

Tax Policy Making in Singapore – and How does it Compare to Hong Kong?



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The tax policy making process in Singapore

- Private consultation
- Public consultation
- Lobbying



How Singapore is Responding to BEPS

- Harmful tax competition
- Transparency
- IP Development Incentive
- Treaty abuse
- Transfer pricing
- Double non taxation
- MAP

Transparency (exchange of information and CRS) initiatives

- IRAS will exchange CRS information only with jurisdictions that have a CAA for CRS with Singapore
- 17 countries so far

Continent	Jurisdiction	Date of Signing CAA
Africa	South Africa	24 October 16
Asia	Republic of Korea*	14 October 16
	Japan	13 October 16
North America	Canada*	16 November 16
Oceania	Australia*	6 September 16
	New Zealand*	22 December 16

*CAA not in force yet

Transparency (exchange of information and CRS) initiatives

Continent	Jurisdiction	Date of Signing CAA
Europe	Estonia*	14 February 17
	Finland	22 November 16
	Iceland	13 December 16
	Ireland	20 December 16
	Italy*	3 November 16
	Latvia*	20 December 16
	Lithuania*	24 February 2017
	Malta	15 December 16
	Netherlands	5 December 16
	Norway	25 October 16
	United Kingdom	16 September 16

*CAA not in force yet

Interesting topics arising from the recent Singapore budget

- Broad based to targeted measures
- Tax rebates

Particulars	YA 2017 (Existing) S\$	YA 2017 (Revised) S\$	YA 2018 S\$
Total chargeable income of company	500,000	500,000	500,000
Tax payable (considering partial tax exemption)	59,075	59,075	59,075
Tax rebate	20,000	25,000	10,000
Net tax payable	39,075	34,075	49,075
Effective rate	7.8%	6.8%	9.8%

Interesting topics arising from the recent Singapore budget (Cont'd)

- Implement some recommendations for the CFE
 - Digitalisation
 - Scale up globally
 - Innovation
- Environment taxes
- Training
- Absence of relaxing property cooling measures



Tax disputes / cases

- Background
- 2016 drought
- 2017 pipeline
- Culture change with both tax authority and taxpayer
- Enforcement



Other matters

- Further company law changes coming
- Beneficial ownership registers
- Immigration / aging

Tax changes are looming in Singapore

- Recent proposal in the Committee on Future Economy (CFE) Report to conduct a review of Singapore's tax system.
- Budget referred to the need to raise revenues, but retain business friendly policies.
- BEPS
- GST
 - Lower threshold
 - Lift reverse charge
 - Digital transactions

Tax changes are looming in Singapore (Cont'd)

- Wealth tax
- Estate duty
- Personal tax
- Territorial system
- Stamp duty – transaction tax
- Tax incentives – Singapore’s fundamental strategy all these years





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