

TABLE OF CONTENTS

	Page
CHAPTER 1: INTRODUCTION TO SINGAPORE	
INCOME TAX.....	1
CHAPTER 2: TAX ADMINISTRATION	61
CHAPTER 3: INCOME	105
CHAPTER 4: DEDUCTIONS	193
CHAPTER 5: CAPITAL ALLOWANCES	297
CHAPTER 6: TAXATION OF BUSINESSES	355
CHAPTER 7: TAXATION OF RESIDENT INDIVIDUALS (PERSONAL RELIEFS)	411
CHAPTER 8: TAXATION OF NON-RESIDENTS.....	471
CHAPTER 9: TAXATION OF FOREIGN SOURCED INCOME.....	515
CHAPTER 10: GOODS AND SERVICES TAX	575

EXPANDED TABLE OF CONTENTS

	Page
CHAPTER 1: INTRODUCTION TO SINGAPORE INCOME TAX.....	1
¶1.01 Objective and scope	3
¶1.02 What is a tax?	3
¶1.03 Singapore legislative framework of income taxation	4
¶1.04 Interpretation of statutes.....	8
¶1.05 Income tax administration – seven learning points	15
¶1.06 Basic tax concepts – 101	19
CHAPTER 2: TAX ADMINISTRATION	61
¶2.01 Overview of tax administration and why it is important	63
¶2.02 Stage 1 – Filing	67
¶2.03 Stage 2 – Assessment of income	78
¶2.04 Stage 3 – Collection of taxes, recovery or repayment of income tax	83
¶2.05 Stage 4 – Objections and appeals process.....	85
¶2.06 Voluntary Disclosure Program (VDP)	89
¶2.07 Advance Ruling System (“ARS”)	91
¶2.08 IRAS e-Tax Guides/Circulars pertaining to income tax administration.....	95
CHAPTER 3: INCOME	105
¶3.01 Part 1 – Understanding the charging Section of the Act	107
¶3.02 Part 2 - Income chargeable to tax	125
¶3.03 Part 3 – Exempt income.....	171
CHAPTER 4: DEDUCTIONS	193
¶4.01 Where you are now.....	196
¶4.02 Overview of the deductibility of an expense	198
¶4.03 A study of Section 15 – prohibited deductions	208
¶4.04 The general deduction formula in Section 14(1).....	216
¶4.05 A study of Section 14 - allowable deductions	229
¶4.06 Donations	285
¶4.07 Unutilised donations	288

CHAPTER 5: CAPITAL ALLOWANCES.....	297
¶5.01 Introduction – overview of discussion on capital allowances	299
¶5.02 Background and rationale.....	300
¶5.03 Case law principles governing how an item is classified as “plant”	302
¶5.04 Singapore context – determination of “plant”	310
¶5.05 Types of capital allowance claims.....	321
¶5.06 Dealing with disposals or write-offs of assets	340
¶5.07 Other scenarios concerning use of assets - plant and machinery used outside Singapore	346
¶5.08 Productivity and Innovation Credit (PIC) scheme.....	348
CHAPTER 6: TAXATION OF BUSINESSES	355
¶6.01 Introduction	357
¶6.02 Utilisation of unabsorbed capital allowances (carry forward)	367
¶6.03 Utilisation of unabsorbed losses (carry forward).....	371
¶6.04 Utilisation of unabsorbed donations (carry forward).....	372
¶6.05 Carry back relief system – introduction.....	380
¶6.06 Carry back relief system – utilisation of unabsorbed capital allowances	382
¶6.07 Carry back relief system - utilisation of unabsorbed losses	383
¶6.08 Carry back relief system – order of set-off	383
¶6.09 Summary of carry forward relief and carry back relief.....	384
¶6.10 The shareholdings test.....	386
¶6.11 Group relief.....	392
¶6.12 One-tier corporate tax system	400
¶6.13 Tax computation of a company	401
CHAPTER 7: TAXATION OF RESIDENT INDIVIDUALS (PERSONAL RELIEFS)	411
¶7.01 Introduction	413
¶7.02 Tax computation of a resident individual	441
¶7.03 Personal reliefs available to a resident individual – Section 39 of the Income Tax Act (“the Act”)	443

¶7.04 Tax rebates.....	459
¶7.05 Sample case	462
CHAPTER 8: TAXATION OF NON-RESIDENTS.....	471
¶8.01 Singapore income tax implications – residents vs. non-residents.....	473
¶8.02 Section 12 – Deemed source provisions.....	474
¶8.03 Common deemed source income scenarios in Singapore - Section 12(6) payments – interest, etc.....	476
¶8.04 Common deemed source income scenarios in Singapore - Section 12(7) payments – royalties, etc.....	481
¶8.05 Other deemed source income scenarios - Section 12(1) - non-residents deriving trade/business income in Singapore	486
¶8.06 The withholding tax system in Singapore.....	491
¶8.07 Common forms of relief for non-resident individuals deriving income in Singapore	508
CHAPTER 9: TAXATION OF FOREIGN SOURCED INCOME.....	515
¶9.01 What is foreign sourced income?.....	517
¶9.02 What happens when foreign sourced income is received in Singapore?	517
¶9.03 The concept of double taxation	518
¶9.04 General forms of double taxation relief	519
¶9.05 What are the forms of double taxation relief in Singapore?	527
¶9.06 Tax treaties – application and interpretation	554
¶9.07 Singapore’s tax treaties – specific features.....	561
CHAPTER 10: GOODS AND SERVICES TAX	575
¶10.01 Goods and Services Tax (GST) in Singapore – how it came to be.....	577
¶10.02 The Goods and Services Tax Act (GSTA).....	577
¶10.03 How GST works – mechanics of GST.....	579
¶10.04 How is GST imposed - GSTA charging section	580
¶10.05 Key concepts of GST	591
¶10.06 GST case examples	597
¶10.07 Understanding disbursements and reimbursements	602

¶10.08 GST relief rules	616
¶10.09 Computing GST liability	620
¶10.10 Recoverability of input tax claims	621
¶10.11 GST registration and deregistration – conditions and process.....	626
¶10.12 GST administration cycle – assessment, objections, appeals and collection	630
¶10.13 GST offences and penalties.....	632
¶10.14 Assisted Self-Help Kit ("ASK")	633
¶10.15 Advance Ruling System ("ARS")	635
¶10.16 Appendix I – Summary of the types of supply and the GST output tax and input tax implications for a GST registered trader	640

CHAPTER 1

INTRODUCTION TO SINGAPORE INCOME TAX

¶1.01 Objective and scope.....	3
¶1.02 What is a tax?.....	3
• Brief look at the beginnings of taxation	3
• General observations on taxation.....	4
¶1.03 Singapore legislative framework of income taxation	4
• Income tax law in Singapore	5
• Singapore Income Tax Act (Cap. 134, 2014 Ed.)	5
• Subsidiary legislation.....	5
• Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86, 2005 Rev. Ed.).....	6
• IRAS e-Tax Guides.....	7
¶1.04 Interpretation of statutes	8
• Purposive approach in statute interpretation	8
• Ratio decidendi.....	10
• Obiter dicta.....	10
• Frequently applied common law rules for statutory interpretation	10
• Extrinsic aids v intrinsic aids	11
• Structure of the Income Tax Act	14
¶1.05 Income tax administration – seven learning points.....	15
¶1.06 Basic tax concepts – 101	19
• What is the nature of the Singapore tax jurisdiction ie the scope of taxation?	20
• Who is assessable to tax?	25
• How many forms of business entity are there?	26
• What is the basis period of assessment?	27
• Who is regarded as a tax resident? How is tax residency determined?.....	30