
# Tax News

Tax updates for the period 1 June to 4 July 2025

**Newsletter**

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## Singapore Updates

### Draft Finance (Income Taxes) Bill 2025

The Ministry of Finance (MOF) launched a public consultation exercise on 18 June 2025 to seek feedback on the draft Finance (Income Taxes) Bill 2025 which proposes amendments to the Income Tax Act 1947 (ITA) and the Multinational Enterprise (Minimum Tax) Act 2024 (MMTA). The consultation period ended on 11 July 2025.

Click here for our bulletin which highlights some of the key amendments.

### Stamp duty: Additional conveyance duties on property-holding entities

On 3 July 2025, the MOF announced changes to the Seller's Stamp Duty (SSD) for residential properties. The minimum holding period after which SSD does not apply is increased from three to four years and the applicable SSD rates are increased by four percentage points for each tier of the holding period. These changes apply to all residential properties purchased on or after 4 July 2025.

The new SSD rates are as follows:

| Holding period | Rates from 11 March 2017 to 3 July 2025 | Rates on and after 4 July 2025 |
|---|---|---|
| Up to 1 year | 12% | 16% |
| More than 1 year and up to 2 years | 8% | 12% |
| More than 2 years and up to 3 years | 4% | 8% |
| More than 3 years and up to 4 years | 0% | 4% |
| More than 4 years | 0% | 0% |

The Additional Conveyance Duties for Seller (ACDS) have correspondingly been revised. With effect from 4 July 2025, ACDS of up to 16% may apply.

| Date of acquisition | Holding period from date of acquisition | ACDS |
|---|---|---|
| Between 11 March 2017 and 3 July 2025 (both dates inclusive | 3 years | 12% |
| On or after 4 July 2025 | 4 years | 16% |

The Inland Revenue Authority of Singapore (IRAS) has updated its e-tax guide 'Stamp Duty: Additional Conveyance Duties on Property-Holding Entities (Eighth Edition)' and relevant pages on its website to reflect these changes.

Click here for details.

## Changes to financial sector incentives

The MAS has issued circulars to provide guidance to a myriad of changes to tax incentives for the financial sector. Brief details are set out below:

**Circular on 'Rationalisation of tax incentives for project and infrastructure finance' dated 30 June 2025**

The Qualifying Project Debt Securities (QPDS) scheme will lapse on 1 January 2026. Investors of QPDS issued on or before 31 December 2025 will continue to enjoy the tax benefits under the QPDS scheme for the remaining tenure of the securities, if the conditions of the QPDS scheme are satisfied. Issuers looking to finance projects with debt can consider the Qualifying Debt Securities (QDS) scheme, subject to qualifying conditions.

The tax exemption of qualifying foreign-sourced income from qualifying offshore infrastructure projects/assets received by Singapore resident entities approved on or before 31 December 2025 that are listed on the Singapore Exchange is extended until 31 December 2030 with existing conditions unchanged.

**Circular on 'Extension and enhancement of tax concessions for Singapore-listed real estate investment trusts (S-REITs) and exchange-traded funds investing in real estate investment trusts (REIT-ETFs) dated 30 June 2025**

To continue to encourage the listings of REITs, REIT-ETFs and registered business trusted (RBTs) in Singapore and to enhance the attractiveness of Singapore as a global REIT hub, the package of tax concessions for S-REITs, REIT-ETFs and RBTs have been extended to 31 December 2030.

With the extension, the tax exemption on qualifying foreign-sourced income will apply so long as it is paid out of income or gains in respect of any overseas property which is acquired, directly or indirectly, by the trustee of the S-REIT, its wholly-owned Singapore resident company, or wholly-owned Singapore sub-trust on or before 31 December 2030. Such foreign-sourced income should be derived either during the holding of the overseas property by the trustee, its wholly-owned Singapore resident company, or its wholly-owned Singapore sub-trust, or from the disposal by the trustee or the company of the interest in that property.

To support the continued growth of the REIT-ETFs sector, the tax transparency treatment for REIT-ETFs will be extended beyond 31 December 2025 with no sunset date.

Enhancements are also made to the scope of specified income that qualifies for tax transparency treatment to include co-location income and co-working space income derived by an S-REIT or its approved sub-trust with effect from 1 July 2025. This recognises that S-REITs are increasingly expanding into co-location and co-working arrangements where rented spaces come with incidental services or facilities to cater to new business models and tenants' needs.

The rules for foreign-sourced income exemption for S-REITs are also refined with effect from 19 February 2025 as follows:

a) To remove the condition for wholly-owned companies of S-REITs to be incorporated in Singapore;
b) To include foreign-sourced rental income, property-related income and ancillary income remitted to Singapore from 19 February 2025 as income qualifying for foreign-sourced income tax exemption for S-REITs;
c) Sub-trusts are now allowed to deduct other operational expenses against income before passing the remaining amount to S-REITs; and
d) The repayment of shareholder loan and return of capital will now be qualifying modes of remittance for wholly-owned Singapore sub-trusts and Singapore resident companies to pass remitted income through to the S-REITs.

# Singapore Updates

The IRAS has updated its e-tax guides 'Income Tax: Tax Exemption under Section 13(12) for Specified Scenarios, Real Estate Investment Trusts and Qualifying Offshore Infrastructure Project/Asset (Eleventh Edition)', 'Income Tax Treatment of Real Estate Investment Trust Exchange-Traded Funds (Eighth Edition)' and 'Income Tax Treatment of Real Estate Investment Trusts and Approved Sub-Trusts (Eleventh Edition)' to reflect the above changes.

**Circular on 'Financial sector incentive (FSI) – Introduction of 15% FSI-Basic tier, 5% FSI-Fund management listing and tax exemption under FSI Fund Management Singapore equities schemes' dated 3 July 2025**

In a move to ensure that tax incentives for the financial services sector remain relevant and competitive, three new schemes - the FSI-Basic Tier (FSI-BT), FSI-Trustee Companies (Basic Tier) (FSI-TC-BT) and FSI-Headquarter Services (Basic Tier) (FSI-HQ-BT) are introduced to provide financial institutions with an option to avail of a new concessionary tax rate (CTR) tier of 15%. The scope of qualifying activities for FSI-BT, FSI-TC-BT and FSI-HQ-BT will follow the scope of qualifying activities 3 for FSI-Standard Tier (FSI-ST), FSI-Trustee Companies (FSI-TC) and FSI-Headquarter Services (FSI-HQ) respectively.

In addition, the withholding tax (WHT) exemption that is currently granted on interest payments on qualifying loans made to qualifying non-residents by FSI-HQ companies during their FSI-HQ award tenure will be extended to such interest payments made by FSI-HQ-BT companies during their award tenure.

The FSI will also include two new schemes for fund managers, as recommended by the Equities Market Review Group for a total of three FSI schemes for fund managers:

a) FSI-Fund Management (Standard Tier) (FSI-FM-ST) which provides a CTR of 10% on income derived from managing or providing investment advisory services (including through another fund manager) to qualifying funds. This scheme will be renamed the FSI-FM-ST scheme.
b) FSI-Fund Management Listing (FSI-FM Listing) which is a new scheme providing an enhanced CTR of 5% for fund managers, where the fund manager (or its holding company) has a primary listing on a stock exchange in Singapore.
c) FSI-Fund Management Singapore Equities (FSI-FM SG Equities), which aims to encourage fund managers to launch and manage qualifying funds that invest substantially in Singapore-listed equities by providing a tax exemption on qualifying income derived by fund managers from managing or providing investment advisory services (including through another fund manager) to an approved fund, as defined.

Look out for our tax bulletin which will discuss the changes and explain what businesses need to consider in respect of the incentives.

# Singapore Updates

## Goods and Services Tax

On 1 July 2025, the IRAS updated its webpages 'Pawnbroking' and 'Gross Margin Scheme' to reflect the change allowing eligible businesses to start using GMS without IRAS' approval from 1 July 2025.

On 27 June 2025, the IRAS updated its webpage 'Do I Need to Register for GST' to allow businesses liable for Goods and Services Tax (GST) registration a two-month grace period to start charging GST. This takes effect from 1 July 2025.

Click here for details.

On 1 July 2025, the IRAS updated the following e-tax guides:

<table>
<tr><th>Title</th><th>Updates</th></tr>
<tr><td>GST: Customer Accounting for Prescribed Goods (9th Edition)</td><td rowspan="2">To reflect the change allowing eligible businesses to use GMS without prior IRAS' approval from 1 July 2025.</td></tr>
<tr><td>GST Treatment of Hire Purchase Agreements and Financing Instruments (5th Edition)</td></tr>
<tr><td>GST: Taxing imported low-value goods by way of the overseas vendor registration regime (4th Edition)</td><td rowspan="3">Include the new rules on prospective registrations effective from 1 July 2025 and other editorial changes.</td></tr>
<tr><td>GST: Taxing imported remote services by way of the overseas vendor registration regime (5th Edition)</td></tr>
<tr><td>GST: Reverse Charge (9th edition)</td></tr>
<tr><td>GST: Guide for Motor Vehicle Traders (9th Edition)</td><td>Amend to reflect the change allowing eligible businesses to use GMS without prior IRAS' approval from 1 July 2025, replaced previous Declaration Form with a Self-Review checklist and other editorial changes.</td></tr>
<tr><td>GST: Fringe Benefits (12th Edition)</td><td>Revised to extend the administration concession where employee contracts directly with Overseas Vendor Registration suppliers for the supply of fringe benefits, such as for professional membership fees and work-related educational courses, from 1 July 2025.</td></tr>
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# Singapore Updates

## Common Reporting Standard

The IRAS updated its webpage ‘CRS Overview and Latest Developments’ on 26 June 2025 with an expected implementation timeline for the Amended Common Reporting Standard (CRS). Singapore is expected to commence exchanges under the Amended CRS in 2028.

Click here for details.

## Crypto-Asset Reporting Framework

The IRAS updated its webpage ‘CARF Overview and Latest Developments’ on 26 June 2025 with an expected Crypto-Asset Reporting Framework (CARF) implementation timeline. Singapore is expected to commence information exchanges under the CARF in 2028.

Click here for details.

## Country-by-Country Reporting

The IRAS updated its webpage ‘Country-by-Country Reporting (CbCR)’ on 20 June 2025 to include Cameroon in the list of jurisdictions which have effective exchange relationships with Singapore. The exchange relationship is effective from the financial year 2024.

Click here for details.

## Tax treatment of gains or losses from the sale of foreign assets

The IRAS revised its e-tax guide on ‘Tax Treatment of Gains or Losses from Sale of Foreign Assets (Third Edition)’ on 6 June 2025 to remove Frequently Asked Question (FAQ) 22 which referred to the scenario where a Singapore company sells a foreign asset and receives a promissory note as consideration. The e-tax guide previously clarified that the receipt of the promissory note by the Singapore company in Singapore would cause the foreign-sourced disposal gains to be deemed remitted under section 10L(9)(c) of the ITA. This has been removed pending further review.

Click here for details.

## Payment of taxes for deceased taxpayers

On 6 June 2025, the IRAS updated its webpage on ‘My family member has passed away’ to provide guidance on the payment of taxes for deceased taxpayers.

Click here for details.

# International tax news

## United States

### House passage of ‘One Big Beautiful Bill Act’ clears way for White House action

The House on 3 July 2025 voted 218 to 214 to pass the final version of H.R. 1, the ‘One Big Beautiful Bill Act’. The bill was approved with votes of nearly all House Republicans, except for two who voted against the bill along with all House Democrats. The House approved without change the bill as it was narrowly approved by a vote of 51 to 50 on 1 July 2025 in the Senate, with the tie-breaking vote of Vice President JD Vance.

Click here for details.

## Australia

### ATO releases information on registering for public country-by-country reporting

The Australian Taxation Office (ATO) has released updated guidance on public country-by-country reporting, providing a first look at the registration requirements for this regime. As the reporting obligation sits with the parent entity of the group, many non-resident parents will need to engage with the Australian tax system for the first time.

Click here to understand the details.

### Australia’s new thin capitalisation regime: Preparing for 2025 tax return disclosures

The ATO has released the new income tax return forms and schedules for the 2025 income year, providing details of the revised disclosures required on matters relating to the new thin capitalisation regime and debt deduction creation rules.

Click here for details.

## Malaysia

### MDEC guidelines - Forest City SFZ tax incentive

Following the recently issued Guidelines for the Forest City Special Financial Zone Tax Incentive Package by the Malaysian Investment Development Authority, the Malaysia Digital Economy Corporation has issued Guidelines and FAQs on tax incentives for fintech-related activities, financial global business services and foreign payment system operators. These incentives form part of the suite of incentives designed to position Forest City, Johor, as a competitive international business hub.

Click here for details on the above incentive packages.

# Malaysia

## TaXavvy – Issue 14-2025

The June edition of the TaXavvy covers the following:

- Revised Malaysia Digital tax incentive guidelines and FAQs
- Tax exemption for Labuan foundation beneficiaries
- Chargeable dividend income
- Public Ruling No.1/2025 – Tax Treatment of Malaysian Ship

Click here for details.

## Expansion of scope of Sales Tax and Service Tax effective from 1 July 2025

The Ministry of Finance issued a press release dated 9 June 2025 informing that the effective date for the expansion of scope of Sales Tax and Service Tax (SST) as announced in the Budget 2025 speech is 1 July 2025. The expansion of scope of the SST encompasses the following:

- Sales Tax at rates of 5% or 10% applies to selected discretionary and non-essential goods; and
- Scope of the Service Tax is expanded to cover additional services such as rental or leasing, construction, financial, private healthcare, education, and beauty services.

Click here for details.

# Korea

## Korean Tax Update – June 2025

The June issue of the Samil Commentary includes the following:

- Tax-Related Measures in Economic Policy Pledges by President Lee Jae-myung and the Ruling Democratic Party
- National Tax Service (NTS) Guidance on Filing Gift Tax for Specified Related Party Transactions by June 30
- NTS Requires Reporting of Foreign Financial Accounts by 30 June 2025

Click here for details.

# Taiwan

## Tax Update - May 2025

The May issue of the Taiwan Tax Update covers the following:

- Amendments to the Statute for Industrial Innovation were promulgated on 7 May 2025, which includes additional tax credit for investments in artificial intelligence, energy conservation and carbon reduction, amongst others

Click here for details.

# Vietnam

## Resolution 198/2025/QH15 - Tax incentives and support for private sector and innovative enterprises

Resolution 198/2025/QH15, passed by the National Assembly on 17 May 2025, introduces special mechanisms and policies to foster private economic development, targeting enterprises, business households, and individuals. This resolution aligns with the Politburo's directives outlined in Resolution 68-NQ/TW, dated 4 May 2025. The Government simultaneously issued Resolution 139/NQ-CP to implement Resolution 198, which took effect immediately upon ratification. Resolution 198 supersedes conflicting laws or resolutions unless other documents offer more favourable policies.

Click here for details.

## Some important changes of a new Law on Corporate Income Tax

The National Assembly has ratified a new Law on Corporate Income Tax. The new CIT Law shall take effect from 1 October 2025 and apply for the tax year 2025 onwards. In line with earlier proposals, the final Law imposes a flat rate of tax on proceeds on foreign corporate sellers but does not specify what this rate will be – this rate will be specified in the implementing decree for the new law.

Click here and here for details on some of the notable changes.

## Navigating change: Advance pricing agreements in Vietnam

Recent developments indicate that the tax authority in Vietnam has made significant progress in refining the Advance Pricing Agreement (APA) process in Vietnam. This reflects a proactive approach by the tax authority and demonstrates a commitment to facilitating smoother processes and more efficient resolutions. This evolution presents a valuable opportunity for businesses wishing to enter into an APA to secure greater certainty in their transfer pricing strategies.

Click here for details.

# Other resources

## International tax news–Analysis of tax developments worldwide

PwC's International Tax News is designed to help multinational organisations keep up with the constant flow of tax developments.

Among the developments featured in the June 2025 edition are:

- Iceland – Iceland initiates public consultation on Pillar Two tax legislation
- Italy – CFC regime amendments and changes to tax loss carry forward rules
- Mexico – Key tax considerations for FTC and exchange rate effects in Mexico
- US – President Trump signs H.R.1, the 'One Big Beautiful Bill Act'

Click here for details.

## Asia Pacific tax insights application

PwC has developed a one-stop tool that has comprehensive coverage of tax, business insights and investment locations across the Asia Pacific region.

Click here to download the free app and be part of PwC's digital journey.

## Tax policy bulletin

Drawing on our experience of tax policy issues and insight from relationships with organisations such as the OECD, we have put together a series of Tax policy bulletins. With analysis and insight on policy changes around the world, these bulletins are designed to help you stay up-to-date with the latest developments and explain what these changes mean for you and your business.

Click here for details.

## Understanding Base Erosion and Profit Shifting (BEPS)–a two-pillar solution

Understanding BEPS–a two-pillar solution reveals the latest tax developments evolving around a two-pillar solution and the key building blocks that are foundational to building up your readiness.

Click here for details.