative dispute resolution.

This recognition is well-deserved, and we're honoured to have him as part of the Silvester Legal team, pushing boundaries and delivering results for our clients.

Read more about it here.

Key legal pitfalls for startups in Singapore:

What founders should know before incorporation.

Starting a business in Singapore is exciting—it's one of the world's top hubs for entrepreneurs. But rushing into incorporation without spotting legal pitfalls can lead to costly fixes later. As founders, you need to get these basics right from day one. Here's what to watch out for.

1. Picking the wrong business structure.

Not all structures suit every startup. Every startup needs to decide on a business structure based on its needs and goals. The Accounting and Corporate Regulatory Authority (ACRA), which regulates businesses and service providers allows five main types of business structure:

- Sole-Proprietorship
- Partnership
- Limited Partnership
- Limited Liability Partnership
- Company

Many choose Private Limited (Pte Ltd) for its liability protection, on the other hand sole proprietorships or partnerships are quicker to set up, but can expose you personally. Commonly observed lapses include:

- Mismatching structure with your funding needs (e.g., VCs prefer Pte Ltd).
- Ignoring tax perks like the Startup Tax Exemption for new Pte Ltds.
- Forgetting foreign ownership rules if you're not a Singapore resident.

2. Messing up Intellectual Property (IP) protection.

Ideas are your startup's gold, but without IP safeguards, competitors can steal your ideas legally. It is therefore imperative for startups to implement a robust IP protection at an early stage. Some legal documents that are essential for safeguarding every startup's IP rights include trademark license agreement and Confidentiality or Non-disclosure Agreement (NDA). Key lapses commonly observed include:

- Failing to trademark your brand name or logo before launch.
- Not using NDAs with co-founders, employees, consultants or partners.
- Overlooking copyrights for software code or designs—where necessary register early with the Intellectual Property Office of Singapore (IPOS).

3. Weak founder agreements.

Co-founders splitting? Unequal equity causing fights? It happens more than you think and can result in your startup going up in flames before it has had a chance to shine. Common deficiencies include:

- Failure to implement equity vesting schedules (e.g., 4-year cliff to prevent early exits).
- No clear rules on decision-making, IP ownership, or exit scenarios.

Ignoring non-compete clauses to protect your venture, exposing the startup to the risk of former founders exploiting confidential information, diverting clients, or establishing competing ventures.

4. Compliance oversights.

Singapore's rules are strict but fair—ignore them, and fines pile up.

- Not appointing a local resident director (mandatory for Pte Ltd).
- Delaying ACRA registration or annual filings.
- Not complying with data privacy obligations under PDPA, especially for apps handling user info.

5. Funding and shareholder traps.

Raising cash sounds great, but bad terms haunt you.

- Vague SAFE agreements (Simple agreement for future equity) leading to dilution surprises
- Forgetting anti-dilution protections or drag-along rights.

Avoid these pitfalls by consulting experts early. Proper setup saves time, money, and stress.

Low Yi Yang
Director
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Why embarking on sustainability (ESG) now is your smartest financial move.

The misconception about ESG.

Most business owners have a basic understanding of ESG; thus, they view ESG adoption as a cost. That is a miscalculation. It is actually a strategic business opportunity, and the window for early adoption is narrowing.

From optional to essential.

ESG has shifted from optional to essential. With banks tightening lending criteria around sustainability metrics, investors are conducting deeper ESG due diligence, and customers are auditing supply chains. The consequences of falling behind are tangible: lost tenders, higher financing costs, and reduced competitiveness in international markets. As pressure intensifies, structured ESG readiness is becoming a non-negotiable component of enterprise value.

Strategic funding unlocks access.

This is where strategic funding matters. Government grants can subsidise a substantial portion of ESG implementation costs.

Singapore's Enterprise Development Grant, for example, covers up to 50 to 70 per cent of qualifying sustainability initiatives (with the higher rate available until March 2026). This funding accelerates readiness for recognised standards and frameworks, like the GRI Standard, the COSIRI Framework, and the GHG Protocol, helping businesses meet evolving international reporting standards. Early adopters are already seeing results: enhanced enterprise valuations, improved risk profiles, and access to green financing with more favourable terms when clear decarbonisation targets are in place.

The pitfall of checkbox reporting.

The common mistake is treating ESG as a reporting exercise.
Many companies rush into disclosure without building the underlying infrastructure first. They lack proper data systems, established processes, or robust policies. This approach produces superficial "checkbox reporting" that collapses under scrutiny, leading to gaps, inconsistencies, and compliance failures that are far pricier to address retroactively. Often, the absence of future-proof ESG initiatives has hindered the organisation's ability to achieve its ESG goals.

Finnex's full lifecycle approach.

Finnex takes a different approach. They curate the most suitable projects and agglomerate the most suitable grants for their clients based on their specific ESG gaps, whether that is EDG, NTUC CTC, MRA, CCP-S or other qualifying schemes. Their structure covers the full lifecycle: diagnostics, strategy design, execution, certification, reporting, and assistance in establishing pioneering sustainability committees. This includes three- to five-year decarbonisation roadmaps and sustainability reporting. The priority is data governance and practical implementation. That is what makes ESG actionable, measurable, and tightly aligned with long-term compliance and growth objectives.

ESG is no longer a nice-to-have.

It is a strategic roadmap. Grants make this essential transformation financially accessible, but execution must be precise.

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Exclusive: When companies shut overnight.

Vendor’s dilemma: Letter of demand vs. liquidation queue in Singapore.

In Singapore's commercial landscape, vendors often issue a Letter of Demand (LOD) as a first step to recover unpaid debts when a debtor company falters. While effective as a pre-insolvency pressure tool, the LOD loses its coercive power and does not elevate the vendor's priority in repayment once the company enters liquidation under the Insolvency, Restructuring and Dissolution Act 2018 (IRDA).

Crucially, an LOD does not confer priority, security or enhanced recovery rights – leaving vendors exposed as unsecured creditors in a crowded liquidation queue.

1. Pre-Liquidation role of the LOD.

An LOD serves as a formal demand for payment, typically within 7-14 days. Under Section 125(2)(a) IRDA, if a debt over SGD 15,000 remains unpaid three weeks after service, it deems the company unable to pay its debts, enabling a winding-up petition. It proves the debt and may prompt settlement but creates no security or priority — vendors remain ordinary unsecured creditors.

2. Post-Liquidation limitations.

Upon liquidation, Section 133 IRDA imposes a moratorium, barring proceedings without court leave (rarely granted for debt claims). Sending an LOD becomes ineffective; vendors must file a proof of debt with the liquidator, supported by invoices and any prior LOD. At this stage, enforcement shifts entirely from creditor-driven action to liquidator-controlled process.

3. Creditor hierarchy under Section 203 IRDA.

- Secured creditors (fixed charges) enforce outside the process.
- Liquidation costs and expenses.
- Preferential debts (e.g., employee wages/salaries up to S$13,000, retrenchment benefits, CPF contributions, taxes/GST).
- Unsecured creditors (including trade vendors), ranking equally, often recovering little or nothing.
- Shareholders (surplus only).

In many cases, funds are exhausted before unsecured creditors receive anything, leaving vendors with minimal or no recovery.

4. Strategies to improve recovery.

- Retention of Title (ROT) Clauses: Well-drafted clauses retain ownership of goods until payment, allowing repossession (excluding them from the estate). Effectiveness depends on drafting; risks arise if goods are mixed or resold.
- Taking security: For large or ongoing contracts, vendors may negotiate a secured interest over assets.
- Funding liquidator actions: Under Section 204 IRDA, creditors can indemnify costs for challenging voidable transactions. Courts may grant priority over recovered assets, enabling near-full recovery from proceeds.[1]

Conclusion.

While an LOD is valuable pre-liquidation, it offers no advantage post-commencement. Vendors typically endure low recovery as unsecured creditors.

So it is better to implement proactive measures like ROT clauses or funding litigation, which can significantly mitigate risks and enhance prospects under Singapore's insolvency regime.

[1] Re Mingda Holding Pte Ltd [2024] SGHC 130.

Using HR grants to support business growth.

Building a capable team is one of the toughest challenges for scaling Singapore SMEs. Many startups and SMEs hire quickly to keep up with growth, but their HR systems and training processes often lag behind. When this happens, small gaps turn into inefficiencies, and over time, these gaps can expose the business to legal and compliance risks that are expensive to fix.

Without strong training frameworks or experienced HR support, even good hiring decisions can lead to problems. Early stages often conceal issues like MOM breaches or workplace disputes. They surface later when the business is already stretched, demanding time, money, and management attention. The impact extends beyond financial implications. Productivity declines, potentially affecting relationships with regulators.

How employment grants reduce cost pressure.

Employment grants help ease some of the strain that comes with building a team.

Grants such as the Career Conversion Programme (CCP) and Mid-Career Programme (MCP) can offset a significant portion of salary or training costs in eligible cases, sometimes for several months.

This support gives founders breathing room to hire earlier, invest in proper training, and protect cash flow for other critical areas of the business.

However, these grants come with strict requirements. Eligibility rules, ownership thresholds, clean records, and accurate submissions all matter. Rejection of an application often prevents companies from reapplying within the same funding cycle. Many businesses miss out not because they are ineligible, but because the process is complex and unforgiving.

Why timing and documentation matter.

Timing is one of the most overlooked factors. Grant windows, CPF payment schedules, and eligibility conditions must line up precisely. A late submission or missed CPF payment can disqualify an otherwise strong application.

Documentation is just as important. Detailed six-month on-the-job training plans and development frameworks are essential for approval.

For further information on CWL Consultancy's services, please contact:

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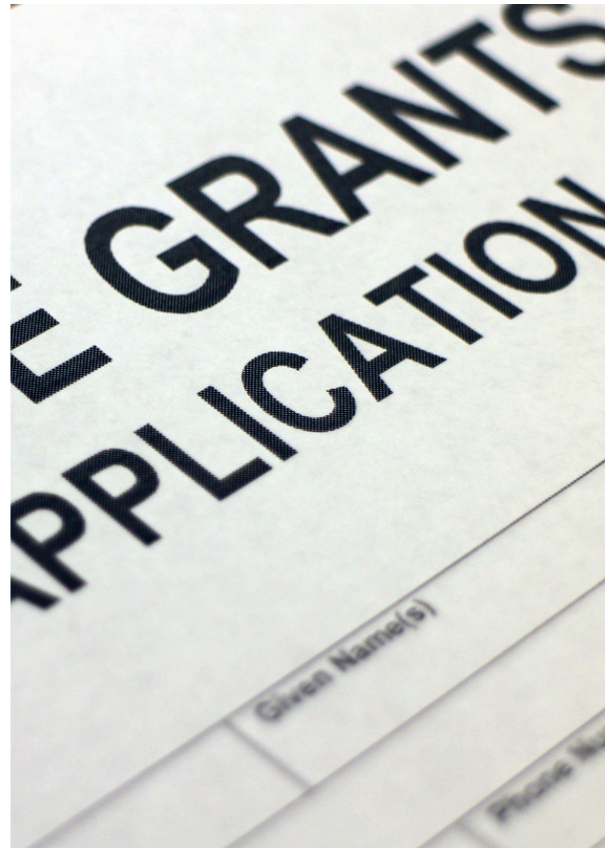
these documents must clearly outline the employee's training plan, the expected outcomes, and the role's contribution to the business. For many founders, the level of detail required comes as a surprise.



How CWL Consultancy supports founders.

CWL Consultancy supports Singapore SMEs through every stage of the HR grant process.

From checking eligibility to managing post-approval requirements, the team provides practical, step-by-step guidance.

CWL Consultancy helps match candidates to the most suitable grants and handles the detailed paperwork needed for approval.

This allows founders to focus on building their business while staying compliant as they scale.

Exclusive: When companies shut overnight.

What recourse do Singapore employees have?

In the past 18 months, Singapore's Food and Beverage (F&B) sector has faced numerous abrupt closures, including Twelve Cupcakes, Jollibean, and Prive Group, leaving employees jobless and often unpaid. Factors like high rents, labour shortages, and competition exacerbate vulnerability. However, Singapore's robust employment laws provide clear protections and pathways for recourse.

1. Understanding the legal framework.

Employee protection primarily stems from three sources. First, the Employment Act 1968 (EA) applies to most employees under a contract of service, including F&B workers. While certain provisions do not apply to managers and executives, all employees are protected in respect of salary payment, termination, and wrongful dismissal.

Second, the employment contract (and any collective agreement, for unionised employees) is critical. It governs notice periods and any entitlement to retrenchment benefits, which are not statutory in Singapore.

Third, where closure results from insolvency, the Insolvency, Restructuring and Dissolution Act 2018 (IRDA) determines how employee claims are treated during liquidation.

2. Employee entitlements.

Upon closure, employees may be entitled to:

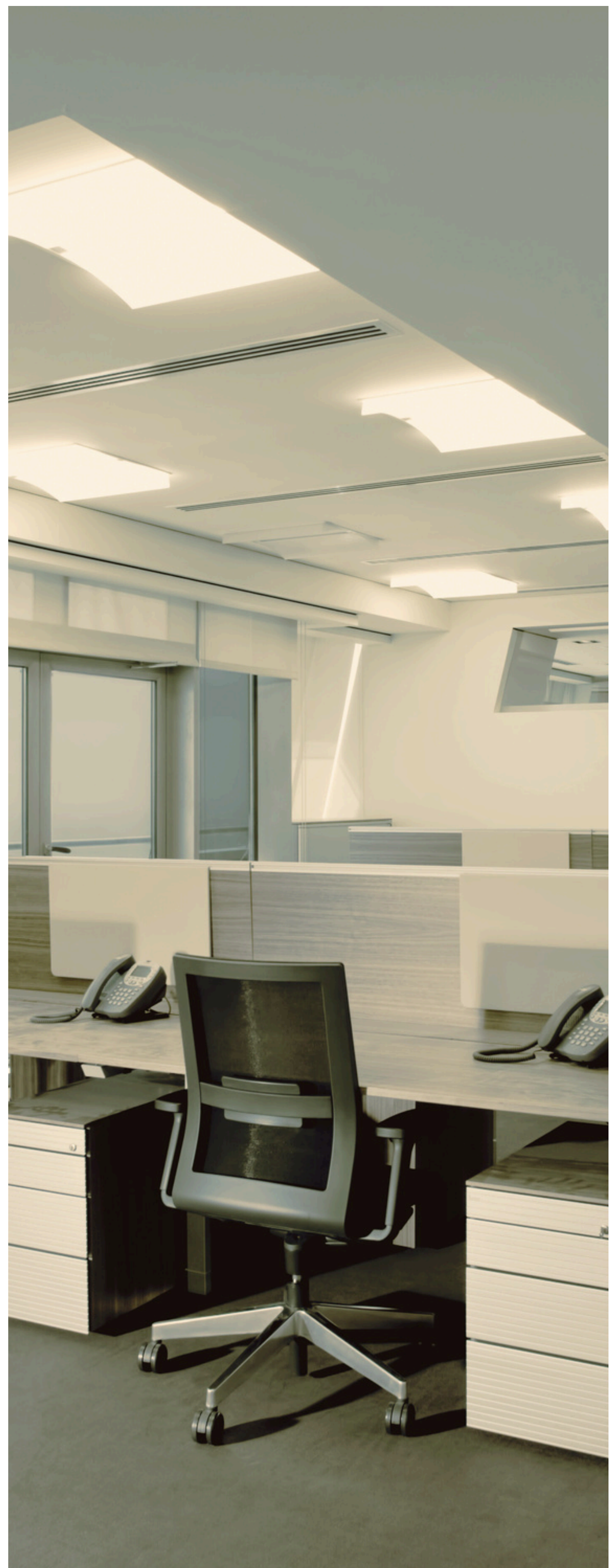
- Notice pay or salary in lieu of notice, as provided in the contract or, failing that, under the EA's minimum notice periods.

Service Length	Minimum Notice Required
Less than 26 Weeks	1 Day
26 Weeks to < 2 Years	1 Week
2 to < 5 Years	2 Weeks
5 Years or More	4 Weeks

- Outstanding salary and accrued benefits, including unpaid wages, overtime, commissions, and unused annual leave, payable on or before the last day of employment.

- Retrenchment benefits, but only if expressly stated in the employment contract or collective agreement. While not mandatory, the Tripartite Guidelines recommend two weeks' to one month's salary per year of service.

- Employers with at least 10 employees are mandatorily required to notify MOM within 5 working days after the affected employees are notified of their retrenchment so as to enable unions, the government and relevant agencies to assist affected employees.
- Special protections, such as maternity benefits, which remain payable if statutory eligibility is met, even after retrenchment.



3. Dispute resolution paths.

Employees must identify if the employer is solvent or insolvent to choose the correct forum:

For solvent companies: Employees should approach the Tripartite Alliance for Dispute Management (TADM) for mediation. If mediation fails, claims up to SGD 20,000 (SGD 30,000 for union members) are adjudicated by the Employment Claims Tribunals (ECT).

For insolvent companies: TADM cannot process these claims. Employees must file a "Proof of Debt" directly with the appointed liquidator or the Official Receiver. Control of assets shifts from directors to the liquidator, and recovery depends on the realisation of company assets.

Key takeaway.

While sudden closures can be devastating, Singapore's legal framework provides employees with defined rights and structured remedies. Early action – understanding one's entitlements, identifying the employer's solvency status and pursuing the correct forum – is critical to maximising recovery.

Exclusive: When companies shut overnight.

What shareholders and business owners need to know.

Singapore's corporate landscape has seen several high-profile collapses in recent years—among them Style Theory, The Privé Group, Twelve Cupcakes' earlier financial difficulties, and multiple mid-sized F&B operators. These abrupt closures often spark public concern: What happens to the people running these companies? Do shareholders walk away unscathed? And what about employees left without pay?

The reality is more structured—and more serious—than most people expect. Under Singapore law, when a company winds up or becomes insolvent, the order of who gets paid, who bears responsibility, and what stakeholders can do is determined quite strictly. The recent spate of closures also reflects deeper industry pressures, especially in F&B, which has been facing increased manpower shortages, high rental costs, and cash-flow fragility.

This article explains the trend, explores how different stakeholders are affected, and highlights the legal pathways available when a business fails—focusing on shareholders and business owners.

The trend of abrupt closures. And why it's happening.

Several factors are contributing to the rise in sudden shutdowns across Singapore's retail and F&B sectors.

Volatile operating costs, tighter cash flows, rising labour expenses, and post-pandemic consumer shifts have made many businesses financially fragile. Abrupt closures often signal deeper problems: unsustainable debts, unprofitable expansion, or poor internal controls. For example, Style Theory's collapse highlighted cash-flow issues in asset-heavy subscription-based models, while The Privé Group's sudden shutdown drew attention to rental disputes and alleged breaches of financial obligations.

These closures also tend to expose compliance gaps—payment delays, outstanding CPF obligations, supplier debts, and long-term liability build-up. When a shutdown happens without proper wind-down procedures, the legal obligations of shareholders and business owners become sharply relevant.

Business owners' responsibilities: What is the proper legal way to close a company?

Business owners can legally close a company through striking off or voluntary liquidation under the Insolvency, Restructuring and Dissolution Act 2018 (IRDA) and Companies Act (CA), depending on solvency and activity status. Striking off suits dormant, solvent companies with no debts or assets, while liquidation applies to active firms needing asset distribution. Owners must settle taxes and debts and notify regulators like ACRA and IRAS first.

Striking off process.

Companies qualify for striking off in Singapore if a company:

- has not commenced business since incorporation or has ceased trading,
- has no outstanding debts or liabilities owed to IRAS, CPF Board and any other government agency,
- has no outstanding charges [1] in the charge register,
- has no pending legal actions (within or outside Singapore),
- the company has no existing assets and liabilities as at the date of application and no contingent assets and liabilities that may arise in the future,
- has no outstanding tax credit owing to the company.

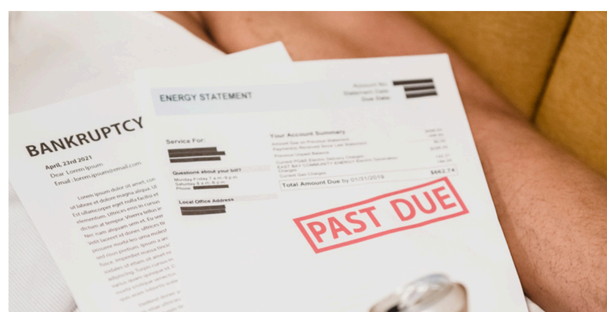
Additionally, all or a majority of directors must authorise the application to submit the online application for striking off on behalf of the company.

Step-by-step process:

- **Prepare compliance:** Settle debts, close bank accounts, dispose of assets, file year-to-date financial statements, and obtain IRAS tax clearance.
- **Obtain approvals:** Secure board resolution and consent from directors, secretary, and filing agent.
- **Submit application:** File Form 44 online; ACRA processes within 5 working days.
- Objection period: ACRA issues notice to the company, officers, and IRAS. Objections to the striking-off application may be made within the specified time periods under Section 344C of the CA, published in the Government Gazette, referred to as the First Gazette
- **Resolution and completion**: Address objections within 2 months, or the application lapses; if clear, ACRA strikes off the company after 120 days total.

Timeline and restoration.

The process takes 3 months after the application is approved, extendable by objections. Struck-off companies can be restored via court order within 6 years if needed.



Creditors' voluntary liquidation (insolvent).

Creditors' Voluntary Liquidation (CVL) applies to insolvent Singapore companies unable to pay debts, initiated by directors and shareholders under IRDA when continuing business is untenable.

Step-by-step process:

- **Directors' meeting:** Convene to assess insolvency and resolve to propose voluntary winding up.
- **Shareholders' meeting:** Hold Extraordinary General Meeting (EGM) within 5 weeks to pass special resolution for winding up and nominate provisional liquidator; file resolution with ACRA within 7 days and advertise in newspaper within 10 days. Prior to the appointment of a provisional liquidator, the directors of the company must make and lodge a statutory declaration with the Official Receiver. A declaration to ACRA in Form VWU-1 must be made. When a provisional liquidator has been appointed, the statutory declaration mentioned above and the notice of appointment of the provisional liquidator must be advertised in the Gazette and at least one English local daily newspaper within 14 days of his or her appointment.
- **Creditors' meeting:** Notify creditors at least 10 days in advance with a statement of affairs, and the meeting is held simultaneously or soon after the shareholders' meeting. At least one director is required to be present in this meeting. The notice of the creditors' meeting also must be advertised in at least one English local daily newspaper at least 7 days before the date of the meeting.
- **Liquidator's duties:** The licensed liquidator realises assets, settles claims per IRDA priority (secured, expenses, preferential like employee wages up to SGD 13,000, unsecured), files proofs of debt (Form VWU-11), and seeks IRAS clearance.
- **Finalisation:** Call a final meeting of members and creditors to present accounts; lodge a return with ACRA and the Official Receiver within 7 days; the company dissolves 3 months later.

Timeline and oversight.

The process spans 9-18 months depending on assets and disputes; creditors control liquidator choice and monitor via committee if formed.

Shareholders' position: Are they really first in line?

One of the most common misconceptions is that shareholders get early access to whatever funds are left in a collapsing company. In fact, under Singapore's IRDA, shareholders are the last in line to receive any remaining value when a company is liquidated. The legal order of priority is strictly defined in Section 203 of the IRDA, which establishes the correct sequence for distributions in liquidation as:

1. fixed charge/secured creditors (e.g., mortgagees),
2. fees and costs of the insolvency proceedings (including liquidator's fees),
3. preferential creditors (e.g., employees for unpaid wages up to certain limits,
4. floating charge creditors,
5. unsecured provable debts (e.g., suppliers, landlords), and
6. shareholders, who receive any remainder only after all creditors.

For shareholders, there are two relevant legal questions:

Are they exposed to liability?

And is there any way of recovering their capital?

First, shareholders in Singapore companies are generally not exposed to personal liability for the company's debts during liquidation under the IRDA. Singapore follows the principle of limited liability, meaning shareholders' risk is confined to their invested capital, with no personal assets at stake unless specific exceptions apply. Exceptions include situations where shareholders act as personal guarantors for company debts, fail to appoint a Singapore-resident director for over six months (per Companies Act section 145(10)), or sign company instruments without naming the company (per Companies Act section 144(2)). Creditors can also seek court rulings holding shareholders liable for fraudulent or wrongful conduct, though this targets directors more commonly and can be opposed in court.

Second, shareholders in Singapore have limited recourse during company liquidation under the IRDA, primarily before liquidation commences, as they rank last in distributions and hold no priority claims. However, some key options include opposing winding-up petitions (though only on limited grounds like that they can prove the company is solvent, etc), petitioning to wind up under section 124(1)(d) or section 246 as contributories, or pursuing derivative actions under Companies Act section 216A against directors for misconduct.

Impacts of liquidation.

Liquidations typically wipe out shareholder value since creditors exhaust assets first, leading to total capital loss without personal liability exposure (limited liability principle). Shareholders face holdout risks in pre-liquidation restructurings, where IRDA cramdowns apply only to creditors, not them, potentially blocking rescues. They may recover minimally if a surplus remains after all claims, but this is rare.

However, it is interesting to note that increasingly restructurings are being preferred over pure liquidations, which could have a positive result for shareholders.

What stakeholders should do going forward.

For business owners and directors, the best protection is proactive compliance. If a business is struggling:

- Do not continue incurring debts without realistic prospects of payment.
- Maintain proper accounting records.
- Initiate formal restructuring or CVL early rather than risk allegations of wrongful trading.

The law provides clear pathways; ignoring them exposes owners to personal liability, reputational damage, and potential criminal sanctions.

For shareholders, it is crucial to understand that recovery is unlikely once insolvency sets in and that their rights are subordinate to creditor claims. Instead of expecting payouts, they should monitor director conduct and financial disclosures and seek advice early if mismanagement or shareholder oppression is suspected.

A changing landscape, but clear legal duties.

The wave of abrupt business closures in Singapore is a sign of broader economic pressures, particularly in F&B and retail. However, while commercial conditions may fluctuate, the legal responsibilities of shareholders, business owners, and directors remain stable and clearly defined. Shareholders must recognise that they are last in the queue during liquidation. Business owners must ensure that closure is carried out through the proper legal channels.

As Singapore's business environment becomes more complex, a clear understanding of these rules is essential, not only to protect stakeholders but also to maintain trust and confidence in the broader corporate ecosystem.

Your startup is solid. So why can't you get funded?

One of the biggest hurdles for startups is the difference in how founders and banks view risk. Many early-stage businesses have uneven cash flow or short operating histories. This fundamental disconnect often leaves promising ventures struggling to secure the financing they need to grow.

Banks operate within strict risk assessment frameworks. They look for predictable revenue streams, established credit histories, and stable cash flow patterns. Startups rarely fit this mould. The result is a frustrating gap between a founder's vision and what financial institutions are willing to support.

The importance of professional guidance.

Applying for a loan is about more than just approval. It is about understanding the terms that follow. Many founders are unaware that certain conditions, such as personal guarantees or security obligations, can be structured more carefully if addressed early.

Without proper guidance, founders often accept terms that create unnecessary personal liability or operational constraints. These obligations can resurface later, creating strain precisely when the business needs flexibility to adapt and grow. Understanding how banks interpret their guidelines and assess stability is crucial for structuring solutions that work for complex or non-standard cases.

Case study: Helping a startup scale.

A startup operating for less than two years was struggling to secure financing due to uneven cash flow. After a direct bank application was rejected with little feedback, the founder assumed funding was impossible.

When Dr. Loan reviewed the case, it became clear the issue was not the business itself but the structure of the application. The initial submission failed to reflect the company's true financial position in a way that aligned with specific bank policies.

By restructuring the application and identifying a lender better suited to the business profile, the startup successfully secured the facility it needed. Early engagement with legal advisors also ensured the founder fully understood the terms regarding guarantees and security. This coordinated approach allowed the company to grow without placing unnecessary personal strain on the founder.

How Dr. Loan can help your business.

Dr. Loan operates like a financial doctor. They diagnose your current position, prescribe the right financing structure, and provide continued guidance even after the paperwork is done.

For further information on Dr. Loan's services, please contact:

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Partner
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This approach is particularly valuable for startups and SMEs that often face challenges when trying to align their business vision with a bank's risk assessment.

Michele and Ning, the partners behind Dr. Loan, bring over 12 years of banking experience and a track record of handling over 1,000 financing applications. They act as a bridge between local businesses and more than 30 financial institutions.

Tip before you sign.

Before signing any loan document, look beyond the interest rate. Understand the full set of obligations, including guarantees and security that may affect you personally. Starting the conversation early allows you to identify potential gaps and prepare both financially and legally.

Working with advisors who understand both the banking perspective and entrepreneurial needs can make a significant difference.

Professional guidance helps ensure that financing supports growth rather than creating avoidable complications down the line.

Expanding into Malaysia without costly mistakes.

For many Singapore companies, Malaysia feels like the natural next step for regional growth. It is close, familiar, and commercially attractive. Yet once expansion begins, regulatory and compliance issues often surface faster than expected. What looks simple at the outset can quickly become complex without proper preparation.

Common regulatory challenges.

Licensing and ownership structure are often the first obstacles. Sector licences and approvals can take several months, and certain industries impose foreign equity limits or require Bumiputera participation.

If not addressed early, these conditions can impact timelines, control, and commercial planning.

Tax exposure is another area founders frequently underestimate. Permanent establishment risks can arise from day-to-day operations or service arrangements. When misjudged, such exposure may lead to corporate tax liabilities, penalties, or withholding tax issues, often linked to incorrect application of the Singapore-Malaysia tax treaty.

Governance requirements also differ. Malaysian companies must appoint at least one ordinarily resident director and a licensed local company secretary. Singapore-based arrangements do not satisfy these requirements and can result in delays or mandatory corrective actions.

Why advisory support matters.

Malaysia operates under a regulatory framework that differs materially from Singapore. Even small oversights, such as misunderstanding residency rules or governance requirements, can lead to fines, delayed approvals, or operational disruption.

Proper advisory support helps businesses plan accurately, coordinate with authorities such as SSM and LHDN, and put audit-ready compliance frameworks in place.

This enables management teams to maintain operational focus while managing regulatory risk concurrently with growth.

A practical expansion example.

In one case, a Singapore-based tech startup planned to establish a regional operations hub in Malaysia under tight timelines. Support was provided for entity selection, incorporation, and alignment with local data protection requirements. Cross-border accounting workflows were coordinated to avoid double taxation. The company achieved full compliance within three months and began scaling without regulatory disruption.

What founders often underestimate.

Many founders focus on incorporation and visible costs while underestimating the importance of compliant local partnerships, particularly in sectors such as retail and services. There are also less visible obligations, including local audit standards and employee provident fund requirements, which can create costly corrections if overlooked.

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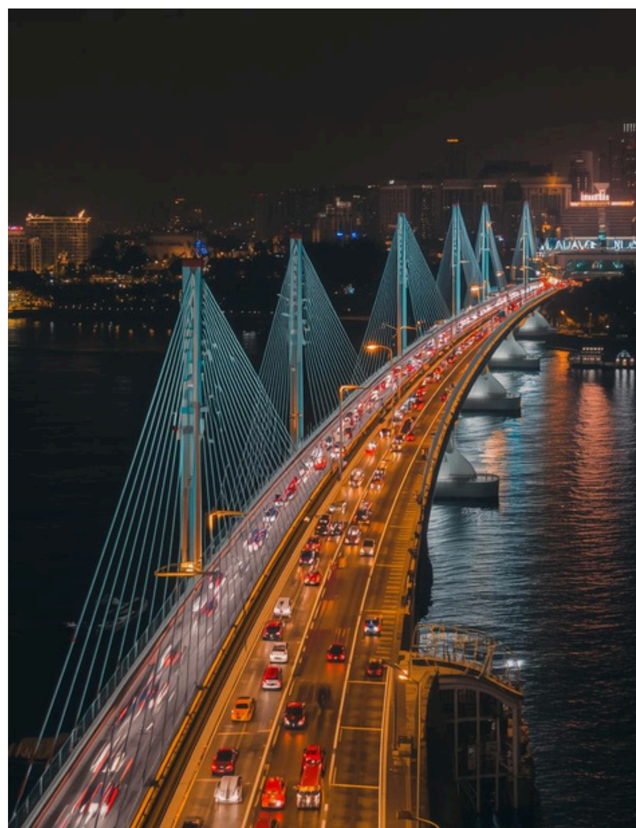

Where HeySara fits in.

HeySara supports Singaporean companies expanding into Malaysia by providing structured compliance support, from entry to ongoing operations.

This includes entity selection, licensing, provision of a local director and company secretary, cross-border tax planning, and HR and payroll advisory.

By managing approvals, filings, and statutory obligations in line with regulatory expectations, HeySara helps founders scale in Malaysia with fewer regulatory surprises.

Lawyer spotlight:
Robert Joseph

Robert is one of the newest Directors at Silvester Legal, bringing over 25 years of cross-border dispute resolution expertise across Malaysia and Singapore. A seasoned litigator with deep experience in both private practice and senior in-house roles, Robert brings a rare dual perspective to commercial disputes. He understands not just the law but also the business imperatives driving each case. His practice spans civil and commercial litigation, shareholder disputes, defamation, and arbitration, with a strong focus on commercial outcomes.

In this first 2026 edition of The Brief, we speak with Robert about disputes, judgment calls, and what really matters when money is on the line.

Having practised across Malaysia and Singapore, are there differences in legal or commercial expectations that still surprise clients today?

Clients often believe that once they hire lawyers, their responsibilities are complete. The client must work as hard as the lawyers on documents, discovery, and trial prep, especially when preparing the Affidavit of Evidence in Chief ("AEIC"). The Affidavit of Evidence in Chief (AEIC) serves as a sworn statement by the witness, detailing the evidence they will present at trial.

Of course, there is the cost of Singapore litigation, which is not cheap. Moreover, Malaysian companies that are accustomed to litigation in Malaysia and the associated charges from Malaysian lawyers often experience a significant shock when they discover the costs of High Court litigation in Singapore, as most have not budgeted for these expenses or for Singapore court fees.

When disputes involve serious sums, what is the most common mistake businesses make before they even speak to a lawyer?

They tend to try to be lawyers in trying to save legal fees and most times will start sending correspondence to negotiate settlements and sometimes end up compromising their case. Clients sometimes wait too long to bring the matter to court, and unfortunately, in law, there is a thing called "limitation of time". For contracts, the default limitation is 6 years. So, they often consult lawyers after the limitation period has expired, only to be disappointed when they find out that the debtor has escaped without any consequences.

What financial or structural risks do SMEs often fail to account for when disputes cross borders?

SMEs, when agreeing to foreign law and jurisdiction clauses in their cross-border transactional contracts, fail to consider the higher legal fees in that particular jurisdiction, where they will need to engage local lawyers in that jurisdiction, and assume that the law and the legal framework are similar to those in Singapore. The other risk would be the political and economic stability, where sudden government changes which bring about a shift or change in governmental policies can impact such disputes.

Then there are enforceability issues as well. Therefore, it is always advisable to hire lawyers to draft your contracts instead of using AI, which may result in hurdles and problems.

In 2026, what are your primary goals for your team at Silvester Legal?

I would like to build a more collaborative team that is highly skilled and one that is able to think outside the box.

I am not a traditional director who makes the team do most of the work and then supervises and oversees them. My team should function collaboratively, with everyone treated as equals, working together and supporting one another to achieve greatness.

Everyone, no matter if trainee, associate, associate director or director, needs to step up and put in the work. Where we are swamped with work, the aim is to divide and conquer.

So my goal is to build a dream team at Silvester Legal where the team is kept relatively small so that KPIs are reasonable and achievable and to strive for excellence and for that to show in our work.

Final question. Singapore vs Malaysia through food. Who wins on nasi lemak, roti prata/canai, seafood, bak kut teh, and chicken rice? Give each a score out of 10. Cost is not a factor.

I am not a bak kut teh fan, so I have no idea. But all the rest of it is Malaysia. However, Crave nasi lemak from Singapore is a close competitor.

Singapore wins for its western food sans KFC, which Malaysian KFC has been declared the best KFC in the world.

Indian, Chinese and Malay food, it is definitely hands down Malaysia.

Robert Raj
Director
Civil & Corporate Dispute Resolution
Corporate Advisory

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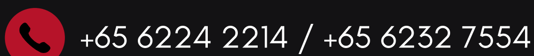
ADVOCATES & SOLICITORS



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