

## SUMMARY TABLE ON PROPOSED NON-BUDGET CHANGES TO THE INCOME TAX ACT (“ITA”)

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) (No. 3) Bill 2016]
<b>1</b>	Implement Country-by-country reporting	To implement country-by-country reporting for companies' financial years commencing on or after 1 January 2017.	Sections 105I, 105J, 105K, 105L and 105P [Clauses 52, 53, 54, 55 and 57]
<b>2</b>	Grant double tax deduction of costs attributable to issuance of retail bonds	<p>To grant a tax deduction to retail bond issuers of up to 200% for issuance costs attributable to retail bonds issued under the Seasoning Framework and Exempt Bond Issuers Framework. The concession is intended to promote retail bond issuances which will increase the range of investment options for individuals.</p> <p>The tax concession will take effect from 19 May 2016 and will be available for 5 years.</p>	Sections 14ZA and 15 [Clauses 16 and 18]
<b>3</b>	Introduce a definition for income support payment (“ISP”) derived by REITs	<p>To legislate that ISPs derived by REITs will qualify for tax transparency treatment, if the following conditions are met:</p> <ul style="list-style-type: none"> <li>a) The ISP is a payment that is meant to compensate the shortfall in the market rental income, including future rental potential, for a fixed period of time;</li> <li>b) The ISP is granted for a fixed period of time based on a written agreement; and</li> <li>c) There is a nexus between the payer of the ISP, the REIT and the property.</li> </ul>	Section 43 [Clause 29]

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<b>4</b>	Remove the requirement to withhold tax for REIT distributions made to international organisations (“IOs”) that are exempt from tax	To remove the obligation for withholding tax when the trustee of a REIT makes distributions to an IO that is exempt from tax to ease compliance burden.	Section 45G [Clause 42]
<b>5</b>	Clarify the arrangement for third parties engaged to inspect financial institutions	To clarify that the involvement of the Monetary Authority of Singapore (“MAS”) is required when public accountants are engaged to inspect Financial Institutions for the purposes of complying with the Singapore-United States Foreign Account Tax Compliance Act Inter-governmental Agreement and the Common Reporting Standard, an internationally agreed standard for automatic exchange of financial account information.	Section 105N [Clause 56]
<b>6</b>	Delink the limit on tax relief for a cash top-up to a CPF Retirement Account (“RA”) from the maximum amount by which the account may be topped up to, under CPF rules	<p>Prior to 1 January 2016, tax relief was provided for cash top-ups to the RA, subject to among other conditions, the maximum amount by which the account may be topped up to under CPF rules. The maximum amount was subject to the prevailing Full Retirement Sum (FRS).</p> <p>From 1 January 2016, the maximum amount by which a RA may be topped up to, under CPF rules is increased. It is now subject to the prevailing Enhanced Retirement Sum, which is 1.5 times the FRS.</p>	Section 39 [Clause 24]

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		To keep tax benefits focused on supporting basic retirement needs, the limit on tax relief for such top-ups will still be subject to the prevailing FRS.	
7	Clarify and enhance the information gathering powers under the ITA (with related amendments to the Goods and Services Tax Act ("GSTA") and the Stamp Duties Act ("SDA"))	<p>To provide clarity and to enhance the Comptroller's information gathering powers under the ITA, with related amendments to the GSTA and the SDA.</p> <p>The amendments allow the Comptroller of Income Tax and his authorised officers to:</p> <ul style="list-style-type: none"> <li>a) Require persons to attend personally before the Comptroller or an officer authorised by the Comptroller to provide information at a time and place specified by the Comptroller.</li> <li>b) When the Comptroller or officer authorised by the Comptroller is conducting an investigation, require any person to be examined orally and provide information, if the person appears to be acquainted with the facts and circumstances concerning the person's or another person's income, assets or liabilities.</li> <li>c) Enhance the penalties for failure to comply with the Comptroller's request for information.</li> </ul> <p>Related amendments are made to the GSTA and the SDA.</p>	<p>Sections 65, 65B, 65C and 65D [Clauses 44, 45, 46 and 47]</p> <p>Related amendment to the GSTA and the SDA [Clauses 61 and 62]</p>

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<b>8</b>	Enable the Minister to make rules to waive the requirement to file an estimated chargeable income	To enable the Minister to make rules to exempt a person or class of persons from the requirement to file an estimated chargeable income, subject to conditions. This allows a waiver to file an estimated chargeable income (currently granted by way of administrative concession) to be granted to certain persons, subject to conditions.	Sections 63 and 71 [Clauses 43 and 49]
<b>9</b>	Extend the period by which an objection to a tax assessment must be made by a company to 60 days	To extend the period by which a notice of objection to a tax assessment must be made by a company, from 30 days as currently specified in Section 76(3), to 60 days from the date of service of the notice of assessment (currently granted by way of administrative concession).  In addition, Section 76 is amended to enable the Minister to make rules to substitute the period in subsection (3) by which a notice of objection to an assessment must be made, for all persons or cases, a person or case or a class of persons or cases.	Section 76 [Clause 50]
<b>10</b>	Enable the Comptroller to waive the requirement or extend the due date for an employer to seek tax clearance for a non-Singapore citizen employee	To enable the Comptroller to, in any particular case or class of cases, waive the requirement or extend the due date for an employer to give a notice to the Comptroller that he is ceasing to employ an individual who is not a Singapore citizen or that his employee who is not a Singapore citizen, is leaving Singapore (currently granted by way of administrative concession).	Section 68 [Clause 48]

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	who is ceasing employment or leaving Singapore		
11	Enable the Comptroller to waive the requirement for partners to seek tax clearance for a ceasing or departing partner	To enable the Comptroller to, in any particular case or class of cases, waive the requirement for partners to give a notice to the Comptroller that another partner is ceasing to be one or is leaving Singapore (currently granted by way of administrative concession).	Section 68 [Clause 48]
12	Extend the Comptroller's authority to allow extension of time to give notification of and to make payment of the deducted tax and enable the Minister to make rules to prescribe a different withholding tax rate from that set out in Section 45 in respect of any person or class of persons	<p>Comptroller's authority is extended to allow any person or class of persons (besides banks and financial institutions) to give notification of and to make payment to the Comptroller of the deducted tax within a different period from that specified in the section, subject to conditions.</p> <p>In addition, amendment is made to enable the Minister to make rules to prescribe a different withholding tax rate from that set out in Section 45 in respect of any person or class of persons. This allows a lower withholding tax rate or a waiver of withholding tax (currently granted by way of administrative concession) to be prescribed in respect of certain payments to non-resident persons.</p>	Section 45 [Clause 39]
13	Amend conditions for section 13(12) exemption on foreign-sourced income	To clarify that qualifying foreign-sourced income arising from a foreign property remitted by a REIT or its subsidiary in Singapore after the property has been sold will qualify for tax exemption under	Section 13 [Clause 5]

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	received by REITS	section 13(12), so long as the property was beneficially owned until the date of disposal of that property	
<b>14</b>	Amend the definitions of “general contribution” and “medical expenses” in section 14(8)	Consequential amendments are made to include in these definitions, with effect from 28 November 2013, a contribution by an employer to an employee’s Medisave Account under Section 14(1)(fb). These arose from the amendments to subsection (1)(f) and the insertion of subsection (1)(fb) in the Income Tax (Amendment) Act 2013. These terms are used for the purpose of Section 14(5), (6), (6A) and (6B) to determine how much of an employer’s medical expenses may be allowed as a deduction.	Section 14 [Clause 12]
<b>15</b>	Amend the definition of “tax relief period” for income derived from managing approved venture company	Consequential amendments to make reference to the Economic Expansion Incentives (Relief from Income Tax) Act in force before the Economic Expansion Incentives (Amendment) Act 2016 arising from the repeal of Section 18 of the Economic Expansion Incentives (Relief from Income Tax) Act by the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2016 (Act 11 of 2016).	Section 43ZG [Clause 38]
<b>16</b>	Amend the provision relating to income of venture company under Section 13H	To only provide for tax exemption of income of venture company, in alignment with existing practice.	Section 13H [Clause 8]  Miscellaneous amendments to

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			Sections 14D, 36, 37B and 37E [Clause 59]  Consequential amendment to Economic Expansion Incentives (Relief from Income Tax) Act Section 66 [Clause 60]
<b>17</b>	Amend the provision relating to headquarters company under Section 43E	To align with existing treatment, Section 43E will be amended to remove the provision allowing for other concessionary tax rates to be prescribed by Regulations.	Section 43E [Clause 31]
<b>18</b>	Amend the provision relating to offshore leasing of plant and machinery under Section 43I	To align with existing treatment, Section 43I will be amended to remove the provision allowing for other concessionary tax rates to be prescribed by Regulations.	Section 43I [Clause 33]
<b>19</b>	Amend the provision relating to income of trustee company under Section 43J	To align with existing treatment, Section 43J will be amended to remove the provision allowing for other concessionary tax rates to be prescribed by Regulations.	Section 43J [Clause 34]
<b>20</b>	Amend the provision	To align with existing treatment, Section 43N will be amended to	Section 43N

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	relating to income derived from debt securities under Section 43N	remove the provision allowing for other concessionary tax rates to be prescribed by Regulations.	[Clause 35]
<b>21</b>	Repeal the provision relating to tax exemption of income of the Singapore Commodity Exchange Limited under Section 13(1)(p)	The provision is obsolete as the scheme has expired on 31 December 2007.	Section 13 [Clause 58]
<b>22</b>	Repeal the provision relating to tax exemption of interests from POSB savings account under Section 13(1)(u) and (ua)	The provision is obsolete as the scheme has expired on 31 December 2004.	Section 13 [Clause 58]
<b>23</b>	Repeal the provision relating to tax exemption of interest from deposits with banks & finance companies licensed under the Finance Companies Act under Section 13(1)(zc)	The provision is obsolete as the scheme has expired on 31 December 2004.	Section 13 [Clause 58]
<b>24</b>	Repeal the provision relating to further deduction for logistics expenses under Section 14C	The provision is obsolete as the scheme has expired on 1 July 2009.	Section 14C [Clause 58]



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<b>25</b>	Repeal the provision relating to offshore transactions on any market maintained by Singapore Exchange or its subsidiaries under Section 43D	The provision is obsolete as the scheme has been subsumed under the financial sector incentive scheme on 1 January 2011.	Section 43D [Clause 58]  Consequential amendment to Economic Expansion Incentives (Relief from Income Tax) Act Section 66 [Clause 60]
<b>26</b>	Repeal the provision relating to oil trading company under Section 43F	The provision is obsolete as the scheme has been subsumed under the Global Trader Programme on 1 June 2001.	Section 43F [Clause 58]  Consequential amendment to Economic Expansion Incentives (Relief from Income Tax) Act Section 66 [Clause 60]
<b>27</b>	Repeal the provision relating to international commodity	The provision is obsolete as the scheme has been subsumed under the Global Trader Programme on 1 June 2001.	Section 43H [Clause 58]

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	trading company under Section 43H		Consequential amendment to Economic Expansion Incentives (Relief from Income Tax) Act Section 66 [Clause 60]
28	Repeal the provision relating to members of Singapore Commodity Exchange Ltd, etc. under Section 43K	The provision is obsolete as the scheme has been subsumed under the financial sector incentive scheme on 1 January 2011.	Section 43K [Clause 58]  Consequential amendment to Economic Expansion Incentives (Relief from Income Tax) Act Section 66 [Clause 60]
29	Repeal the provision relating to commodity derivatives trading company under Section 43S	The provision is obsolete as the scheme has been subsumed under the financial sector incentive scheme on 26 February 2009.	Section 43S [Clause 58]  Consequential

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			amendment to Economic Expansion Incentives (Relief from Income Tax) Act Section 66 [Clause 60]
30	Repeal the provision relating to income derived from securities lending or repurchase arrangement under Section 43T	The provision is obsolete as the scheme has expired on 31 December 2008.	Section 43T [Clause 58]  Consequential amendment to Economic Expansion Incentives (Relief from Income Tax) Act Section 66 [Clause 60]
31	Repeal the provision relating to clearing members of Singapore clearing house under Section 43V	The provision is obsolete as the scheme has expired on 16 February 2011.	Section 43V [Clause 58]  Consequential amendment to Economic Expansion Incentives (Relief from

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			Income Tax) Act Section 66 [Clause 60]