

# Tax facts

June 2021



## Corporate income tax

<b>Rate</b>	17%
Corporate income tax rebate	YA2019 - 20% of tax payable, capped at \$10,000
	YA2020 - 25% of tax payable, capped at \$15,000
	YA2021 - NIL

### Partial tax exemption from Year of Assessment (YA) 2020

First \$10,000 of chargeable income is 75% exempt	\$7,500
Next \$190,000 of chargeable income is 50% exempt	\$95,000
<b>Total</b>	<b>\$102,500</b>

### Full tax exemption for new start-up companies (where any of the first 3 YAs falls in or after YA2020)

First \$100,000 of chargeable income is 75% exempt	\$75,000
Next \$100,000 of chargeable income is 50% exempt	\$50,000
<b>Total</b>	<b>\$125,000</b>

**Filing deadline of Estimated Chargeable income (ECI)** Within 3 months after the financial year end

**Filing deadline of tax return, tax computation and unaudited / audited accounts** 30 November

**Payment due date** Tax assessed has to be paid within 30 days from the date of the Notice of Assessment unless the Company has been allowed to pay by instalment. The instalment payment plan is generally allowed only for the payment of tax assessed on an ECI.

## Withholding tax

Withholding tax is to be accounted to the Comptroller of Income Tax by the 15th of the second month following the date of payment to the non-resident.

The rates may be reduced under tax incentives or Tax Treaties.

Nature of income	Withholding tax rates
Interest	15%*
Dividends	NIL
Royalties	10%*
Technical fees for services performed in Singapore	17%
Management fee for services performed in Singapore	17%
Rental or other payments for moveable property	15%*
Remuneration paid to non-resident director	22% (20% prior to 2016)
Professional fee (of non-resident individual or foreign (firm))	15% on gross/ 22% on net (20% prior to 2016)
Public Entertainer	15%/10%**
Charter fees (ships)	0%
Charter fees (aircraft)	0-2%

\* These rates are final taxes for operations carried out outside Singapore. For operations carried on in Singapore, 17% will apply to non-resident non-individuals and 22% will apply to non-resident individuals.

\*\* 10% applies for payment made during period from 22 February 2010 to 31 March 2022

## Stamp Duty

<b>Buyer's Stamp Duty for all Singapore real estate</b>	<b>% Rate</b>
First \$180,000	1%
Next \$180,000	2%
Next \$640,000	3%
Amount exceeding \$1,000,000	4%

### Additional buyer's Stamp Duty for residential property from 6 July 2018

- Foreigners buying any residential property 20%  
25% (may be reduced) (additional 5% for Housing developers)
- Entities buying any residential property 5%
- Singapore permanent residents buying a first residential property 15%
- Singapore permanent residents buying a second and subsequent residential property 12%
- Singapore citizens buying a third and subsequent residential property 15%

### Seller's Stamp Duty for residential properties for purchases made on or after 11 March 2017

- Property disposed of within one year of purchase 12%
- Property disposed of within more than one year and up to two years of purchase 8%
- Property disposed of within more than two years and up to three years of purchase 4%

### Seller's Stamp Duty for industrial properties for purchase made on or after 12 January 2013

- Property disposed of within one year of purchase 15%
- Property disposed of within more than one year and up to two years of purchase 10%
- Property disposed of within more than two years and up to three years of purchase 5%

### Stamp Duty on transfer of shares (other than residential property-holding entities)

Higher of purchase price or market value of the shares 0.2%

**Deadline for Stamp Duty:** to be stamped and paid within 14 days from date of execution if signed in Singapore or 30 days from receipt of document in Singapore if signed overseas

## Transfer Pricing

All related party transactions should be conducted at arm's length, i.e. as if they were unrelated third parties.

Contemporaneous transfer pricing documentation ("TPD") is required by taxpayers if they meet any one of the conditions below:

- Gross revenue for the financial year is greater than S\$10 million; or
- TPD was required to be prepared for the previous basis period.

There are certain de minimis thresholds for specific transactions for preparing transfer pricing documentation as follows:

Category of related party transactions	Threshold (\$\$) per financial year
Purchase of goods from all related parties	15 million
Sale of goods to all related parties	15 million
Loans owed to/by all related parties	15 million
All other categories of related party transactions (Examples include service income/ payment, royalty income/ payment, and rental income/ payment)	1 million (per category of transactions)

## Goods and services tax

<b>Standard rate (to increase to 9% sometime between 2022 and 2025)</b>	7%
<b>Export of goods and international services</b>	0%
<ul style="list-style-type: none"> <li>Sale and lease of residential properties, and some financial services are exempted from tax</li> </ul>	
<b>Registration threshold</b>	\$1 million
<ul style="list-style-type: none"> <li><b>Filing and payment deadline:</b> 1 month after end of GST accounting period. Generally quarterly but can be monthly. Where a company is on a GIRO plan (a direct debit plan) for GST payment, GIRO deductions are on the 15th day of the month after payment due date.</li> <li>Businesses not entitled to full GST recovery must account for GST on imported services</li> <li>Overseas suppliers and e-marketplace operators, making significant supplies of “digital services” to local customers are liable to register for GST in Singapore</li> <li>From 1 January 2023 overseas suppliers and e-marketplace operators, making significant supplies of “remote services” to local customers, will need to register for GST in Singapore</li> </ul>	

## Central Provident Fund (CPF)

Maximum mandatory contributions for individuals below the age of 55 and earning more than \$750 per month with effect from 1 January 2016.

### Rates of CPF contributions

- Employee 20%
- Employer 17%

Max monthly ordinary wages (OW) attracting CPF	\$6,000
Maximum annual OW attracting CPF	\$72,000
Maximum annual additional wages attracting CPF	\$102,000 (less OW subject to CPF)

## Personal income tax rate from YA2017

	Chargeable income \$	Tax rate %	Tax \$
<b>On the first</b>	20,000	0	0
<b>On the next</b>	10,000	2	200
<b>On the next</b>	10,000	3.5	350
<b>On the next</b>	40,000	7	2,800
<b>On the next</b>	40,000	11.5	4,600
<b>On the next</b>	40,000	15	6,000
<b>On the next</b>	40,000	18	7,200
<b>On the next</b>	40,000	19	7,600
<b>On the next</b>	40,000	19.5	7,800
<b>On the next</b>	40,000	20	8,000
<b>Above</b>	320,000	22	

## Personal income tax relief from YA2017

Earned income	Standard (max)	Handicapped (max)
Below 55 years old	\$1,000	\$4,000
55 to 59	\$6,000	\$10,000
60 and above	\$8,000	\$12,000
Spouse relief	\$2,000	\$5,500
Qualifying child relief (per child)	\$4,000	\$7,500

Working mother's child relief (WMCR)	% of mother's earned income
First child	15%
Second child	20%
Third child and beyond	25%
Maximum cumulative WMCR	100%
Maximum relief per child inclusive of child/handicapped child relief	\$50,000

Parent relief	Standard (max)	Handicapped (max)
Not living in the same household	\$5,500	\$10,000
Living in the same household	\$9,000	\$14,000
Grandparent caregiver relief		\$3,000
Dependent handicapped sibling relief		\$5,500
Life assurance relief		\$5,000 (max)

Voluntary CPF contribution of self-employed	Capped at \$37,740 or 37% of assessable trade income whichever is lower
CPF cash top up (self, spouse, sibling, parent, grandparent)	\$7,000 (max)
Course fees	\$5,500 (max)
CPF relief	\$20,400 (max)

NSman	Non-key appointment holder	Key appointment holder
Active NSman	\$3,000	\$5,000
Non-active NSman	\$1,500	\$3,500
Wife/widow/parent of NSman	\$750	\$750
Foreign maid levy relief		\$10,800 (max)

Supplementary retirement scheme	
Foreigners	\$35,700 (max)
Singaporeans and Singapore permanent residents	\$15,300 (max)

### With effect from YA 2018, the total personal income tax relief claim is capped at \$80,000

Filing deadline	15 April (paper file) / 18 April (e-file) / 30 June (bulk extension by tax preparer).
Payment due date	Tax assessed has to be paid within 30 days from the date of the Notice of Assessment unless the taxpayer is allowed to pay by instalment through GIRO (a direct debit plan)

This document is updated as at 15 June 2021.

If you have queries, email us at [enquiries@sg.gt.com](mailto:enquiries@sg.gt.com) or reach out to your Grant Thornton contact.



© 2021 Grant Thornton Singapore Pre Ltd. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Singapore Pte Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. This publication has been prepared only as a guide. No responsibility can be accepted by us for loss occasioned to any person acting or refraining from acting as a result of any material in this publication. grantthornton.sg