







# Just Fast: What Foreign Owners Need to Know Before Starting a Company

Starting a company abroad involves navigating a maze of regulations. Every country has specific rules, especially about who can own or direct a business. For non-citizens or non-residents, a nominee director is often required. But what does this role mean, and are there exceptions?

Here's a clear overview of foreign ownership laws, the role of nominee directors, and when they're essential.

## What Is a Nominee Director?

Numerous countries mandate that at least one director be a local resident. If you're a foreigner not residing there, you can't act as the sole director.

A nominee director is a local person appointed to meet this legal requirement. They usually don't manage daily operations unless you delegate such responsibilities. Their main purpose is to ensure your company is legally registered and compliant.

## Why Do Governments Require This?

These rules ensure local accountability. Authorities need a resident they can contact for legal or regulatory issues, preventing companies from operating as unaccountable offshore shells.

Corporate secretarial services often assist here, helping foreign owners find trustworthy nominee directors and handle related legal nuances.

## Who Controls the Company?

Though a nominee director is legally on the board, you, as the owner, typically maintain control over key decisions. A well-crafted agreement outlining roles and limits is vital to prevent misunderstandings.

This setup requires trust, as ambiguity can lead to complications or disputes.

## Are Nominee Directors Required in All Cases?

Not necessarily. You may avoid needing one if:

- You partner with a local resident who can serve as a director.
- You relocate and gain residency or work with someone who has it.
- You select a business structure with less strict director rules.



For instance, in Singapore, private limited companies need a local director. If you're planning to move there and obtain an employment pass, a nominee might only be needed until your residency is established.

Since regulations differ, a company secretary or corporate services expert can clarify local

