

# *Tax Lookout*

An outlook on recent tax changes

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*May 2014*



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## **Foreword**

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Transformation is, invariably, a journey. In the remaking of its economy to achieve quality growth, Singapore has embarked on this journey quite sometime ago, with the aim of increasing productivity through, among others, investments in the transition to a knowledge-based economy.

In this issue of *Tax Lookout*, we focus on some of these measures as we take stock of the progress made, and explore how we may take these initiatives to the next level. In particular, we look at some practical considerations around developing Singapore as an intellectual property (IP) and technology hub, as well as an overview of the enhancements to the productivity and innovation credit (PIC) scheme announced in the 2014 Budget. With a labour crunch in an increasingly inter-connected world, having the tools to operate in a knowledge-based economy holds the key to unlocking the potential for growth. In this we must succeed for Singapore to flourish in the next lap of its economic journey.

Speaking of journeys, they, like careers, come with challenges and opportunities. Invariably though, both would leave us enriched and fulfilled. David and Mui Peng have each had an illustrious career. In this issue, we hear from David on the journey he has taken and what shaped his career and approach to life, as well as from those who have worked with Mui Peng on the impact she has made. We wish David and Mui Peng all the best for their coming retirements and thank them for their immense contribution to the firm. It's been a privilege working with them, an experience which has left many of us enriched in return.

And last but not least, for the hard-core tax professionals among us, we have a light-hearted lesson on some Latin terms commonly seen in the course of our work, as well as another round of crossword to keep the adrenalin flowing...

Paul Lau



# Singapore's ambition to become a global IP hub – enhancing the tax regime!

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Over the past few years, as the global economy has been transitioning to a knowledge- and innovation-based economy, the Singapore government has been taking concerted efforts to position Singapore as an ideal choice for companies to locate their IP in Singapore. While manufacturing continues to be a key contributor to the economy, the government has been looking at moving the country's workforce up the value chain, with IP being identified as an important driver of business growth.

In line with this goal, the government has been laying the groundwork over the years. It has built up a trusted legal system and it has been working on the IP dispute resolution and enforcement regime. All of Singapore's efforts are evident in the World Economic Forum's *Global Competitiveness Report 2013/2014*: Singapore was ranked top in Asia and second globally for having the best IP protection. Never one to be complacent, the government unveiled its Singapore IP Hub Master Plan in April 2013, which details concrete plans to facilitate Singapore achieving its aim to be the global IP hub. This covers measures to encourage IP transactions and management in Singapore, training of skilled manpower resources, etc.

The government has also been putting in place effective tax measures to encourage the anchoring of IP in Singapore: tax amortisation for expenditure incurred to acquire IP, super deductions for research and development (R&D) activities, tax incentives on qualifying IP income, to name a few.

But, in this ever changing tax landscape and increased global competition, the question is whether Singapore can take bolder measures to enhance its IP tax regime and grab this opportunity to become a global IP Hub.

## Global tax landscape

While we have seen an increasing number of multinationals relocate their IP and R&D activities to Singapore, there are many other companies which still choose to use more traditional IP holding jurisdictions, such as the Cayman Islands, Mauritius, etc. In these structures, many of the subsidiaries pay royalties for the right to use IP or intangibles to another group company and such a structure is considered to be tax efficient because low or no tax is payable on the royalty income in the recipient country. While tax may also be imposed in the royalty-paying country, this cost may be reduced under a favourable tax treaty.

However, such tax structures are likely to come under heightened scrutiny, especially after the July 2013 report, *Base Erosion and Profit Shifting Report* (BEPS), issued by the Organisation for Economic Co-operation and Development (OECD). This is essentially a 15-point action plan intended to counter arrangements that artificially separate taxable income from the activities generating the income. Within the 12 to 24 months from the report release date, the OECD aims to develop proposals for each of the issues highlighted. If we were to pick one word that would encapsulate the essence of the report, it would be "substance". The new world order requires substance to drive the attribution of profits, and the ensuing right to tax those profits.

Top of the OECD's list is to address the tax challenges of the digital economy. Mention digital economy and more likely than not, images of Google and Amazon would cross most people's

mind. What explains the success of these businesses, or any other bricks-and-mortar businesses for that matter? Often, it is seen that a group's premium profits sit in its intangibles or IP, be it in the form of patents, trademarks or customer relationships. From a tax angle, the key concern of the different tax authorities is how the pie is to be split among the different territories. It follows that many of the current disputes between different tax authorities revolve around intangibles.

## Can Singapore stand the test of time and play a greater role?

Increasingly, tax authorities are likely to scrutinise the economic activities performed by the IP-holding company to justify the rate of return and the eligibility of the recipient to claim treaty benefit (eg nil royalty withholding tax).

The question after BEPS is whether or not these legal owners of the intangibles also substantially contribute to the value creation activities in the IP life cycle. If the answer is no, where then should these intangible returns be attributed?

Given this wider international tax environment, companies will need to re-evaluate their existing IP ownership structure where there is seemingly a misalignment between their income and actual activities generating the income. If they determine that these structures are no longer sustainable, they will need to identify a suitable location to house their global IP portfolio. And, this is where Singapore can play a greater role.

Singapore is already in a strong position when it comes to substance. For companies that have already established their regional headquarters or have their global functions based in Singapore, it should be relatively easy for them to consider adding functions relating to IP management in Singapore. With a robust legal system and IP protection regime, companies should feel comfortable locating their IP portfolio in Singapore. The question is, what more can Singapore do from a tax angle to enhance its appeal as a global IP holding location?

- The utmost concern for businesses is certainty. While Singapore does not tax capital gains, there is no upfront certainty that gains derived from the sale of IP is capital in nature and hence, not taxable. It is a matter of substantiating one's case to the tax authorities and proving why such gains are not taxable. One suggestion then, is that some form of safe-harbour rule be introduced to provide certainty for the non-taxation of gains derived from the divestment of IP where conditions are met.
- Singapore would also do well to consider an IP box or patent box regime. There are variations to the regime in different European countries but the gist is that this scheme lowers the effective tax rate on income derived from certain IP. It has been found to encourage the retention of locally created IP. There also appears to be a strong link to high-tech R&D and manufacturing activity – the regime increases the likelihood of relocation of real business activities. In fact, the IP Hub Master Plan mentions this regime expressly and proposes the implementation of “an IP Box or similar tax regime to provide greater transparency and certainty in Singapore's IP tax regime.”
- One other key consideration in deciding where to house a company's IP would be the tax treaty network of the IP holding location and the royalty withholding rates found in those treaties. With the current domestic withholding tax rate of 10%, many of the older tax treaties do not offer any benefit from a royalty withholding tax angle given that those were probably negotiated when Singapore's domestic withholding rate was 15%. The government should therefore consider renegotiating some of these older tax treaties for a more favourable withholding tax rate.

- Another idea is to further liberalise the foreign tax credit system. The granting of foreign tax credits is meant to prevent double taxation – if tax is already paid overseas, it should not be paid again when the same income is remitted to Singapore. This is achieved by Singapore allowing the tax paid overseas to be claimed as a credit against the Singapore tax payable on that income. Currently, the excess credits are lost for good. The government should seriously consider allowing excess credits to be carried forward for future use, similar to the US and Canada.

A business-friendly tax regime is certainly not the be-all and end-all but it can act as a sweetener. BEPS might ring alarm bells for some but equally, it could spell opportunities for others. Indeed, Singapore could well be a long-term beneficiary of this heightened vigilance. With Singapore's strategic positioning as a trading and services hub in Asia and a strong legal enforcement regime, it is an opportune time for Singapore to implement some bold tax measures so that it can move closer to its ambition of becoming a global IP hub.

# FinTech - finance meets technology

At the intersection of the financial services and technology sectors, a new term has emerged - FinTech. The key driver for FinTech is the convergence of retail financial services with social media, mobile, analytics and cloud technology. The term FinTech may be heard inside of technology incubators where young start-ups aspire to create the next PayPal or, in large boardrooms, where bank executives discuss digital transformation.

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In recent years, FinTech innovation labs have sprouted up in cities such as London and New York.

According to a recent PwC Private Banking and Wealth management survey, the global wealth management sector is currently in a cycle of significant technology investment. Many of the survey respondents are now upgrading operations and technology infrastructure, both to meet the significantly enhanced regulatory requirements and to deliver efficiency improvements.

Looking forward to the next two years, wealth managers will concentrate on the commercial aspects of technology, developing client relationship management tools to support advisers, and increasing their digital capabilities. Singapore has always prided itself on being at (or near) the forefront of technology. Singapore is also an established financial centre.

Couple these together with our need to push for innovation and productivity, it makes perfect sense to support the development of FinTech on our shores.

Moreover, we already have the necessary IT infrastructure in place to support the development of these exciting innovations for the banking and financial services industry.

However, in order for Singapore to maintain our position as a hub for financial services and to encourage the development of FinTech innovations here, it will be useful to adopt a broader interpretation of R&D for the purposes of tax deductions for software development projects. This is especially crucial for Singapore now, as we are still in a period of restructuring our economy towards a more knowledge-based one. For large firms, FinTech projects require significant investments in software and process development.

A restrictive interpretation of qualifying software development projects would lead to large firms reconsidering the location of innovation centres.

The Inland Revenue Authority of Singapore (IRAS) has published a list of examples of what is not considered to be software R&D.

The non-qualifying examples made reference to the use of "standard" methodologies for software development. Many companies from start-ups to Silicon Valley tech giants follow the "Agile" software development methodology. The Agile methodology is based on iterative and incremental development where requirements constantly evolve through collaboration between cross functional teams and end-users.

As its use is pervasive, would it then imply that Agile methodology is a "standard methodology"? If considered "standard", it would become difficult to determine the eligibility of the software development projects in Singapore for enhanced deductions. In this regard, it should be noted that while the underlying technology or methodology may appear "standard", each software development project is inherently "non-standard" because of the fact that the user requirements cannot be entirely pre-defined.

We would like to suggest a broader interpretation of "R&D" which recognises that innovative software platforms are necessary to bring businesses to the next level. For example, in areas

such as data analytics, the implementation of innovative software platforms is becoming a critical success factor to enable businesses to make decisions on new product and service offerings; for them to understand their clientele better and in building brand loyalty.

If the same "standard methodology" logic were applied to the pharmaceutical industry, most drug development projects would similarly encounter difficulty in determining the qualifying R&D deductions, because of the fact that the overall methodology for drug development is fairly standard and follows a phased approach, usually involving clinical trials.

Surely this is not the case, as the outcomes of these projects are usually uncertain. The same might be said of the software development projects in FinTech. We would also suggest not having any exclusion list, but to simply rely on the statutory definition of R&D in conjunction with a more liberal interpretation of R&D.

Our suggestion, that policymakers adopt a broader view of R&D, is supported by the findings of a recent OECD report entitled *Supporting Investments in Knowledge Capital, Growth, and Innovation*. According to the OECD, R&D tax systems play a crucial role in boosting innovation and policymakers should adopt an enlarged concept of innovation, beyond the conventional view in which R&D is pre-eminent and that other forms of knowledge-based capital, such as data, should also be policy targets.

The report goes on to say that creating economic value from large data sets is at the leading edge of business innovation.

We believe that Singapore is well positioned to become a hub for FinTech innovation and a broader approach taken in administering the R&D tax incentive scheme would better support this objective.

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# What you should know about the PIC scheme

## Background

Rising business costs and a tight labour market are pertinent business challenges. To stay competitive, businesses have to innovate and boost their productivity.

To support businesses in their innovation and productivity drive, the Minister for Finance proposed certain changes to the PIC scheme in the 2014 Budget. The PIC is not a new scheme. It was first introduced in 2010 and encourages investment in six areas:

- Acquisition or leasing of PIC Information Technology (IT) & Automation equipment;
- Training of employees;
- Acquisition or in-licensing of IP rights;
- Registration of IP rights;
- R&D; and
- Approved design projects.

The PIC was initially introduced more for the benefit of small and medium enterprises (SMEs) - which was why a cap on the qualifying expenditure was set for each category of investment and the availability of a cash payout option. However in the initial years, SME take up rate for PIC was low. The government realised SMEs needed more and decided to extend the scheme for another three years. In addition, the Minister introduced a new PIC+ scheme where the qualifying expenditure cap for SMEs is increased by an additional \$200,000 for years of assessment (YAs) 2015 to 2018.

## PIC tax benefit calculation

The PIC scheme allows businesses to claim 300% enhanced tax deduction/allowance on an expenditure cap of S\$400,000 for *each* PIC qualifying activity for each year of assessment from YAs 2011 to 2018. The expenditure cap may be combined and the maximum tax benefit is calculated as follows:

Combined Year of Assessment	Combined expenditure cap <i>per</i> activity (\$)		Maximum additional tax benefit <i>per</i> activity <sup>1</sup> (\$)	
	Non-SMEs	SMEs	Non-SMEs	SMEs
<b>2011 to 2012</b>	800,000	800,000	408,000 (300% x 800,000 x 17%)	408,000 (300% x 800,000 x 17%)
<b>2013 to 2015</b>	1,200,000	1,400,000 <sup>2</sup>	612,000 (300% x 1,200,000 x17%)	714,000 (300% x 1,400,000 x17%)
<b>2016 to 2018</b>	1,200,000	1,800,000 <sup>2</sup>	612,000 (300% x 1,200,000 x 17%)	918,000 (300% x 1,800,000 x 17%)

<sup>1</sup> Calculated at the prevailing corporate tax rate of 17%

<sup>2</sup> As announced in the 2014 Budget, the expenditure cap for SMEs has been increased to S\$600,000 per year of assessment per activity from YA 2015.

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Taxpayers have the option of converting their expenditure into a non-taxable cash payout instead of claiming the PIC enhanced deductions. The cash payout option, however, is subject to 60% of total expenditure cap of \$100,000 from *all* PIC qualifying activities for each year of assessment. The total expenditure cap cannot be combined for YAs 2013 to 2018.

Combined Year of Assessment	Expenditure cap for <i>all</i> activities (\$)		Maximum cash payout for <i>all</i> activities (\$)	
	Non-SMEs	SMEs	Non-SMEs	SMEs
<b>2011 to 2012</b>	200,000	200,000	60,000 (200,000 x 30%) <sup>3</sup>	60,000 (200,000 x 30%) <sup>3</sup>
<b>2013 to 2015</b>	100,000 per YA	100,000 per YA	60,000 per YA (100,000 x 60%)	60,000 per YA (100,000 x 60%)
<b>2016 to 2018</b>	100,000 per YA	100,000 per YA	60,000 per YA (100,000 x 60%)	60,000 per YA (100,000 x 60%)

The PIC qualifying expenditure for the enhanced deduction and cash payout is net of any grant or subsidy from the Government.

## Our observations

- It is noteworthy that PIC qualifying expenditure is net of any grant or subsidy from the government. This means that taxpayers should assess the potential tax benefits between claiming PIC versus the grant/subsidy before making an application for the grant or subsidy. The following represents some common financial assistance schemes, to name but a few:

*Research Incentive Scheme for Companies (RISC)* – The RISC aims to encourage and assist businesses to set up R&D centres in Singapore and develop in-house R&D capabilities in strategic areas of technology by reimbursing an agreed percentage of qualifying manpower costs and equipment, materials and software, professional services and intellectual property rights.

*Initiatives in New Technology (INTECH)* – The INTECH is a training grant which provides support for manpower capabilities development in applying new technologies, industrial R&D and professional know-how.

*Training Assistance Scheme (TAS)* – The TAS is funded by the Skills Development Fund and provides different levels of funding for different types of training (non-certifiable, certifiable, overseas training) conducted in-house or by external training providers to encourage employers to train and develop their employees.

*Technology Enterprise Commercialisation Scheme (TECS)* – TECS provides support for development of technology ideas at conceptualisation stage to trial test of prototype.

*Increase SME Productivity With Infocomm Adoption & Transformation (iSPRINT)* – To encourage SMEs to use technology to improve or innovate their business operations. The information and communications project should lead to increase in efficiency/productivity, revenue and value-added.

- While the choice of claiming PIC enhanced deductions (i.e. 300% of qualifying expenditure, tax benefit at the taxpayer's applicable tax rate) may appear at first glance to reap a higher value of tax benefit compared to the cash payout option (i.e. 60% of capped \$100,000 qualifying expenditure), this may not be true. To illustrate, if we assume \$100,000 of qualifying PIC expenditure, an incentivised taxpayer who has a tax

<sup>3</sup> The conversion rate was increased from 30% to 60% from YA 2013.

rate of 15% or below would not necessarily lose out in monetary terms if he opted for the cash payout over the enhanced deduction. Even in the case of a taxpayer who pays tax at prevailing rate of 17%, depending on his specific attributes, with the 30% corporate tax rebate available for YAs 2013 to 2015, the cash payout could be the option that gives higher cash benefit.

- In practice, our observation is that most businesses claim PIC on (1) acquisition or leasing of PIC IT and automation equipment and (2) training of employees. This could be due to the fact that the PIC claim for these two categories is generally straightforward whilst the other four categories' have more prescribed conditions.

For the PIC training category, there is a cap of S\$10,000 on internal courses that are not accredited or approved by Singapore Workforce Development Agency or Institute of Technical Education. Where training expenditure is incurred on employees of third party outsourced service providers, notwithstanding they work exclusively for the taxpayer, such training expenditure is not eligible for the PIC training claim.

- On R&D claims, the IRAS has recently introduced a revised R&D claim form which requires taxpayers to provide R&D project details. Taxpayers are required to have supporting R&D documentation and this is to be made available upon request by the IRAS.

In conclusion, it is very encouraging that the government has extended the PIC scheme and introduced more help to SMEs. PIC awareness campaigns have been rolled out by relevant government agencies and the Association of Small & Medium Enterprises to boost the take up rate of PIC claims by SMEs. Whilst SMEs have been the focal point of many PIC discussions, we note that the issue of raising cost of doing business in Singapore affects not only the SMEs, hence the three year extension of the PIC scheme is also a welcomed relief for non-SMEs and multi-national corporations.

**Read on for glossary of Latin legal terms, retiring partners, crossword puzzle and event updates!**



# Glossary of Latin legal terms

Quite often in our daily tax work we come across Latin phrases which have been used by the legal profession down the ages. As many struggle to remember what these terms mean, I have compiled a short glossary of those that seem to give most trouble, along with their proper explanation.

<b>Bona fide</b>	My dog's bone (yes, Romans had pets)
<b>Ad colligenda bona</b>	Fetch your bone!
<b>Nulla bona</b>	What bone?
<b>Ad hoc</b>	I'm off to the pawnbroker's
<b>Agenda</b>	Something overlooked in a meeting
<b>Alter ego</b>	Change your behaviour
<b>Animus nocendi</b>	Thinking about a happy ending
<b>A posteriori</b>	Reluctance to agree with the assertion
<b>Bona vacantia</b>	Happy holidays
<b>Compos mentis</b>	A fertile mind
<b>Caveat lector</b>	Look out for Hannibal
<b>Doli incapax</b>	My girlfriend's not feeling well
<b>Ex Officio</b>	The boss is playing golf
<b>Ex post facto</b>	The cheque is in the mail, honest.
<b>Flagrante delicto</b>	I love crepe suzette
<b>Functus officio</b>	He screwed up his job
<b>In camera</b>	Get out of the picture!
<b>In personam</b>	Time for a strip search
<b>Inter alia</b>	A Spanish football team
<b>In situ</b>	Down, Shep! (For Blue Peter adherents)
<b>Intra vires</b>	Between MCs
<b>Ultra vires</b>	I've got a really bad cold
<b>In loco parentis</b>	My dad's a nutter
<b>Mens rea</b>	The gents are round the back.
<b>Per pro</b>	Get lessons
<b>Pro tempore</b>	I love Japanese food
<b>Quasi</b>	Half a hunch
<b>Sub judice</b>	Under the judge's seat
<b>Subpoena et testificum</b>	Sounds painful. Time to see a doctor

Remember these next time you read a legal text and enjoy a whole new world of meaning.

David Sandison

# Retiring partners

*A time to look back with admiration, a time to look forward with anticipation*

## David Sandison



David Sandison will be retiring from the firm 30 June this year after a career that spanned 35 years. Nina Tan interviewed him for some glimpses into David's philosophy about his work.

**You spent 10 years with PW(C) in London then headed off to Australia before coming to Singapore in 1991. What caused you to leave London in 1989 and strike out overseas?**

Well I was born under a wandrin' star as Lee Marvin would say. I was born in Sri Lanka, lived in England for a while then moved to Malta (prize for anyone who can pick that out on a map) back to Scarborough in Yorkshire for school, down to Cambridge for Uni then a year in the South of France teaching English to topless French girls – topless when they were on the beach of course. Never in the classroom. Well almost never. (Yes, it has been a tough life). It's not therefore exactly clear where I come from.

But I think one episode in particular spurred me to book my flight to Oz. It was a grey, rainy afternoon in Southwark Towers London, and my old mate Richard, who I shared a room with, was heading off to Sydney with PW (as it then was). In comes one of our senior managers, a lovely guy, Philip Govan. Philip always enjoyed a chat, and in the course of the conversation he enquired as to Richard's plans. On hearing them, his entire physique slumped in his chair and as he looked out of the window with his head bowed, he said drearily: "I nearly went to Australia once". Enough said. My ticket was in my moist little palms the next day. I resolved that I wasn't going to spend a life of regrets. So I've never looked back. Too frightened really.

**What was your most "off the wall" job in PW(C)?**

Some of you who are not already dead may remember Laker Airways. This was about a man who made an attempt at setting up the world's first low cost carrier air service – Sir Freddie Laker, and who was knighted for his exceptional success. Unfortunately nobody had told him about OPEC and oil price fixing and he got royally stuffed, by a bit of cartel-induced jiggery-pokery and effectively went out of business in 15 minutes, leaving tens of thousands of people either stranded on holiday or expecting to go on a holiday which then ended up in the bin. Enter PW and me. I was sent for two weeks to be telephonic gatekeeper between the irate public and PW, who were appointed to sort out the mess. It's not often you get clients crying on the phone (usually we try to avoid it) but for me it was a daily occurrence. Literally people screaming at me (it was, after all, my fault, right), breaking down in tears, threatening lawsuits, and even on one occasion coming into the office and looking to break legs. (There's something about leather jackets and crowbars that spell danger).

I was glad to get back to putting upside-down red ticks on a ledger.....



## **What or who helped shape your philosophy about your approach to work?**

I think two people stand out in helping me formulate my approach. I mentioned Philip Govan above. Philip helped me realise that tax work is all about solving puzzles. I remember one night working with him on a client and, I'll be honest, we were in a bit of a fix (won't go into why). But by starting with a clean sheet of paper, looking at the problem from all angles and applying a bit of intuitive genius, we sorted it and came out with a very neat answer. The client didn't appreciate it of course, that was just our job. But boy, did we get everyone out of a tight situation. That's what I love about the job – the cerebral stimulus and the positive results.

The other person who had the most influence on my style was Jeremy Scott (erstwhile global Head of Financial Services in PwC). Jeremy moved from audit to tax at senior manager level which was a huge mind-set and technical change; but he became in my view one of the best tax people there has been. Not necessarily because of his technical knowledge, which became impressive, but because of the way he handled people. Jeremy's approach was to say "David, you are the manager. This is your job. I am here as your consultant". Being vested with that sort of responsibility certainly sharpened your focus. No spoon feeding. This is your job. Sort it. The brilliant thing about Jeremy though was his ability to pick up an issue on the spot when you did have a problem, talk it through and help you find a solution. The trick was knowing when you needed help. But he was always there. Not in your face, but trusting you. That's the way I have always tried to work. Mind you, I did subject him to some terrifying moments so it's quite likely he has had a rethink about his philosophy.

## **What principles have you learned from 35 years in the profession?**

Read the legislation. You are not as clever as you think; and your memory is completely unreliable. Fortunately I learned that early on when our technical guru was pilloried for thinking he was so brilliant (possibly a guru-status induced state) that he didn't need to read the legislation. So he didn't and screwed up. Thankfully only red faces, not red bank balances.

The other time was in a meeting when a client proudly announced the set-up of his Netherlands structure to own entertainment royalties. "Ha", he said. "No withholding tax under the Singapore Netherlands treaty. Genius." "That's funny", I said, "if you go on to read paragraph 6 of Article 12, it seems to exclude payments received as consideration for the use of the right to use any copyright of literary or artistic work..." Oops.

The other principle is that providing tax advice cannot be given in a vacuum (apart from it being just difficult to breath). Enter the young D Sandison, advising on share options, while the partner was away on leave. The tax advice was spot on, brilliant, innovative. However my cunning plan involved a temporary loan to a director – which of course under company law (as it then was at least) was plain illegal. Client narrowly missed jail. Now you could say the client should have taken separate legal advice, but I am sure that was not the way he saw it. The learning point is that, even though you are not an expert in a particular field, you always need to be thinking about the broader implications from a legal commercial and accounting perspective, and making sure, one way or another, that all these areas are dealt with by the appropriate people.

## **So what's next?**

I am going learn to paint and play the drums. But separately of course.

## **One last question, if you could be a lady for a day, what would you do?**

I would get a massive boob job.

## Ho Mui Peng



Mui Peng will be retiring from the firm 30 June this year after a career that spanned over 30 years. A few who have worked with her shared the impact she has made and wished her all the best on her retirement!

I have worked with Mui Peng for the past five years. During this period, SingPost undertook a number of transformation and M&A initiatives, most of which require significant tax advice and structuring. As the tax partner for the SingPost Group of companies, Mui Peng works very closely with the SingPost team to provide sound technical advice, which is always concise, accurate and within budget. She has been a valued business partner for our Group and we have benefited much from her generous sharing of her extensive tax knowledge and experience.

On the personal front, I have found Mui Peng to be a good listener, very astute and forthright. She is also a caring person and has lots of advice on diverse topics ranging from health supplements to jade jewellery! Knowing Mui Peng, she will never truly retire so I wish her the very best in her “second career”.

**-Kate Chan, SingPost**

I recall I was seated outside Mui Peng’s office after my move to CTA (from CCS). During those days, I was quite afraid of her as – (1) I could hear what went on in her office when managers went into her room for discussions and (2) somehow, I had fewer “visitors” stopping by my area which was outside a partner’s office.

I had the opportunity to work with her after I was given a manager portfolio – and had my fair share of “interesting conversations” with her – those which I heard when I sat outside her office. However, my fear for her eventually became respect as she is one partner who definitely cares and spends time to coach her managers. Thank you Mui Peng for your guidance and the various opportunities that you have given me when I was with PwC. You have left an indelible mark on all of us. Your guidance on professional front as well as personal aspects will be greatly missed. We are sure you will make the best out of the next phase of your life!

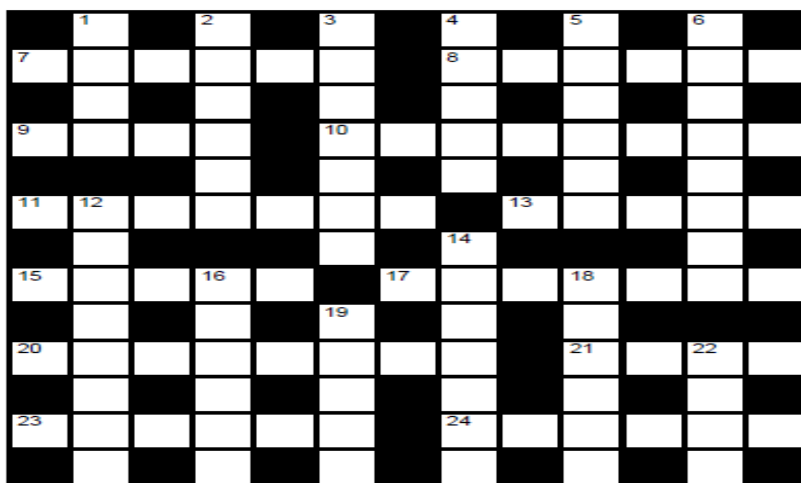
**-Lau Zhi Min (Rio Tinto), Ex PwC staff**

I’ve only worked with Mui Peng for about two years, but she gave me a few “firsts” in terms of PwC Experiences: (1) She was the first partner to ask me into her room on a frequent basis to give me informal coaching on my work and my career; (2) the first partner whom I’ve seen receiving such a good compliment from a client (the compliment came from a Group CFO of a Main Board listed company, whose words were: “I always tell my team that we are so lucky to have Mui Peng as our tax partner”); (3) the first person who brought me for a raw food lunch (and shared with me cooking and health tips). All these “firsts” show Mui Peng as someone who cares about delivering good work to her clients and someone who develops and cares about her staff. Enjoy your retirement Mui Peng, don’t miss timesheets too much :)

**-Kevin Mok, Ex PwC staff**



# Crossword Puzzle

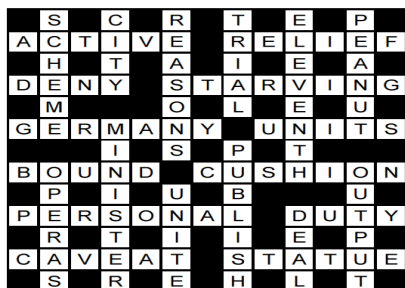


Across		Down	
7	Are rules like this meant to be bent? (6)	1	Release some of the spumante. There's a big black cat (4)
8	In a treat you'll find an agreement (6)	2	Sex this for the highest court (6)
9	Open and shut this luggage in court (4)	3	Notices about a legal reference (7)
10	Exchange unit I'm at for precious metal (8)	4	In a complete one of these if you say something (5)
11	Telephone male offspring and waves forward (4,3)	5	You will only get a monkey for one of these (6)
13	Impose your authority on this duty (5)	6	Muted Mrs came round and played the guitar (8)
15 & 17	Duck or escape from the great tax debate (5,2,5)	12	Support in court (8)
20	Thrown out for no benefit (8)	14	Directs the wrong way but gets recognition (7)
21	You should go by this in a professional manner (4)	16	I fax in wrong way and get stuck (2,1,3)
23	This income doesn't just come rolling in (6)	18	Nature hates to hoover (6)
24	Donald's family have the strongest cards (6)	19	Elected depot somehow? (5)
		22	Double these and you will encounter BEPS problems (4)

## Terms & Conditions

- 1) Please submit your answers to [michelle.sx.goh@sg.pwc.com](mailto:michelle.sx.goh@sg.pwc.com).
- 2) Employees of PwC and their immediate families are not eligible to participate.
- 3) The first correct entry will win a bottle of wine. The winner will be notified via email and the prize must be claimed latest by 9am, 30 June 2014.

## February 2014 Crossword Puzzle Answers



# Event Calendar 2014

Date	Title	Partner/ Manager in Charge
<b>May 2014</b>		
23-May	Putting theory to practice: Capital Raising	Chen Voon Hoe
27-May	Asia Pacific Customs & Trade Conference 2014	Frank Debets
26 - 28 May	Finance for non-financial professionals workshop	Tony Moore
29 - 30 May	Global Political Risk & Trade Finance Summit	U Moe Kyaw
30-May	Personal Data Protection Act Workshop	Tan Shong Ye
<b>June 2014</b>		
1 - 4 Jun	World Cities Summit 2014	Yee Chen Fah
3 - 4 Jun	Green Growth and Business Forum (speaking opportunity)	Monica Hira
12-Jun	Recharges of expenses and reimbursements - a confusing concept for a simple tax?	Koh Soo How
21-Jun	World Cup 10s Rugby	Mark Jansen
<b>July 2014</b>		
23-Jul	Transfer Pricing - Asset Management	Carrie Lim
31-Jul	Transfer Pricing - Banking Capital Markets	Paul Lau
<b>August 2014</b>		
12-Aug	Myanmar Tax	Chris Woo
14-Aug	Essentials of Goods & Services Tax	Koh Soo How
21-Aug	Transfer Pricing - Insurance	Paul Lau

# Your PwC contacts

If you would like further advice or information in relation to the issues outlined in this bulletin, please call your usual PwC contact or any of the individuals listed below:

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