

# Tax News

Tax updates for the period 1 to 30 September 2025

## Singapore Updates

### **Mandatory e-Filing for companies applying for strike off**

With effect from 1 August 2026, all companies must utilise the 'Apply for Waiver/ File last Form C-S/ C (Dormant/ Striking Off)' digital service to e-File their Income Tax Returns up to their date of business cessation. This digital service will streamline the submission process and enable companies to file Income Tax Returns in advance (where applicable) and receive Notice(s) of Assessment within two months for most cases.

[Click here](#) for details.

### **Updated circulars due to 2025 Budget changes**

On 30 September 2025, the IRAS has updated the following circulars to provide guidance to changes to the following subject matters which were announced in 2025 Budget:

- [Tax Framework for Variable Capital Companies](#)
- [Certainty of Non-taxation of Companies' Gains on Disposal of Equity Investments](#)
- [Tax Deduction for Shares Used to Fulfill Obligations under an Employee Equity-Based Remuneration Scheme](#)

Please refer to the paragraph on 'Updates and Amendments' in the respective circulars for more information.

## **Circular on ‘Enterprise Innovation Scheme’**

The IRAS has updated its circular on 30 September 2025 to remove the sentence “As a general rule, an employee will not be considered full-time local employee of more than two employers during the same period” from paragraph 5.13 and to align the definition of ‘related party’ by reference to section 2 of the Income Tax Act 1947.

[Click here](#) for details.

## **Benefits relating to loans**

On 11 September 2025, the IRAS updated the interest rates for computing the value of interest benefits for January 2025 to March 2026.

[Click here](#) for details.

## **Foreign tax credit**

On 30 September 2025, the IRAS updated webpage to include a flowchart on how to claim foreign tax credit and information on the time limit for claiming foreign tax credit on gains from disposal of foreign financial instruments.

[Click here](#) for details.

## **Goods and services tax**

On 24 September 2025, the IRAS revised its e-tax guide ‘GST: For Retailers participating in Tourist Refund Scheme (Refund claims made on or after 4 Apr 2019) (Seventh Edition)’ to update addresses of the central refund agencies, IRAS GST division’s contact details and others.

[Click here](#) for details.

On 24 September 2025, the IRAS revised its e-tax guide ‘GST Guide for Visitors on Tourist Refund Scheme (Refund Claims Made on or after 4 Apr 2019) (Fifth Edition)’ to update the address of the approved operator of the cash refund counter (e.g. Global Tax Free Pte Ltd) and IRAS GST division’s contact details.

[Click here](#) for details.

# International tax news

## China

### **The State Taxation Administration released case interpretations to refine the tax credit policy for reinvestments by foreign investors**

Building on the Public Notice regarding Tax Credits for Foreign Investors' Direct Reinvestment of Distributed Profits jointly issued by the Ministry of Finance (MOF), the State Taxation Administration (STA) and the Ministry of Commerce (MOC) (MOF, STA and MOC Public Notice [2025] No.2 (PN2)), the STA on July 31 published the Public Notice Regarding Certain Matters on Tax Credit for Direct Reinvestment of Foreign Investors Using Profits Distributed from Tax Resident Enterprises (TREs) in China (Public Notice [2025] No.18 (PN18)) to provide detailed guidance for the implementation of the policy.

PN18 clarifies how to calculate the holding period of reinvestment, the credit amount, and the creditable taxable amount; how to adjust the tax credit amount, settle deferred taxes, and determine the order of investment recovery; and sorts out the procedures for foreign investors, invested enterprises, and profit-distributing enterprises when dealing with such matters.

Meanwhile, the STA has issued an official interpretation on PN18, which provides detailed calculation methods of tax credit and tax payable through multiple cases, helping foreign investors better understand and make use of the tax credit policy.

[Click here](#) for details.

# India

## **Principal Purpose Test under Multilateral Instrument non-enforceable in absence of specific notification under the Income-tax Act, 1961 amending the India-Ireland DTAA – Mumbai bench of the Tribunal**

The Mumbai bench of the Income-tax Appellate Tribunal (Tribunal), in a recent sitting, was required to determine whether the Principal Purpose Test (PPT) under Articles 6 and 7 of the Multilateral Instrument (MLI) could be applied to deny benefits under the India–Ireland Double Taxation Avoidance Agreement (DTAA) to an Irish aircraft leasing company. The Tribunal concluded that in the absence of a specific notification under section 90(1) of the Income-tax Act, 1961 (the Act), Articles 6 and 7 of the MLI could not be invoked. Moreover, the Tribunal observed that the taxpayer's incorporation in Ireland was commercially driven and supported by industry realities. Accordingly, DTAA benefits were allowed to the taxpayer.

The Tribunal also re-affirmed that a dry lease of aircraft in India is not a finance lease, and does not create a permanent establishment (PE) in India, and lease rentals should not be taxable in India as royalty or interest. The Tribunal also concluded that lease rentals for aircraft used partly for international route are eligible for tax exemption under Article 8(1) of the DTAA.

[Click here](#) for details.

# Israel

## **Israeli District Court rules on Gotex beneficial ownership case**

The District Court in Israel on July 29, 2025, issued a judgment in the case of Gotex Swimwear Brands Ltd (the Company). The key issue was whether a Dutch company was the beneficial owner of a dividend paid by the Company, for purposes of the Israel-Netherlands tax treaty. The Israeli Tax Authority (ITA) argued that the Dutch company was not the beneficial owner of a dividend paid by the Company and therefore the rate of withholding tax on the dividend should be the domestic rate of 30%. The Court ruled that the Dutch company was the beneficial owner of the dividend such that the 5% withholding tax rate under the Israel-Netherlands tax treaty should apply on the basis that, among other things, the Dutch company did not have an obligation to transfer the funds it received to another party.

[Click here](#) for details.

# Macau

## **Macau SAR announces further transfer pricing implementation regulation**

To facilitate the implementation of the transfer pricing (TP) rules to be effective in 2026, the Finance Services Bureau of the Macau Special Administrative Region (SAR) published the TP implementation Regulation on 25 August 2025 in the form of an administrative regulation.

[Click here](#) for details.

# South Korea

## **Korea Tax Update – September 2025**

The September issue of the Samil Commentary includes the following:

- Ministry of the Interior and Safety (MOIS) announces the Government's 2025 local tax reform proposals
- Government finalises 2025 tax reform bill
- Government proposes amendments to presidential decrees of tax laws to boost AI and other future strategic industries
- Updated SME sales threshold becomes effective September 2025

[Click here](#) for details.

# United States

## **Colorado expands tax haven list, requires FDDEI addition**

Legislation enacted in a Colorado special session includes Hong Kong, the Republic of Ireland, Liechtenstein, the Netherlands, and Singapore as listed jurisdictions (e.g. tax havens) for purposes of combined filing group inclusion, effective for income tax years commencing on or after January 1, 2026. The legislation also requires an addition to federal taxable income in an amount equal to the federal deduction claimed for foreign-derived deduction eligible income (FDDEI), effective for the same tax year.

[Click here](#) for details.

# Vietnam

## **The Government issues Decree on implementation of Global Minimum Tax rules under OECD Pillar Two Framework**

On 29 August 2025, the Vietnamese Government issued Decree 236/2025/NĐ-CP, setting out the top-up tax regulations pursuant to Resolution 107/2023/QH15. This long-anticipated decree establishes the legal framework for applying the Global Anti-Base Erosion (GloBE) rules under the OECD Pillar Two framework in Vietnam, including the Qualified Domestic Minimum Top-up Tax (QDMTT) and the Income Inclusion Rule (IIR).

[Click here](#) for details.

## **An update to capital gains tax and interest withholding tax rules**

The Ministry of Finance has just released the 2nd draft of the decree to provide guidance on the implementation of the CIT Law, and also a draft circular on certain articles in the decree. Compared with the 1st draft released in July, this latest draft sets out various new amended provisions, including on the taxation of foreign corporates having income from (i) capital transfers and (ii) loan interest.

[Click here](#) for details.

# Other resources

## International Tax News – September 2025

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

- Canada draft legislation would amend Pillar Two and integrate it with Canada's foreign affiliate regime
- Iceland's 2026 Budget includes Pillar Two implementation plan
- Updates on Uruguayan QMDTT
- Cambodia implementing capital gains tax

[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.

# Let's talk

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