

# Tax Newsbites

PwC Singapore | Tax Services

## Singapore updates

### *Singapore Budget 2018*

The Finance Minister, Mr Heng Swee Keat, will be delivering the 2018 Budget Statement on 19 February 2018.

[Click here](#) to read PwC's proposals to enhance the Singapore economy.

### *Economic Expansion Incentives (Relief from Income Tax) Act*

The Economic Expansion Incentives (Relief from Income Tax) (Amendment) Bill 2018 was published on 8 January 2018. It mainly proposes the following amendments to the Economic Expansion Incentives (Relief from Income Tax) Act:

- to remove prescribed intellectual property income from the tax incentive schemes for pioneer service companies and development and expansion (DEI) companies
- to expressly enable the Minister to substitute the concessionary rate of tax given to a DEI company with a concessionary rate of either 5% or 10%
- to extend the last day for the Minister to extend the tax relief period of a relevant DEI company from 17 February 2018 to 31 December 2023
- to bring forward the last day for the Minister to approve a DEI company for international legal services from 31 March 2020 to 30 June 2017
- to extend the scheme for integrated investment allowance to equipment that is primarily used for manufacturing any product or providing specialised engineering or technical services in an approved project

### *Common Reporting Standard*

The Inland Revenue Authority of Singapore (IRAS) has published an updated list of participating jurisdictions. The updated list took effect from 1 January 2018.

[Click here](#) for the updated list.

### *Research and development*

On 20 December 2017, the IRAS published an update in the process for referral of research and development (R&D) projects to the Technical Advisory Panel - the panel can now also request to meet the taxpayer to seek further clarification directly on the R&D claims. The IRAS clarifies that the purpose of such meetings is solely to obtain clarification; they are not arbitration sessions.

For details, [click here](#).

### *Transfer pricing*

The IRAS has published the indicative margin (1.75%) which taxpayers can apply on each related party loan not exceeding \$15 million during the period from 1 January 2018 to 31 December 2018.

### *Per diem allowance*

The IRAS has published the acceptable per diem rates for 2018. [Click here](#) for details.

### *Cambodia-Singapore tax treaty*

The tax treaty between Singapore and Cambodia entered into force on 29 December 2017. [Click here](#) for details.

### *Ethiopia-Singapore tax treaty*

The tax treaty between Singapore and Ethiopia entered into force on 8 December 2017. [Click here](#) for details.

### *Singapore-Sri Lanka tax treaty*

The revised treaty between Singapore and Sri Lanka entered into force on 31 December 2017. [Click here](#) for details.

## *Overseas updates*

### *Revised OECD Model Tax Convention*

On 18 December 2017, the Organisation for Economic Co-operation and Development (OECD) released the latest version of the OECD model tax convention. This version incorporates the 10th update that was adopted by the OECD Council on 21 November 2017 ([click here](#) for details of the 10th update). The full version of the OECD Model Tax Convention, including the Articles, Commentaries, non-member economies' positions, and historical notes, will be published later in the year.

### *India*

Reiterating India's commitment to implement the OECD's Base Erosion and Profit Shifting Action Plan 13, the Indian Central Board of Direct Taxes has prescribed the rules for maintaining and furnishing the Master File and Country-by-Country report.

While the rules provide guidance on applicability, content, and the filing process, certain aspects remain unclear. It is hoped that the Government of India will clarify some of these aspects and provide additional guidance on implementation of the rules soon.

[Click here](#) for more details

### *United States*

On 22 December 2017, President Donald Trump signed the "Tax Cuts and Jobs Act" (TCJA or Act) that lowers business and individual tax rates, modernises US international tax rules, and provides the most significant overhaul of the US tax code in more than 30 years.

[Click here](#) for details.

# ***International Tax News***

## *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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