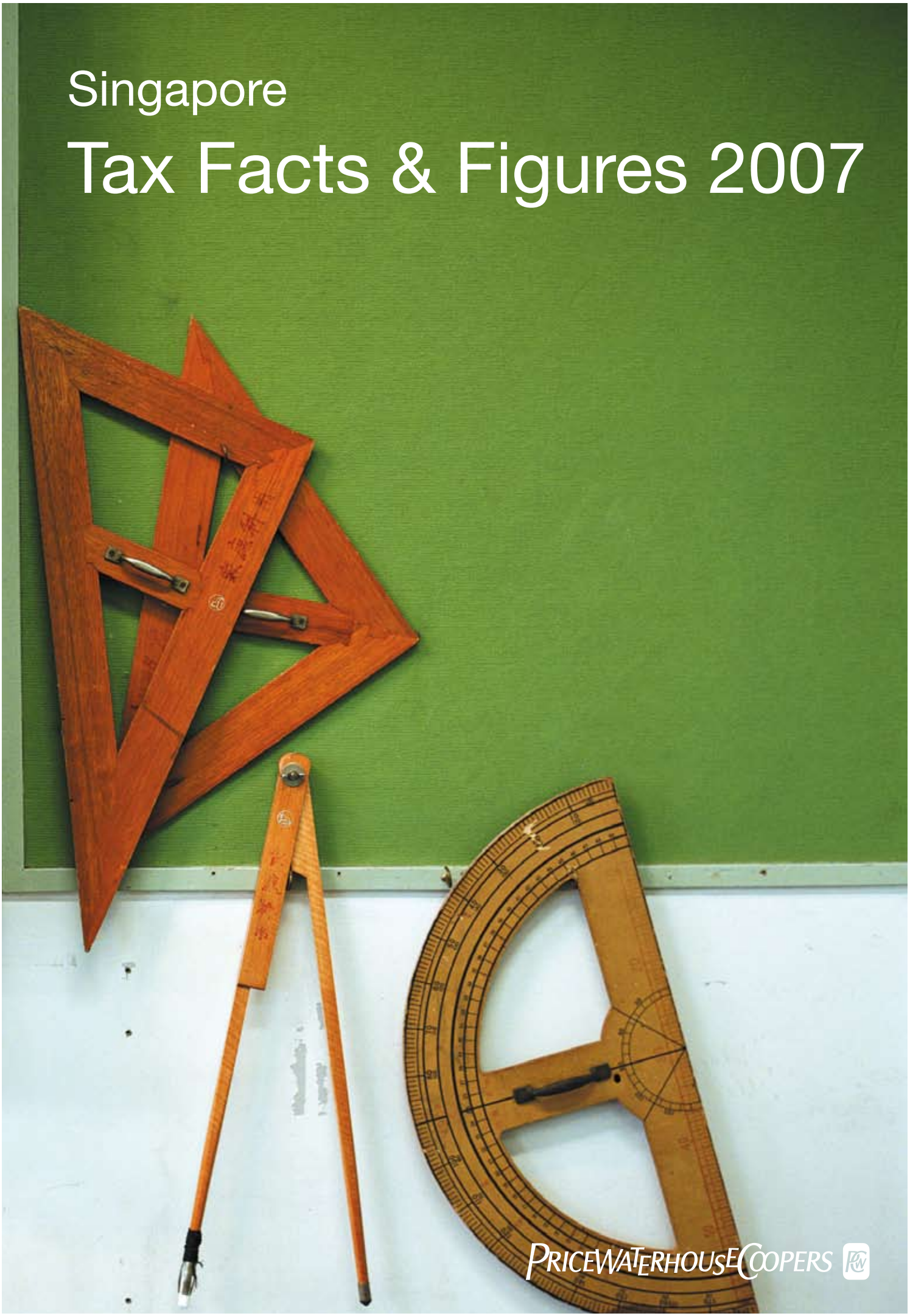
Singapore

Tax Facts & Figures 2007



PRICEWATERHOUSECOOPERS

Singapore
Tax Facts & Figures 2007

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Contents

Individual Income Tax Rates (Years of Assessment 2007 to 2008)

Resident Rates

	Chargeable Income $	Rate %	Tax $
On the first	20,000	0.00	0.00
On the next	10,000	3.50	350.00
On the first	30,000		350.00
On the next	10,000	5.50	550.00
On the first	40,000		900.00
On the next	40,000	8.50	3,400.00
On the first	80,000		4,300.00
On the next	80,000	14.00	11,200.00
On the first	160,000		15,500.00
On the next	160,000	17.00	27,200.00
On the first	320,000		42,700.00
On income above	320,000	20.00	

Non-Resident Rates

Type of Income	%
Director's remuneration	20
Entertainer's professional income	15
Other professional income (note 1)	15
Employee's remuneration *(However where the tax calculated on resident rates is higher, the resident rates are used)*	15
Short-term employee's remuneration (note 2) *(Not more than 60 days)*	Nil
Other income *(Where not specifically exempt)*	20

Note: 1) Non-resident taxpayer may make an irrevocable option to be taxed at 20% of net income.
2) Not available to company directors and entertainers.

Tax Exemptions / Relief for Individuals

- Full exemption for all interest income derived from all deposits from 1 January 2005.
- All foreign-sourced income received by resident individuals on or after 1 January 2004 (except through a partnership or business in Singapore) and by non-resident individuals.
- Singapore-sourced investment income from certain financial instruments derived by resident and non-resident individuals from 1 January 2004.
- Tax relief is available to the following individuals:
  - one who is not resident in, but is a citizen of Singapore; and
  - one who is neither resident in, nor a citizen of Singapore, but is resident in another country which has a double taxation agreement with Singapore.

The tax relief reduces the amount of tax payable to an amount arrived at as follows:

$$\frac{\text{Singapore assessable income}}{\text{Aggregate/world income}} \times \text{Tax payable at graduated rates (Part C, Second Schedule)}$$

Singapore citizens and permanent residents who have worked for at least six months overseas in any calendar year could be considered as non-residents.

Not Ordinarily Resident (NOR) Scheme

A Singaporean, Singapore permanent resident (SPR) or foreigner may qualify for NOR status for a 5-year period if he:

- has not been a Singapore tax resident in the 3 years of assessment preceding the year in which he first qualifies for the NOR scheme; and
- is a Singapore tax resident for the year of assessment in which he wishes to qualify for the scheme.

An NOR will enjoy the following benefits (subject to prescribed conditions and capping limits):

- time apportionment of income from Singapore employment by reference to time spent outside Singapore on business;
- exemption of employer's contributions to non-mandatory overseas social security schemes / pension funds (only available to non-Singapore citizens / non-SPRs); and
- remittance of pre-assignment income (no longer relevant with the blanket exemption on all foreign-sourced income received by individuals).

Resident Taxpayer's Personal Reliefs

Earned Income Relief	Below 55 yrs	55 to 59 yrs	Over 59 yrs	
Normal	$1,000	$3,000	$4,000	(or earned income if less)
Handicapped	$2,000	$5,000	$6,000	

Dependants Relief (note 1)	
Wife relief	$2,000
Aged parent or grandparent maintained by the taxpayer (note 2)	$3,500 for each dependant
Aged parent or grandparent living with the taxpayer (note 2)	$5,000 for each dependant
Handicapped dependant (spouse, child or sibling) living with the taxpayer (note 3)	$3,500 for each dependant

Notes:
1) Dependant's income must not be more than $2,000 in the basis year.
2) Aged parent or grandparent relief can be claimed for a maximum of 2 dependants. For each of the handicapped parents, $3,000 is claimable in addition to the aged parent relief.
3) Husband claiming this relief for his wife does so in lieu of normal wife relief. Parent claiming this relief does so in lieu of qualifying child relief.

Provident Fund / Life Insurance Relief	
• Central Provident Fund (CPF) contributions	Statutory rate (see pages 10 to 12)
• Contributions to top up the CPF retirement account under the CPF Minimum Sum Topping-Up Scheme of the taxpayer, a non-working spouse, a parent or grandparent. From YA 2008, this will be extended to include siblings. The spouse, parent, grandparent or sibling must be 55 years old or older and must have income of less than $2,000 in the basis year.	Up to $7,000 per annum from YA 2005
• Life insurance premium paid on the taxpayer or his wife's life assurance policies provided his total CPF contributions do not exceed $5,000.	7% of the capital sum assured

Relief for Supplementary Retirement Scheme (SRS)	
SRS contributions, subject to capping rules:	
- Singapore citizens and permanent residents	15% of computed sum
- Foreigners	35% of computed sum

Resident Taxpayer's Personal Reliefs (continued)

Child Relief / Marriage & Parenthood Reliefs and Rebates

- **Qualifying Child Relief** (note 1 & 2) - Claimable by either parent or shared between both parents.

1st to 3rd child	$2,000 per child
4th child born on or after 1 January 1988	$2,000

- **Parenthood Tax Rebates (PTR)** (note 3) - Claimable by either parent or shared between both parents for Singapore citizen children who are born on or after 1 January 2004 to a married, divorced or widowed parent or to unmarried parents who subsequently marry before the child reaches 6 years of age; or legally adopted by a married, divorced or widowed parent on or after 1 January 2004. Children adopted on or after 1 January 2006 must be adopted before they reach 6 years of age.

1st child	Nil
2nd child	$10,000
3rd & 4th child	$20,000 per child

PTR replaced the Special Tax Rebate from YA 2005, but a transitional rebate of $20,000 and $15,000 was available for mothers who gave birth to their second child in 2004 before they reached 28 and 29 years of age respectively.

- **Grandparent Caregiver Relief (GCR)** (note 3) - Relief of $3,000 is claimable by working mothers (including widows and divorcees) who have Singapore citizen children aged 12 years or below.

- **Working Mother's Child Relief (WMCR)** (notes 1, 2 & 3) - Claimable by working mothers (including widows and divorcees) who have Singapore citizen children.

1st child	5% of earned income
2nd child	15% of earned income
3rd child	20% of earned income
4th child born on or after 1987 or a child adopted on or after 1 January 2004	25% of earned income

WMCR replaced Enhanced Child Relief and Further Tax Rebates from YA 2005, but a transitional Further Tax Rebate of 15% of the mother's earned income was allowed for mothers who gave birth to their third or fourth child in 2004, capped at $20,000 or $40,000 respectively.

Note:
1) The child must be below 16 years of age or be in full-time education and the child's income must not be more than $2,000 in the basis year.
2) The total amount of child relief (i.e. including Qualifying Child Relief, Handicapped Child Relief & WMCR) for each child is capped at $25,000.
3) Conditions apply.

Resident Taxpayer's Personal Reliefs (continued)

NSmen Relief

Claimable by:	Active	Non-active
- NSmen	$3,000	$1,500
- NSmen key appointment holders (w.e.f. YA 2007)	$5,000	$3,500
- Parent	$750	$750
- Wife	$750	$750

Foreign Domestic Worker Levy Relief

Twice the amount of the monthly levy of $295 or $200 (reduced to $265 or $170 from 1 July 2007) paid during the basis period for one maid is claimable by a married woman against her earned income. This includes one who is separated from her husband, a divorcee or widow who is claiming child relief.

Course Fees Relief

Relief of up to $3,500 per annum is available on course fees for courses of study leading to academic, professional or vocational qualifications, and registration fees for seminars and conferences related to the individual's existing business or employment. Courses that are not directly related to the individual's current profession would also qualify provided the courses result in a career switch to a relevant job within 2 years.

Tax Treatment of Employment Fringe Benefits

Summary of the Main Fringe Benefits	
Benefit	Assessable Income to Taxpayer
Company-provided housing	• Lower of 10% of total remuneration (including other benefits) or annual value of premises less any rent paid by the taxpayer (note)
Hotel accommodation	• 2% of basic salary for the period plus: i) $250 per month per adult (includes child above 20 years of age) ii) $100 per month per child between 8 and 20 years of age; iii) $50 per month per child between 3 and 7 years of age; and iv) $25 per month per child under 3 years of age
Water, electricity & telephone bills, clothing, servants, etc	• Actual cost to employer
Household furniture & fittings	• Nominal rates predetermined by the Inland Revenue Authority of Singapore (IRAS)
Moving expenses to and from Singapore	• Not taxable
Round sum allowances (e.g. meal, entertainment, housing, transport, etc.)	• Total amount paid by employer
Per diem allowance for overseas trips	• Amount in excess of acceptable rate published by IRAS (annual rate for each country varies)
Per diem reimbursement of business expense	• Not taxable
Transport and meal allowance / reimbursement for working overtime	• Not taxable if policy is generally available to all staff
Transport reimbursement for discharging official duties	• Not taxable
Laptops, palmtops and mobile phones for business purposes	• Not taxable
Staff uniform	• Not taxable
School fees	• Actual cost to employer
Club dues for business	• Not taxable
Insurance premiums paid by employer	• Not taxable if employer is the beneficiary of the policy
Medical and health insurance benefits, including reimbursements of non-basic medical care	• Not taxable if policy is generally available to all staff

Note: Variations exist for directors.

Tax Treatment of Employment Fringe Benefits (continued)

Summary of the Main Fringe Benefits	
Benefit	Assessable Income to Taxpayer
Benefits to promote creativity and innovation or to encourage upgrading of skills and knowledge building	• Not taxable
Benefits that foster goodwill or promote camaraderie among staff	• Not taxable if policy is generally available to all staff
Awards for good performance, long service, retirement, etc	• Total amount of cash award • Total amount of non-cash award if the value exceeds $100
Gifts for special occasions	• Not taxable if policy is generally available to all staff and the amount does not exceed $100
Childcare benefits	• Not taxable if the child attends a licenced childcare centre
Home leave passage	• Actual amount paid by employer for Singapore citizen and SPR employees • 20% of home leave passage cost paid by employer for other foreign employees. Concession restricted to: i) one home trip for taxpayer and spouse; and ii) two home trips for each child • Not taxable if employed by OHQ or pioneer companies
Income tax reimbursement	• Actual amount paid by employer, grossed up
Interest-free or subsidised loans provided by employer	• Generally not taxable (note 1)
Interest subsidy for commercial loan taken up by employee	• Actual cost to employer
Certain restrictive covenants	• Generally not taxable
Compensation for loss of office	• Generally not taxable
Gains from exercise of stock options and share ownership plans	• Market value at exercise date or at the end of the moratorium period, if any, less amount paid by employee • Tax exemption available as follows (note 2): i) Entrepreneurial Employee Equity-based Remuneration Scheme - 50% up to $10 million over 10 years ii) Company Employee Equity-based Remuneration Scheme - 100% on the first $2,000 and 25% of the remainder up to $1 million over 10 years • Under the Qualified Employee Equity-based Remuneration Scheme, tax may be paid over 5 years, but with interest (note 2)

Note: 1) Variations exist for directors.
2) Conditions apply.

Tax Treatment of Employment Fringe Benefits (continued)

Summary of the Main Fringe Benefits	
Benefit	Assessable Income to Taxpayer
Car benefits	• Benefit to taxpayer based on IRAS formulae which take into account the cost of the car and private use. The main formulae are: i) Company owned car (Q-plate or S-Plate) $\frac{3}{7} \times \frac{\text{car cost - residual value}}{10} + \text{private mileage} \times \text{fixed rate}$ ii) Employee owned car $\frac{\text{private mileage}}{\text{total mileage}} \times \text{total expense paid by employer}$ iii) Leased/Rented car $\frac{3}{7} \times \text{rental cost} + \text{private mileage} \times \text{fixed rate}$ iv) Driver provided by employer $\frac{\text{private mileage}}{\text{total mileage}} \times \text{annual cost of driver}$ v) Motorcycle/scooter and commercial vehicles fixed rate x private mileage Separate formulae are applicable to second-hand vehicles. The fixed rates for private mileage (per km) for motor cars are: i) $0.55 if petrol is borne by the employer; ii) $0.45 if petrol is borne by the employee; iii) $0.10 for use of leased car if petrol is provided; and iv) nil for use of leased car if petrol is not provided
Pensions and retirement benefit	• Taxable unless: i) benefits are accrued in approved pension funds up to 31 December 1992; or ii) unapproved retirement benefit plans satisfy Ministry criteria.
Compensation for death or permanent disablement	• Not taxable

Tax Treatment of Employment Fringe Benefits (continued)

Summary of the Main Fringe Benefits	
Benefit	Assessable Income to Taxpayer
Supplementary Retirement Scheme (SRS)	• 50% of amount withdrawn: i) on or after prescribed retirement age; ii) on medical grounds; iii) on death; and iv) by foreigners who had maintained his/her SRS account for at least 10 years • 100% of withdrawn amount in situations other than those mentioned above • Withholding tax at prevailing non-resident tax rate imposed on all withdrawals by foreigners and Singapore permanent residents
Employer's contributions to employee's:	
i) CPF account at statutory rates	• Not taxable for Singapore citizens and Singapore permanent residents
ii) CPF account above statutory rates: • Ordinary wages (see page 11) • Total wages (see page 11)	 • Amount in excess of statutory limit • Amount contributed on total wages exceeding $76,500
iii) CPF account in respect of remuneration paid for duties performed outside Singapore	• Not taxable, subject to conditions
iv) Provident/pension fund outside Singapore	• Taxable unless contributions are compulsory, are made to overseas funds operated by home country government and deduction is not claimed by a Singapore company
v) Medisave account in lieu of hospitalisation benefits	• Not taxable up to $1,500 per employee per year

Employer's Obligations

Skills Development Levy

Employers are required to contribute 1% of the salary of employees earning not more than $2,000 per month to the Skills Development Fund (SDF).

The SDF is used to provide grant incentives to Singapore-incorporated companies to mount training programmes for employees. Incentives are offered on the basis of a cost-sharing principle and the training must be relevant to the economic development of Singapore. The amount of incentives that a company can obtain is not tied to the levy contribution.

The SDF is administered by the Singapore Workforce Development Agency with the CPF Board as the collecting agent.

Central Provident Fund (CPF) Contributions

The CPF is essentially a savings scheme to provide for employees in their old age. By law, all employers are required to make monthly CPF contributions for employees working in Singapore, part of which may be recovered from the employees' wages. Foreign employees are exempt from CPF contributions unless they become SPRs.

The respective CPF contribution rates for employers and employees from 1 July 2007 are shown in the tables below. Foreigners who become Singapore permanent residents are required to contribute at reduced rates for the first 2 years.

The CPF contribution rates from 1 January 2006 to 30 June 2007 are shown on page 12.

Employee's monthly wages	Employer's Contribution					
	Age of Employee (Years)					
	35 & Below	> 35 to 50	> 50 to 55	> 55 to 60	> 60 to 65	Above 65
$50 and less	Nil	Nil	Nil	Nil	Nil	Nil
> $50 to $500	14.5%	0.0964	0.0697	0.0498	0.0332	0.0332
		of the difference between the employee's total wages for the month and $50				
> $500 to $750	14.5%	0.0964	0.0697	0.0498	0.0332	0.0332
		of the difference between the employee's total wages for the month and $50				
> $750 to $1,200	14.5%	$67.50	$48.825	$34.875	$23.25	$23.25
		and				
		0.1966	0.1315	0.0825	0.0416	0.0416
		of the difference between the employee's total wages for the month and $750				
> $1,200 to $1,500	14.5%	$156	$108	$72	$42	$42
		and				
		0.205	0.165	0.135	0.11	0.11
		of the difference between the employee's total wages for the month and $1,200				
> $1,500	14.5%	14.5%	10.5%	7.5%	5%	5%
	Subject to a maximum of (Note 1):					
	$652.50	$652.50	$472.50	$337.50	$225	$225

Employer's Obligations (continued)

Central Provident Fund (CPF) Contributions (continued)						
Employee's monthly wages	Employee's Contribution					
	Age of Employee (Years)					
	35 & Below	> 35 to 50	> 50 to 55	> 55 to 60	> 60 to 65	Above 65
$50 and less	Nil	Nil	Nil	Nil	Nil	Nil
> $50 to $500	Nil	Nil	Nil	Nil	Nil	Nil
> $500 to $750	0.48	0.48	0.432	0.3	0.18	0.12
	of the difference between the employee's total wages for the month and $500					
> $750 to $1,200	$120	$120	$108	$75	$45	$30
	and					
	0.24	0.24	0.216	0.15	0.09	0.06
	of the difference between the employee's total wages for the month and $750					
> $1,200 to $1,500	$120	$120	$108	$75	$45	$30
	And					
	0.24	0.24	0.216	0.15	0.09	0.06
	of the difference between the employee's total wages for the month and $750					
> $1,500	20%	20%	18%	12.5%	7.5%	5%
	Subject to a maximum of (Note 1):					
	$900	$900	$810	$562.50	$337.50	$225

Notes: 1) The maximum monthly ordinary wages on which CPF contributions are payable is capped at $4,500. The maximum contribution amount does not apply to additional wages which include bonuses and commission, and other wages paid out at intervals of more than a month.

2) Additional wage ceiling for CPF contributions:

Maximum amount of additional wages subject to CPF
= $76,500 [a] - Total ordinary wages subject to CPF contributions in the year[b]

[a] Equivalent to 17 months x monthly CPF salary ceiling of $4,500.
[b] Sum of monthly ordinary wages subject to CPF, capped at $54,000 (i.e. 12 months x CPF salary ceiling of $4,500).

3) The CPF salary ceiling was lowered to $4,500 from 1 January 2006.

Central Provident Fund (CPF) Contributions (continued)

The CPF contribution rates from 1 January 2006 to 30 June 2007 are shown in the table below. The CPF contribution rates from 1 July 2007 are shown on page 10.

Employee's monthly wages	Employer's Contribution					Employee's Contribution				
	Age of Employee (Years)					Age of Employee (Years)				
	50 & Below	> 50 to 55	> 55 to 60	> 60 to 65	Above 65	50 & Below	> 50 to 55	> 55 to 60	> 60 to 65	Above 65
$50 and less	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
> $50 to $500	13.0%	9.0%	6.0%	3.5%	3.5%	Nil	Nil	Nil	Nil	Nil
> $500 to $750	13.0%	9.0%	6.0%	3.5%	3.5%	0.60	0.54	0.37	0.22	0.15
						of the difference between the employee's total wages for the month and $500				
> $750	13.0%	9.0%	6.0%	3.5%	3.5%	20.0%	18.0%	12.5%	7.5%	5.0%
	Subject to a maximum of (Note 1):									
	$585	$405	$271	$158	$158	$900	$810	$562	$337	$225

Notes:

1) The maximum monthly ordinary wages on which CPF contributions are payable is capped at $4,500. The maximum contribution amount does not apply to additional wages which include bonuses and commission, and other wages paid out at intervals of more than a month.

2) Additional wage ceiling for CPF contributions:

   Maximum amount of additional wages subject to CPF
   = $76,500 [a] - Total ordinary wages subject to CPF contributions in the year[b]

   [a] Equivalent to 17 months x monthly CPF salary ceiling of $4,500.
   [b] Sum of monthly ordinary wages subject to CPF, capped at $54,000 (i.e. 12 months x CPF salary ceiling of $4,500).

3) The CPF salary ceiling was lowered to $4,500 from 1 January 2006.

Estate Duty

The estate duty rates in the case of persons dying on or after 28 February 1996 are shown in the following table:		
Principal Value of Estate	$	Rate of Duty %
On the first	12,000,000	5
Above	12,000,000	10

i) The following are not included in the estate for the purposes of calculating the duty:
   a) the first $9 million of the aggregate value of residential houses in Singapore which the deceased owned;
   b) $600,000 of the aggregate value of all other property; and
   c) the excess over $600,000 (if any) of the aggregate amount standing to the credit of the deceased in the Central Provident Fund and in any designated pension or provident fund.

ii) Bequests to approved institutions are deductible from the principal value of the estate.

iii) For deaths on or after 1 January 2002, where the deceased was not domiciled in Singapore, only his immoveable property in Singapore above the exemption threshold of $9 million (see (i)(a) above) will be subject to estate duty.

iv) From 1 January 2006, estate duty relief is available for deaths in quick succession. The rate of relief depends on the time period between the deaths:

For successive deaths occurring within	Estate duty relief
≤ 6 months	100%
> 6 to 12 months	75%
> 12 to 18 months	50%
>18 to 24 months	25%
> 24 months	0%

Partnerships, Trusts, Estates, Charities and Mutual Concerns

Form	Basis of Assessment	Rate of Tax
Partnership	• Each partner is assessed separately on his share of the divisible income of the partnership.	At the rates applicable to status of partner.
Limited Liability Partnership	• Separate legal entity with flow-through tax treatment, with restrictions imposed on the share of losses, unabsorbed capital allowances and industrial building allowances by reference to capital constituted.	At the rates applicable to partner.
Trust	• Generally, the trustee is assessed on trade income of the trust and investment income of non-resident beneficiaries. Distributions out of such income are exempt to the beneficiaries. Investment income of Singapore-resident beneficiaries is given flow-through tax treatment.	Prevailing corporate rate.
	• Where entitlement to the trust income passes, the Singapore-resident beneficiary is assessed on his share of the income.	At the rate applicable to status of beneficiary.
Business Trust	• Treated as a company operating under the one-tier taxation system.	Prevailing corporate tax rate.
Estate	• The executor is assessed on the income of the estate. For estates administered in Singapore, a deduction is allowed for income received by, distributed to or applied for the benefit of beneficiaries before 31 March of the year following the year of assessment.	Prevailing corporate tax rate.
	• The beneficiary is assessed on the income for which the executor was allowed a deduction.	At the rate applicable to status of beneficiary.
Charitable Institution	• Before YA 2008, exempt from tax if it applies not less than 80% of donations, income and capital gains it receives, for charities or charitable objects within Singapore.	If taxable, at the rate applicable to the set-up of the charity.
	• From YA 2008, all charities registered or exempt from registration under the Charities Act are exempt.	
Club and Others	• Exempt from tax if more than half of its gross receipts (including entrance fees and subscriptions) are received from members.	If taxable, at graduated rates, subject to maximum effective corporate tax rate, which is calculated as if the body of persons is a company and the effective rate is based on: $\frac{\text{Tax payable on chargeable income (CI) net of partial tax exemption}}{\text{CI before deducting partial tax exemption}}$
	• Interest and rental income are taxable after deducting appropriate expenses.	
Trade Association	• Receipts from transactions with non-members are taxable.	
	• Before YA 2008, income from transactions with members is exempt from tax if not more than half of receipts from entrance fees and subscriptions are from persons who claim or are entitled to claim deductions for such sums.	
	• From YA 2008, the 50% threshold is computed with reference to transactions with Singapore members only. Income from transactions with foreign members is exempt.	

Corporate Income Tax Rates (Years of Assessment 2007 to 2008)

Corporate Tax	Year of Assessment 2007	Year of Assessment 2008
	%	%
• Normal rate (note 1)	20	18
• Foreign-sourced dividends, branch profits & service fee income remitted to Singapore from a foreign jurisdiction where the headline tax rate is 15% or more and where tax has been paid.	Exempt	Exempt
• Concessionary rates - Incentive Companies (note 2)	Exempt to 15	Exempt to 15

Withholding Tax	
Subject to tax exemption approved by the Minister or reduced rates per treaty provisions (see page 48), withholding tax is required to be deducted in respect of certain payments to non-residents. The withholding tax rates for the following payments made on or after 1 January 2007 are:	
	%
i) Interest	15
ii) rent or other payments for the use of movable property	15
iii) royalties	10
iv) copyright royalties in respect of literary, dramatic, musical or artistic work or approved invention/innovation (note 3)	18 or 20
v) professional service fees (note 4)	15
vi) technical fees	18
vii) management fees	18
viii) director's remuneration	20
ix) charter fees	1 to 3
x) sale of real properties by real property traders	15
xi) REIT distributions to non-individuals	10
xii) payments to public entertainers	15
xiii) payments for the use of any facility or equipment in a space satellite (up to 10 July 2012)	NA

Notes:
1) Partial exemption of up to $52,500 ($152,500 from YA 2008) applies to first $100,000 ($300,000 from YA 2008) of the company's chargeable income (excluding Singapore taxable dividend income). Full exemption on the first $100,000 of chargeable income (excluding Singapore taxable dividend income) is available for a new company's first 3 consecutive YAs, subject to conditions.
2) See Tax Incentives for details on qualifying criteria.
3) The higher rate applies if the payee is an individual. In addition, where the payee files a tax return, the maximum taxable income is 10% of gross income.
4) The payee may opt to be taxed at 20% on net income.

Other Tax Rates

Goods And Services Tax (GST)	%
On supply of goods and services in Singapore	7 (5% before 1 July 2007)
Export of goods and international services from Singapore and certain trustee services	0
Certain financial services, sales and lease of residential land and buildings	Exempt
Companies under the Approved Contract Manufacturer & Trader Scheme	Out of scope

Capital Gains Tax
Gains that are of a capital nature are not taxed in Singapore.

Stamp Duties (Selected Transactions)

Purchase or Gift of Immovable Property	$
On purchase price or market value, whichever is higher:	
– every $100 or part thereof of the first $180,000	1.00
– every $100 or part thereof of the next $180,000	2.00
– thereafter, every $100 or part thereof	3.00

Transfer or Gift of Shares	$
Purchase price or net asset value, whichever is higher:	
– every $100 or part thereof	0.20

Reliefs / Remissions
Section 15 relief is available (subject to conditions) for: i) transfers of immovable properties and shares, as well as financial institutions' mortgages with their customers, in reconstruction or amalgamation of companies; ii) transfers of immovable properties and shares, as well as financial institutions' mortgages with their customers, between associated companies and business trusts, and from 17 February 2007, statutory boards, unlimited companies and limited liability partnerships where all the partners are companies.; and iii) conversion of a firm to a limited liability partnership. Stamp duty remission is available for: i) sales of immovable properties into REITs listed or to be listed on the Singapore Exchange; ii) qualifying Islamic financing arrangements; iii) transfer of assets into an Approved Special Purpose Vehicle (see page 27) and iv) transfer of qualifying infrastructure projects or assets into entities listed or to be listed on the Singapore Exchange.

Capital Allowances

Categories	Capital Allowance
	%
• Plant and machinery	
– initial allowance	20
– annual allowance	Varies (note 1)
However, accelerated allowance is available in lieu of the above for capital expenditure incurred on:	
– machinery or plant (excluding motor cars, motor cycles and light goods vehicles) for the purposes of a trade, business or profession	33⅓
– machinery or plant costing <$1,000 each (subject to an annual cap of $30,000) – computer equipment – prescribed automation equipment – robot – generator – approved highly efficient pollution control and energy-efficient equipment – approved noise reduction and chemical hazard control equipment – replacement of old diesel-driven goods vehicle or bus, subject to certain conditions	100
• Industrial buildings and structures	
– initial allowance	25
– annual allowance	3
However, for capital expenditure incurred on hotels on the island of Sentosa (approved before 1 September 2007) and for tourist industry projects other than hotels:	
– initial allowance	20
– annual allowance	2
• Approved know-how, patent rights and intellectual property rights	20
• Approved cost-sharing agreements	100 (note 2)
• Indefeasible right to use any international telecommunications submarine cable system (IRU) (note 3)	
– annual allowance	Varies (note 4)

Notes:
1) 80% of cost to be claimed over useful life ranging from 5 to 16 years as prescribed under the Sixth Schedule of the Income Tax Act.
2) Applies to cost-sharing agreements entered into and approved on or after 17 February 2006. Prior to this, the rate was 20%.
3) For capital expenditure incurred during or after the basis period for YA 2004.
4) Capital expenditure incurred to be claimed over the number of years for which the IRU is acquired.

Tax Incentives

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Tax Incentives - Manufacturing / Services

Type	++	Requirement	Incentives	Relief Period
• Pioneer Enterprise	EDB	Projects must result in the creation of new industries or strategically expand existing industries in Singapore. Most projects can be considered unless products are already manufactured locally without tax incentives.	Tax exemption on qualifying profits.	5 to 15 years.
• Approved Royalty Incentive (ARI)	EDB	Technology or know-how transferred must be more advanced than the prevailing industry average.	Exemption or reduced withholding tax on royalties or technical assistance fees payable to non-residents.	For the duration of the agreement.
• Approved Foreign Loan Incentive (AFL)	EDB	Loan must be obtained for the purchase of productive equipment and of a minimum amount of $200,000.	Exemption of withholding tax on interest payable to non-residents.	Indefinite until the loan is repaid.
• Development and Expansion Incentive (DEI)	EDB	Projects must generate significant economic spin-off for Singapore.	Tax rate as low as 5% on incremental qualifying profits.	Up to 10 years with provision for extensions up to a maximum total relief period of 20 years.
• Investment Allowance (IA)	EDB	i) Companies engaged in qualifying activities and the asset contributes to greater efficiency or introduces new technology to the industry. ii) The asset must be used in Singapore (except for projects relating to space satellites and aircraft). iii) Investment must be made within the stipulated qualifying period which should not exceed five years (or 10 years for projects for promotion of tourist industry) from Investment Day, unless the asset is on hire-purchase and acquired on or after 15 February 2007. iv) No minimum investment requirement.	Tax exemption on chargeable income equal to approved percentage not exceeding 100% of capital expenditure incurred on the following qualifying assets: a) plant and machinery b) factory building c) acquisition of know-how or patent rights	Indefinite until allowance is used up. Projects for the provision of maintenance, repair and overhaul services to aircraft must be approved before 9 September 2009.

Tax Incentives - Services (continued)

Type	++	Requirement	Incentives	Relief Period
		v) The asset cannot be disposed of within the qualifying period and for two years thereafter without approval.		
• Investment Allowance for Flagship Concept Projects	STB	i) Investments in flagship concept projects in retail, food & beverage and entertainment that are first of their kind in South East Asia, have wide international appeal and enhance Singapore's attractiveness as a tourist destination. ii) Projects must be completed within 2 years of approval.	Tax exemption on chargeable income equal to an approved percentage of 30% or 50% of the capital expenditure incurred on: a) specialised or high-tech equipment; b) leasehold improvement items.	For projects approved from 1 April 2005 to 31 March 2010. Indefinite until allowance is used up.
• Pioneer Service Companies	EDB	Projects must result in the creation of new industries or strategically expand existing industries in Singapore.	Tax exemption on qualifying profits.	5 to 15 years.
• Export of Services	EDB	i) Companies must be engaged in providing prescribed services which relate to overseas projects for non-residents. ii) Minimum export level of 20% of total revenue and commitment in terms of skilled manpower and fixed asset investments expected.	Exemption of 90% of incremental export services income.	Up to 10 years with provision for extension up to a maximum total relief period of 20 years.
• Expansion Incentive for Partnerships (EIP)	EDB	i) Partnership in Singapore providing audit, accounting or legal services, with at least 50% equity stake held by Singapore tax residents. ii) Well-established in the industry, attained critical size (equity, assets, employees, business share, etc).	Exemption of 50% of incremental qualifying overseas income.	5 years.

Tax Incentives - Services (continued)

Type	++	Requirement	Incentives	Relief Period
		iii) Establish a Centre of Competence, which should be the nerve centre in terms of providing management and control, research and development, training and advice on a regional scale, with at least 5 professionals by the end of year 3 of the incentive period. iv) Personnel for incentivised operations are based in Singapore. v) Employ at least 10 additional professionals by the end of year 5 of the incentive period. vi) Incur at least an additional $2 million in annual business spending in Singapore by the end of year 3 of the incentive period.		
• Headquarters (HQ) Programme	EDB	General qualifying criteria: i) Well-established in the industry, attained critical size (equity, assets, employees, business share, etc) ii) Nerve centre of organisation reporting structure at senior management levels iii) Clear-cut management and control over its principal activities iv) Substantial level of HQ activities in Singapore v) Personnel for HQ operations are based in Singapore		

Tax Incentives - Services (continued)

Type	++	Requirement	Incentives	Relief Period
– Regional Headquarters (RHQ) Award		The company must: a) increase its paid-up capital to at least $0.2 million and $0.5 million at the end of year 1 and year 3 of the incentive period respectively; b) perform a minimum of 3 qualifying headquarters services to network entities in 3 countries outside Singapore by the end of year 1 of the incentive period; c) employ at least 75% skilled staff throughout the incentive period; d) employ at least 10 additional professionals based in Singapore by the end of year 3 of the incentive period; e) incur an average remuneration per worker of $100,000 per annum for the top 5 executive designations by the end of year 3 of the incentive period; f) incur at least an additional $2 million in annual business spending in Singapore by the end of year 3 of the incentive period; and g) incur at least an additional $3 million in business spending cumulatively for the entire incentive period.	15% tax on incremental qualifying income.	3 years with provision for extension for an additional 2 years.
– International Headquarters (IHQ) Award		Companies that commit to substantially exceed the minimum criteria for the RHQ Award.	Tax rates as low as 0% on qualifying income and other incentives, customised based on commitment level and considered in discussion with EDB.	5 to 20 years.

Tax Incentives - Services (continued)

Type	++	Requirement	Incentives	Relief Period
		IHQ companies that are approved holding companies (AHCs) must own at least 50% of the ordinary shares in approved subsidiary companies for a minimum period of 18 months continuously: i) immediately prior to the date of disposal of shares; and ii) from the date the company is granted approved holding company status to the date of disposal of shares.	Gains from sale of shares in approved subsidiary companies will be treated as capital gains and not subject to tax.	5 years with window approval period from 17 February 2006 to 16 February 2011.
• Approved International Shipping (AIS) Enterprise	MPA	Singapore tax resident companies with worldwide networks and good track records which: i) are significant owners and/or operators of a fleet of ships, or ship leasing companies whose ships are chartered for qualifying purposes under operating lease; ii) have total business spending in Singapore of at least $4 million per annum; iii) have substantial operations and possess a team of key personnel in Singapore to control and manage the fleet (the manpower requirement is lifted for FPSO and FSO vessels).	i) Tax exemption on: a) qualifying shipping and charter hire income; b) dividends from approved subsidiaries and associated shipping companies; c) income from the operation of any vessels used for offshore oil and gas activities; d) proceeds from sale of vessels; and e) foreign exchange and derivative gains.	10 years with provision for extension up to a maximum total of 30 years. 5 years w.e.f. YA 2005. 5 years w.e.f. YA 2006.

Type	++	Requirement	Incentives	Relief Period
			ii) Withholding tax exemptions on: a) charter payments to qualifying overseas shipping companies. b) interest, front-end and commitment fees payable on an approved loan to a lender outside Singapore.	
• Approved Shipping & Logistics (ASL) Scheme	MPA	Ship agencies, ship management, international freight forwarders or international logistics operators which: i) have established operations with good track records in the provision of freight and logistics services; ii) have a concrete business plan demonstrating its commitment to embark on an expansionary programme from Singapore; iii) generate an incremental business spending in Singapore by the end of the incentive period; and iv) use Singapore for its logistics and freight management activities in the region.	Tax rate as low as 10% on service income and management fees received by the approved company in connection with freight and logistics services. Tax exemption on dividend income received from approved network of companies.	5 years (10 years w.e.f. 15 February 2007).
• Offshore Shipping	#	Companies owning or operating: i) Singapore-registered vessels in international traffic (w.e.f. YA 2007, this includes the use of vessels as dredgers, seismic ships or for offshore oil or gas activity); and ii) foreign-registered vessels in international traffic.	Tax exemption on i) qualifying shipping and charter hire income ii) qualifying shipping income	Indefinite.

Tax Incentives – Services (continued) / **Trade**

Type	++	Requirement	Incentives	Relief Period
• Freight Uplift	#	Shipowners and charterers deriving freight income from uplift from Singapore.	Tax exemption on freight uplift from Singapore.	Indefinite.
• Approved Mega Events	STB	Event companies organising or staging world-class events and activities.	10% tax on income derived from qualifying tourism events.	For tourism events approved from 1 April 2005 to 31 March 2010.
• International Arbitration	EDB	Approved law practice providing legal services in connection with international arbitration hearings held in Singapore.	Tax exemption on 50% of incremental qualifying profits.	Up to 5 years, with window period for approval from 1 July 2007 to 30 June 2012.
• Not-for-Profit Organisations (NPOs)	EDB / MAS	NPO with a regional or international focus and strong linkages to key industry clusters and which contributes to the economic development of Singapore.	Tax exemption.	Up to 10 years with window period for approval from 15 February 2007 to 14 February 2017. Provision for extension for NPOs approved during this period.
• Global Trader Programme (GTP)	IES	i) Companies carrying on the business of international trading of commodities futures, including petroleum and petroleum products, and carbon credits which: a) use Singapore as the nerve centre for its principal offshore trading activities in the region and for business activities and support functions; b) are established with worldwide network and good track record; c) have a significant amount of directly attributable total business spending in Singapore per annum and a substantial offshore physical trading turnover on a principal basis;	5% or 10% tax on qualifying income, depending on company's commitment levels.	5 years with provision for extension.

Type	++	Requirement	Incentives	Relief Period
		d) employ a commensurate number of experienced trading professionals in Singapore; e) contribute to manpower training and development of trading expertise in Singapore; f) make significant use of Singapore's banking, financial and other business services; and g) support and make use of Singapore's trade infrastructure.		
		ii) LNG trading (w.e.f. 24 May 2007).	5% tax on qualifying income.	10 years.
		iii) High-growth, medium-sized trading companies.	10% tax on qualifying income.	3 years.
• Approved Cyber Trader (ACT)	IES	Company must: i) conduct its principal e-commerce activities and handle a whole range of business activities and support functions in Singapore; ii) incur a significant amount of directly attributable business spending in Singapore; iii) contribute to manpower training and development in Singapore; and iv) make significant use of Singapore's business services.	10% tax on incremental qualifying income from qualifying electronic commerce transactions. Investment allowance of up to 50% of cost of qualifying new fixed capital expenditure.	5 years.
• Enterprise Investment Incentive (EII)	SPRING	i) Investor may be an individual or a company. ii) Qualifying start-up companies must be: a) unlisted in their initial years of existence with a paid-up capital of at least $10,000;	Deduction for investors of losses of up to $3 million incurred on disposal of qualifying shares / liquidation of the start-up company.	5 years for start-ups approved before 1 September 2009.

Type	++	Requirement	Incentives	Relief Period
		b) be primarily engaged in innovative and high growth activities with substantial development content for a specific product, process or service; and c) be incorporated in Singapore with business activities primarily in Singapore. iii) Investments must be: a) in the form of a purchase of new ordinary share capital in the start-up and not replacement capital or debt instruments; b) without any condition that would eliminate the investor's risk; and c) at least $1,000 per investment. iv) Technopreneur companies supported under the Innovation Commercialisation Scheme (ICS) automatically qualify.		Investments must be issued and acquired by the investor during the start-up's approved status and sold between the start of the second and end of the sixth years from the date of purchase of the shares.
		v) Overseas start-ups may be approved on a case-by-case basis provided that there is a significant link for Singapore to enjoy the economic spin-offs from their activities.	As above, but confined to Singaporean / permanent resident investors.	
• Approved Investment Companies	MOF	Companies whose business is to invest in securities and the principal part of their income is derived therefrom.	Proportion of gains subject to tax based on holding period of investments.	Indefinite.
• Asset Securitisation	MAS	Approved Special Purpose Vehicles (ASPVs) incorporated in Singapore to conduct asset securitisation activities. The ASPV must: i) carry out all transactions at arm's length; it must not have a profit motive;	i) Tax exemption for income derived from asset securitisation arrangements entered into between 27 February 2004 and 31 December 2008.	Date of transfer of assets into ASPV to latest maturity date of securities issued within the period from 27 February 2004 to 31 December 2008;

Type	++	Requirement	Incentives	Relief Period
		ii) not carry out any activity other than those ancillary to the asset securitisation purpose for which it was established; iii) not carry out the asset securitisation with tax avoidance as its purpose; iv) have an issued and paid up capital of not more than $10,000; v) have all its issued shares held in trust for the benefit of one or more organisations or institutions that are established for charitable, benevolent or philanthropic purposes; the trust must be administered by a trust company in Singapore; vi) transact any cross-currency or interest rate swaps with a swap counterparty in Singapore; vii) be tax resident in Singapore; viii) ensure that all debt securities issued are qualifying debt securities and the size of the issuances is not less than $20,000,000; and ix) not have 30% or more of the issued debt securities beneficially held or funded by the originator.	ii) Withholding tax exemption for payments on over-the-counter (OTC) financial derivatives. iii) Fixed GST recovery rate of 76% on all business expenses incurred during the incentive period, regardless of the input tax recovery formula of the originator. iv) Stamp duty remission for transfer of specified assets into the ASPV.	and entire duration of contracts entered into between 27 February 2004 and 31 December 2008.
• Maritime Finance Incentive (MFI)	MPA	i) Approved Ship Investment Manager (ASIM) incorporated in Singapore to manage an Approved Ship Investment Vehicle (ASIV).	10% tax on qualifying management income.	10 years, with window approval period from 1 March 2006 to 28 February 2011.
		ii) ASIV that is a company incorporated and tax resident in Singapore or a registered business trust engaged in the chartering or finance leasing, for operation in international traffic, of:	Tax exemption on qualifying lease income.	Entire life of qualifying vessel acquired during the 10-year incentive period.

Type	++	Requirement	Incentives	Relief Period
		a) ships to non-tax residents of Singapore; and b) Singapore-registered ships or foreign-registered ships to AIS companies		
• Foreign Investors	#	The fund must be: i) an account of an individual who is not a citizen or resident of Singapore, or a company / trust not wholly owned by investors in Singapore. The company or trustee must be a non-resident without any permanent establishment in Singapore and must not carry on business in Singapore. ii) managed by a fund manager in Singapore that is a company holding, or exempted from holding, a capital markets services licence under the Securities and Futures Act for fund management. iii) invested in designated assets. Investors must be the beneficial owners of the funds managed.	Tax exemption on qualifying income derived by qualifying investors which include: i) individuals; ii) non-resident non-individual investors with no permanent establishment in Singapore; and iii) any investor that beneficially owns not more than 30% or 50% of the value of the fund, if the fund has less than, or 10 or more investors respectively.	Indefinite, w.e.f. 1 September 2007.
• Resident Funds	MAS	The fund must: i) be a company incorporated and tax resident in Singapore; ii) be substantially owned by foreign investors (i.e. not more than 20% beneficially owned by citizens of Singapore or Singapore residents); this requirement is removed w.e.f. 1 September 2007; iii) use a Singapore-based fund administrator and be managed directly by a fund management company in Singapore holding, or exempted from holding, a capital markets services licence under the Securities and Futures Act for fund management; and	Tax exemption for specified income from designated investments. W.e.f. 1 September 2007, tax exemption on qualifying income derived by qualifying investors which include: i) individuals; ii) non-resident non-individual investors with no permanent establishment in Singapore; and	Indefinite, with window approval period from 17 February 2006 to 16 February 2011.

Type	++	Requirement	Incentives	Relief Period
		iv) incur expenses of at least $200,000 in each financial year.	iii) any investor that beneficially owns not more than 30% or 50% of the value of the fund, if the fund has less than, or 10 or more investors respectively.	
• Approved CPF Unit Trust	MAS / CPF	Any unit trust scheme approved for the purpose of any investment scheme under the Central Provident Fund Act.	Tax exemption for the unit trust for income and gains from designated investments. Tax exemption for Singapore-resident unit holders who invest using cash.	Indefinite.
• Designated Unit Trust (DUT)	IRAS	A unit trust: i) that is a collective investment scheme (CIS) that is authorised under section 286 of the Securities and Futures Act (SFA) and is open to the public for subscription, authorised as a Restricted Authorised Scheme (RAS) or exempt from authorisation. ii) whose trustee is tax resident in Singapore; iii) not a REIT / property trust that invests directly in Singapore real estate; and iv) whose investment / fund manager is incorporated in Singapore and holds a valid licence to carry out fund management activity or is exempt from holding such a licence. v) with not more than 50% of its investments beneficially held by related parties of the investment / fund manager;	Tax exemption for DUT for income and gains from designated investments. Tax exemption for individual unit holders and foreign investors for DUT distributions.	Indefinite.

Tax Incentives - Investments (continued)

Type	++	Requirement	Incentives	Relief Period
		vi) whose investors do not have day-to-day control over the management of the investments, the right to be consulted or to give directions in respect of such management, or any control or influence over the distribution policy of the unit trust; vii) whose assets were not transferred from any company in Singapore whose income from such assets would not have been tax-exempt.		
• Locally Administered Trust	MAS	A trust: i) created in writing; ii) where all settlors are individuals; iii) where all beneficiaries are either individuals or charities; iv) that is not a trust whereby the beneficiaries are settlors of the trust; v) where the assets held under the trust were not transferred from any business carried on in Singapore in relation to investments by any person, and income derived by that person from that business in Singapore was not or would not be, exempt from tax; and vi) that is administered by a trustee company in Singapore.	Tax exemption for the trust and its qualifying underlying holding companies for specified Singapore-sourced and foreign-sourced investment income derived / received on or after 17 February 2006. Tax exemption for beneficiaries on distributions out of qualifying trust income.	Indefinite.
• Foreign Trust	MAS	A trust created in writing or a unit trust whose settlors and beneficiaries are: i) individuals who are neither citizens of Singapore nor resident in Singapore; ii) foreign companies;	Tax exemption for the trust on qualifying income. Tax exemption for beneficiaries on distributions out of qualifying trust income.	Indefinite.

Type	++	Requirement	Incentives	Relief Period
		iii) trustees of other foreign trusts; iv) foreign accounts of philanthropic purpose trusts; or v) persons neither resident in Singapore nor constituted or registered under any written laws in Singapore.		
• Foreign Charitable Purpose Trusts	#	Foreign accounts of a charitable purpose trust created for public benefit and eligible holding companies. Foreign accounts are sections of the trust whose assets/funds are injected by a settlor who is: i) an individual and is neither a citizen of Singapore nor resident in Singapore; ii) a foreign company or trust; iii) another foreign account of a charitable purpose trust; or iv) any other person neither resident in Singapore nor constituted or registered under any written laws in Singapore. Eligible holding companies: i) are companies incorporated outside Singapore and wholly-owned by the trustees of the trust or by their nominee; ii) are set up to hold assets of a philanthropic purpose trust; iii) are engaged solely in trading or making investments for the purpose of the trust; and iv) do not claim any foreign tax credit in Singapore.	Tax exemption on: a) specified income derived from designated investments by eligible holding companies; and b) the following income derived by a foreign account of a charitable purpose trust administered by a trustee company: i) dividends paid or payable by eligible holding companies from the income in paragraph (a); and ii) specified income derived from designated investments.	Indefinite.

Type	++	Requirement	Incentives	Relief Period
• Approved Venture Company	EDB	Venture capital funds or venture capital fund management companies must: i) be incorporated and based in Singapore; ii) have obtained the necessary approvals and licences from the MAS for their proposed activities; iii) commit to invest a certain percentage of its subscribed funds in Singapore and seed. stage and/or restart projects in Singapore; and iv) commit to employ a certain number of local venture capital professionals to manage the approved venture capital fund.	Tax exemption on: a) gains from disposal of approved local and overseas investments; b) dividends from approved overseas investments; and c) interest income from convertible loan stocks. Tax rate of not more than 10% during extension period.	Up to 10 years with provision for extension up to a maximum total relief period of 15 years.
• Overseas Enterprise Incentive (OEI)	IES	i) Companies must be incorporated and tax resident in Singapore with substantial operations in Singapore, and be at least 50% owned by Singapore citizens or permanent residents. ii) Qualifying projects must generate economic spin-offs (expand Singapore operations, provide technology or market access, technology transfer, support for flagship projects, etc.) for Singapore.	Tax exemption on: a) dividends from qualifying overseas investments; b) royalties, interest on shareholder loans, incremental income from the provision of support services (project management, technical support, etc.) performed within or outside Singapore and overseas project income relating to approved qualifying projects.	Up to 10 years.

Tax Incentives – Finance (continued)

Type	++	Requirement	Incentives	Relief Period
• Financial Sector Incentive (FSI) Scheme	MAS			
– Standard-tier Awards (FSI-ST)		Financial institutions previously enjoying the Asian Currency Unit tax incentive were automatically granted the FSI-ST award. New applicants must employ at least 5 professional staff engaged in any of the qualifying activities in Singapore. Other qualitative factors will also be taken into consideration.	10% tax on incremental income above a qualifying base (QB) derived from qualifying activities provided there is at least 1 professional staff engaged in the respective categories of activities. The QB is not imposed for headquarters services, fund management or investment advisory activities.	5 years from 1 January 2004 to 31 December 2008. 5 to 10 years.
i) Fund Manager (FSI-FM)		ii) Financial institutions previously enjoying the Approved Fund Manager incentive were automatically granted the FSI-FM award. Fund managers previously granted tax exemption are not included in FSI until the expiry of their existing incentive. New applicants engaged only in fund management or investment advisory services need only employ at least 3 professional staff in qualifying activities in Singapore. From 1 September 2007, qualifying fund managers of qualifying foreign funds and resident funds are those managing funds in which all investors qualify for tax exemption.		Up to 31 December 2008. 5 to 10 years.
ii) Headquarter Services (FSI-HQ)		iii) Financial institutions previously enjoying the Operational Headquarters incentive were automatically granted the FSI-HQ award. New applicants for the FSI-HQ award must: a) perform at least 3 qualifying headquarters services;		Up to the expiry of the existing awards. 5 to 10 years.

Type	++	Requirement	Incentives	Relief Period
		b) maintain at least 4 professional staff in headquarters services; c) incur annual total business spending of at least $2 million; and d) service at least 2 network companies outside Singapore.		
– Enhanced-tier Awards	MAS	Companies previously enjoying the Equity Capital Market Intermediary and Approved Derivatives Trader incentives were granted the FSI-EM and FSI-DM awards respectively. For new applicants, the respective criteria for the various awards will apply as follows.	5% tax on income derived from qualifying activities.	Up to 31 December 2008.
i) Bond Market (FSI-BM)		The company must: a) employ at least 8 professional staff covering origination, trading and distribution of debt securities; b) demonstrate its degree of expertise in origination and structuring, as well as the extent of debt sales, distribution and trading capabilities in Singapore.	*Additional benefit:* Debt securities lead managed by a company with the FSI-BM award will be granted automatic qualifying debt securities status (see Bond Market Incentives).	5 to 10 years.
ii) Derivatives Market (FSI-DM)		The company must: a) employ at least 6 professional staff covering origination, structuring and trading activities in relation to financial derivatives; b) demonstrate the extent to which the financial derivatives team in Singapore has responsibility for structuring or trading of derivatives.	*Additional benefit:* Withholding tax exemption for payments on qualifying derivatives.	5 to 10 years.
iii) Equity Market (FSI-EM)		The company must employ at least 3 professional staff who are performing corporate finance, sales/ trading or research activities in Singapore.		5 to 10 years.

Tax Incentives - Finance (continued)

Type	++	Requirement	Incentives	Relief Period
iv) Credit Facilities Syndication (FSI-CFS)		The company must employ at least 2 professional staff performing any syndication functions in Singapore.		5 to 10 years.
v) Project Finance (FSI-Project Finance)		The company must employ at least 5 professionals who are engaged in project finance.		5 years. Applications must be made on or before 31 December 2008.
• Start-up Fund Managers	MAS	The fund manager must be a company which: i) holds a capital markets services licence for fund management under the Securities and Futures Act or is exempted from holding such a licence; and ii) has less than 3 years of corporate track record in the fund management business.	12 months to meet the requirement that not more than 20% of the fund's share capital may be owned by persons resident in or citizens of Singapore. Tax exemption for specified income derived by investors (both foreign and local) from designated investments. 10% tax on fee income derived by qualifying FSI-FM fund managers from managing the fund.	First 12 months of a new fund set up during the period 18 February 2005 to 17 February 2010.
• Securities Borrowing and Lending (SBL)	MAS	The company must be: i) an FSI-ST company; or ii) a company registered with MAS.	10% tax on income from the loan of, or arranging the loan of all securities except unlisted Singapore shares.	From 18 February 2005 to 31 December 2008.
• Futures Members of the Singapore Exchange (SGX)	MAS	Company that is a futures member of the SGX and transacting with: i) a bank or merchant bank that is an FSI company; ii) another futures member of SGX; iii) a non-resident of Singapore; iv) a foreign branch of a Singapore-resident company;	10% tax on income derived from transactions in gold bullion, commodity and financial futures and spot transactions.	Indefinite.

Type	++	Requirement	Incentives	Relief Period
		v) an approved oil trader (for transactions in petroleum and petroleum product futures only); or vi) a foreign investor, through an FSI company.		
		Companies that are a futures member of the SGX for at least 3 years and are among the top 20 corporate futures members. This is also extended to corporate members of any securities market maintained by SGX Securities Trading Limited that are within the top 20 members, as determined by SGX.	5% tax on incremental income from designated transactions above.	Designated futures that commenced trading on SGX during the period 1 April 1994 to 31 December 2001.
• Offshore Commodity Futures Trading	MAS	Company must be a member of the Singapore Commodity Exchange Ltd or any other prescribed exchange and transacting with: i) an Asian Currency Unit of a financial institution; ii) another Exchange member; iii) a non-resident of Singapore; or iv) a foreign branch of a Singapore-resident company.	10% tax on income derived from transactions in specified futures contracts.	Indefinite.
• Commodities Derivatives Market Incentive	MAS	Qualifying financial institutions and companies must demonstrate the extent to which the OTC financial derivatives team in Singapore has responsibility for structuring or trading of derivatives and employ: i) at least 3 professionals covering origination, structuring and trading activities in relation to OTC commodity derivatives; or ii) employ at least 5 professionals covering the above activities in relation to OTC and exchange-traded commodity derivatives	5% concessionary tax rate on income from qualifying transactions in: i) OTC commodity derivatives in any currency; or ii) both OTC commodity derivatives and exchange-traded commodities.	Up to 5 years, with qualifying window approval period from 27 February 2004 to 26 February 2009.

Type	++	Requirement	Incentives	Relief Period
		Qualifying transactions are those with: i) a bank or merchant bank that is an FSI company; ii) an approved global trading company; iii) an approved commodity derivatives trading company; iv) a non-resident of Singapore; v) a foreign branch a Singapore-resident company; vi) a member of the Singapore Commodity Exchange; vii) an approved oil trading company; viii) an approved international commodity trading company; or ix) a petroleum refining or approved petrochemical manufacturing company.		
• Over-the-Counter (OTC) Financial Derivatives	MAS	Payments made on qualifying OTC financial derivatives by a financial institution to persons who are neither residents nor permanent establishments in Singapore.	Withholding tax exemption for payments on qualifying derivatives.	i) Payments due and payable during the period from 27 February 2004 to 19 May 2012. ii) For the entire duration of contracts entered into during the period from 15 February 2007 to 19 May 2012.

Tax Incentives - Finance (continued)

Type	++	Requirement	Incentives	Relief Period
• General Clearing Member of OTC Derivatives	MAS	An approved clearing member of a Singapore OTC derivatives clearing facility which: i) employs and maintains at least 3 professionals to undertake OTC derivatives clearing services in Singapore; and ii) provides the OTC derivatives clearing services using a Singapore clearing house Other qualitative factors such as degree of expertise and scope of OTC derivatives clearing activities will be considered.	5% tax on income derived from the provision of clearing services in Singapore.	5 years, with qualifying window approval period from 17 February 2006 to 16 February 2011.
• Finance and Treasury Centre (FTC)	MAS	A division or department of a company which provides treasury, investment or financial services in Singapore to related and associated companies (approved network companies) including: i) credit facilities; ii) corporate finance advisory services; iii) guarantees, performance bonds, standby letters of credit and services relating to remittances; iv) fund management; v) economic or investment research and analysis; vi) credit administration and control; vii) general management and administration; viii) business planning and co-ordination; and ix) arranging derivatives (including arranging interest rate or currency swaps).	10% tax on income arising from provision of qualifying services to approved network companies and from qualifying activities carried out on its own account. Tax exemption for dividend income received in Singapore from approved foreign investments. Withholding tax exemption on payments in relation to specified foreign loans, bonds and securities borrowing and lending arrangements where the funds are used for approved qualifying activities and services to approved network companies.	5 to 10 years with provision for extension.

Type	++	Requirement	Incentives	Relief Period
		The FTC may also carry out specified qualifying activities on its own account. With effect from 15 February 2007, FTCs may also invest in unit trusts that engage wholly in qualifying activities that FTCs can carry out on their own account.		
• Approved Trustee Company (ATC)	MAS	A licenced trustee company or one exempted from holding a trust business licence under the Trust Companies Act which provides specified trust services to non-residents in respect of non-Singapore dollar investments.	10% tax on qualifying income.	Indefinite.
• Insurance	MAS	Approved insurance companies which engage in the business of insuring and reinsuring offshore risks.	10% tax on: a) income arising from the business of insuring and reinsuring offshore risks; b) dividends and interest from outside Singapore; c) gains from the sale of offshore investments; and d) interest from ACU deposits.	Indefinite.
		Approved general insurer which employs at least 1 underwriter with at least 3 years of relevant experience and demonstrates substantial commitment to business development in Singapore.	Tax deduction on special reserves set aside for specified offshore risks.	10 years, with qualifying window approval period from 2 July 2002 to 1 July 2012.
– Offshore Marine Hull and Liability Risks		General direct insurance and reinsurance companies which: i) employ at least 1 dedicated marine hull and liability underwriter with at least 5 years of relevant experience;	Tax exemption on: a) income from insuring and reinsuring relevant offshore risks;	Up to 10 years.

Type	++	Requirement	Incentives	Relief Period
		ii) have marine hull and liability premiums of at least $3 million in the preceding financial year; and iii) demonstrate the degree of expertise and extent of underwriting and developmental capabilities in marine hull and liability insurance in Singapore.	b) dividends and interest from outside Singapore; c) gains from the sale of offshore investments; and d) interest from ACU deposits.	
– Offshore Captive Insurance		Approved captive insurance company.	Tax exemption on: a) income from insuring and reinsuring relevant offshore risks; b) dividends and interest from outside Singapore; c) gains from the sale of offshore investments; and d) interest from ACU deposits.	10 years, with qualifying window approval period from 17 February 2006 to 16 February 2011.
– Offshore Specialised Insurance		Insurers must: i) underwrite at least one of the offshore qualifying specialised insurance risks (terrorism, political, energy and aviation and aerospace risks); and ii) employ at least 2 additional insurance professionals, one of whom possesses at least 7 years of relevant experience.	Tax exemption on: a) income from insuring and reinsuring relevant offshore risks; b) dividends and interest from outside Singapore; c) gains from the sale of offshore investments; and d) interest from ACU deposits.	5 years, with qualifying window approval period from 1 September 2006 to 31 August 2011.
• Offshore Leasing	#	Companies which engage in offshore leasing of machinery or plant.	10% tax on qualifying leasing income.	Indefinite.

Tax Incentives - Finance (continued)

Type	++	Requirement	Incentives	Relief Period
• Aircraft Leasing Scheme (ALS)	EDB	Registered business trust or approved aircraft leasing company.	5% or 10% tax on income from: i) income from leasing of aircraft and aircraft engines; and ii) income from specified ancillary activities. Tax exemption on interest payment for foreign loans taken up during relief period. Depreciation period of aircraft extended to 20 years during relief period.	5 years with provision for extension, with qualifying window approval period from 1 March 2007 to 29 February 2012.
		Approved fund manager or trustee manager.	10% tax on income from managing or providing prescribed services to approved aircraft leasing company or trust.	
• High Value-Added Processing Services Supporting Financial Activities	MAS	Financial institution, sub-unit within a financial institution, or third party service provider providing prescribed processing services to a financial institution or qualifying processing services company. To qualify for the 5-year award, the company must: i) employ and maintain at least 8 professionals, to undertake the prescribed processing services, for each category of financial activities; and ii) provide the prescribed processing services to 2 or more countries other than Singapore. Other qualitative factors will also be considered.	5% tax on qualifying income.	5, 7 or 10 years for companies approved during the period between 27 February 2004 and 26 February 2009.

Tax Incentives - Finance (continued)

Type	++	Requirement	Incentives	Relief Period
• Bond Market Incentives	MAS	i) Primary dealers trading in Singapore Government securities.	Tax exemption on income from such trades.	9 years up to 27 February 2008.
		ii) Non-resident non-individuals.	Withholding tax exemption on qualifying income from qualifying debt securities (QDS)	
		iii) Financial institutions, corporations and bodies of persons in Singapore	10% tax on qualifying income from QDS.	
		QDS means: i) Singapore Government securities issued during the period from 28 February 1998 to 31 December 2008; ii) debt securities substantially arranged by financial institutions in Singapore issued during the period from 28 February 1998 to 31 December 2008; and iii) Islamic debt securities endorsed by a *Shari'ah* council that provide periodic payouts backed by a regular stream of income from underlying assets. The securities must be substantially arranged in Singapore and issued during the period from 1 January 2005 to 31 December 2008. Note: Debt securities lead managed by FSI-BM financial institutions are treated as being substantially arranged in Singapore.	Qualifying income from QDS means: i) Interest ii) Discounts iii) Payouts from Islamic debt securities iv) Redemption premiums, prepayment fees and break costs.	Applicable to QDS issued on or after: i) 28 February 1998. ii) 27 February 2004 (QDS with 1 year tenure or less) or 17 February 2006 (QDS with 1 year tenure or more). iii) 1 January 2005. iv) 15 February 2007.
• Structured Products	#	Structured products offered by a financial institution in Singapore.	Tax exemption on income derived by non-resident non-individuals.	Contracts entered into during the period from 1 January 2007 to 31 December 2011.

Tax Incentives - Finance (continued)

Type	++	Requirement	Incentives	Relief Period
• Infrastructure Project Finance		A qualifying infrastructure project is one which invests in specified industry areas.		
	# / MAS	Qualifying debt securities issued to finance a qualifying infrastructure project. Restrictions apply on the source of funding for interest payments, the use of the funds raised and the minimum number of holders of the securities.	Tax exemption on interest income on qualifying project debt securities.	Issued during the period from 1 November 2006 to 31 December 2008.
		The issue must be lead managed by a FSI-PF or FSI-BM company, or substantially arranged in Singapore by a financial institution in Singapore.	5% tax on income derived by a FSI-Project Finance or FSI-BM company from services related to the project. See FSI scheme.	
		Offshore interest income received by a Singapore-resident entity listed on the Singapore Exchange or its wholly-owned Singapore-resident subsidiary.	Tax exemption on interest income.	
		Transfer of qualifying infrastructure projects/assets to entities listed or to be listed on the Singapore Exchange.	Remission of stamp duty payable on the instruments of transfer.	

++ Application is to be made to:

CPF - Central Provident Fund Board
EDB - Singapore Economic Development Board
IES - International Enterprise Singapore
MAS - Monetary Authority of Singapore
MOF - Ministry of Finance
MPA - Maritime and Port Authority of Singapore
SPRING - Standards, Productivity and Innovation Board
STB - Singapore Tourism Board

No application required - Incentive to be claimed upon submission of tax return to the IRAS.

Special Tax Deductions

Type	++	Requirement	Benefit
• R&D Expenses	#	Companies which incur expenditure on R&D projects related to their trade or business. For R&D projects outsourced to an overseas R&D organisation, ownership of the intellectual property created must accrue to the company.	Deduction for R&D expenses.
	EDB	R&D organisations or companies which incur expenditure on R&D projects related to their trade or business, where the R&D is conducted in Singapore.	Further deduction for R&D expenses up to a specified amount.
• Patenting costs	# / EDB	Legal and economic ownership of the resulting patent must accrue to the Singapore company. Small and medium-sized companies must obtain EDB's verification that the invention has not received support under the Patent Application Fund Plus.	Deduction for patenting costs incurred from 1 June 2003 to 31 March 2013.
• Export Promotion and Market Development	IES/ STB	Resident companies or permanent establishments carrying on business in Singapore which: i) participate in approved trade fairs, overseas missions / market development activities; ii) set up approved overseas trade offices; iii) hold the rights to master franchise or master intellectual property licence. iv) advertise in approved local trade publications; or v) carry out approved marketing projects.	Double deduction for export promotion and market development expenses up to amount specified by the Minister.
• Overseas Investment Development	IES	Firms or companies resident and carrying on business in Singapore and at least 30% owned by Singapore citizens of permanent residents which: i) carry out investment feasibility or due diligence studies or investment study missions or site visits. ii) operate and maintain overseas project development offices for the purpose of identifying, initiating and developing investment opportunities in countries which are not traditional investment locations that are already familiar to Singapore investors.	Double deduction for approved expenses up to $200,000 relating to: i) third party consultancy fees and airfare and allowances for employees. ii) office facilities, remuneration, accommodation, allowances and airfares for employees.

Special Tax Deductions (continued)

Type	++	Requirement	Benefit
• Financial R&D Expenses	MAS	Financial institutions engaged in the research and development of any approved new financial activity.	Further deduction for specified R&D expenses up to 30% of statutory income. Initially granted for 5 years with extension.
• Public Art Incentive Scheme (PATIS)	NHB	i) Donation of public art or cash for the commissioning of artwork to an approved recipient.	Double deduction for the appraised value.
		ii) Adoption of existing public art belonging to the state or approved recipients.	Double deduction for maintenance expenses incurred.
		iii) Display of privately-owned artworks in public.	Double deduction for initial installation cost of artwork and maintenance expesnes incurred.
• Donations	#	i) Cash donation to institutions of a public character (IPCs).	Double deduction for the amount donated.
	IDA	ii) Gifts of computers to prescribed institutions in Singapore or IPCs by corporate donors.	Double deduction for the assessed value.
	#	iii) Gifts of Singapore-listed shares and readily tradable units in unit trusts to approved IPCs by individual donors.	Double deduction for the open market value.
	#	iv) Gifts of buildings and land parcels.	Double deduction for appraised value.
• Employment of Talent from Abroad	MOM	Companies which incur relocation and recruitment expenses in hiring talents from abroad, subject to a maximum for each employee.	Further deduction for prescribed expenses up to $275,000.
• Logistics Expenses	EDB	Singapore-resident companies that are end-users of logistics services which undertake, or outsource to a service provider, significant regional or global logistics and supply chain activities in support of their business activities.	Further deduction of 30% or 50% of expenses incurred in relation to logistics activities, excluding international freight charges.
• Share-based Remuneration	#	Companies that incur expenses to acquire treasury shares to fulfil obligations under employee stock option or share award schemes relating to employment held in Singapore.	Deduction for expenses incurred to acquire the treasury shares (w.e.f. YA 2007).
• Borrowing Costs	#	Prescribed borrowing costs paid as a substitute for interest expenses or to reduce interest costs.	Deduction for prescribed expenses (w.e.f. YA 2008).

Special Tax Deductions (continued)

* Application is to be made to:

EDB - Singapore Economic Development Board
IDA - Infocomm Development Authority of Singapore
IES - International Enterprise Singapore
MAS - Monetary Authority of Singapore
MOM - Ministry of Manpower
NHB - National Heritage Board
STB - Singapore Tourism Board

No application required - deductions to be claimed upon submission of tax return to the IRAS.

Non-Fiscal Incentives

Non-fiscal incentives are accorded to qualifying small and medium sized enterprise (SMEs). These are administered by the various government agencies.

Transfer Pricing Guidelines

The IRAS issued transfer pricing guidelines on 23 February 2006 to supplement the transfer pricing provisions already existing in the Income Tax Act and the various Double Taxation Agreements signed by Singapore. The guidelines cover the application of the arm's length principle and documentation requirements relating to all related party transactions, including local related party transactions.

The intention of the guidelines is to help taxpayers substantiate their transfer prices with their related entities by maintaining adequate documentation to mitigate the risk of tax adjustment by IRAS and to safeguard them from potential economic double taxation. It also provides guidance on matters relating to Mutual Agreement Procedures (MAP) and Advance Pricing Arrangements (APA).

Double Taxation Agreements

Singapore has concluded double taxation treaties with the following countries and the main reliefs are summarised below. The rates listed are those negotiated under the treaties. Actual domestic rates will apply if those rates are lower.

Country	Air Transport	Shipping	Dividends (2a)	Interest	Royalties
Australia	Exempt	Exempt	15%	10%	10% (4a)
Austria	Exempt	Exempt	0% or 10% (2b)	5% (3b, d)	5%
Bahrain	Exempt	Exempt	Exempt	5% (3b)	5%
Bangladesh	Exempt	50% of normal rate	15%	10%	10% (4a)
Belgium (1b)	Exempt	Exempt	15%	10%	5%
Brunei	Exempt	Exempt	10%	5% or 10% (3a, b)	10%
Bulgaria	Exempt	Exempt	5% (2b)	5% (3b)	5%
Canada	Exempt	Exempt	15%	15%	15% (4g)
China (1c)	Exempt	Exempt	5% or 10% (2c)	7% or 10% (3a, b)	10%
Cyprus	Exempt	Exempt	Exempt	7% or 10% (3a, b)	10%
Czech Republic	Exempt	50% of normal rate	5%	Exempt	10%
Denmark	Exempt	Exempt	0%, 5% or 10% (2b)	10% (3b)	10%
Egypt	Exempt	Exempt	15%	15% (3b)	15% (4g)
Estonia	(1a)	(1a)	(1a)	(1a)	(1a)
Fiji	Exempt	Exempt	5% or 15% (2b, c)	10% (3b)	10%
Finland	Exempt	Exempt	0%, 5% or 10% (2b)	5% (3b)	5%
France	Exempt	Exempt	10% or 15% (2c)	10% (3b, c)	Exempt (4a)
Germany	Exempt	Exempt	5% or 15% (2c)	8% (3b)	8%
Hungary	Exempt	50% of normal rate	5% or 10% (2b)	5% (3b, d)	5%
India	Exempt	Exempt	10% or 15% (2c)	10% or 15% (3a)	10%
Indonesia	Exempt	50% of normal rate	10% or 15% (2c)	10% (3b, e)	15% (4g)

Double Taxation Agreements (continued)

Country	Air Transport	Shipping	Dividends (2a)	Interest	Royalties
Israel	Exempt	Exempt	Exempt	7% (3b)	5%
Italy	Exempt	Exempt	Exempt	12.5% (3b)	15% or 20% (4g)
Japan	Exempt	Exempt	5% or 15% (2c)	10% (3b)	10%
Kazakhstan (1c)	Exempt	Exempt	5% or 10% (2b, c)	10% (3b)	10%
Kuwait	Exempt	Exempt	Exempt	7% (3b)	10%
Latvia	Exempt	Exempt	5% or 10% (2b)	10% (3b)	7.5%
Lithuania	Exempt	Exempt	5% or 10% (2b)	10% (3b)	7.5%
Luxembourg	50% of normal rate	50% of normal rate	5% or 10% (2b)	10% (3b)	10%
Malaysia	Exempt	Exempt	5% or 10% (2b, c, d)	10% (3b, f)	8%
Malta	(1a)	(1a)	(1a)	(1a)	(1a)
Mauritius	Exempt	50% of normal rate	Exempt	Exempt	Exempt
Mexico	Exempt	50% of normal rate	Exempt	5% or 15% (3a, b)	10%
Mongolia	Exempt	Exempt	5% or 10% (2b)	5% or 10% (3a, b)	5%
Morocco	(1a)	(1a)	(1a)	(1a)	(1a)
Myanmar	Exempt	50% of normal rate	Exempt	8% or 10% (3a, b)	10% or 15% (4c, g)
Netherlands	Exempt	Exempt	Exempt or 15%	10% (3b)	Exempt (4a)
New Zealand	Exempt	Exempt	15%	15%	15% (4a, g)
Norway	Exempt	Exempt	5% or 15% (2b)	7% (3b)	7%
Oman	Exempt	Exempt	5% (2b)	7% (3b)	8%
Pakistan	Exempt	50% of normal rate	10%	12.5% (3b)	10% (4a)
Papua New Guinea	Exempt	Exempt	15%	10%	10%
Philippines	Up to 1.5% of gross revenue generally	Up to 1.5% of gross revenue generally	15% or 25% (2c)	15% (3e)	15% or 25% (4e, g)

Double Taxation Agreements (continued)

Country	Air Transport	Shipping	Dividends (2a)	Interest	Royalties
Poland	Exempt	50% of normal rate	10% (2b)	10% (3b)	10%
Portugal	Exempt	Exempt	10% (2b)	10% (3b, e)	10%
Qatar (1c)	Exempt	Exempt	Exempt	5% (3b)	10%
Romania	Exempt	Exempt	5% (2b)	5% (3b)	5%
Russian Federation	(1a)	(1a)	(1a)	(1a)	(1a)
Slovak Republic	Exempt	Exempt	5% or 10% (2b, c)	Exempt	10%
South Africa	Exempt	Exempt	5% or 15% (2b)	Exempt	5%
South Korea	Exempt	Exempt	10% or 15% (2c)	10% (3b)	15% (4g)
Sri Lanka	Exempt	50% of normal rate	15%	10% (3a, b)	15% (4g)
Sweden	Exempt	50% of normal rate	10% or 15% (2b)	10% or 15% (3b, c)	Exempt (4a)
Switzerland	Exempt	50% of normal rate	10% or 15%	10% (3f)	5% (4a, e)
Taiwan	Exempt	Up to 2% of gross revenue	40% (including corporate tax)	At domestic rates	15% (4a, g)
Thailand	Exempt	50% of normal rate	20% generally	10% or 25% (3a, b)	15% (4g)
Turkey	Exempt	50% of normal rate	10% or 15% (2b)	7.5% or 10% (3a, b)	10%
Ukraine	(1a)	(1a)	(1a)	(1a)	(1a)
United Arab Emirates	-	Exempt	5%	7% (3b)	5% (4f)
United Kingdom	Exempt	Exempt	5% or 15% (2c)	10% (3b)	10%
Vietnam	Exempt	Exempt	5%, 7% or 12.5% (2b)	10% (3b)	5% or 15% (4c, g)

Double Taxation Agreements (continued)

Notes:

1) a. Treaties signed but not yet ratified.
   b. New treaty signed but not yet ratified.
   c. Treaty applies with effect from 1 January 2008.

2) Dividends:
   a. Singapore does not impose tax on dividends in addition to the tax chargeable on the profits or income of a company; hence the rates shown reflect the position of the other treaty country.
   b. Exempt if paid to the government. For the Malaysia-Singapore treaty, this does not apply to dividends derived on or after 1 January 2008.
   c. Lower rate if the recipient is the beneficial owner of a minimum shareholding percentage, specified in the respective treaties.
   d. The Malaysia-Singapore treaty has special provisions for the allocation and franking of dividends in the case of companies which trade are taxed in both countries. However, this arrangement will cease to have effect in respect of dividends paid on or after 1 January 2008.

3) Interest:
   a. Lower rate or exemption if received by a financial institution.
   b. Exempt if paid to the government.
   c. Exempt if paid by an approved industrial undertaking.
   d. Exempt if paid by a bank and received by a bank.
   e. Exempt if paid to bank but linked to government loan agreement or paid to specific financial institutions/banks.
   f. Exempt if paid in respect of an approved loan or indebtedness.

4) Royalties:
   a. Royalties on literary or artistic copyrights, including film royalties, are taxed at non-treaty rates.
   b. Lower rate for payments in respect of industrial, commercial or scientific equipment.
   c. Lower rate for payments in connection with patents, designs, secret formulas/processes, or industrial, commercial or scientific equipment / experience.
   d. Exempt if paid to the government. For the Malaysia-Singapore treaty, this does not apply to royalties derived on or after 1 January 2008.
   e. Exempt for approved royalties.
   f. Lower rate or exempt for industrial royalties in accordance with domestic laws.
   g. Royalties derived from Singapore are subject to a final tax of 10%.

Air Transport / Shipping Agreements

Country / Region	Air Transport	Shipping
Bahrain (note 1)	Exempt	-
Chile	-	Exempt
Hong Kong SAR	Exempt	Exempt
Oman (note 2)	Exempt	-
Saudi Arabia	Exempt	-
United Arab Emirates	Exempt	-
United States of America	Exempt	Exempt

Note: 1) This treaty continues to apply to income not covered under the comprehensive treaty (see page 48).
2) Only the Protocol to this treaty continues to apply after the comprehensive treaty came into force (see page 49).

Due Dates

Type of Filing	Form Designation	Due Date for Filing	Due Date for Payment of Tax
Returns Relating to Taxpayer's Income			
• Resident individual income tax return	Form B / B1 or e-file	By 15 April or by extension date.	Within one month of issue date of notice of assessment (see page 54) or as per pre-arranged instalment payment plan
• Non-resident individual income tax return	Form M		
• Partnership income tax return	Form P		
• Associations, clubs and other societies income tax return	Form P1		
• Charities income tax return	Form P2		
• Trust and estate income tax return	Form T		
• Company income tax return	Form C	For YA 2007, by 31 July or extension date. For YAs 2008 and 2009, by 30 November and 31 October respectively.	
• Company group relief application	Form GR-A/ GR-B	By 31 July or by extension date of Form C filing.	Not applicable
• Individual election to carry back or transfer to spouse unabsorbed capital allowances, trade losses and donations	Election Form for Individuals for Carry-Back of Capital Allowances and Trade Losses	As per due date of tax return.	Not applicable
Employer's Returns Relating to Employee's Income			
• Return of employee's remuneration	IR8A / 8S	By 1 March	Not applicable
• Notification of cessation of employment of an individual who is not a citizen or permanent resident of Singapore.	Form IR21	One month before the date of cessation of employment.	As per Clearance Directive
• Employer's notification of CPF Contribution, Skills Development Levy and Foreign Workers Levy due to CPF Board.	Form CPF 91 or e-submission	Within 14 days of month end when payment is due.	As per Due Date of Filing

Due Dates (continued)

Type of Filing	Form Designation	Due Date of Filing	Due Date of Payment of Tax
Returns Relating to Withholding Tax on Certain Payments to Non-Residents			
• Interest, royalty, technical fee, management fee • Directors' remuneration • Certain distribution by approved unit trusts • Rent on moveable properties	Form IR37	By the 15th of the month following the date of payment or deemed payment to non-resident (effective for transactions with date of payment on or after 1 April 2003).	As per Due Date of Filing.
• Sale of real properties	Form IR 37A		
• Supplementary Retirement Scheme (SRS) withdrawals	Form IR 37B		
• Non-resident professional fees	Form IR37C / Form IR586 (if treaty exemption is applicable)		
• Non-resident public entertainer fees (w.e.f. 1 January 2008)	Form IR 37D (to be released in December 2007)		
Where reduced withholding rate is applicable under a double taxation agreement	Certificate of Residence from Non-resident	By 31 March of following year or by extension date.	Not applicable
GST Returns for Registered Taxable Persons			
• Prescribed accounting period – three months (standard) – one month (optional)	GST F5	Within one month from end of prescribed accounting period.	Within one month from end of prescribed accounting period or on 15th of the month following the due date of Return if under GIRO.

Type of Filing	Form Designation	Due Date of Filing	Due Date of Payment of Tax
Other Tax Notifications			
• Notification of chargeability of tax by new taxpayers	Registration Form for New Taxpayer	By 14 April if no tax return has been issued to that person. In the case of an individual who arrives in Singapore during the year, within one month of the date of arrival.	Where maximum instalments are required, first instalment of tax must be paid one month immediately following the financial year end.
• Notification of estimate of chargeable income from a trade or business	IRIN 320 / 322 or e-file	Within three months after financial year end.	
• Notification by tax resident on payment of franked dividends Note: Not applicable to dividends paid after 31 December 2007 or if company has moved into the one-tier tax system.	Section 44A Statement	Within 14 days after payment of dividends	Where a tax franking surcharge is due, as per Due Date of Filing.
Notification of Tax Charged or Computed By Tax Comptroller			
• Notice of assessment to income tax		Within 30 days of issue of the notice of assessment:	Within one month of issue date of notice of assessment or as per pre-arranged instalment payment plan.
	-	• To lodge objection if assessment is disputed	
	Form GR-A/ GR-B	• To submit group relief application if company can qualify consequent to the assessment.	
	Election Form for Individuals for Carry-Back of Capital Allowances and Trade Losses	• To submit election form if individual can qualify consequent to the assessment.	
• Computation of partners' share of profits	-	If disputed, objection to be filed within 30 days of issue date of computation.	Not applicable

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