

Tax Lookout

An outlook on recent tax changes

September 2015





Foreword

To help alleviate rising business costs, the Singapore government has introduced a broad range of non-tax incentives with the aim of boosting productivity and encouraging businesses to upgrade their operations. Measures such as grants are particularly useful for small and medium-sized enterprises (SMEs) or new enterprises which may not be so profitable as to be able to benefit from reduced tax rates offered through tax incentives.

This issue of *Tax Lookout* considers some of the more common schemes that are available, and discusses how businesses may benefit from them. It also highlights some of the corporate tax and Goods and Services Tax (GST) implications that may arise from grants. Businesses may welcome grants, but they should not forget to consider the tax angle lest they result in unintended cash flow impact that negates (in part) the benefits received.

This year, Singapore celebrates its golden jubilee in the founding of the republic. As we took part in the festivities, the month of August also saw a number of countries in the region celebrating the anniversaries of their independence. *Tax Lookout* spoke to our people from our various neighbouring countries about how they celebrate their respective national days.

Hope you enjoy reading this issue of *Tax Lookout*.

Paul Lau

Government grants – understanding what is available and demystifying the application process

Authored by



Lennon Lee
Partner
+65 6236 3728
lennon.kl.lee@sg.pwc.com

Singapore has one of the more, if not the most, proactive government in the world when it comes to supporting business activities and economic growth. As seen in recent years, several initiatives have been introduced, enhanced, and further enhanced, to support business productivity, innovation and the internationalisation of local enterprises.

Given the plethora of grants and incentives, it may not be surprising if businesses, in particular small and medium-sized enterprises (SMEs), wonder what schemes are most suitable. In this article, we provide an overview of some of the more common schemes, and how businesses may tap on them to expand or upgrade their operations.

Many know but have not benefited

In a survey conducted by the Institute of Singapore Chartered Accountants (ISCA) in November 2014 that covered various industries, it was found that there is a high level of awareness of government schemes that support productivity. However, when the respondents were asked whether they utilised the schemes, the answers varied widely across the schemes. The majority of respondents (77%) utilised the Productivity and Innovation Credit (PIC) while less than 30% benefited from grants such as Capability Development Grant (CDG) and Innovation Capability Voucher (ICV), and iSPRINT.¹

While the survey only covered the productivity-related government schemes, it shows that many businesses in Singapore are aware that there are grants that they could tap on, but may not have benefited from them. This could be due to a lack of understanding of what the grants cover, or not knowing how to go about applying for them.

What is the government doing to ensure more businesses benefit?

The government has tried to simplify the application processes for many of its grant schemes. For example, businesses can apply for SPRING Singapore's CDG and ICV online. In addition, Budget 2015 introduced simplified application procedures for CDG not exceeding \$30,000. The simplified procedures do away with the need to submit a business plan and project proposal, which help the applicant company save considerable time and resources during the submission process.

It is likely that the government will continue to make more grants available for application online, and also streamline the approval processes, so that more businesses, especially the SMEs will benefit from these schemes.

1 Institute of Singapore Chartered Accountants website, <http://isca.org.sg/tkc/bm/singapore-budget/pre-budget-survey> (accessed on 12 June 2015).

What are the grants and incentives that are available?

The following table² summarises the key grants and incentives that are available for companies, depending on their area of investment or spending.

Investment in land and buildings	Investment in machinery/equipment	Information technology
<p>Land Intensification Allowance</p> <p>Awards capital allowances on qualifying expenditure on certain buildings or structures, to promote intensification of industrial land use.</p> <ul style="list-style-type: none"> • Companies can claim 25% initial allowance and 5% annual allowance over 15 years. • Must meet pre-determined Gross Plot Ratios (GPR) based on industry. <p><i>This scheme is administered by the Economic Development Board (EDB).</i></p>	<p>Inclusive Growth Programme</p> <p>Up to 50% funding for automation equipment.</p> <p><i>This scheme is administered by the Employment and Employability Institute (e2i)</i></p>	<p>ISPRINT Packaged Solutions</p> <p>Up to 70% funding, capped at \$20,000 for packaged solutions e.g. CRM system.</p> <p>ISPRINT Customised Solutions</p> <p>Up to 70% funding for customised IT solutions.</p> <p><i>These schemes are administered by the Infocomm Development Authority of Singapore (IDA).</i></p>
Implement new technologies	Intellectual property	Research & Development (R&D)
<p>Technology Adoption Programme</p> <p>Up to 70% funding for SMEs to adopt new technologies in their business to increase productivity.</p> <p><i>This scheme is administered by the Agency for Science, Technology and Research (A*Star). A*Star will help to source for technology solutions from government research institutes and universities.</i></p> <p>Capability Development Grant</p> <p>Up to 70% funding for SMEs to implement new technologies as part of their expansion strategy.</p> <p><i>This scheme is administered by SPRING Singapore.</i></p>	<p>Capability Development Grant</p> <p>Up to 70% funding for IP-related expansion projects e.g. developing IP strategy, IP valuation, franchise development.</p> <p><i>This scheme is administered by SPRING Singapore.</i></p>	<p>Research Incentive Scheme for Companies</p> <p>Grant for companies to conduct R&D in Singapore. Typically up to 30% support.</p> <p>Double Tax Deduction for R&D expenses, as well as tax incentive for companies to conduct R&D in Singapore.</p> <p><i>These schemes are administered by the EDB.</i></p>

² As of June 2015.

Talent development and training	Professional services/ consultancy	Productivity and innovation
<p>SME Talent Programme Helps SMEs to fund 70% of study sponsorship and sign-on bonus for ITE/Polytechnic students who would be bonded for 1-2 years after graduation. <i>This scheme is administered by SPRING Singapore.</i></p> <p>Funding for Employer-based Training Funding to send Singaporean/PR employees for training. Covers course fees and absentee-payroll (salaries of staff sent for training). <i>This scheme is administered by the Workforce Development Authority (WDA).</i></p>	<p>Innovation Capability Voucher SMEs can apply for \$5,000 vouchers to engage consultants in Productivity, Innovation, HR and Financial Management. SMEs can also choose to implement simple productivity solutions themselves. <i>This scheme is administered by SPRING Singapore.</i></p> <p>Capability Development Grant Up to 70% funding for professional services that help to build SMEs' financial and internal capabilities e.g. strategic planning, corporate governance and risk management, treasury management, M&A due diligence. <i>This scheme is administered by SPRING Singapore.</i></p> <p>Market Readiness Assistance Up to 70% funding (capped at \$20,000) for professional services that facilitate a company's entry into a new market e.g. market feasibility assessment, regulatory and tax assessment. <i>This scheme is administered by IE Singapore.</i></p> <p>Global Company Partnership Up to 70% funding for professional fees to implement key projects e.g. develop internationalisation strategy, strengthen financial management, develop e-commerce capabilities. <i>This scheme is administered by IE Singapore.</i></p>	<p>A 400% tax allowance up to \$400,000 of spending and/or 60% cash payout (capped at \$100,000) may be available to support investments in six productivity improvement activities under the PIC scheme.</p> <ul style="list-style-type: none"> • Acquisition and leasing of IT and automation equipment • Training of employees • Acquisition and licensing of Intellectual property rights • Registration of patents, trademarks, designs and plant varieties • R&D expenses • Investment in design projects <p>Applicable up to the year of assessment (YA) 2018.</p> <p>Under the PIC+ scheme, SMEs can claim up to \$600,000 of spending, from YA 2015 to 2018.</p> <p><i>This scheme is administered by the IRAS.</i></p>

How do businesses apply for the grants?

For grants of lower value such as ICV or iSPRINT for Packaged Solutions, the application is relatively straightforward. For ICV, once the company has identified the consultants that it wants to work with, applications can be made through the ICV online portal. For iSPRINT for Packaged Solutions, IDA works with vendors of the approved IT solutions to help companies with the application and claim process.

For larger value grants such as CDG (cases where the grant amount is above \$30,000), Global Company Partnership (GCP) or iSPRINT for Customised Solutions, the company needs to submit a business/project proposal to support its application. The government agency administering the grant will usually have a proposal template which the company can follow. The proposal will have to provide details of the company's expansion plan both in Singapore and overseas, and how the project supported by the grant enables company to fulfil its plans.

How to increase the chances of grant approval?

For the larger value grants, the business/project proposal plays a big part in determining whether the grant will be approved. The proposal should be clear and concise to minimise the need for further questions from the assessing officer. When preparing the proposal, it is useful to provide some background information on the industry in which the company operates, including recent trends and upcoming developments. The expansion plans of the company should be aligned with industry trends.

Companies should avoid making overly optimistic projections of revenue and employment growth in their applications. While the government agencies want to see positive outcomes from projects that they fund, they will question the company if projections are unrealistic.

When assessing the grant applications, the officers from the government agencies need to have a high level of assurance that the projected benefits claimed by the company will materialise. It is therefore important for the agencies to know the businesses to understand the industry dynamics, so that they are in a better position to assess the application. Agencies such as SPRING Singapore and IE Singapore have officers that account-manage high growth companies in specified industry sectors. It is beneficial to become one of the account-managed companies so as to engage in regular dialogue with the agencies.

Besides grant funding, government agencies can assist in terms of access to partners and markets e.g. through business missions conducted by IE Singapore. Government agencies can also help to provide media publicity for companies that embark on newsworthy projects e.g. venturing into a new market or adopting new technologies. Therefore, it is useful to engage the government agencies on a regular basis, even if there are no upcoming projects that require funding.

All in all, tapping on government grants is not as daunting as one would imagine. There are clear instructions on the websites of government agencies on the application and claim procedures. If all else fails, applicants may speak to qualified advisers or the relevant agencies on the grant application process.

Tax treatment of grants

Authored by



Florence Loh
Partner
+65 6236 3368
florence.ch.loh@sg.pwc.com

Whether your business is industrial in nature, a service provider, or a trading outfit, there are many areas of your operations that could be streamlined to enhance efficiency. To help Singapore businesses cope with rising costs, various government agencies have made available grants.

And of course, it is worth mentioning at this point that having grants bring with it certain tax consequences. Given the multitude of grants available and the particular circumstances of each recipient, it is beyond the scope of this article to consider the full range of possible tax implications. Nonetheless, here it goes.

Some tax considerations

Some grants are taxable, while others are not

As a start, some grants will be taxable, and in such instances the grant recipient clearly has to budget for the tax it has to incur on such grant(s) or be caught in a potentially surprise cash-flow situation.

Take for example, the new wage credit scheme (WCS), as applicable after 2015. Over the period of 2016 to 2017, the Government will co-fund 20% of wage increase given to Singaporean employees (under certain conditions). If Company A increases the monthly wages of all its 80 employees in 2016, by \$100 each, assuming it is entitled to the above WCS benefits, Company A stands to receive \$19,200 (80 X \$100 X 20% X 12months) of co-funding from the Government. However, on this \$19,200 cash inflow, Company A will be taxed accordingly and (depending on its tax profile) could be required to pay as much as \$3,264 (\$19,200@17%) back to the Government eventually. As a result, the net funding support from the Government falls below the 20% co-funding level.

There are grants (or components thereof) which are not taxable. For example, under the Capability Development Grant (CDG) which is administered by SPRING Singapore, the Inland Revenue Authority of Singapore (IRAS) has clarified that the CDG granted for certain specific areas (namely technology innovation and productivity improvements) are not taxable as they are capital¹ in nature.

The determination issue – a mixture of principle and pragmatism?

The following guiding principle suggested by the IRAS may be used to determine whether a grant is taxable. Generally, a grant is taxable if it is given to supplement trading receipts or to defray operating expenses of the company (i.e. grant is revenue in nature). A grant is generally not taxable if it is given for the purpose of acquiring capital assets of the company (i.e. grant is capital in nature).

1 Conversely, according to the IRAS, CDG granted for the following areas are generally taxable as they are revenue in nature:

1. Business Excellence
2. Brand Development
3. Financial Management
4. Business Innovation & Design
5. Enhancing Quality & Standards
6. Human Capital Development
7. Service Excellence
8. Intellectual Property & Franchising

While the above may not seem overly complicated in principle (to many tax professionals), it is not necessarily easy to apply.

In the WCS example, the co-funding is clearly to defray operating expenses (being staff cost), and by application of the above-stated principle the grant should be taxable.² However, there could be practical difficulties in determining the tax treatment if the purpose of the grant is not apparent in the award letter.

The “SME Cash Grant” introduced a couple of years back, represents a good example where the Government appears to have taken a pragmatic approach. This grant (computed based on 5% of total revenue, with a cap) was given to certain businesses to offset high costs during business slowdowns and is aimed at providing support for those that face increased business costs. There was no need to track the purpose for which the grant was given or how the funds were used as specific legislation (Section 92C(4), in the case of “SME Cash Grant” for YA 2012) was introduced to remit tax on such grants.

“No multiple bites of the cherry” and “no free lunch” – hence plan carefully

Apart from the use of grants as a fiscal tool to encourage/support business behaviour, there are other ways to help substantive businesses in Singapore. For example, some businesses may enjoy tax incentives (which may come in the form of a concessionary tax rate on qualifying income). Others may obtain super tax deductions for specified activities, for example, in relation to research and development expenditure, investment allowances.

Despite the plethora of ways listed above, these various tax breaks seldom operate in a manner that a particular business is “double incentivised”. For instance, the qualifying expenditure for productivity and innovation credit (PIC) benefits (broadly, PIC can allow for 400% deduction for certain expenditure), is determined after deducting any grant or subsidy by the Government or any statutory board. This means that potentially, taxpayers should assess the relative tax and cashflow benefits between:

- claiming PIC (which potentially provides 400% tax deduction); versus
- a grant (for example, INTECH grant, which provides cash funding support for manpower capabilities development in certain fields like industrial R&D).

A detailed study on whether grants work better than concessionary tax rate incentives, would also be recommended before a business embarks on discussions with the relevant administering authorities. For example, if the business anticipates initial losses due to the nature of the project(s), concessionary tax rates may not be useful and it may be better off seeking financial assistance in the form of suitable grants by the Government.

At this stage, it also bears stating that as with concessionary tax rate incentives, some grant support by the Government comes with specific terms and conditions to be

² The IRAS has clarified in its website and FAQs that the Wage Credit payout is a revenue that is taxable in the hands of the employers. Inland Revenue Authority of Singapore website, <https://www.iras.gov.sg/IRASHome/Schemes/Businesses/Wage-Credit-Scheme--WCS-/> (accessed on 21 September 2015).

fulfilled. For example, the spending needs to be carefully tracked and for certain grants, external auditor's certificate need to be submitted. Failure to fulfil these terms and conditions could result in forfeiture³ of the grant benefits.

Other issues to note

Although not widely elaborated within the above points, an overarching comment is that access to specific Government grants typically result in additional tracking needs. For smaller businesses, the cost of putting in place highly robust accounting systems and resources for tracking purposes may be disproportionately high. Perhaps the relevant authorities can consider streamlining the approach for smaller businesses.

The GST effects associated with grants should also not be ignored.

Conclusion

At a recent forum in which he talked about building a Smart Nation, Prime Minister Lee Hsien Loong remarked that “at the beginning, grants were chasing projects...Today, the projects are chasing the grants, and I feel much better...”.⁴

It is expected that the use of grants to encourage entrepreneurial spirit and innovation initiatives will intensify over the next few years, and we hope that within that setting, businesses and the authorities alike take heed of some of the issues discussed above and work towards an increasingly vibrant grants environment.

³ Stricter enforcement could be expected in this area. In this context, it is worthwhile also to note that in the Singapore Auditor-General's Report for the Financial Year 2014/15 released recently, one of the key findings indicated laxity in the administration of grants. The Auditor-General's Office (AGO) noted (on page 3): “The common weakness observed includes failure... to ensure that the correct amount of grants are disbursed and conditions for grants are adhered to. For proper accountability, it is important that controls and proper mechanisms are in place to ensure that grants are used for the intended purposes.”

⁴ Founders Forum Smart Nation Singapore Reception, Speech by Prime Minister Lee Hsien Loong on 20 April 2015, <http://www.pmo.gov.sg/mediacentre/transcript-speech-prime-minister-lee-hsien-loong-founders-forum-smart-nation-singapore>, (accessed on 16 September 2015).

Grants and GST: Why should you care?

Authored by



Koh Soo How
Partner
+65 6236 3600
soo.how.koh@sg.pwc.com



Lin Weijie
Senior Manager
+65 6236 7481
weijie.lin@sg.pwc.com

We are fortunate to be living in a country where the government (through prudent fiscal management) is able to disburse generous sums of money from the annual budget as grants to fund its social economic initiatives. While Singapore is not a “welfare state”, one would appreciate that Government funding is prevalent in many aspects of society and business.

On the individual front, it would be fair to state that all of us are or know someone who is a beneficiary of government grants in one way or another. Prominent examples are in the area of education and public housing where the grants can range from S\$30,000¹ (CPF housing grant for families) to more than S\$70,000² (MOE tuition grant for undergraduate courses at the local universities).

For businesses, the government also has programmes in place to fund certain activities to support businesses and to develop the economy as a whole. SPRING Singapore offers various grants to help businesses to grow and develop their capabilities. For example, a recent grant funding package announced by SPRING Singapore was to help local small and medium enterprises (SMEs) build up their financial management capabilities.³ Companies holding trade conferences in Singapore can also apply for a grant from the Singapore Tourism Board to defray certain qualifying costs. To this end, the grants to businesses can go into large sums of money.

While the man on the street like you and me would happily accept the grants and get on with our lives, it is not so straightforward for businesses. In fact, GST-registered businesses need to be mindful of the potential GST implications when accepting/receiving grants from the government or other corporates for that matter.

The (not so apparent) GST implications of receiving grants

From a GST perspective, monies received from a party (e.g. a customer, a related party or the government) would be regarded as a “supply” if it constitutes consideration for goods and/or services to be provided by the recipient to that party in return. If that is the case, the monies received will be subject to 7% GST and this will trigger an obligation for the recipient to account for the tax in its GST returns.

This essentially reduces the monies made available to the recipient by the GST amount which is to be accounted for to the Inland Revenue Authority of Singapore (IRAS). In this respect, the GST implications of grants are similar to sponsorships which we discussed in a previous issue of *Tax Lookout*.⁴ With this in mind, the relevant question to ask is whether the recipient is required to confer a benefit to or to do something for the grantor in return for the grant monies. The issue on “benefit” raises the question of whether it is tangible, and if it is received directly by the grantor.

1 Housing Development Board, “CPF Housing Grant for Family”, <http://www.hdb.gov.sg/fi10/fi10321p.nsf/w/BuyResaleFlatCPFGrantFamily?OpenDocument>, (accessed 15 July 2015).

2 Nanyang Technological University, “Undergraduate Admissions”, <http://admissions.ntu.edu.sg/UndergraduateAdmissions/Pages/FeesTuitionGrant.aspx>, (accessed 15 July 2015).

Figure is for a 3-year undergraduate degree course in Business at the Nanyang Technological University (NTU) for the Academic Year 2015/2016. Grant amount is computed by comparing the actual tuition fees payable per annum (with the Tuition Grant) against the unsubsidised fee over 3 years.

3 In developing the package, PwC was approached to help scope the areas of services that would help the SMEs.

4 PricewaterhouseCoopers Services LLP. “Tax Lookout - May 2015”, http://www.pwc.com/sg/en/tax-lookout/assets/taxlookout_201505.pdf, (accessed 15 July 2015).

Have you conferred a tangible benefit to the grantor?

Most grants from the government do not require the recipient to provide any benefits in return to the former apart from the requirement that the funds are to be spent only for approved purposes. In addition, there may be certain obligations imposed on the recipient in the grant agreement to ensure that this is adhered to. Examples of such obligations include the preparation and submission of regular progress reports and opening its books to government auditors for verification. For grants which are substantial in value, there are cases where the recipient has to admit representatives from the government agency concerned into their board of directors to oversee the usage of the grant monies.

By itself, such obligations merely serve as a control and accountability mechanism over the usage of the grant monies and do not establish a “supply” for GST purposes. This is because no tangible benefits have been conferred to the government in return for the grant monies and such obligations are not the substantive purpose of the monies in the first place. While there may be tangible benefits arising from the provision of grants (e.g. a clinic receiving government grants to provide free medical services for the elderly), it can be argued that the tangible benefits are enjoyed by the public and not by the grantor in most cases. Hence, such grants do not attract GST as established GST/VAT principles dictate that a supply which is made to the “world at large” is not a supply.⁴

A clear example on what constitutes a tangible benefit and is received by the grantor is in the area of research grants. If the fruits of the research (i.e. the intellectual property rights such as patents) are provided to the grantor in return for the grant monies, that would be regarded as a tangible benefit provided by the recipient and GST would apply. This is because the granting, assignment or surrender or any rights is a supply of services.⁵

Implications on input tax claims

If the grant monies are treated as taxable supplies made by the recipient for which output GST would be accounted for on the grant proceeds, the input tax should be claimable in full (subject to the normal rules for input tax recovery). If not, it would then be necessary to determine whether the recipient is viewed as carrying on both business and non-business activities as a result of receiving the grants. For example, if the grant allows the recipient to offer free or subsidised services to the public, the input tax claims of the recipient would generally be restricted to the extent to which the claims are attributable to business activities.

For businesses whose core object is to engage in commercial activities and does not have objects in the public domain or of a political, religious, philanthropic or patriotic nature, there is a strong presumption that it does not carry out any non-business activities (with or without the grant). Generally for such businesses, there should not be a need to apportion the input tax claimable.

⁴ *Tolsma v. Inspecteur der Omzetbelasting Leeuwarden*, Case C-16/93, [1994] STC 509.

⁵ Section 10(2)(b) of the Goods and Services Act.

Conclusion

In conclusion, while the receipt of a grant might bring joy for the business (via the injection of much needed capital for some), it could also expose the business to unexpected GST risks. The risk arises as grants received are typically considered part of “other income” in the accounts and does not get transacted through the sales module of the accounting system (unlike the business’s trade income). Hence, it is easy for the tax or finance function in the organisation to overlook this. In addition, the GST implications are not apparent. In this regard, businesses need to review their internal processes to ensure that grants are reviewed for the implications on GST reporting. Otherwise, the penalty costs of not accounting for the GST when the tax is due on the grants would erode the value of such much needed funds.



Get to know us!



Carrie Lim – Tax Partner in Financial Services



New partner, Carrie Lim shared some interesting facts about her:

Q: What is the most important thing to do at all times?

A: It is very important to keep things in perspective. This sometimes helps you figure out a better way to do something.

Q: What is the most unforgettable moment in your life?

A: This may seem very conventional to say, but it would have to be getting married.

Q: Describe your leadership philosophy as a partner.

A: I think it is very important to maintain high standards, take an interest in people, and to set a good example through my own actions. That is, to explain, teach, encourage, and lead by example.

Q: What or who do you value most in life?

A: Family and friends.

Q: What is your favourite food?

A: I love a variety of cuisines such as Chinese and Thai flavours, although my favourite would be Japanese food.

Q: Which is your favourite country/city? Why?

A: Japan as I love the wabi-sabi aesthetic. Kyoto is exquisitely beautiful; Tokyo is interesting with amazing food, sights and shopping; and I can't wait to visit Hokkaido.



Sarah and her father in Leavenworth, USA.

Sarah Wong – Tax Partner in Mergers and Acquisitions

New partner, Sarah Wong shared some interesting facts about her:

Q: What is the best time to do each thing?

A: Early in the morning as this is the part of the day which I have the greatest control.

Q: What is the most important thing to do at all times?

A: Respect each other regardless of age, seniority, race, religion, etc.

Q: What or who do you value most in life?

A: My parents and siblings for their strong support and invaluable advice throughout my career.

Q: What is your favourite food?

A: Dark chocolates with slivered almonds and coffee

Q: Tell us something about yourself that not everyone knows.

A: I thoroughly enjoy dining and trying innovative cuisines. I read restaurant reviews and the chefs' credentials regularly. I am usually excited to try out these new restaurants with friends, and engage in lively conversations with the chefs about the seasonal ingredients and cooking methods used.

Q: Which is your favourite country/city? Why?

A: New York for its vibrancy, diversity, art scene and reasonably priced creative yet tasty food.



Independence celebrations across the region

While we were all excited with Singapore's Golden Jubilee, some of our neighbouring countries celebrated their National (Independence) Day in August as well. We ask some of our people about their home country celebrations and how they are different from Singapore's.



How is National (Independence) Day celebrated in your home country?



*Dongani Napitupulu,
Senior Tax Manager*

He is from Jakarta, Indonesia and has been living in Singapore since 2012.

Dongani:

Weeks before Indonesia's Independence Day (Hari Kemerdekaan) on 17 August, you will notice the red and white decorations everywhere: schools, office buildings, malls even in wet markets and creepy cemeteries. On the day itself, early in the morning, school students and government officials will gather in ceremonies for the flag raising. The main flag-raising ceremony will be held in the National Palace (or City Halls in other provinces). Many citizens (especially the elders) will watch the ceremony at the National Palace on TV and old historical movies (some in black and white). Nowadays, the younger generations are less enthusiastic and most likely will just enjoy the day-off.



*Gaurav Tijoriwalla,
Corporate Tax Manager*

He has recently moved to Singapore in January 2015 from Mumbai, India. He enjoys reading and attending music gigs.

Gaurav:

India's Independence Day is observed annually on 15 August. The celebration begins with flag hoisting ceremony in schools, colleges and government offices in the morning. Patriotic songs and movies are then broadcasted over the radios and televisions respectively. Most of us will spend the time relaxing and enjoying the extra day-off given.

How different is the celebration in your home country and Singapore's National day celebration on 9 August?



*Stephen Onggo,
Corporate Tax Manager*

He is from Medan, Indonesia, and has been living in Singapore since December 2006. He enjoys swimming and meditation.

Stephen:

The difference is in the timing of celebration. For Indonesia, the celebration starts in the morning and ends with musical performances. Whereas for Singapore, the National day is celebrated in the late afternoon and ends with amazing fireworks.



*Prabu Chalaraju,
Tax Consultant*

He is from Malaysia, and has been living in Singapore for the past one year. He enjoys seeking out new food experiences.

Prabu Chalaraju:

Singapore and Malaysia share so much of history together, I don't think there are any major differences in the celebrations which I have come across. Having said that, the SG50 celebration is a grand one which includes aerial display of aircraft and for lack of a better word, an awesome fireworks show.



Your PwC Contacts

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

Tax Leader

Chris Woo

chris.woo@sg.pwc.com
+65 6236 3688

Corporate Tax Services

Sunil Agarwal

Technology, Media, Telecommunication
sunil.agarwal@sg.pwc.com
+65 6236 3798

Chai Sui Fun

Transfer Pricing
sui.fun.chai@sg.pwc.com
+65 6236 3758

Rich Colabella

Value Chain Transformation
rich.colabella@sg.pwc.com
+65 6236 7308

Charles Collett

Value Chain Transformation
charles.a.collett@sg.pwc.com
+65 6236 7224

Liam Collins

Financial Services
liam.collins@sg.pwc.com
+65 6236 7248

Paul Cornelius

Energy, Utilities & Mining
paul.cornelius@sg.pwc.com
+65 6236 3718

Nicole Fung

Transfer Pricing
nicole.fung@sg.pwc.com
+65 6236 3618

Abhijit Ghosh

Healthcare & Pharmaceutical
abhijit.ghosh@sg.pwc.com
+65 6236 3888

Mahip Gupta

International Tax Services
mahip.gupta@sg.pwc.com
+65 6236 3642

Jun Igarashi

Transfer Pricing, Japan Desk
jun.igarashi@sg.pwc.com
+65 6236 7482

Anuj Kagalwala

Financial Services, Asset Management
anuj.kagalwala@sg.pwc.com
+65 6236 3822

Paul Lau

Financial Services
paul.st.lau@sg.pwc.com
+65 6236 3733

Lennon Lee

Treasury, Consumer & Retail
lennon.kl.lee@sg.pwc.com
+65 6236 3728

Carrie Lim

Financial Services
carrie.cl.lim@sg.pwc.com
+65 6236 3650

Lim Hwee Seng

Mergers & Acquisitions
hwee.seng.lim@sg.pwc.com
+65 6236 3118

Lim Maan Huey

Financial Services, Treasury
maan.huey.lim@sg.pwc.com
+65 6236 3702

Florence Loh

Consumer & Retail
florence.ch.loh@sg.pwc.com
+65 6236 3368

Elaine Ng

Transport & Logistics
elaine.ng@sg.pwc.com
+65 6236 3627

Ng Wei Pheng

Real Estate & Hospitality
wei.pheng.ng@sg.pwc.com
+65 6236 3663

Shantini Ramachandra

Stamp Duties
shantini.ramachandra@sg.pwc.com
+65 6236 3823

Cassandra Soon
Transfer Pricing
cassandra.s.soon@sg.pwc.com
+65 6236 3925

Tan Boon Foo
International Tax Services
boon.foo.tan@sg.pwc.com
+65 6236 3632

Tan Ching Ne
Technology, Media, Telecommunication,
Research & Development
ching.ne.tan@sg.pwc.com
+65 6236 3608

Tan Hui Cheng
Financial Services
hui.cheng.tan@sg.pwc.com
+65 6236 7557

Tan Tay Lek
Conglomerates & Industrial Products
tay.lek.tan@sg.pwc.com
+65 6236 3768

Thomas Tham
Tax Compliance Services
thomas.tham@sg.pwc.com
+65 6236 3661

Teo Wee Hwee
Real Estate & Hospitality
wee.hwee.teo@sg.pwc.com
+65 6236 7618

Sarah Wong
Mergers & Acquisitions
sarah.wc.wong@sg.pwc.com
+65 6236 3057

Louisa Yeo
Financial Services
louisa.th.yeo@sg.pwc.com
+65 6236 3759

Yip Yoke Har
Insurance
yoke.har.yip@sg.pwc.com
+65 6236 3938

Indirect Tax (Goods and Services Tax)

Koh Soo How
soo.how.koh@sg.pwc.com
+65 6236 3600

Seow Seok Hong
seok.hong.seow@sg.pwc.com
+65 6236 3697

International Assignment Services

James Clemence
james.clemence@sg.pwc.com
+65 6236 3948

Girish Vikas Naik
girish.vikas.naik@sg.pwc.com
+65 6236 3915

Margaret Duong
margaret.duong@sg.pwc.com
+65 6236 3958

Ooi Geok Eng
geok.eng.ooi@sg.pwc.com
+65 6236 7205

Sakaya Johns Rani
sakaya.johns.rani@sg.pwc.com
+65 6236 3648

Worldtrade Management Services (Customs and International Trade)

Frank Debets
frank.debets@sg.pwc.com
+65 6236 7302

Legal Services

Legal services are provided by Camford Law Corporation. Camford Law Corporation is part of the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

Irving Aw
irving.aw@camfordlaw.com
+65 6597 3340



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