Historical and community ties

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

Indians in the Straits Settlements

The Indian presence in Singapore is as old as the British settlement. When Raffles landed in 1819, he was accompanied by about 120 sepoys of the Bengal Native Infantry, together with a contingent of washermen, servants and other camp followers. The first census of 1824 counted 756 Indian residents, about 7 per cent of the population, and by 1860 the Indian community formed 16 per cent, the only period in which it was the second largest group of the settlement. Traders from the Coromandel Coast, Tamil Muslim merchants, Gujarati and Sindhi trading families and Bengali soldiers formed the core of the early community. Indian convicts, transported to the Straits to relieve the jails of British India, built roads and public buildings, and several of them settled in the colony after their release.[1]

The constitutional link was as close as the human one. Until 1867 the Straits Settlements were a dependency of British India. Chapter I of Part B described how the merchants of Singapore campaigned against government from Calcutta and obtained the transfer to the Colonial Office in that year. The currency question showed what was at stake for commerce. The East India Company tried to make the rupee the sole official currency of the Straits, while merchants continued to trade in Mexican dollars, and the rupee lost its status as legal tender only when the colony

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

passed to the Colonial Office in 1867.[2] The episode is an early illustration of a theme that runs through this chapter. Singapore has always needed India, and has always insisted on its own rules.

Chettiars and Indian banks

Indian finance formed part of the colonial credit system that Chapter IV of Part A and Chapter II of Part B have described. The Nattukottai Chettiars of Tamil Nadu, a caste of traders and bankers, developed in the nineteenth century a banking network reaching from Ceylon and Burma to Malaya and Singapore.[3] They borrowed from the European exchange banks and lent onwards to Chinese and Malay traders, planters and smallholders whom the banks would not serve directly. In this way they connected the bazaar economy of the peninsula with the London money market.

The twentieth century brought Indian banks in the modern form. In 1937 M. Ct. M. Chidambaram Chettiar founded the Indian Overseas Bank in Madras to support overseas banking and foreign exchange business for the Chettiar community, whose firms were spread across Ceylon, Burma, Malaya, Java, Sumatra and Saigon. The bank opened branches in Rangoon, Penang, Kuala Lumpur and Singapore within a few years of its foundation.[4] The sources differ on whether the Singapore branch opened in 1937 or 1941. Whatever the exact year, Indian banks were present in Singapore before the Second World War, and some of them have remained there to this day.

Independence, the Look East policy and the CECA

India established diplomatic relations with Singapore on 24 August 1965, fifteen days after independence. Political goodwill did not translate quickly into economic ties, because India's planned and largely closed economy offered little room for foreign capital. The change came after the balance of payments crisis of 1991. India announced its Look East policy in 1992, and Singapore positioned itself as India's sponsor in Southeast Asia, both in ASEAN and as a source of investment.[5]

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

The Comprehensive Economic Cooperation Agreement was signed on 29 June 2005 and entered into force on 1 August 2005. It was India's first agreement of this kind, covering goods, services and investment in one package. The protocol to the double taxation agreement discussed in the next section was signed on the same day and came into force on the same date, which shows that the two governments treated tax and trade as parts of a single bargain. The CECA has since been reviewed several times. During the first official visit of Prime Minister Lawrence Wong to India, from 2 to 4 September 2025, the two governments agreed to accelerate its review.[6]

The Indian community today

At the census of 2020 Singapore counted 362,274 residents of Indian ethnicity, 9.0 per cent of the resident population and the third largest community after the Chinese and the Malays.[7] Tamil is one of the four official languages, while Little India, the Serangoon Road district, remains a commercial and cultural centre. To the resident community must be added Indian nationals who work in Singapore on employment passes, many of them in banking, technology and professional services. Their presence has become a subject of political debate, which Chapter V of this part and Chapter IV of Part J examine.

For the financial centre, the community provides what the Chinese networks described in Chapter V of Part A once provided for trade with China: people who know both markets, speak the languages, understand the families and can translate between Indian business practice and the institutions of Singapore. Indian bankers lead desks at the international banks, Indian lawyers advise on transactions under both laws and Indian founders set up their holding companies in Singapore. The corridor rests on these individuals as much as on treaties.

Notes

1. Wikipedia, "Indian Singaporeans" (accessed November 2026): on Raffles's first visit in 1819 he was accompanied by 120 sepoys of the Bengal Native Infantry and a "bazaar contingent" of washermen and servants; the census of 1824

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

counted 756 Indians, about 7 % of the population; in 1860 Indians formed 16 % of the population, the only time they were the second-largest ethnic group; Indian convicts were shipped to Singapore in the nineteenth century to relieve overcrowded Indian jails, built public buildings and roads, and several settled after serving their sentences; the mercantile families were mostly Sindhi, Gujarati and Tamil Muslim. ↩

2. Wikipedia, "Straits dollar" (accessed November 2026): "The East India Company attempted to implement the Indian rupee as the sole official currency in the Straits Settlements"; Mexican dollars remained in use for trade; in 1858 the Straits Settlements came under the Government of British India; in 1867 "the Indian rupee also lost its status as legal tender within the Straits Settlements". ↩

3. Wikipedia, "Nattukottai Chettiar" (accessed November 2026): by the nineteenth century the community's business activities had developed into a sophisticated banking system, expanding to Sri Lanka, Myanmar, Malaysia and Singapore. ↩

4. Wikipedia, "Indian Overseas Bank" (accessed November 2026): founded on 10 February 1937 by M. Ct. M. Chidambaram Chettiar "to encourage overseas banking and foreign exchange operations", serving the Nattukottai Chettiars of Ceylon, Burma, Malaya, Java, Sumatra and Saigon; branches in Rangoon (1937), Penang, Kuala Lumpur and Singapore, the latter dated 1937 or 1941 in different sources. ↩

5. Wikipedia, "India–Singapore relations" (accessed November 2026): diplomatic relations established on 24 August 1965, fifteen days after Singapore's independence; India announced its Look East policy in 1992, and Singapore positioned itself as India's de facto regional sponsor. ↩

6. India Brand Equity Foundation, "India-Singapore Trade" (ibef.org, accessed November 2026): Lawrence Wong made his first official visit to India from 2 to 4 September 2025; Modi and Wong agreed to fast-track the review of the India–Singapore CECA and unveiled a roadmap for the Comprehensive Strategic Partnership.; Wikipedia, "Comprehensive Economic Cooperation

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

Agreement" (accessed November 2026): India–Singapore CECA signed on 29 June 2005, in force on 1 August 2005. ↩

7. Wikipedia, "Indian Singaporeans" (accessed November 2026), citing the Census of Population 2020: 362,274 Indians, 9.0 % of Singapore residents, the third-largest ethnic group. ↩

Disclaimer

This article is provided for general information only. It is based on publicly available sources as at its date of publication. These sources have not been independently verified against licences, regulatory registers or the records of the entities concerned. It is not legal, tax, financial or investment advice. Nor is it a recommendation to invest in, transact with or use the services of any entity mentioned. Law and regulation change frequently, so the content may be incomplete or outdated. To the fullest extent permitted by law, Dr Alexander Ressos and the publisher of SingaporeIQ exclude all liability for loss or damage arising from the use of or reliance on this article. Readers should obtain advice on their specific circumstances before acting or refraining from action.

Names and trademarks of the entities discussed belong to their owners and are used for identification only. Their mention implies no endorsement, affiliation or allegation of wrongdoing. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. Corrections and updates: contact@ressos.com.

© 2026 Dr Alexander Ressos. This article may be quoted with attribution to SingaporeIQ (SingaporeIQ.com). Reproduction in full and any commercial use require prior written consent. The Legal Terms at https://singaporeiq.com/legal-terms apply.

Author contact: Dr Alexander Ressos, TEP · contact@ressos.com