

Tax Newsbites

PwC Singapore | Tax Services

Singapore updates

Amendments to revenue legislation

The Income Tax (Amendment) Bill 2017 (the Bill) was read for the second time and passed in Parliament in 2 October 2017.

Besides certain tax changes announced in the 2017 Budget Statement, the Bill contains a number of other proposals which arose from the on-going review of Singapore's income tax system. These include various proposed measures to strengthen the transfer pricing regime such as the introduction of a mandatory transfer pricing documentation requirement. The Bill also includes a specific tax framework for companies which re-domicile into Singapore, and prescribes the tax treatment of certain items arising from the adoption of Financial Reporting Standard 109 – Financial Instruments and Financial Reporting Standard 115 – Revenue from Contracts with Customers.

[Click here](#) for more details.

The Property Tax (Amendment) Bill 2017 and Goods and Services Tax (Amendment) Bill 2017 were also passed in Parliament in 2 October 2017.

Basis of assessment for service companies

Following feedback from taxpayers, the Inland Revenue Authority of Singapore (IRAS) has proposed to fine tune the tax treatment for service companies with effect from the Year of Assessment (YA) 2020 (instead of YA 2019 as previously announced), when only companies that meet specified conditions will be allowed to continue to compute their chargeable income based on 5% mark-up on total expenditure. Companies should consider the implications of the proposal as it may affect how they collate information for tax return preparation.

Read more [here](#) (note that the Tax Bulletin was published before the IRAS deferred the start date of the change to YA 2020).

Avoidance of Double Taxation Agreements (DTAs)

On 11 October 2017, the IRAS issued a new e-Tax Guide which aims to provide an overview of the application of Singapore's DTAs and the mutual agreement procedure (MAP) under Singapore's DTAs.

[Click here](#) for more details.

Country-by-Country Reporting

The IRAS recently released additional information on the voluntary filing procedure for the financial year (FY) ended 2016, and clarified that reporting entities who wish to file their FY 2016 Country-by-Country Report (CbCR) on a voluntary basis should inform the IRAS at least three months before the filing deadline by emailing the IRAS with the relevant details. The filing of the FY 2016 XML CbCR may be done via email. The IRAS's Supplementary Instructions for Preparing CbCR Reporting Data File has also been updated to include more comprehensive instructions.

Read more [here](#).

Overseas updates

Netherlands

The Dutch Ministry of Finance published its 2018 tax budget proposals on Dutch Budget Day (19 September 2017). The most relevant aspect for multinational enterprises (MNEs) is the formal legislative proposal to amend the Dutch Dividend Withholding Tax Act (DWTa) effective 1 January 2018.

This final legislative proposal is in line with earlier announcements and the consultation document published earlier this year. For MNEs, the proposal broadens the Dutch dividend withholding tax exemption from European Union (EU) / European Economic Area (EEA) residents to all jurisdictions with which the Netherlands has entered into a tax treaty. In addition, 'holding' cooperatives owned by residents of non-treaty jurisdictions would become subject to Dutch dividend withholding tax.

[Click here](#) for more details.

United States

The Trump Administration and Congressional Republican leaders released on 27 September 2017 a nine-page "unified framework for fixing our broken tax code" (the Framework) that includes specific goals for lower business and individual tax rates.

The Framework calls for a 20% corporate tax rate, a new 25% rate for certain passthrough business income, and international reforms that include a territorial tax system and a one-time mandatory repatriation tax. The Framework proposes 100% full expensing for five years, effective after 27 September 2017, while partially limiting the deduction for net business interest expense. The plan "aims to eliminate" the corporate alternative minimum tax. It would repeal the Section 199 domestic manufacturing deduction and "numerous other special exclusions and deductions" but retains the research credit and the low income housing tax credit.

[Click here](#) for more details.

International Tax News

International Tax News is designed to help multinational organisations keep up with the constant flow of international tax developments worldwide. Among the topics featured in the September 2017 edition are:

- Belgian government announces corporate tax reform
- Eligible Taxpayers should file refund claims for the French 3% tax on dividends before 7 October 2017
- IRS announces a one-year delay in Section 385 documentation requirements
- OECD report on 'Neutralising the effects of branch mismatch arrangements'

[Click here](#) for more details.

Global VAT Online – a summary of updates

PwC's Global VAT Online provides up-to-date business critical information on VAT/GST rates, rules and requirements around the world to help you maintain control, mitigate risk and improve the overall effectiveness of your VAT/GST function. It is a subscription service for all of your indirect tax needs in a digital world.

[Click here](#) for more details.



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