

Asia-Pacific Region



13A MacKenzie Road
Singapore 228676
Tel: 65-6-227-4180 Fax: 65-6-324-0213
E-mail: asiapacific@jhi.com Web: www.jhi.com



The Special Interest Group (Taxes) for the JHI Asia-Pacific Region is happy to release this Tax Guide for Singapore. This guide provides key information only and the JHI member firms in Singapore can provide further expert advice on specific tax issues.

Every effort has been made to ensure that the facts contained in this publication are correct at the time of publication; however no responsibility for loss resulting from the material herein can be accepted. Readers are advised to obtain professional advice prior to making any decisions.

Similar Tax Guides are available for the following countries in the Asia Pacific and similar Guides will be published for other countries in future.

1. China
2. Hong Kong
3. India
4. Japan
5. Mauritius
6. New Zealand
7. United Arab Emirates

COUNTRY - SINGAPORE

A. TAXES PAYABLE

1. FEDERAL TAXES AND LEVIES

a. Company Tax

- First \$10,000	4.5%
- Next \$290,000	9%
- > \$300,000	18%

Tax exemption scheme for new start-up companies

The tax exemption is for a period of 3 years.
The rates are as follows:

\$0 - \$100,000	0%
\$100,001 - \$300,000	9%
> \$300,000	18%

To qualify for the tax exemption for new start-ups companies, your company must:

- ◆ be incorporated in Singapore (and not incorporated as a company limited by guarantee);
- ◆ be a tax resident in Singapore for that YA;
- ◆ has total share capital which is beneficially held, directly or indirectly, by no more than 20 persons where at least one is an individual shareholder holding at least 10% of total number issued ordinary shares throughout the basis period for the YA.

b. Branch Profits Tax – Same as Corporate Tax

c. Capital Gains Tax – Nil

d. Goods & Services Tax (GST) – GST is chargeable at 7%

GST Tax Rates

◆ Supply of goods and services in Singapore	7%
◆ Export of goods and international service from Singapore	0%
◆ Certain financial service	Exempt

e. Dividend Distribution Tax – Nil

f. Fringe Benefits Tax (FBT) – Nil

g. Wealth Tax – Nil

h. Gift Tax – Nil

i. Estate Duty – Nil

j. Personal Tax

Personal Tax

Resident Individual Income Tax Rates

Chargeable Income \$		2008	
		Rate %	Tax \$
20,000	0.00	-	
On the first	10,000	3.50	350
On the next			
30,000		350	
On the first	10,000	5.50	550
On the next			
40,000		900	
On the first	40,000	8.50	3,400
On the next			
80,000		4,300	
On the first	80,000	14.00	11,200
On the next			
160,000		15,500	
On the first	160,000	17.00	27,200
On the next			
320,000		42,700	
On the first			
320,000	20.00		
On income above			

There is an income tax rebate of 20% for all resident taxpayers. The rebate is capped at \$2,000.

Resident Taxpayer's Personal Reliefs

Tax reliefs and rebates are given as recognition for individuals' efforts. Instead of compensating taxpayers for certain type of expenses fully, reliefs and rebates are given to promote certain social objectives. Hence there are reliefs available to encourage family formation, filial piety and upgrading of skills and reliefs given in support of individuals saving for retirement in Central Provident Fund and serving National Service.

k. Minimum Alternate Tax (MAT) - Nil

2. LOCAL (STATE / TERRITORY) TAXES

a. Stamp Duty

Stamp duty is payment for sale of property and transfer of shares. Stamp duty will be computed based on value of the property at the time of transfer. The stamp duty rate is as follows:

Value of property at the time of transfer	
Every \$100 or part thereof of the first \$180,000	\$1
Every \$100 or part thereof of the next \$180,000	\$2
Every \$100 or part thereof of the remainder	\$3

b. Payroll Tax - Nil

c. Land & Property Tax – Calculated based on percentage of the Annual Value of property.

d. Current Rate – 10% per yr

e. Concessionary Rate – 4% per year upon application

f. Octroi Duty - Nil

3. OTHER TAXES

a. Customs & Central Excise

B. TAX HOLIDAYS & INCENTIVES

- 1. EXPORTS**
- 2. ECONOMIC ZONES**
- 3. SPECIAL INCENTIVES**
- 4. OTHERS**

C. FOREIGN TAX RELIEF

◆ TAX CREDIT UNDER TAX TREATIES

Singapore provides for the tax credit in respect of foreign tax paid against Singapore tax payable on the same income, but the credit is restricted to the lower of the foreign tax and Singapore tax payable on the same income.

◆ UNILATERAL TAX CREDIT WHERE THERE IS NO TAX TREATY

D. RELATED PARTY TRANSACTIONS

E. DOUBLE TAXATION TREATIES

Singapore has double taxation treaties with numerous countries which are comprehensive (Eg: Australia, Canada, Japan etc), limited treaties (UAE, USA, Hong Kong etc) or unratified treaties (Russian Federation, Belgium, Morocco etc)

F. ADVANCE RULINGS

G. SPECIAL PROVISIONS

Special provisions are available for R & D activities including deductions (weighted and actual), R&D tax allowance at prescribed rates (assessment years 2009 to 2013) and R&D incentive for start up enterprises (RISE).