

# Tax Newsbites

PwC Singapore | Tax Services

## Singapore updates

### *Proposals to enhance Singapore's economy – Budget 2018*

Technology is rapidly changing service delivery in both the public and private sectors. Against the backdrop of Singapore's continuing digital transformation to become a Smart Nation, the government has reiterated the need for the country to have sustainable revenues for investing in its future, and yet remain competitive internationally.

It is in the light of these considerations that PwC suggests certain changes to enhance the fiscal environment to make it more conducive for Singapore to continue with this transformation, whilst at the same time encourage innovation and enterprise.

Click [here](#) to read more.

### *Tax treatment for entities adopting Financial Reporting Standards 109 – Financial Instruments*

The Inland Revenue Authority of Singapore (IRAS) issued an e-Tax Guide "Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments" on 22 November 2017 which provides guidance on the tax treatment for entities adopting FRS 109. Click [here](#) for details.

### *Research and development*

The IRAS issued an updated e-Tax Guide "Research and Development Tax Measures (Fifth edition)" on 1 December 2017 to provide details of the enhancements to the tax treatment for payments made under cost-sharing agreements with effect from Year of Assessment 2018.

For details, [click here](#).

### *Protocol to the India-Singapore treaty - bilateral advance pricing arrangement and mutual agreement procedure*

The Protocol to the India-Singapore treaty inserts Article 9(2) which enables taxpayers to settle transfer pricing disputes through Bilateral Advance Pricing Agreement (BAPA) and Mutual Agreement Procedure (MAP). The IRAS has introduced transitional procedures (on issues such as the first covered period and roll-back period for BAPAs, conversion of unilateral APAs to BAPAs and alignment of financial periods) as well as clarification on the filing of MAPs.

### *Deduction for Medisave contributions*

The IRAS has revised its website to reflect the raised cap on ad-hoc contributions to employees' Medisave accounts from \$1,500 to \$2,730 per employee per year. This takes effect from 1 January 2018. [Click here](#) for details.

### *Land Intensification Allowance*

Amendments to the Regulations for Land Intensification Allowance have been gazetted. They take effect on 15 December 2017.

## ***Overseas updates***

### *Revised OECD Model Tax Convention*

On 21 November 2017, the Organisation for Economic Co-operation and Development (OECD) Council approved revisions to the OECD Model Income Tax Convention (the OECD Model), together with revisions to the accompanying Commentaries. The 2017 revisions will be incorporated in a revised version of the OECD Model and Commentaries.

[Click here](#) for more details

### *European Union*

The European Union's list of non-cooperative tax jurisdictions was released on 5 December 2017. Singapore is not on the list.

### *United Kingdom*

The Chancellor of the Exchequer presented his Autumn Budget to Parliament on 22 November 2017.

[Click here](#) for details.

### *United States*

On 2 December 2017, the US Senate released their version of tax reform legislation. Although similar in overall structure, the amended Senate tax reform bill differs in key details from the 'Tax Cuts and Jobs Act' (HR 1) approved on 16 November 2017 by the House of Representatives. A House and Senate conference committee is expected to begin work next week on resolving the differences in the two versions of tax reform legislation.

[Click here](#) for details.

## ***International Tax News***

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

- EU Commission issues Communication on taxation of the digital economy
- US District Court rules that temporary inversion regulations are invalid
- EU Commission takes next steps against Ireland and Luxembourg in Apple and Amazon State aid cases
- Argentina - Mexico tax treaty enters into force

[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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