From Entrepôt to Trading Hub: The Global Trader Programme

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Singapore was founded as a place where goods changed hands. Two centuries later it is a place where commodities change owners, often without ever touching its shores. A cargo of Australian iron ore sold to a Chinese steel mill, a parcel of Malaysian palm oil shipped to India or a cargo of Qatari liquefied natural gas delivered to Japan may be bought and sold by a trading desk in Singapore while the ship sails from one foreign port to another. The trader in the office tower near Marina Bay performs the functions that the agency house on the Singapore River once performed: buying, selling, financing, insuring and arranging transport. The goods themselves have moved offshore. The commercial decisions, the contracts, the credit and the risk management have stayed in the city.

This chapter examines the incentive framework that brought those trading desks to Singapore. Its centrepiece is the Global Trader Programme, a tax incentive administered today by Enterprise Singapore, which grants concessionary rates of tax on qualifying trading income to companies that conduct substantial trading activities in Singapore. The chapter begins with the legacy of the entrepôt and the transition to an industrial and refining economy after independence. It then traces the programme from its predecessors of 1989 and 1990 through the merger of 2001

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to the extension decided in February 2026. It analyses the statutory basis of the incentive and its substance requirements, describes the role of the government agency that administers it and asks how the weight of commodity trading in the economy of Singapore can be measured. A section on practical consequences and a comparison with Geneva close the chapter.

The parallel volume on Geneva devotes a whole part to commodity trading, which has become one of the pillars of the Swiss financial centre.[1] The two cities followed different routes to the same business. Geneva acquired its traders largely through private initiative, favourable cantonal tax regimes and the network of banks, inspection companies and shipping agents that grew around them. Singapore acquired its traders through a deliberate public strategy, in which a statutory tax incentive, an economic agency and a long view of the port's history worked together. The comparison at the end of this chapter shows that the two routes now converge, because the international minimum tax has reduced the room for fiscal competition and left substance, talent and legal infrastructure as the decisive factors.

Essentials

The Global Trader Programme was launched in June 2001 as the successor to the Approved Oil Trader programme of 1989 and the Approved International Trader programme of 1990. It grants approved global trading companies a concessionary rate of tax of 5, 10 or 15 per cent on qualifying income from physical trading, brokering, derivatives and structured commodity financing, normally for five years, against a standard corporate rate of 17 per cent. Its statutory basis is section 43I of the Income Tax Act 1947. Approval depends on substance: a significant trading turnover, local business spending, qualified trading professionals and the conduct of strategic, risk, finance and logistics functions in Singapore. The 15 per cent tier was introduced from 17 February 2024 in view of the global minimum tax, while Budget 2026 extended the programme to 31 December 2031 and added Environmental Attribute Certificates to the qualifying commodities. Enterprise Singapore reported in 2023 that some 400 global traders had established key activities in Singapore, creating 16,000 jobs.

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Notes

1. Ressos, *Genève, place financière internationale*, partie G, « Genève, capitale du négoce des matières premières », chapitres I à VI (introduction of Part G: six chapters on the history, the firms, the trade, the Geneva cluster, the economic weight and the taxation of commodity trading). ↩

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