

Income Tax (Amendment) Bill 2022

Bill No. /2022.

Read the first time on .

A BILL

i n t i t u l e d

An Act to amend the Income Tax Act 1947 and to make consequential and related amendments to certain other Acts.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1.—(1) This Act is the Income Tax (Amendment) Act 2022.

(2) [*commencement dates to be inserted when Bill finalised.*]

Amendment of section 2

5 2. In section 2(1) of the Income Tax Act 1947 (called in this Act the principal Act) —

(a) delete the definition of “authentication code”; and

(b) replace the definition of “electronic service” with —

10 “ “electronic service” means the system established under section 29 of the Inland Revenue Authority of Singapore Act 1992;”.

[*Commencement Notification*]

Amendment of section 6

3. In section 6 of the principal Act, replace subsection (12) with —

15 “(12) Despite subsections (1) and (2) and without affecting subsections (5) to (11B) and (12A), the Comptroller may disclose information relating to income or items of income of any person to any of the following with the express consent of the person:

20 (a) any public officer or officer of a statutory board for the performance of his or her official duties;

25 (b) any other person (A) who is engaged by the Government or a statutory board to assist any public officer or officer of a statutory board in performing any of the officer’s official duties if a public officer or officer of the statutory board (as the case may be), duly authorised by the Comptroller for this purpose, has obtained a written undertaking from A that A is bound by the same obligations of secrecy imposed by subsections (1), (2) and (3).

(12A) Despite subsections (1) and (2) and without affecting subsections (5) to (11B) and (12), the Comptroller may disclose any information prescribed in the [Eleventh] Schedule to any public officer or officer of a statutory board that is required for the performance of the officer’s official duties.”

[Gazette date]

Amendment of section 8

4. In section 8(1)(c) of the principal Act, replace “section 8A(13)(ba) and (13A)” with “section 8A(3)”.

[Commencement notification]

Amendment of section 8A

5. In the principal Act, replace section 8A with —

“Use of electronic service

8A.—(1) Any person who is —

- (a) filing or submitting any return, estimate, statement or document may; or
- (b) giving a notice under section 45(1)(b) or 45D(2) or providing any information under section 105L(1) must (unless otherwise permitted by the Comptroller),

do so through the electronic service.

(2) Subsection (1) does not affect any other provision of this Act that requires, or enables the Comptroller to require, anything to be done by means of the electronic service.

(3) The Minister may make regulations prescribing —

- (a) the circumstances in which the Comptroller may serve any notice, direction or other document through the electronic service on a person assigned an account with the electronic service; and
- (b) the manner in which a person who has been served through the electronic service with any notice, direction or other document is to be notified of the transmission

of an electronic record of it to the person's account with the electronic service.

(4) Regulations made for the purpose of subsection (3) —

- 5 (a) may provide for service of any notice, direction or other document through the electronic service in circumstances where —
- (i) the person consents to such service; or
- 10 (ii) the Comptroller gives the person notice of the Comptroller's intention of such service and the person does not refuse such service;
- (b) may provide for the giving of any notice of the Comptroller's intention, or the person's consent or refusal, mentioned in paragraph (a) including —
- 15 (i) the matters that must be contained in the notice; and
- (ii) the time within which, and the form and manner in which, the consent or refusal must be received by the Comptroller;
- 20 (c) may provide when the consent or refusal of the person takes effect and when the Comptroller must give effect to such consent or refusal; and
- (d) may provide for any other matter necessary or incidental to the purposes in subsection (3)(a) and paragraphs (a), (b) and (c).”.

[Commencement Notification]

25 **Amendment of section 10**

6. In section 10 of the principal Act —

- (a) in subsection (4)(b), after “foreign ship” (wherever it appears), insert “or provisionally registered ship”; and
- 30 (b) in subsection (5), replace the definition of “Singapore ship” with —

“ “Singapore ship” and “provisionally registered ship” have the meanings given by section 13A(16).”.

[Gazette date]

Amendment of section 13

5 **7.** In section 13 of the principal Act —

(a) in subsections (1)(b)(i) and (ii), (2C)(a) and (b) and (2D)(a) and (b), replace “31 December 2022” with “31 December 2025”;

10 (b) in subsection (1)(r), (ra) and (rb), replace “31 March 2022” with “31 March 2023”;

(c) in subsection (1)(zj), in sub-paragraphs (ii)(B) and (iii)(B), replace “if such contract is renewed or extended, the period for which the contract is renewed or extended commences before 1 January 2027” with “if such contract is varied, renewed or extended, the effective date of the variation, renewal or extension is before 1 January 2027”;

(d) replace subsection (12A) with —

20 “(12A) Every order made under subsection (12) still in force on 1 January 2026, that exempts from tax any of the following, applies on or after that date (and despite anything in the order) only to income described in subsection (12B):

(a) any income received in Singapore by the trustee of a real estate investment trust;

25 (b) any income received in Singapore by the trustee of a sub-trust of a real estate investment trust where all rights or interests in the property of the sub-trust are held by the trustee of the real estate investment trust for the benefit of the beneficiaries of the real estate investment trust;

30 (c) any income received in Singapore by a company incorporated in Singapore the share capital of which is 100% owned by the trustee of the real

estate investment trust, whether directly or directly.”; and

- (e) in subsection (16), in the definition of “qualifying project debt securities”, in paragraph (a)(ii) and (iii), replace “31 December 2022” with “31 December 2025”.

[Gazette date]

Amendment of section 13E

8. In section 13E of the principal Act —

- (a) in subsection (1)(g)(iii), replace sub-paragraph (C) with —

“(C) owns a Singapore ship or a provisionally registered ship within the meaning of section 13A(16); or”;

- (b) in subsection (6), in the definition of “foreign ship”, after “a Singapore ship”, insert “, or (on or after [Gazette date]) a provisionally registered ship,”; and

- (c) in subsection (6), in the definition of “special purpose company”, in paragraph (b), after “a Singapore ship”, insert “, or (on or after [Gazette date]) a provisionally registered ship,”.

[Gazette date]

Amendment of section 13F

9. In section 13F(1) of the principal Act, after “as specified in those regulations”, insert “, or approved by the Minister or authorised body,”.

[Gazette date]

Amendment of section 13U

10. In section 13U(1) of the principal Act —

- (a) in paragraph (c), replace “arising from funds of the master fund or any feeder fund of the structure that are managed in Singapore by a fund manager; or” with —

“arising from funds of —

(viii) the master fund;

(ix) any feeder fund; or

(x) any approved eligible SPV,

of that structure, that are managed in Singapore by a fund manager; or”; and

- 5 (b) in paragraph (d), replace “arising from funds of the master fund of the structure” with “arising from funds of the master fund or of any approved eligible SPV of that structure,”.

[19 Feb 2019]

Amendment of section 26

- 10 **11.** In section 26(1) of the principal Act, replace “34A and 34AA” with “34A, 34AA and 34AAA”.

[Gazette date]

Amendment of section 26A

- 15 **12.** In section 26A(5)(b) of the principal Act, after “within 3 months after the end of the accounting period relating to that year of assessment of that member”, insert “, or such extended time as the Comptroller may allow”.

[Gazette date]

Amendment of section 34A

- 13.** In section 34A of the principal Act —

(a) in subsection (2)(b), after “interest from debt securities”, insert “or loans,”; and

- 20 (b) after subsection (11), insert —

“(12) This section does not apply to any profit, loss or expense in respect of any financial instrument of an insurer as defined in section 34AAA(1), to be brought into account for the basis period for a year of assessment, being a basis period that begins on or after 1 January 2023.”.

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[Gazette date]

Amendment of section 34AA

14. In section 34AA of the principal Act —

(a) in subsection (3)(b), after “interest from debt securities”, insert “or loans”; and

5 (b) after subsection (16), insert —

“(17) This section does not apply to any profit, loss or expense in respect of any financial instrument of an insurer as defined in section 34AAA(1), to be brought into account for the basis period for a year of assessment, being
10 a basis period that begins on or after 1 January 2023.”.

[Gazette date]

New section 34AAA

15. After section 34AA of the principal Act, insert —

“Change of basis for computing profits from financial instruments for insurers

15 **34AAA.**—(1) Despite the provisions of this Act but subject to section 34G(3), (4) and (5), the amount of any profit, loss or expense in respect of any financial instrument of a company licensed under the Insurance Act 1966 to carry on insurance business in Singapore (called in this section an insurer), to be
20 brought into account for the basis period for a year of assessment (being a basis period beginning on or after 1 January 2023) for the purposes of sections 10, 14 and 37, is that which —

(a) is recognised and valued in accordance with the Insurance Act regulations; and

25 (b) is reflected in the statement of profit and loss that is part of the insurer’s MAS return for that basis period.

(2) Subsection (1) does not apply to anything recognised and valued in accordance with the Insurance Act regulations that is capital in nature.

30 (3) Without limiting subsection (1), that subsection applies to any financial instrument of —

- (a) the shareholders' fund established in Singapore of an insurer; or
- (b) the surplus account of a participating fund of an insurer that is a life insurer.

5 (4) Subsection (1) does not apply to any financial instrument of a participating fund (other than the surplus account of the participating fund) of an insurer that is a life insurer.

10 (5) Despite subsection (1), for the purposes of sections 10, 14 and 37, the profit, loss or expense of an insurer in respect of a financial instrument mentioned in each of the following paragraphs must be dealt with or computed (as the case may be) in accordance with that paragraph:

- 15 (a) where the insurer derives interest from debt securities or loans, the interest that is chargeable to tax under section 10(1)(d) is the amount computed at the contractual interest rate and not at the effective interest rate;
- (b) any amount of profit or expense in respect of a loan for which no interest is payable must be disregarded;
- 20 (c) where the creditor and debtor of a loan did not deal with each other at arm's length, the interest income chargeable to tax, and the interest expense allowable as a deduction, are the amounts of such income and expense that are computed at the contractual interest rate and not at the effective interest rate;
- 25 (d) where the insurer incurs interest expense on a loan or debt securities to which section 14(1)(a) would otherwise apply, only such part of the interest expense that is incurred in respect of the monies borrowed and computed at the contractual interest rate is allowed as a deduction under that provision;
- 30 (e) any amount of profit or loss in respect of a hedging instrument acquired under a bona fide commercial arrangement for the sole purpose of hedging against any risk associated with the underlying asset or liability
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must be disregarded, if the underlying asset or liability is employed or intended to be employed as capital;

- 5 (f) any amount of impairment losses in respect of a loan (whether on revenue or capital account), being losses that are recognised and valued in accordance with the Insurance Act regulations and reflected in the statement of profit and loss that is part of an MAS return, must be disregarded;
- 10 (g) where a loan (whether on revenue or capital account) is not reflected as a credit-impaired financial asset in the insurer's audited financial statements for the accounting period the last day of which falls within the basis period concerned, any amount of impairment losses in respect of the interest receivable on that loan, being losses that are recognised in accordance with the Insurance Act regulations and reflected in the statement of profit and loss that is part of an MAS return, must be disregarded;
- 15 (h) where a receivable (other than interest receivable on a loan) is not reflected as a credit-impaired financial asset in the insurer's audited financial statements for the accounting period the last day of which falls within the basis period concerned, any amount of impairment losses in respect of that receivable, being losses that are recognised in accordance with the Insurance Act regulations and reflected in the statement of profit and loss that is part of an MAS return, must be disregarded;
- 20 (i) a gain from discounts or premiums on debt securities, being a gain chargeable to tax under section 10(1)(d) —
- 25 (i) is treated as accruing only on the maturity or redemption of the debt securities; and
- 30 (ii) is treated as equal to the difference between the amount received on the maturity or redemption of the debt securities and the amount for which the debt securities were first issued;
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- 5 (j) in a case where the insurer issues debt securities at a discount or redeems issued debt securities at a premium, and section 14(1)(a) applies in respect of the outgoing represented by such discount or premium, such outgoing is treated —
- (i) to be incurred and deductible only when it is paid on the maturity or redemption of the debt securities; and
- 10 (ii) as equal to the difference between the amount paid on the maturity or redemption of the debt securities and the amount for which the debt securities were first issued;
- (k) in a case where —
- 15 (i) the insurer issues debt securities at a discount or redeems issued debt securities at a premium;
- (ii) the debt securities were issued with an embedded derivative to acquire shares or units in the insurer; and
- 20 (iii) the outgoing represented by such discount or premium is deductible under section 14(1), such part of the outgoing that is attributable to the embedded derivative, must be disregarded.
- (6) To avoid doubt, subsection (5)(c) does not affect the operation of section 34D.
- 25 (7) If —
- (a) any gain, loss or expense in respect of a financial instrument was (by reason of subsection (1)) that which was recognised and valued in accordance with the Insurance Act regulations and reflected in the statement of profit and loss that was part of an MAS return on a certain date;
- 30 (b) it was not possible to determine, on the date the Comptroller made an assessment of the amount of

chargeable income of that insurer for the year of assessment of the basis period in which the date mentioned in paragraph (a) falls, whether that gain, loss or expense was capital or revenue in nature;

- 5 (c) because of this, the gain was not charged with tax or a deduction was allowed for that loss or expense, as the case may be; and
- (d) the Comptroller later discovers (called in this subsection the discovery time) that the gain ought to have been charged with tax as it was revenue in nature, or a deduction ought not to have been allowed for the loss or expense as it was capital in nature, as the case may be,
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then, and despite anything in this Act but subject to subsection (9), the amount of the gain, loss or expense, together with the additional amount mentioned in subsection (8), is treated as the insurer's income for the year of assessment within which the discovery time falls.

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(8) The additional amount in subsection (7) is the amount of any other gain, loss or expense in respect of the same financial instrument —

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- (a) that was not charged with tax, or for which a deduction was allowed, for one or more past years of assessment, for the same reason as that in subsection (7)(b); and
- 25 (b) that is ascertained in accordance with the regulations made under subsection (13).

(9) No assessment may be made in respect of the income mentioned in subsection (7) more than 4 years immediately after the end of the year of assessment of the basis period in which the financial instrument is disposed of by the insurer.

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(10) If —

- (a) any gain, loss or expense in respect of a financial instrument of an insurer was (by reason of subsection (1)) that which was recognised and valued

in accordance with the Insurance Act regulations and reflected in the statement of profit and loss that was part of an MAS return on a certain date;

- 5 (b) it was not possible to determine, on the date the Comptroller made an assessment of the amount of chargeable income of that insurer for the year of assessment of the basis period in which the date mentioned in paragraph (a) falls, whether that gain, loss or expense was capital or revenue in nature;
- 10 (c) because of this, the gain was charged with tax or a deduction was not allowed for that loss or expense, as the case may be; and
- 15 (d) the Comptroller later discovers (called in this subsection the discovery time), with or without a claim made by the insurer, that the gain ought not to have been charged with tax as it was capital in nature, or a deduction ought to have been allowed for the loss or expense as it was revenue in nature, as the case may be,

20 then, and despite anything in this Act but subject to subsection (12), the amount of the gain, loss or expense, together with the additional amount mentioned in subsection (11), is to be allowed as a deduction against the insurer's income for the year of assessment within which the discovery time falls.

25 (11) The additional amount in subsection (10) is the amount of any other gain, loss or expense in respect of the same financial instrument —

- (a) that was charged with tax, or for which a deduction was not made, for one or more past years of assessment, for the same reason as that in subsection (10)(b); and
- 30 (b) that is ascertained in accordance with the regulations made under subsection (13).

(12) No claim mentioned in subsection (10)(d) may be made more than 4 years immediately after the end of the year of assessment of the basis period in which the financial instrument is disposed of by the insurer.

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(13) For the purposes of this section, the Minister may make regulations to give effect to this section, including —

- (a) providing for the computation of the additional amounts mentioned in subsections (8) and (11); and
- 5 (b) providing for any transitional, supplementary or consequential matter, including —
 - 10 (i) treating a specified amount of any profit in respect of a financial instrument of a specified insurer, being an amount recognised and valued in accordance with the Insurance Act regulations and reflected in the statement of profit and loss that is part of an MAS return as such profit as of the day immediately before the first day of the basis period in relation to which this section first applies to the insurer, as the insurer’s income for a specified year of assessment; and
 - 15 (ii) allowing a specified amount of any loss or expense in respect of a financial instrument of a specified insurer, being an amount recognised and valued in accordance with the Insurance Act regulations and reflected in the statement of profit and loss that is part of an MAS return as such loss or expense as of the day immediately before the first day of the basis period in relation to which this section first applies to the insurer, as a deduction against the insurer’s income for a specified year of assessment.

(14) In this section —

30 “contractual interest rate”, in relation to any financial instrument, means the applicable interest rate specified in the financial instrument;

“credit-impaired financial asset” has the same meaning as in FRS 109 or SFRS(I) 9, as the case may be;

“debt securities” has the meaning given by section 43H(4);

“FRS 109” and “SFRS(I) 9” have the meanings given by section 34AA(15);

“Insurance Act regulations” means regulations made for the purposes of section 16(5) of the Insurance Act 1966;

5 “MAS return”, in relation to an insurer, means the statements of account and other statements relating to the insurer’s business prepared and lodged with the Monetary Authority of Singapore under section 94(3) of the Insurance Act 1966;

10 “Monetary Authority of Singapore” means the Monetary Authority of Singapore established under section 3 of the Monetary Authority of Singapore Act 1970;

“participating fund” and “surplus account” have the meanings given by section 26(12).”.

[Gazette date]

15 **Amendment to section 34AB**

16. In section 34AB(4) of the principal Act, replace “transaction to which section 34A or 34AA applies” with “transaction relating to a financial instrument to which section 34A, 34AA or 34AAA applies”.

[Gazette date]

New section 34CA

20 **17.** In the principal Act, after section 34C, insert —

“Transfer of businesses by insurer

34CA.—(1) This section applies to a case where —

25 (a) a licensed insurer that is a company incorporated in Singapore (called in this section the transferor) transfers the whole of its insurance business along with any other business ancillary to it (collectively called in this section the insurance business), to another company incorporated in Singapore (called in this section the transferee) under Division 1 of Part 3AA of the Insurance Act 1966, and the scheme for the transfer under section 117 of that Act takes effect on a single

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date (called in this section date A) that is on or after 1 November 2021;

- 5 (b) the conditions for the application of this section to the transfer of business in paragraph (a) set out in subsection (3) are satisfied;
- (c) the transferor also transfers all of its other trades or businesses (each called in this section a non-insurance business), if any, to the transferee, and the transfer of every non-insurance business takes effect on a single date (called in this section date B) that is no earlier than 10 12 months before transfer date A and no later than 12 months after transfer date A;
- (d) the transferee has obtained approval under subsection (4) to the application of this section to the transfer in 15 paragraph (c);
- (e) the conditions of the approval in subsection (5) are satisfied; and
- (f) the transferee makes an election under subsection (6) for the application of this section to the transfer of those 20 businesses.

Interpretation

(2) In this section —

25 “first 2 years of assessment”, in relation to a transferor, means the year of assessment relating to the basis period during which the company is incorporated and the year of assessment immediately following that year of assessment;

“effective date”, in relation to a transferred business means —

- 30 (a) where the transferred business is the insurance business — date A; and
- (b) where the transferred business is any non-insurance business — date B;

“FRS 38”, “FRS 103”, “SFRS(I) 1-38” and “SFRS(I) 3” mean the financial reporting standards known respectively as —

- 5 (a) Financial Reporting Standard 38 (Intangible Assets);
- (b) Financial Reporting Standard 103 (Business Combinations);
- (c) Singapore Financial Reporting Standard (International) 1-38 (Intangible Assets); and
- 10 (d) Singapore Financial Reporting Standard (International) 3 (Business Combinations),

that are made by the Accounting Standards Council under Part 3 of the Accounting Standards Act 2007, as amended from time to time;

15 “licensed insurer” has the meaning given by section 2 of the Insurance Act 1966;

“transferred business” means the insurance business or any of the non-insurance businesses, as the case may be.

Conditions for transfer of insurance business

20 (3) In subsection (1)(b), the conditions are —

- (a) all the properties, rights and privileges of the insurance business are transferred to and vest in the transferee on date A;
- 25 (b) all the liabilities and obligations of the insurance business are transferred to and become the liabilities and obligations of the transferee on date A;
- (c) the transferor permanently ceases to carry on the insurance business on date A;
- 30 (d) the transferor is wound up or dissolved before the date required under section 62 for the transferor to furnish a return of income for the year of assessment relating to the basis period in which date A falls; and

- (e) such other conditions as may be prescribed by rules under section 7.

Approval for transfer of non-insurance business

5 (4) The transferee must, within 90 days from date A or date B (whichever is earlier) or such further period as the Minister or such person as the Minister may appoint may allow, apply to the Minister or person for approval for this section to apply to the transfer of each non-insurance business in subsection (1)(c).

10 (5) The Minister or appointed person may give his or her approval subject to such conditions (including conditions subsequent) as he or she considers appropriate.

Election

15 (6) The transferee must, within 90 days from date A or date B (whichever is later) or such further period as the Comptroller may allow, elect for this section to apply to the transfers of businesses in subsection (1).

(7) An election under subsection (6) must be made by the transferee by written notice to the Comptroller and is irrevocable.

20 (8) From (and including) the effective date, the transferred business is treated as carried on in Singapore by the transferee and —

25 (a) subject to subsection (14), any property on revenue account of the transferor relating to the transferred business is treated as property on revenue account of the transferee; and

(b) subject to subsection (16), any property on capital account of the transferor relating to the transferred business is treated as property on capital account of the transferee,

30 and the transferee is treated as having acquired the property on the date on which the transferor acquired it for an amount that was incurred by the transferor in respect of that property.

Transfer of property

(9) Where there is a transfer of property in respect of the transferred business from the transferor to the transferee on the effective date in respect of which allowances or writing-down allowances have been made to the transferor under sections 18C to 21 (other than section 19D), the transferor and the transferee are, subject to section 24(4), considered as having made an election under section 24(3), and section 24(3)(a) to (e) applies with the necessary modification, whether or not —

- (a) the transferee is a company over which the transferor has control;
- (b) the transferor is a company over which the transferee has control; or
- (c) both the transferor and transferee are companies under the control of a common person.

(10) In the application of section 24(3)(a) to (e) under subsection (9) —

- (a) a reference in that provision to a buyer is to the transferee; and
- (b) a reference in that provision to a seller is to the transferor.

(11) Where there is a transfer of a building or structure in respect of the transferred business from the transferor to the transferee on the effective date for which an allowance has been made to the transferor under section 18C, the annual allowances provided under that section continue to be available to the transferee as if it had incurred the qualifying capital expenditure that was incurred in carrying out the approved construction or approved renovation (as the case may be) mentioned in that section.

(12) Subsection (11) does not apply unless the building or structure is used before the transfer by the transferor and after the transfer by the transferee, in the production of income chargeable under the provisions of this Act.

(13) Where —

- 5 (a) there is a transfer of property in respect of the transferred business (being intellectual property rights in respect of which writing-down allowances have been made to the transferor under section 19B) from that transferor to the transferee on the effective date; and
- 10 (b) before the transfer in the case of that transferor and from any time on or after the transfer in the case of that transferee, the property is used in the production of income chargeable under the provisions of this Act,

the following provisions apply but subject to subsection (18):

- 15 (c) section 19B(4) and (5) does not apply to the transferor;
- (d) the writing-down allowances under section 19B continue to be available to the transferee as if no transfer had taken place;
- 20 (e) the charge under section 19B(4) and (5) is to be made on the transferee on any event occurring on or after the effective date as would have fallen to be made on the transferor if the transferor had continued to own the intellectual property rights and had done all such things and been allowed all such allowances as were done by or allowed to the transferee.

25 (14) Where there is a transfer of property in respect of the transferred business from the transferor to the transferee, being property on revenue account of the transferor but not on revenue account of the transferee, the consideration for the transfer by the transferor is taken as the amount which it would have realised if the property had been sold in the open market on the effective date.

30 (15) The amount of consideration mentioned in subsection (14) is to be used to compute the gains or profits of the transferred business of the transferor and such gains or profits are chargeable to tax for the year of assessment which relates to the basis period in which the effective date falls.

(16) Where there is a transfer of property in respect of the transferred business from the transferor to the transferee, being property not on revenue account of the transferor but on revenue account of the transferee, the consideration for the acquisition by the transferee is taken as the amount which it would have incurred if the property had been purchased in the open market on the effective date or the actual amount paid, whichever is lower.

(17) The amount of consideration mentioned in subsection (16) is to be deducted as an expense in computing the gains or profits of the transferred business of the transferee.

(18) Where the transferee ceases to carry on the transferred business in Singapore after the effective date but instead carries on that business outside Singapore, then in the case of intellectual property rights transferred pursuant to the transfer of that business and in respect of which subsection (13) applies, the charge under section 19B(4) or (5) (as the case may be) is to be made on the transferee as if the property has been sold on the date of cessation of the transferred business in Singapore; and for the purpose of computing the charge under section 19B(5), the value thereof is the amount which it would have realised if the property had been sold in the open market on the date of cessation of the transferred business in Singapore.

(19) Any question arising under subsections (14), (16) and (18) regarding the open market value attributable to property is to be determined by the Comptroller.

(20) No deduction under section 19B is allowed to the transferee for any intellectual property rights in respect of the transferred business that are recognised in accordance with FRS 38 and FRS 103, or with SFRS(I) 1-38 and SFRS(I) 3, as a result of the transfer of the business but which were not in existence prior to the transfer.

(21) Where the transferee continues to carry on the transferred business and at any time —

- (a) writes off as bad the amount of a debt in respect of the transferred business, or provides impairment loss in respect of such debt, that it acquires from the transferor on the effective date;
- 5 (b) incurs an expenditure in respect of the transferred business, other than the expenditure to which prescribed sections of this Act apply; or
- (c) incurs a loss in respect of the transferred business,
the transferee —
- 10 (d) is allowed a deduction for the amount of the debt, expenditure or loss (as the case may be) if —
- (i) the transferor would have been allowed the deduction but for the transfer of the business; and
- (ii) the transferee is not otherwise allowed the
15 deduction; and
- (e) is chargeable to tax on the amount of the debt recovered or impairment loss that is reversed if —
- (i) the transferor would have been chargeable to tax
20 on such amount but for the transfer of the business; and
- (ii) the transferee is not otherwise chargeable to tax on such amount.
- (22) Where —
- (a) the transferor has been allowed a deduction in respect
25 of any debt written off as bad, or any impairment loss, in respect of the transferred business; and
- (b) the transferee continues to carry on the transferred business,
the transferee is chargeable to tax on the amount of the debt
30 recovered or impairment loss that is reversed if —
- (c) the transferor would have been chargeable to tax on such amount but for the transfer of the business; and

(d) the transferee is not otherwise chargeable to tax on such amount.

5 (23) Where the transferor has any capital allowance, donation or loss attributable or apportioned to the transferred business remaining unabsorbed on the effective date, then sections 23 and 37 apply, with the necessary modifications, as if the transferee is the transferor for the purposes of deducting the unabsorbed capital allowance, donation or loss against the income or the statutory income (as the case may be) of the transferee, subject to the conditions in subsection (24).

(24) The conditions in subsection (23) are —

- (a) the transferor was carrying on the transferred business until the effective date; and
- (b) the transferee continues to carry on the transferred business on the effective date.

(25) Any deduction mentioned in subsection (23) may only be made against the income of the transferee from the transferred business.

20 (26) For the purpose of bringing into account the profit, loss or expense for the basis period for a year of assessment beginning before 1 January 2023 in respect of any financial instrument that has been transferred by the transferor to the transferee as part of the transfer of a business —

- 25 (a) where the transferor was a qualifying person to which section 34A applies for the year of assessment of the basis period in which the effective date falls, the transferee is deemed to be a qualifying person for the purpose of section 34A, and section 34A has effect on the transferee from (and including) the effective date; and
- 30 (b) where the transferor was not a qualifying person to which section 34A applies for the year of assessment of the basis period in which the effective date falls, but the transferee is such qualifying person for that year of assessment, the rules on the adjustment on change of
- 35

5 basis of computing profits of financial instruments set out in regulations made under section 34A have effect on the transferor for that year of assessment, and any positive or negative adjustment which is not of a capital nature as a result of the application of such rules is to be assessed on or allowed to the transferee.

Transferee as qualifying company under section 43(6C)

10 (27) Where the transferee is a qualifying company for the purpose of section 43(6C) in any year of assessment, then, for that year of assessment —

- 15 (a) in a case where the earlier of date A and date B does not fall within either of the basis periods of the first 2 years of assessment of the transferor, section 43(6) rather than section 43(6C) applies to the transferee; and
- 20 (b) in a case where the earlier of date A and date B falls within either of the basis periods of the first 2 years of assessment of the transferor, section 43(6C) applies to the transferee if, and only if, the firstmentioned year of assessment falls within such period as may be prescribed by the Minister, and if it does not, then section 43(6) applies to the transferee.

(28) The Minister may, for different descriptions of transfers of businesses or companies, prescribe different periods for the purposes of subsection (27)(b).

25 (29) Starting on the effective date for the transferred business, the transferee must comply with all obligations, meet all liabilities, and is entitled to all rights, powers and privileges, of the transferor under this Act in respect of the business with respect to the year of assessment relating to the basis period in
30 which the effective date falls, and all preceding years of assessment as if the transferee is the transferor.

Application of section 26(5) and (13)

(30) To avoid doubt, section 26(5) and (13) (if applicable) applies in relation to the transfer of the insurance business in subsection (1)(a).

5 ***Regulations***

(31) The Minister may make regulations to —

- (a) provide for the deduction of expenses, allowances, losses, donations and any other deductions otherwise than in accordance with this Act;
- 10 (b) provide for the manner and extent to which expenses, allowances, losses, donations and any other deductions may be allowed under this Act;
- (c) provide for the manner and extent to which any qualifying deduction may be allowed under
15 section 37B or 37D;
- (d) provide for the rate of exchange to be used for the purpose of section 62B;
- (e) provide for the modification and exception to any prescribed section of this Act or the Economic
20 Expansion Incentives (Relief from Income Tax) Act 1967 as it applies to a transferee and a transferor;
- (f) provide for the allowing of any deduction or the making of any allowance under this section before a requirement in subsection (1) is satisfied, and the recovery of the amount of any deduction wrongfully allowed or allowance wrongfully made under this
25 section because that requirement is not satisfied, including the deeming of a specified amount as income on a specified date; and
- 30 (g) prescribe any matter required or permitted to be prescribed under this section.”.

[1 November 2021]

Amendment of section 34G

18. In section 34G(3) and (4) of the principal Act, replace “and 34AA(1)” with “, 34AA(1) and 34AAA(1)”.

[Gazette date]

Amendment of section 37A

5 **19.** In section 37A of the principal Act —

(a) in subsection (1)(a), delete “or”;

(b) in subsection (1), in paragraph (b), replace the full-stop at the end with a semi-colon; and after paragraph (b), insert —

10 “(c) a body of persons has income subject to tax at different rates of tax for the year of assessment concerned (being the year of assessment 2023 or a subsequent year of assessment), and there are UALD in respect of income that is subject to tax at one of those rates of tax; or

15 (d) a body of persons has income subject to tax at one rate of tax for the year of assessment concerned (being the year of assessment 2023 or a subsequent year of assessment) and income subject to tax at a different rate of tax for an earlier
20 year of assessment, and there are UALD in respect of the second-mentioned income.”;

(c) in subsection (3), replace “Subsection (1)(b) does not include” with “Subsection (1)(b) and (d) does not include”;

25 (d) in subsection (5), after “income of the company” (wherever it appears), insert “or body of persons”;

(e) in subsection (8), after “the company” (wherever it appears), insert “or body of persons”;

(f) in subsection (11), in the definition of “rate of tax”, in paragraph (a), delete “or”;

30 (g) in subsection (11), in the definition of “rate of tax”, in paragraph (b), before “the concessionary rate of tax”, insert “in the case of a company,”;

(h) in subsection (11), in the definition of “rate of tax”, in paragraph (b)(ii), insert “or” at the end;

(i) in subsection (11), in the definition of “rate of tax”, after paragraph (b), insert —

5 “(c) in the case of a body of persons, the concessionary rate of tax in accordance with regulations made under section 43H;” and

(j) in subsection (11), in the definition of “UALD” or “unabsorbed allowances, losses or donations”, after “income of a company”, insert “or body of persons”.

[Gazette date]

Amendment of section 37D

20. In section 37D of the principal Act —

(a) after subsection (4), insert —

15 “(4AA) Subject to the provisions of this section, section 37A (as it applies in a case mentioned in section 37A(1)(d)) applies, with the necessary modifications, to the deduction of any qualifying deduction by a body of persons for the year of assessment 2023 or a subsequent year of assessment, against its assessable income for the immediate preceding year of assessment, as if —

20 (a) the qualifying deduction for the year of assessment is qualifying deduction for an earlier year of assessment;

25 (b) the income for the immediate preceding year of assessment is income for the year of assessment concerned; and

(c) in section 37A(4) and (5) —

30 (i) a reference to unabsorbed allowance, losses or donations or UALD is a reference to qualifying deduction;

- (ii) a reference to corresponding allowances, losses or donations is a reference to allowances or losses; and
- (iii) a reference to chargeable income of the body of persons is a reference to assessable income for the immediate preceding year of assessment of the body of persons.”;
- (b) in subsection (4A), after “subsection (4)”, insert “or (4AA)”;
- (c) in subsection (4A)(b), after “by a company”, insert “or body of persons”;
- (d) in subsection (5), after “a company”, insert “or body of persons”;
- (e) in subsection (17), in the definition of “concessionary rate of tax”, before the word “means”, insert “, in relation to a company,”;
- (f) in subsection (17), before the definition of “concessionary rate of tax” (as amended by paragraph (e)), insert —
- “ “concessionary rate of tax”, in relation to a body of persons, means any rate of tax lower than the rate specified in section 43(1)(a) in accordance with regulations made under section 43H;”.

[Gazette date]

Amendment of section 37O

21.—(1) In section 37O(25) of the principal Act —

- (a) after the definition of “capital expenditure”, insert —
- “ “central hirer”, in relation to a central hiring arrangement for a group of related parties, means the person who carries out hiring functions for those parties under the arrangement;
- “central hiring arrangement” means an arrangement for a group of related parties entered into for a bona fide commercial reason, where the hiring functions

of the parties in the group are carried out by a single person;”;

(b) replace the definition of “local employee” with —

“ “local employee” means an individual who —

- 5 (a) is a citizen of Singapore or a Singapore permanent resident;
- (b) makes contributions in respect of the income derived from his or her employment with the acquiring company to the Central Provident Fund which are obligatory under the Central
10 Provident Fund Act 1953; and
- (c) is any of the following:
- (i) an employee of the acquiring company;
- 15 (ii) for the year of assessment 2020 or a subsequent year of assessment — an individual who is engaged by the central hirer of a central hiring arrangement for a group of related parties which includes the acquiring company —
- 20 (A) who is deployed to work solely for the acquiring company; and
- (B) whose salary and other remuneration is borne, directly or indirectly, by the acquiring company and not claimed by the central hirer as a deduction against the central hirer’s own
25 income;
- 30 (iii) for the year of assessment 2020 or a subsequent year of assessment — an employee of another person (called *B*) —

- 5 (A) who is seconded to the acquiring company under a bona fide commercial arrangement to work solely for the acquiring company; and
- 10 (B) whose salary and other remuneration is borne, directly or indirectly, by the acquiring company and not claimed by *B* as a deduction against *B*'s own income;

but excludes a director as defined in section 4 of the Companies Act 1967;”.

- 15 (2) Subsection (1) is deemed to have effect for the year of assessment 2020 and every subsequent year of assessment.

[Gazette date]

Amendment of section 43

22. In section 43 of the principal Act —

- (a) in subsection (1), replace paragraph (b) with —
- 20 “(b) every individual not resident in Singapore —
- (i) for the year of assessment 2023 or a preceding year of assessment, tax at the rate of 22% on every dollar of the chargeable income thereof; and
- (ii) for the year of assessment 2024 and subsequent years of assessment, tax at the rate of 24% on every dollar of the chargeable income thereof; and”;
- 25 (b) in subsection (4), replace “subsection (5)” with “subsections (4A) and (5)”;
- (c) after subsection (4), insert —
- 30 “(4A) Despite anything in this Act but subject to subsection (5), tax at the rate of 10% is to be levied and paid on the gross amount of any income derived from

Singapore during the period from 1 April 2023 to 31 December 2027 (both dates inclusive) —

- (a) by an individual not resident in Singapore from acting as an arbitrator;
- 5 (b) by a qualifying mediator who is not resident in Singapore, for providing the services of a mediator for a mediation —
- (i) that takes place in Singapore; or
- (ii) that would have taken place in Singapore but for the settlement of the dispute or withdrawal of the claim in question; or
- 10 (c) by an individual not resident in Singapore for providing the services of a mediator for a qualifying mediation —
- (i) that takes place in Singapore; or
- (ii) that would have taken place in Singapore but for the settlement of the dispute or withdrawal of the claim in question.”;
- (d) in subsection (5), after “subsection (4)”, insert “or (4A)”;
- 20 (e) in subsection (10), after the definition of “approved sub-trust”, insert —
- “ “arbitrator” means an individual appointed for any arbitration which is governed by the Arbitration Act 2001 or the International Arbitration Act 1994, or would have been governed by either of those Acts had the place of arbitration been Singapore;”;
- 25 (f) in subsection (10), after the definition of “qualifying company”, insert —
- 30 “ “qualifying mediation” means a mediation that is administered by a body or an organisation that provides services for the conduct of mediation (called in this section a mediation service provider), and that is prescribed under section 7;

“qualifying mediator” means an individual who is certified or accredited under a mediator certification or accreditation scheme prescribed under section 7;” and

5 (g) after subsection (13), insert —

“(14) For the purposes of the definitions of “qualifying mediation” and “qualifying mediator” in subsection (10), the Minister may prescribe a description of mediation service providers and a description of mediator certification or accreditation schemes that are set out on a specified website of the Ministry of Law, as amended from time to time.”.

[Gazette date]

Amendment of section 43N

23. In section 43N(4) of the principal Act, replace “31 December 2022” with “31 December 2027”.

[Gazette date]

15 **Amendment of section 43O**

24. In section 43O(4) of the principal Act, replace “31 December 2022” with “31 December 2027”.

[Gazette date]

Amendment of section 45

20 25. In section 45(9)(b) of the principal Act, replace “31 December 2022” with “31 December 2025”.

[Gazette date]

Amendment of section 45A

26. In section 45A(2B)(b) of the principal Act, replace “31 December 2022” with “31 December 2025”.

[Gazette date]

Amendment of section 45F

25 27. In section 45F of the principal Act —

(a) in subsection (1), replace “subsection (2)” with “subsections (1A) and (2)”;

(b) after subsection (1), insert —

“(1A) Subject to subsection (2), section 45 applies in relation to the payment of any income derived from Singapore during the period from 1 April 2023 to 31 December 2027 (both dates inclusive) by any person —

(a) to an arbitrator not known to the person to be resident in Singapore, for acting as an arbitrator;

(b) to a qualifying mediator not known to the person to be resident in Singapore, for providing services of a mediator for a mediation —

(i) that takes place in Singapore; or

(ii) that would have taken place in Singapore but for the settlement of the dispute or withdrawal of the claim in question; or

(c) to a mediator, being an individual not known to the person to be resident in Singapore, for providing the services of a mediator for a qualifying mediation —

(i) that takes place in Singapore; or

(ii) that would have taken place in Singapore but for the settlement of the dispute or withdrawal of the claim in question,

as section 45 applies to any interest paid by a person (*X*) to another person (*Y*) not known to *X* to be resident in Singapore and, for the purpose of such application, any reference in that section to interest is a reference to such payment.”; and

(c) replace subsection (2) with —

“(2) The deduction of tax under section 45 is at the rate of —

(a) 15% for the purpose of subsection (1); and

(b) 10% for the purpose of subsection (1A).

(3) In this section, “arbitrator”, “qualifying mediation” and “qualifying mediator” have the meanings given by section 43(10).”.

[Gazette date]

Amendment of section 45I

5 **28.** In section 45I of the principal Act —

(a) in subsection (1)(c)(ii), delete “or” at the end;

(b) in subsection (1), after paragraph (c), insert—

“(ca) under a contract which was varied where—

10 (i) the variation takes effect on a date which falls within the period from [Gazette date] to 31 December 2026 (both dates inclusive); and

(ii) the payment is made on or after the date the variation takes effect; or”;

15 (c) in subsection (3), after paragraph (d), insert —

20 “(da) at any time during the period from [Gazette date] to 31 December 2026 (both dates inclusive) under a contract which was varied, where the variation takes effect on or after [Gazette date] and before the approval date;”;

(d) in subsection (3)(f)(ii), delete “or” at the end; and

(e) in subsection (3), after paragraph (f), insert —

“(fa) under a contract which was varied where —

25 (i) the variation takes effect on a date which falls within the period from [Gazette date] or the approval date (whichever is later) to 31 December 2026 (both dates inclusive); and

30 (ii) the payment is made on or after the date the variation takes effect; or”.

[Gazette date]

Amendment of section 62

29. In section 62 of the principal Act, after subsection (5), insert —

5 “(6) A company licensed under the Insurance Act 1966 to carry on insurance business in Singapore that is required under subsection (1) to furnish a tax computation with its return of income, must furnish to the Comptroller a tax computation that is prepared in accordance with its MAS return along with such additional information as the Comptroller may reasonably require for making an assessment.

10 (7) Subsection (6) has effect for any year of assessment for a basis period beginning on or after 1 January 2023.

(8) The Minister may make regulations to provide for any transitional, supplementary and consequential matters relating to subsections (6) and (7).

15 (9) In this section, “MAS return” has the meaning given by section 34AAA(14).”.

[Gazette date]

Amendment of section 62B

30. In section 62B of the principal Act, after subsection (10), insert —

20 “(10A) This section does not apply to any company licensed under the Insurance Act 1966 to carry on insurance business in Singapore, in respect of an accounting period beginning on or after 1 January 2023.”.

[Gazette date]

Amendment of section 63

25 **31.** In section 63 of the principal Act —

(a) in subsection (1), replace “Unless exempted” with “Subject to subsection (1AAA), and unless exempted”;

(b) after subsection (1), insert —

30 “(1AAA) Unless exempted by rules mentioned in subsection (3), every insurer (other than a captive insurer

or a marine mutual insurer) who has not made a return under section 62 for the year of assessment for an accounting period beginning on or after 1 January 2023 must, within 3 months after the end of the calendar year preceding the year of assessment or such extended time as the Comptroller may allow, furnish to the Comptroller an estimate of the insurer's chargeable income.”;

(c) in subsections (1) and (1A), after “within 3 months after the end of the accounting period relating to that year of assessment,”, insert “or such extended time as the Comptroller may allow,”; and

(d) after subsection (3), insert —

“(4) In this section —

“captive insurer” and “marine mutual insurer” have the meanings given by section 2 of the Insurance Act 1966; and

“insurer” means any company licensed under the Insurance Act 1966 to carry on insurance business in Singapore.”.

[Gazette date]

Amendment of section 68

32. In section 68(2) of the principal Act, after “within the time for compliance limited thereby”, insert “, or such extended time as the Comptroller may allow”.

[Gazette date]

Amendment of section 71

33. In section 71(3) of the principal Act, after “within 3 months after the end of the accounting period relating to that year of assessment,”, insert “or such extended time as the Comptroller may allow,”.

[Gazette date]

Amendment of section 78

34. In section 78 of the principal Act —

(a) replace subsection (7) with —

5 “(7) The Minister may appoint any Deputy Chairperson of the Board as a temporary Chairperson of the Board during the temporary incapacity (from illness or otherwise) or absence of the Chairperson of the Board.”;

(b) in subsection (9), after “3 members of the Board”, insert “appointed by the Chairperson”;

10 (c) replace subsections (10) to (13) with —

“ (10) However, the Chairperson may, having regard to the facts and circumstances of a particular case, appoint a single member of the Board, being the Chairperson or a Deputy Chairperson of the Board, to exercise, discharge and perform the powers, functions and duties of the Board for that case.

15 (11) Any act, finding or decision of any such committee or member is deemed to be the act, finding or decision of the Board, and (unless the context otherwise requires) any reference to the Board in this Act is to such committee or member.

20 (12) The secretary must inform each member appointed under subsection (9) or (10) of his or her appointment, and it is the duty of the member to attend any proceedings specified by the secretary.”;

(d) in subsection (15), replace “remuneration and such travelling and subsistence allowances” with “fees and allowances”; and

(e) replace subsection (16) with —

30 “(16) The Minister may make regulations —

(a) prescribing any matter required or permitted to be prescribed under this Part;

(b) providing for the form and manner in which appeals are to be made to the Board;

- (c) providing for when an objection to the appointment of a member under subsection (9) or (10) to hear an appeal may be made, and how such objection is to be dealt with;
- 5 (d) providing for the procedure to be adopted by the Board for the Board's meetings and for proceedings before the Board, and the records to be kept by the Board;
- 10 (e) prescribing the fees to be paid in respect of any appeal under this Part;
- (f) prescribing a scale of costs in respect of appeals to the Board;
- 15 (g) providing for any matter which the Minister considers incidental or expedient for the proper and efficient conduct of proceedings before the Board;
- (h) providing that the Chairperson or a Deputy Chairperson may issue directions for carrying out any regulations; and
- 20 (i) providing for any other matter that is necessary or convenient for carrying out or giving effect to the provisions of this Part.”.

[Commencement notification]

Amendment of section 79

25 **35.** In section 79 of the principal Act, replace subsections (1) to (10) with —

“(1) Any person who, being aggrieved by an assessment made upon the person, has failed to agree with the Comptroller in the manner provided in section 76(6) may appeal to the Board by lodging with the secretary —

- 30 (a) within 30 days after the date of the Comptroller's refusal to amend the assessment, a notice of appeal; and

(b) within 30 days after the date on which the notice of appeal was lodged, a petition of appeal containing a statement of the grounds of appeal.

5 (2) The notice of appeal and petition of appeal must be made in the form and manner prescribed in the regulations under section 78(16).”.

[Commencement notification]

Amendment of section 80

36. In section 80 of the principal Act —

(a) replace subsections (1) to (3) with —

10 “(1) On receipt of a petition of appeal, the secretary must immediately forward one copy of it to the Comptroller, and must as soon as possible thereafter fix the hearing and give notice of the hearing of the appeal to both the appellant and the Comptroller.

15 (2) The appellant and the Comptroller may be represented by an advocate and solicitor or an accountant at a hearing of an appeal before the Board.

20 (3) The Board may for any reasonable cause postpone the hearing of an appeal for such reasonable time as the Board thinks necessary.”;

(b) after subsection (5), insert —

25 “(5A) Pursuant to subsection (5)(c), the Board may issue to a Superintendent of Prisons appointed under section 20 of the Prisons Act 1933, an order to the same effect as an order under section 38 of that Act, for the purpose of producing a prisoner for examination before the Board.”;

(c) delete subsection (11); and

(d) after subsection (14), insert —

30 “(15) Regulations made under section 78(16) may provide for the conduct of proceedings before the Board through electronic communication, video conferencing,

tele-conferencing or other electronic means, under specified circumstances.

(16) A member of the Board before whom proceedings are conducted in the manner described in subsection (15) in those specified circumstances is deemed to be present and sitting at those proceedings.”.

[Commencement notification]

Amendment of section 80A

37. In section 80A of the principal Act —

(a) in the section heading, replace “in absence of member of Board” with “by committee where a member becomes unavailable”;

(b) renumber subsection (1) as subsection (1A);

(c) before subsection (1A), insert —

“(1) This section applies to an appeal before a committee of the Board, and a reference in this section to a member of the Board is to a member of the Board that is part of the committee.”; and

(d) in subsections (2), (3) and (4)(a), replace “subsection (1)” with “subsection (1A)”.

[Commencement notification]

New sections 80B and 80C

38. In the principal Act, after section 80A, insert —

“Hearing of appeal by single member where member becomes unavailable

80B.—(1) Where an appeal is before a single member of the Board, and the member resigns or is unable, through illness or any other cause, to continue to hear or determine the appeal, the Chairperson of the Board is to —

(a) appoint another member of the Board in accordance with section 78(10); or

- (b) appoint a committee of the Board in accordance with section 78(9),

to hear and determine the appeal.

- 5 (2) The member or committee of the Board appointed under subsection (1) may, if it is in the interests of justice to do so, recall all or any of the witnesses or take their evidence afresh.

- (3) The member of the Board or committee appointed under subsection (1) must rehear the appeal if —

- 10 (a) any party does not consent to the proceedings continuing before the member or committee; or
- (b) the member or committee determines that it would be in the interests of justice to do so.

Replacement of single member with committee to hear appeal

- 15 **80C.**—(1) Where an appeal is before a single member of the Board, the member may, before or at any time during the hearing, make a request to the Chairperson of the Board to appoint a committee of the Board under section 78(9) to hear and determine the appeal in his or her place instead.

- 20 (2) The member may make the request if he or she reasonably believes that it is in the interests of justice for the case to be heard by a committee of the Board.

- 25 (3) If the Chairperson of the Board, in considering the request, considers it to be in the interests of justice for the case to be heard by a committee of the Board, the Chairperson must appoint a committee of the Board under section 78(9) and that committee must (if the hearing has commenced) rehear the appeal.”.

[Commencement notification]

Amendment of section 86

- 30 **39.** In section 86(3) of the principal Act, delete “by personal service or registered post”.

[Gazette date]

Amendment of section 105M

40. In section 105M(2) of the principal Act, replace “subsection (1)” with “subsections (1) and (1B)”.

[Gazette date]

Amendment of section 106

5 **41.** In section 106(3) of the principal Act, replace “and Tenth” with “, Tenth and Eleventh”.

[Gazette date]

Amendment of Second Schedule

42.—(1) In Part A of the Second Schedule to the principal Act —

- (a) delete Table 1;
- 10 (b) renumber Table 2 as Table 1;
- (c) renumber Table 3 as Table 2;
- (d) in Table 2 (as renumbered under paragraph (c)), in the table heading, replace “YEAR OF ASSESSMENT 2017 AND SUBSEQUENT YEARS OF ASSESSMENT” with
- 15 “YEARS OF ASSESSMENT 2017, 2018, 2019, 2020, 2021, 2022 AND 2023”; and
- (e) after Table 2 (as renumbered by paragraph (c)), insert —

“TABLE 3

20 RATES OF TAX ON CHARGEABLE INCOME OF AN
INDIVIDUAL FOR YEAR OF ASSESSMENT 2024 AND
SUBSEQUENT YEARS OF ASSESSMENT

	<i>Chargeable Income</i>	<i>Rate of Tax</i>
	For every dollar of the first	\$20,000 Nil
	For every dollar of the next	\$10,000 2%
	For every dollar of the next	\$10,000 3.5%
	For every dollar of the next	\$40,000 7%

For every dollar of the next	\$40,000	11.5%
For every dollar of the next	\$40,000	15%
For every dollar of the next	\$40,000	18%
For every dollar of the next	\$40,000	19%
For every dollar of the next	\$40,000	19.5%
For every dollar of the next	\$40,000	20%
For every dollar of the next	\$180,000	22%
For every dollar of the next	\$500,000	23%
For every dollar exceeding	\$1,000,000	24%.”.

(2) Subsection (1)(e) has effect for the year of assessment 2024 and subsequent years of assessment.

[Gazette date]

New Eleventh Schedule

43. After the Tenth Schedule of the principal Act, insert —

5

“ELEVENTH SCHEDULE

Section 6(12A)

PRESCRIBED INFORMATION

1. The name of a company
2. The tax reference number of a company
- 10 3. The revenue of a company in the basis period for any year of assessment that is derived from any trade or business carried on by that company, presented in ranges determined by the Comptroller
4. Whether a company has any net profit or loss before tax in the basis period for any year of assessment
- 15 5. Whether a company carried on any trade or business in the basis period for any year of assessment
6. Whether a company claimed the deduction of any expense under any of the following provisions in the basis period for any year of assessment:
 - 20 (a) section 14A

- (b) section 14B
- (c) section 14C
- (d) section 14D(1)
- (e) section 14E
- 5 (f) section 14H
- (g) section 14U

7. Whether a company received any income in Singapore from outside Singapore (excluding income exempt from tax under section 13(8)) in the basis period for any year of assessment”.

[Gazette date]

10 **Miscellaneous amendments**

44.—(1) In the principal Act —

- (a) in section 2(1), after the definition of “Hindu joint family”, insert —
 - 15 “ “holding company” has the meaning given by section 5 of the Companies Act 1967;”
- (b) in section 2(1), after the definition of “SRS operator”, insert —
 - “ “subsidiary” has the meaning given by section 5 of the Companies Act 1967;”
- 20 (c) in the following provisions, delete the definition of “holding company”:

 - Section 13H(10)
 - Section 13I(5);

- (d) in section 14L(8) and (8)(b), replace “subsidiary company”
 - 25 wherever it appears with “subsidiary”;
- (e) in section 14L(9), delete the definitions of “holding company” and “subsidiary company”;
- (f) in the following provisions, delete the definitions of “holding company” and “subsidiary”:

 - 30 Section 14M(13)

Section 37O(25);

(g) in section 15, delete subsection (3); and

(h) in section 37O(16A)(d) and (17)(e), delete “within the meaning of section 5 of the Companies Act 1967”.

5 (2) In the principal Act —

(a) in section 2(1), after the definition of “professional visit pass”, insert —

“ “related party”, in relation to a person (A), means any person —

10 (a) who directly or indirectly controls A;

(b) who is being controlled directly or indirectly by A; or

(c) who, together with A, is directly or indirectly under the control of a common person;”;

15 (b) in the following provisions, delete the definition of “related party”:

Section 13(16)

Section 14B(11)

Section 14T(8)

20 Section 14Z(12)

Section 19B(11)

Section 74(6);

(c) in the following provisions, delete the definition of “related parties”:

25 Section 14O(6)

Section 37G(21);

(d) in section 14B(11), in the definition of “master intellectual property licence”, replace the semi-colon at the end with a full-stop;

- (e) in section 14O(6), in the definition of “qualifying training expenditure”, replace the semi-colon at the end with a full-stop;
- 5 (f) in section 14T(8), in the definition of “qualifying intellectual property rights”, replace the semi-colon at the end with a full-stop;
- (g) in section 14U, replace subsection (6) with —
 “(6) In this section, “qualifying intellectual property rights” has the meaning given by section 14T(8).”;
- 10 (h) in section 19B(11), in the definition of “media and digital entertainment company”, replace the semi-colon at the end with a full-stop;
- (i) in section 34D, delete subsection (3);
- (j) in section 34F, replace subsection (10) with —
 15 “(10) In this section, “firm” includes a partnership.”;
- (k) in the following provisions, delete “(within the meaning of section 13(16))”:
 Section 35(14B)(a)
 Section 93A(1A);
- 20 (l) in section 37G(21), in the definition of “quarter”, replace the semi-colon at the end with a full-stop;
- (m) in section 37O(13), replace “unrelated to” with “not a related party of any of”;
- (n) in section 37O, replace subsection (27) with —
 25 “(27) For the purposes of subsection (16A), a company is connected with another if —
 (a) at least 75% of the total number of ordinary shares in one company are beneficially held, directly or indirectly, by the other; or

- (b) at least 75% of the total number of ordinary shares in each of the 2 companies are beneficially held, directly or indirectly, by a third company.”; and
- 5 (o) in section 43H(4), replace the definitions of “break cost”, “financial institution”, “prepayment fee”, “qualifying debt securities”, “redemption premium” and “related party” with —
- 10 “ “break cost”, “financial institution”, “prepayment fee”, “qualifying debt securities” and “redemption premium” have the meanings given by section 13(16);”.

[Gazette date]

(3) In the following provisions of the principal Act, replace “22%” (wherever it appears) with “24%”:

- Section 45(1)(a)(i)
- 15 Section 45B(2)
- Section 45E(3)(a) and (5)
- Section 45EA(3) and (5).

[1 January 2023]

Repeal of obsolete provisions and consequential amendments

- 45.** In the principal Act —
- 20 (a) in section 10B(12), in the definition of “specified amount”, delete paragraph (b);
- (b) in section 37E, delete subsections (1A), (1B), (1C), (3A), (4A) and (9A);
- (c) in section 37E, replace subsection (5) with —
- 25 “(5) No transfer is allowed under subsection (1) in any year of assessment if the transferor has assessable income for the immediate preceding year of assessment but no claim for relief has been made under section 37D.”;
- (d) in section 37E(6), delete “or (1A)”;

- (e) in section 37E(12), delete “or any one of the 3 immediate preceding years of assessment, as the case may be”;
- (f) in section 39(2)(e), in sub-paragraphs (v) and (vi), delete “2009, 2010, 2011,”;
- 5 (g) in section 39(2), in paragraph (h), delete “35% (for the year of assessment 2011),”;
- (h) in section 39(2), in paragraph (h) and sub-paragraphs (ii), (iii) and (iv), delete “\$26,775 (for the year of assessment 2011),” wherever it appears;
- 10 (i) in the Fifth Schedule, in paragraph 1, replace “2009” with “2012”;
- (j) in the Fifth Schedule, replace paragraph 3 with —
- “3. No deduction is allowed in respect of any child who was engaged in any employment, other than under articles or indentures, or carried on or exercised a trade, business, profession or vocation, during the year immediately preceding the year of assessment.”
- 15 (k) in the Fifth Schedule, in paragraph 3A, replace “2010” with “2012”;
- (l) in the Fifth Schedule, delete paragraph 5(1);
- 20 (m) in the Fifth Schedule, in paragraph 5(2) and (3), delete “(1) or”; and
- (n) in the Fifth Schedule, in paragraph 6(2), replace “5(1) or 5(1A) (as the case may be)” with “5(1A)”.

[Gazette date]

Related amendments to the Goods and Services Tax Act 1993

- 25 **46.** In the Goods and Services Tax Act 1993 —
- (a) in section 2(1), delete the definition of “authentication code”;
- (b) in section 2(1), replace the definition of “electronic service” with —
- “ “electronic service” means the system established under section 29 of the Inland Revenue Authority of Singapore Act 1992;”
- 30

(c) in section 6, after subsection (9), insert —

“(9A) Despite subsections (1) and (2) and without affecting subsection (9), the Comptroller may disclose information relating to the business, the value of the supply of any goods and services, or the income of any taxable person, to any of the following with the express consent of the taxable person:

(a) any public officer or officer of a statutory board for the performance of his or her official duties; or

(b) any other person (A) who is engaged by the Government or a statutory board to assist any public officer or officer of a statutory board in performing any of the officer’s official duties if a public officer or officer of the statutory board (as the case may be), duly authorised by the Comptroller for this purpose, has obtained a written undertaking from A that A is bound by the same obligations of secrecy imposed by subsections (1), (2) and (3).

(9B) Despite subsections (1) and (2) and without affecting subsections (4) to (9A), the Comptroller may disclose any information prescribed in the Tenth Schedule to any public officer or officer of a statutory board that is required for the performance of the officer’s official duties.

(9C) The Minister may, by order in the Gazette, amend the Tenth Schedule.”;

(d) replace section 42 with —

“Use of electronic service

42.—(1) Any person may —

(a) register himself, herself or itself or request to cancel the person’s registration, as a taxable person; or

(b) file or submit any return, declaration, document, application or information, if the person is required to do so,

through the electronic service.

(2) The Minister may make regulations prescribing —

- 5
- (a) the circumstances in which the Comptroller may serve any notice, direction, order, permit, receipt or other document through the electronic service on a person assigned an account with the electronic service;
- 10
- (b) the manner in which a person who has been served through the electronic service with any notice, direction, order, permit, receipt or other document is to be notified of the transmission of an electronic record of it to the person's account with the electronic service.

15

(3) Regulations made for the purpose of subsection (2) —

- (a) may provide for service of any notice, direction, order, permit, receipt or other document through the electronic service in circumstances where —
- 20
- (i) the person consents to such service; or
- (ii) the Comptroller gives the person notice of the Comptroller's intention of such service and the person does not refuse such service;
- (b) may provide for the giving of any notice of the Comptroller's intention or the person's consent or refusal, mentioned in paragraph (a), including —
- 25
- (i) the matters that must be contained in the notice; and
- (ii) the time within which, and the form and manner in which, the consent or refusal
- 30
- must be received by the Comptroller;
- (c) may provide when the consent or refusal of the person takes effect and when the Comptroller must give effect to such consent or refusal; and

- (d) may provide for any other matter necessary or incidental to the purposes in subsection (2)(a) and paragraphs (a), (b) and (c).”;
- (e) in section 50, replace subsection (4B) with —
- 5 “(4B) The Minister may appoint any Deputy Chairperson of the Board as a temporary Chairperson of the Board during the temporary incapacity (from illness or otherwise) or absence of the Chairperson of the Board.”;
- (f) in section 50(6), after “not less than 3 members of the Board”, insert “appointed by the Chairperson”;
- 10 (g) in section 50, replace subsections (6A) and (7) with —
- “(6A) However, the Chairperson may, having regard to the facts and circumstances of a particular case, appoint a single member of the Board, being the Chairperson or a Deputy Chairperson of the Board, to exercise, discharge and perform the powers, functions and duties of the Board for that case.
- 15 (7) Any act, finding or decision of any such committee or member is deemed to be the act, finding or decision of the Board, and (unless the context otherwise requires) any reference to the Board in this Act is to such committee or member.
- (7A) The secretary must inform each member appointed under subsection (6) or (6A) of his or her appointment, and it is the duty of the member to attend any proceedings specified by the secretary.”;
- 25 (h) in section 50, delete subsections (8A) and (8B);
- (i) in section 50(9), replace “remuneration and such travelling and subsistence allowances” with “fees and allowances”;
- 30 (j) in section 50, replace subsection (10) with —
- “(10) The Minister may make regulations —
- (a) prescribing any matter required or permitted to be prescribed under this Part;

- (b) providing for the form and manner in which appeals are to be made to the Board;
- (c) providing for when an objection to the appointment of a member under subsection (6) or (6A) to hear an appeal may be made, and how such objection is to be dealt with;
- (d) providing for the procedure to be adopted by the Board for the Board's meetings and for proceedings before the Board, and the records to be kept by the Board;
- (e) prescribing the fees to be paid in respect of any appeal under this Part;
- (f) prescribing a scale of costs in respect of appeals to the Board;
- (g) providing for any matter which the Minister considers incidental or expedient for the proper and efficient conduct of proceedings before the Board;
- (h) providing that the Chairperson or a Deputy Chairperson may issue directions for carrying out any regulations; and
- (i) providing for any other matter that is necessary or convenient for carrying out or giving effect to the provisions of this Part.”;
- (k) in section 51(1)(a), replace “a written notice of appeal in such form as the Board may determine” with “a notice of appeal”;
- (l) in section 51, replace subsections (2) to (4D) with —
- “(2) The notice of appeal and petition of appeal must be made in the form and manner prescribed in the regulations under section 50(10).”;
- (m) in section 52, replace subsections (1) to (2A) with —
- “(1) On receipt of a petition of appeal, the secretary must immediately forward one copy of it to the

Comptroller, and must as soon as possible thereafter fix the hearing and give notice of the hearing of the appeal to both the appellant and the Comptroller.

5 (2) The appellant and the Comptroller may be represented by an advocate and solicitor or an accountant at a hearing of an appeal before the Board.

(2A) The Board may for any reasonable cause postpone the hearing of an appeal for such reasonable time as the Board thinks necessary.”;

10 (n) in section 52, after subsection (4), insert —

“(4A) Pursuant to subsection (4)(c), the Board may issue to a Superintendent of Prisons appointed under section 20 of the Prisons Act 1933, an order to the same effect as an order under section 38 of that Act, for the purpose of producing a prisoner for examination before the Board.”;

15

(o) in section 52, delete subsection (9);

(p) in section 52, after subsection (12), insert —

20 “(13) Regulations made under section 50(10) may provide for the conduct of proceedings before the Board through electronic communication, video conferencing, tele-conferencing or other electronic means, under specified circumstances.

25 (14) A member of the Board before whom proceedings are conducted in the manner described in subsection (13) in those specified circumstances is deemed to be present and sitting at those proceedings.”;

(q) replace section 53 with —

30 **“Hearing of appeal by committee where a member becomes unavailable**

53.—(1) This section applies to an appeal before a committee of the Board, and a reference in this section to

a member of the Board is to a member of the Board that is part of the committee.

5 (2) Despite anything in this Part, if, in the course of any appeal, or, in the case of a reserved judgment in any appeal, at any time before delivery of the judgment, any member of the Board hearing the appeal resigns or is unable, through illness or any other cause, to continue to hear or to determine the appeal, the remaining members of the Board (if 2 or more), must hear and determine the appeal unless the parties object.

10 (3) In subsection (2), the Board is deemed to be duly constituted for the purposes of the appeal despite the member's resignation or inability to act.

15 (4) Despite section 50(8), in a case under subsection (2) —

20 (a) where there are more than 2 members of the Board remaining, the appeal is to be decided in accordance with the decision of the majority of the remaining members of the Board and, if there is an equality of votes, the Chairperson of the Board or, in the Chairperson's absence, the member presiding has a second or casting vote; or

25 (b) where there are only 2 members of the Board remaining, the appeal is to be decided in accordance with the unanimous decision of both members.

(5) The appeal must be reheard —

30 (a) if the parties do not consent to the proceedings continuing before the remaining members of the Board under subsection (2); or

(b) if the appeal is heard or determined by only 2 remaining members of the Board and they are unable to reach a unanimous decision.

Hearing of appeal by single member where member becomes unavailable

5 **53A.**—(1) Where an appeal is before a single member of the Board, and the member resigns or is unable, through illness or any other cause, to continue to hear or determine the appeal, the Chairperson of the Board is to —

(a) appoint another member of the Board in accordance with section 50(6A); or

10 (b) appoint a committee of the Board in accordance with section 50(6),

to hear and determine the appeal.

(2) The member or committee of the Board appointed under subsection (1) may, if it is in the interests of justice to do so, recall all or any of the witnesses or take their evidence afresh.

(3) The member of the Board or committee appointed under subsection (1) must rehear the appeal if —

20 (a) any party does not consent to the proceedings continuing before the member or committee; or

(b) the member or committee determines that it would be in the interests of justice to do so.

Replacement of single member with committee to hear appeal

25 **53B.**—(1) Where an appeal is before a single member of the Board, the member may, before or at any time during the hearing, make a request to the Chairperson of the Board to appoint a committee of the Board under section 50(6) to hear and determine the appeal in his or her place instead.

30 (2) The member may make the request if he or she reasonably believes that it is in the interests of justice for the case to be heard by a committee of the Board.

- 5 (3) If the Chairperson of the Board, in considering the request, considers it to be in the interests of justice for the case to be heard by a committee of the Board, the Chairperson must appoint a committee of the Board under section 50(6) and that committee must (if the hearing has commenced) rehear the appeal.”;
- (r) in section 82(3), delete “by personal service or registered post”;
- 10 (s) in section 87(1)(d), replace “section 42(13) and (13A)” with “section 42(2)”; and
- (t) after the Ninth Schedule, insert —

“TENTH SCHEDULE

Section 6(9B) and (9C)

PRESCRIBED INFORMATION

- 15 1. The business registration number of a company
2. The name of a company
3. The prescribed accounting period of a company
4. The revenue of a company in any period, presented in ranges determined by the Comptroller
- 20 5. The total value of supplies made by a company in any period, presented in ranges determined by the Comptroller
6. The total value of zero-rated supplies made by a company in any period, presented in ranges determined by the Comptroller”.

*[Paras (a), (b), (d) and (s) — Commencement notification;
Paras (e) to (q) — Commencement notification;
the rest — Gazette date]*

25 **Related amendments to Inland Revenue Authority of Singapore Act 1992**

47. In section 29 of the Inland Revenue Authority of Singapore Act 1992 (as amended by section 48 of the Gambling Duties Act 2022) —

- (a) replace subsection (1) with —

“(1) The Authority may establish a system providing for —

(a) the electronic service —

(i) by a person (or an electronic service agent on behalf of such a person) on the Authority or an officer of the Authority administering any relevant tax legislation; or

(ii) by the Authority, or an officer of the Authority administering any relevant tax legislation, on a person or an electronic service agent on behalf of such a person,

of a document or any information, which is permitted or required by or under any relevant tax legislation to be served or given; and

(b) the electronic registration of a person, transaction or matter that is permitted or required by or under a relevant tax legislation to be registered, and the cancellation of the same.

(1A) The Authority may establish and publish on its website the procedure for —

(a) the proper use of the system, including the procedure in circumstances where there is a breakdown of the system or an interruption in any electronic service using the system; and

(b) the correction or amendment of any document or information that is electronically filed, submitted, served or given using the system.”;

(b) in subsection (2)(d), replace the words “an application, a return, notice or other document” with “a document or any information”;

(c) in subsection (2), delete paragraphs (f), (g) and (h);

(d) in subsection (3), replace “an application, a return, notice or other document which is permitted or required by or under

any relevant tax legislation is served” with “a document or any information which is permitted or required by or under any relevant tax legislation to be served or given, is served or given”;

5 (e) in subsection (3)(a) and (c)(i) and (c)(ii), replace “application, return, notice or document” wherever it appears with “document or information”;

(f) in subsection (3), replace paragraph (b) with —

10 “(b) where the electronic service is done by an electronic service agent on behalf of any person (called in this section the principal) —

(i) the document or information is deemed to be served or given with the authority of that person; and

15 (ii) the principal is to be treated to be cognizant of all matters in the document or record containing the information,

20 unless that principal has, before the electronic service is done, informed the Authority in the prescribed manner that the principal has revoked the authority of the electronic service agent for the serving or giving of the document or information in question;”;

25 (g) in subsection (3)(c), replace “where the electronic service of an application, a return, notice or other document which is permitted or required by or under any relevant tax legislation, is done” with “where the document or information is served or given”;

30 (h) in subsection (4), replace “an application, a return, notice or document which is permitted or required by or under any relevant tax legislation that was electronically served” with “a document or any information which is permitted or required by or under any relevant tax legislation to be served or given, that was served or given”;

(i) in subsection (5), after “document” (wherever it appears), insert “or information”;

(j) in subsection (6), replace paragraph (a) with —

“(a) giving the particulars of —

- 5 (i) any person whose authentication code was used to serve or give the document or information using the system; or
- 10 (ii) any person or device involved in the production or transmission of the electronic record of the document or information, or the copy or print-out;”;

(k) in subsection (7), after the definition of “authentication code”, insert —

15 “ “document” means an application, return, notice, direction, order, permit, receipt, declaration, estimate, statement or other document;”;

(l) in subsection (7), replace the definition of “relevant tax legislation” with —

20 “ “relevant tax legislation”, for any document or information permitted or required by or under such legislation to be served or given, means —

- (a) this section and any regulations made under section 31 for the purposes of this section;
- 25 (b) in the case of subsection (1)(a)(i) — a provision of any Act specified in the Third Schedule, or any subsidiary legislation made under it, which permits, requires, or enables an officer of the Authority administering that Act to require, the document or information to be served or given by means of the system; or
- 30 (c) in the case of subsection (1)(a)(ii) — a provision of any Act specified in the Third

5 Schedule, or any subsidiary legislation made under it, which provides for a method for the service or giving of any document or information of that kind if the recipient consents (expressly or impliedly) to the service or giving of any document or information of that kind in that way;

10 “relevant tax legislation”, for the registration of any person, transaction or matter, means a provision of any Act specified in the Third Schedule, or any subsidiary legislation made under it, which provides for the registration of any person, transaction or matter.”

[Commencement Notification]

Related amendments to the Property Tax Act 1960

15 **48.** In the Property Tax Act 1960 —

(a) in section 2(1), delete the definition of “authentication code”;

(b) in section 2(1), replace the definition of “electronic service” with —

20 “ “electronic service” means the system established under section 29 of the Inland Revenue Authority of Singapore Act 1992;”;

(c) in section 18(1), after “within 14 days after the expiry of that period,”, insert “or such extended time as the Chief Assessor may allow,”;

25 (d) in section 19(1), after “within one month after the sale or transfer,”, insert “or such extended time as the Chief Assessor may allow,”;

(e) in section 65(3), delete “in accordance with section 66(7)”;

(f) replace section 66 with —

“Use of electronic service

66.—(1) Any person who is required to file or submit any return or document may do so through the electronic service.

5 (2) The Minister may make regulations for the purposes of this section and section 67(1)(d), prescribing —

10 (a) the circumstances in which the Comptroller or the Chief Assessor may serve any notice, order or other document through the electronic service on a person assigned an account with the electronic service;

15 (b) the manner in which a person who has been served through the electronic service with any notice, order or other document is to be notified of the transmission of an electronic record of it to the person’s account with the electronic service.

(3) Regulations made for the purpose of subsection (2) —

20 (a) may provide for service of any notice, order or document through the electronic service in circumstances where —

(i) the person consents to such service; or

25 (ii) the Comptroller or the Chief Assessor (as the case may be) gives the person notice of the Comptroller’s or the Chief Assessor’s intention of such service and the person does not refuse such service;

30 (b) may provide for the giving of any notice of the Comptroller’s or the Chief Assessor’s intention, or the person’s consent or refusal, mentioned in paragraph (a), including —

(i) the matters that must be contained in the notice; and

(ii) the time within which, and the form and manner in which, the consent or refusal must be received by the Comptroller or the Chief Assessor;

5 (c) may provide when the consent or refusal of the person takes effect and when the Comptroller or the Chief Assessor must give effect to such consent or refusal; and

10 (d) may provide for any other matter necessary or incidental to the purposes in subsection (2)(a) and paragraphs (a), (b) and (c).

15 (4) The Comptroller may, for the purposes of the electronic service, approve the use of any symbol, code, abbreviation or notation to represent any particulars or information required under this Act.”; and

(g) in section 67(1)(d), replace “section 66(13) and (14)” with “section 66(2)”.

[Paras (c) and (d) — Gazette date]
[The rest: — Commencement notification]

Savings and transitional provisions

20 **49.**—(1) Despite section 3, section 6(12) of the principal Act as in force immediately before the date of commencement of section 3 (called in this subsection the old law) continues to apply to any disclosure of information described in the old law made on or after that date if a consent described in the old law was obtained before that date and remained in force as at the date of the disclosure.

25 (2) Section 78(10) of the principal Act inserted by section 34(c) also applies in relation to a notice of appeal lodged under section 79(1) of the principal Act before the commencement date of section 34, except that the Chairperson of the Board may not exercise the power under section 78(10) of the principal Act without the consent
30 of the appellant and the Comptroller.

(3) Section 50(6A) of the Goods and Services Tax Act 1993 inserted by section 46(g) also applies in relation to a notice of appeal lodged under section 51(1) of that Act before the commencement date

of section 46(g), except that the Chairperson of the Board may not exercise the power under section 50(6A) of that Act without the consent of the appellant and the Comptroller.

- 5 (4) For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such additional provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.

EXPLANATORY STATEMENT

This Bill seeks to implement the tax changes in the Government's 2022 Budget Statement in the Income Tax Act 1947 (the Act) and to make certain other amendments to the Act.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2 (Interpretation) to delete the definition of "authentication code" and replace the definition of "electronic service" to refer to the system in section 29 of the Inland Revenue Authority of Singapore Act 1992. Provisions relating to the provision and use of the electronic service (other than those applicable only to the Act) will be deleted as these provisions are now found in section 29 of the Inland Revenue Authority of Singapore Act 1992 (as inserted by section 48 of the Gambling Duties Act 2022).

Clause 3 amends section 6 (Official Secrecy) for 2 purposes.

First, section 6(12) is replaced by a new subsection (12) that allows the Comptroller of Income Tax (called the Comptroller) to disclose the income information of any person with the person's express consent, to —

- (a) a public officer or officer of a statutory board for the performance of any official duties (and not only for administering a written law or a public scheme); or
- (b) a person engaged to facilitate the carrying out of such official duties, if that person undertakes to be bound by the obligations of secrecy imposed by subsections (1), (2) and (3).

Second, section 6 is amended by inserting a new subsection (12A) to enable the Comptroller to disclose certain information prescribed in the Eleventh Schedule to any public officer or officer of a statutory board for the performance of his or her official duties, without the consent of the person to whom the information relates.

Clause 4 makes an amendment to section 8 that is consequential on the repeal and re-enactment of section 8A.

Clause 5 repeals and re-enacts section 8A (Use of electronic service). Most of the provisions in the existing section 8A are now found in the amended section 29 of the Inland Revenue Authority of Singapore Act 1992. The new section 8A retains certain provisions applicable only to the Income Tax Act 1947.

Clause 6 makes an amendment to section 10 (Charge of income tax) that is consequential on the amendment to section 13E.

Clause 7 amends section 13 (Exempt income) —

- (a) to extend the last day of issue of qualifying project debt securities to qualify for exemption of tax under that section from 31 December 2022 to 31 December 2025; and
- (b) to extend until 31 March 2023 the period during which income derived by the following individuals are exempt from tax:
 - (i) a non-resident arbitrator;
 - (ii) a non-resident qualifying mediator for mediation services for a mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn;
 - (iii) a non-resident individual for mediation services for a qualifying mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn.
- (c) to limit the tax exemption under subsection (1)(zj) for income from a structured product derived from Singapore by a non-resident person who is not an individual where the contract for the product is varied. The exemption continues to apply only if the variation takes effect before 1 January 2027.

Clause 7 also amends subsection (12A) of section 13. Subsections (12A) and (12B) of section 13 provide that orders made under subsection (12) which exempt from tax income received by the trustee of a Singapore listed real estate investment trust (“REIT”) or its wholly-owned company that is incorporated in Singapore, continue to have effect on or after 1 January 2026 only in relation to income received in Singapore that is paid out of income or gains relating to immovable property outside Singapore and acquired before that date, and derived at a time when the trustee or company beneficially owns the property, or from the disposal of the property. The amendment extends subsection (12A) to the following:

- (a) a subsection (12) order exempting income received by the trustee of a sub-trust of a REIT all rights or interests in the property of which are

held by the trustee of the REIT for the benefit of the beneficiaries of the REIT;

- (b) a subsection (12) order exempting income received by a company incorporated in Singapore the share capital of which is wholly-owned directly or indirectly by the trustee of a REIT.

Clause 8 amends section 13E (Exemption of international shipping profits) to exclude, from the scope of the term “foreign ship”, a ship that is provisionally registered under the Merchant Shipping Act 1995 and which registry is not closed, deemed to be closed or suspended. The purpose of this amendment is to remove an overlap in the scope of tax exemption between section 13A and section 13E.

Clause 9 amends section 13F (Exemption of income of foreign trust) to allow the Minister to prescribe regulations that exempt income of a foreign trust that is approved by the Minister or an authorised body, in addition to a foreign trust that is prescribed by regulations.

Clause 10 amends section 13U (Exemption of income arising from funds managed by fund manager in Singapore) to extend the tax exemption in that section to income that is prescribed by regulations and which arises from funds of any approved eligible special purpose vehicle (“SPV”) of an approved master-feeder fund-SPV structure, or of an approved master fund-SPV structure, subject to conditions in that section.

Clause 11 makes an amendment to section 26 (Profits of insurers) that is consequential on the new section 34AAA.

Clause 12 amends section 26A (Ascertainment of income of member of Lloyd’s syndicate) to allow the Comptroller to extend the deadline for filing an estimate of the aggregate amount of chargeable income of a non-resident member of Lloyd’s, beyond the current 3 months after the end of the accounting period relating to the year of assessment of that member.

Clause 13 amends section 34A (Adjustment on change of basis of computing profits of financial instruments resulting from FRS 39 or SFRS for Small Entities) to extend the tax treatment of interest from debt securities in that section to interest from a loan, i.e. interest from a loan that is chargeable to tax under section 10(1)(d) is to be computed at the contractual interest rate and not effective interest rate. The clause also makes amendments consequential on the new section 34AAA.

Clause 14 amends section 34AA (Adjustment on change of basis of computing profits of financial instruments resulting from FRS 109 or SFRS(I) 9) to extend the tax treatment of interest from debt securities in that section to interest from a loan, i.e. interest from a loan that is chargeable to tax under section 10(1)(d) is to be computed at the contractual interest rate and not effective interest rate. The clause also makes amendments consequential on the new section 34AAA.

Clause 15 inserts a new section 34AAA to provide for a new basis for computing the profits, losses and expenses in respect of financial instruments of

licensed insurers for a basis period that begins on or after 1 January 2023. The new section provides that (with certain exceptions) the profits, losses and expenses to be brought into account are those that are recognised and valued in accordance with certain regulations made under the Insurance Act 1966, and reflected in returns submitted to the Monetary Authority of Singapore under that Act (called the MAS returns). The reason for this is that financial statements prepared in accordance with the accounting standard applicable for annual reporting periods beginning on or after 1 January 2023 (FRS 117 or SFRS(I) 17) are less suitable for tax computation purposes compared to the MAS returns.

The new section provides for a case where a gain relating to a financial instrument was not taxed because it was treated as capital in nature, or a loss or expense relating to a financial instrument was allowed as a deduction because it was treated as revenue in nature. If the gain is later discovered to be revenue in nature or the loss or expense discovered to be capital in nature, then the gain, loss or expense, together with any previous gain, loss or expense in respect of the instrument that was similarly mischaracterised, is treated as income for the year of assessment that is the year in which the discovery takes place. However, no assessment for that income may be made after the period of 4 years after the end of the year of assessment of the basis period in which the instrument is disposed of.

Conversely, where a gain relating to a financial instrument was taxed because it was treated as revenue in nature, or a loss or expense relating to a financial instrument was not allowed as a deduction because it was treated as capital in nature, and the gain was later discovered to be capital in nature or the loss or expense discovered to be revenue in nature, then a deduction is to be allowed for the gain, loss or expense, as well as any previous gain, loss or expense in respect of the instrument that was similarly mischaracterised, for the year of assessment that is the year in which the discovery takes place. However, no claim for such deduction may be made after the period of 4 years after the end of the year of assessment of the basis period in which the instrument is disposed of.

The provisions in the last 2 paragraphs are necessary because unrealised gains, losses or expenses may be recognised under the regulations made under the Insurance Act 1966, before their true nature becomes known.

Finally, the section enables regulations to be made for various transitional matters, including regulations to treat as the income of a specified insurer for a specified year of assessment for a specified amount of any profit relating to a financial instrument that is an amount recognised under the regulations made under the Insurance Act 1966 as the insurer's profit before the start of the basis period in relation to which the new section 34AAA first applies to the insurer, and allowing a deduction to a specified insurer for a specified year of assessment for a specified amount of any loss or expense relating to a financial instrument that is an amount recognised under those regulations as the insurer's loss or expense before the start of that basis period. Such regulations may be needed to make

transitional adjustments for previously recognised gains, losses or expenses relating to financial instruments of insurers that were subject to a different tax treatment.

Clause 16 makes an amendment to section 34AB (Chargeability of profit or loss from foreign exchange differences) that is consequential on the new section 34AAA.

Clause 17 inserts a new section 34CA which applies with modification the tax treatments accorded to a qualifying amalgamation of companies in section 34C, to a transfer of businesses of a company incorporated in Singapore and licensed to carry out insurance business, to another company incorporated in Singapore.

Parties to the transfer of an insurance business currently cannot avail themselves of section 34C due to the requirements for such transfer under the Insurance Act 1966.

The new section 34CA(1) sets out the scope of application of the new section. It applies only if —

- (a) a licensed insurer that is a company incorporated in Singapore (the transferor) transfers on a single date (date A) its insurance business to another company (the transferee) under a voluntary transfer scheme that has been confirmed by a court under the Insurance Act 1966;
- (b) the conditions in section 34CA(3) are satisfied;
- (c) the transferor also transfers all of its non-insurance businesses (if any) to the same transferee on a single date (date B) that is no earlier than 12 months before nor later than 12 months after the transfer date;
- (d) approval for the transfer in paragraph (c) has been approved under the new section 34CA(4) and the conditions for the approval under the new section 34CA(5) (which may include conditions subsequent) are satisfied; and
- (e) the transferee elects under the new section 34CA(6) and (7) for the application of the new section to the transfers.

The new section 34CA(2) defines various terms used in the new section. In particular it defines the term “effective date” as either date A or date B, depending on whether the transferred business in question is the insurance business or any of the non-insurance businesses.

The new section 34CA(3) sets out conditions that have to be satisfied in relation to the transfer of the insurance business. Essentially all property, rights and liabilities in relation to the insurance business must be transferred to the transferee on the effective date, and the transferor must permanent cease to carry on that business on that date and must be wound up before the date it has to furnish a return for the year of assessment for the basis period in which the transfer occurs.

The new section 34CA(8) provides that property for a transferred business on revenue or capital account of the transferor is treated as property on revenue or capital account, as the case may be, of the transferee. Such property will be treated as having been acquired by the transferee on the date the property was acquired by the transferor at the original cost incurred by the transferor.

The new section 34CA(9) and (10) deems an election under section 24 to be made in relation to any transfer of property from the transferor to the transferee, where the allowances or writing-down allowances in respect of the property have been made to the transferor under certain sections.

The new section 34CA(11) and (12) enables annual allowances under section 18C to be made to the transferee in respect of a building to the transferee for which an allowance under that section has been made to the transferor.

The new section 34CA(13) provides that where there is a transfer of intellectual property rights (in respect of which writing-down allowances have been made to the transferor under section 19B) from the transferor to the transferee, the allowances under that section are to be made to the transferee as if no transfer had taken place.

The new section 34CA(14) and (15) provides for the tax treatment when assets on revenue account of the transferor become assets on capital account in the accounts of the transferee on the effective date. The consideration for the transfer is taken to the open market value of the property on the effective date.

The new section 34CA(16) and (17) provides for the tax treatment when assets on capital account of the transferor become assets on revenue account in the accounts of the transferee on the effective date. The consideration for the transfer is taken to be the lower of the actual amount paid and the open market value of the property on the effective date.

The new section 34CA(18) provides for the tax treatment of intellectual property rights mentioned in the new section 34CA(13) when the transferee ceases to carry on the transferred business in Singapore after the effective date. A charge is to be made on the transferee as if the rights had been sold on the date of cessation.

The new section 34CA(19) provides that any question on the open market value attributable to property for the purposes of the new section 34CA(14), (16) and (18) is to be determined by the Comptroller.

The new section 34CA(20) provides that no writing-down of allowances under section 19B is allowed to the transferee for intellectual property rights of a transferred business which are recognised under certain financial reporting standards but were not in existence prior to the effective date.

The new section 34CA(21) provides for a deduction to be allowed to the transferee that continues to carry on a transferred business for the impairment loss, expenditure or loss arising from the activities of the transferor before the effective

date, if a deduction would have been allowed to the transferor but for the transfer of business. Any reversal of impairment loss or recovery of bad debt will be taxable in the hands of the transferee.

The new section 34CA(22) provides that any reversal of impairment loss or recovery of bad debt will be taxable in the hands of the transferee if such impairment loss or bad debt has been allowed as a deduction to the transferor and the transferor would have been chargeable to tax on it but for the transfer of business.

The new section 34CA(23), (24) and (25) provides for deduction of any unabsorbed capital allowance, loss or donation of the transferor against the income of the transferee, subject to conditions.

The new section 34CA(26) provides that if the transferor had previously adopted the FRS 39 tax treatment under section 34A, the transferee is not allowed to opt out of the FRS 39 tax treatment. The gains or losses, not being capital in nature, arising from the adjustment to the financial assets or liabilities of the transferor that was on the pre-FRS 39 tax treatment are to be taxed as income of the transferee or allowed as a deduction against its income, if the transferee adopted the FRS 39 tax treatment.

The new section 34CA(27) provides that section 43(6C) (which provides a partial tax exemption to eligible start-up companies) does not apply to the transferee even if it were a qualifying company, if the earlier of date A and date B does not fall within the basis periods of the first 2 years of assessment of transferor. If that earlier date falls within the basis periods of the first 2 years of assessment of the transferor, then section 43(6C) applies to the transferee but only if the year of assessment in question falls within the period prescribed by regulations.

The new section 34CA(28) allows different periods to be prescribed for the purposes of subsection (27) for different descriptions of transfers or companies.

The new section 34CA(29) provides that the transferee must comply with all obligations and meet all liabilities of transferor in respect of a transferred business as if it were the transferor.

The new section 34CA(30) clarifies that section 26(5) and (13) (which provides for how gains or profits of an insurer are to be determined when an insurance business is transferred to or by it) applies in relation to the transfer of an insurance business.

The new section 34CA(31) empowers the Minister to make regulations to provide for other tax treatments in a transfer of businesses under the new section, and to enable deductions to be allowed and allowances to be made in anticipation of the satisfaction of the requirements for the application of the new section, and the recovery of such deductions and allowances in the event any such requirement is not met.

Clause 18 makes amendments to section 34G (Modification of provisions for companies redomiciled in Singapore) that are consequential on the new section 34AAA.

Clause 19 amends section 37A (Adjustment of capital allowances, losses or donations between income subject to tax at different rates) to provide that the adjustment factor that applies for the purpose of a deduction of any unabsorbed allowances, losses or donations in respect of any income subject to tax at one rate against any income that is subject to tax at a different rate, apply to a body of persons that derives income subject to a concessionary rate of tax under section 43H regulations.

Clause 20 amends section 37D (Carry back of capital allowances and losses) to make amendments consequential to the amendments made to section 37A.

Clause 21 amends section 37O (Deduction for acquisition of shares of companies) to expand the definition of “local employee”, in relation to a company that claims a deduction for a qualifying acquisition of shares, to the following persons:

- (a) an individual who is seconded to the acquiring company;
- (b) an individual who is hired centrally and deployed to the acquiring company.

A condition for the deduction is that the company must have at least 3 local employees in the 12 months before the date of the acquisition of shares.

Clause 22 amends section 43 (Rate of tax upon companies and others) to increase the rate of tax for a non-resident individual from 22% to 24% for the year of assessment 2024 onwards.

Clause 22 also amends section 43 to provide that a tax rate of 10% is to be levied and paid on the gross income derived during the period from 1 April 2023 to 31 December 2027 (both dates inclusive) by the following individuals:

- (a) a non-resident arbitrator;
- (b) a non-resident qualifying mediator for mediation services for a mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn;
- (c) a non-resident individual for mediation services for a qualifying mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn.

Clause 23 amends section 43N (Concessionary rate of tax for leasing of aircraft and aircraft engines) to extend the last day of the period during which an aircraft leasing company may be approved for its income from the leasing of aircrafts or aircraft engines and qualifying ancillary activities to be subject to a concessionary rate of tax, from 31 December 2022 to 31 December 2027.

Clause 24 amends section 43O (Concessionary rate of tax for aircraft investment manager) to extend the last day of the period during which an aircraft investment manager may be approved for its income from the managing of an approved aircraft leasing company and other qualifying activities to be subject to a concessionary rate of tax, from 31 December 2022 to 31 December 2027.

Clauses 25 and 26 amend sections 45 (Withholding of tax in respect of non-resident persons) and 45A (Application of section 45 to royalties, management fees, etc.) respectively to make amendments that are consequential to the amendments to section 13(1)(b).

Clause 27 amends section 45F (Application of section 45 to income from profession or vocation carried on by non-resident individual, etc.) to provide for the application of section 45 (Withholding of tax in respect of interest paid to non-resident persons) to payments made during the period 1 April 2023 to 31 December 2027 to an individual not resident in Singapore who is —

- (a) an arbitrator;
- (b) a qualifying mediator for mediation services for a mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn; and
- (c) a mediator for mediation services for a qualifying mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn.

Tax is to be deducted from the payments at the rate of 10%.

Clause 28 amends section 45I (Sections 45 and 45A not applicable to certain payments) so that the withholding tax requirements in sections 45 and 45A do not apply to the following:

- (a) a payment liable to be made by a bank, finance company or qualifying holder of a capital markets services licence under a contract which was varied where —
 - (i) the variation takes effect on a date which falls within the period from the date of *Gazette* of the Income Tax (Amendment) Bill (called the *Gazette* date) to 31 December 2026 (both dates inclusive); and
 - (ii) the payment is made on or after the date the variation takes effect; or
- (b) a payment liable to be made by a person approved for the purposes of section 45I —
 - (i) at any time during the period from the *Gazette* date to 31 December 2026 (both dates inclusive) under a contract which was varied, where the variation takes effect on or after the

Gazette date and before the date on which the person is approved for the purposes of section 45I (called the approval date); or

- (ii) under a contract which was varied where —
 - (A) the variation takes effect on a date which falls within the period from the *Gazette* date or the approval date (whichever is later) to 31 December 2026 (both dates inclusive); and
 - (B) the payment is made on or after the date the variation takes effect.

Clause 29 amends section 62 (Notice of chargeability and returns) to provide that a licensed insurer that is required to file a tax computation with its income return, must file the tax computation that is prepared in accordance with the return of its income that it submits to the Monetary Authority of Singapore in accordance with the Insurance Act 1966, and provide any other information that the Comptroller may reasonably require for assessment.

Clause 30 amends section 62B (Currency other than Singapore dollar to be used in certain circumstances) to disapply the section to a licensed insurer, in respect of an accounting period beginning on or after 1 January 2023. This is because the return that the insurer is required to use to prepare its tax computation under the amended section 62 is prepared using the Singapore dollar.

Clause 31 amends section 63 (Furnishing of estimate of chargeable income if no return is made under section 62) —

- (a) to allow the Comptroller to extend the deadline for filing an estimate of the chargeable income of a person beyond the current 3 months after the end of the accounting period relating to the year of assessment;
- (b) to provide, in the case of a licensed insurer (not being a captive or marine mutual insurer), a different period from that set out in subsection (1) within which it is to provide an estimate of its chargeable income if no income return had been made earlier. The insurer must, within 3 months after the end of the calendar year before the year of assessment or such extended deadline as the Comptroller may allow, provide to the Comptroller an estimate of its chargeable income.

Clause 32 amends section 68 (Official information and secrecy, and returns by employer) to allow the Comptroller to extend the deadline for an employer to furnish employee income information, beyond the time for compliance stipulated in the notice.

Clause 33 amends section 71 (Return to be made by partnership) to allow the Comptroller to extend the deadline for furnishing an estimate of the income from all sources of a partnership and the identities and shares of income of the partners,

beyond the current 3 months after the end of the accounting period relating to the year of assessment.

Clause 34 amends section 78 (Board of Review) —

- (a) to provide for certain matters relating to appeals to and proceedings before the Board of Review of a procedural nature to be prescribed by regulations rather than the Act;
- (b) to provide that the Chairperson of the Board may appoint a single member to hear appeals in a particular case. For example, the Chairperson may appoint a single member if an appeal does not involve any complex issue;
- (c) expand the scope of the regulation-making power to include, among other things, a power to make regulations to deal with objections to the appointment of a member hearing an appeal (currently dealt with by section 79), and to enable directions to be issued for the carrying out of the regulations.

Clause 35 amends section 79 (Right of appeal) to delete provisions relating to the form of a notice of appeal to the Board and objections to the composition of members of the Board hearing an appeal. These matters will be effected by regulations.

Clause 36 amends section 80 (Hearing and disposal of appeals) to delete certain provisions which relate to procedure. These procedural requirements will be set out in subsidiary legislation. Clause 36 also amends section 80 to clarify that an order to the same effect as an order under section 38 of the Prisons Act 1933 may be issued to bring up a prisoner for examination as a witness in a hearing before the Board. Next, clause 36 amends section 80 by deleting subsection (11) (Board may order additional costs if appeal was frivolous or vexatious) as the Board already has the discretion to order indemnity costs. Finally, clause 36 amends section 80 to enable regulations to be made for proceedings before the Board to be conducted electronically in specified circumstances.

Clause 37 amends section 80A (Hearing of appeal in absence of member of Board) to provide that it only applies in the case of a hearing before a committee, as an appeal may be heard by a single member (dealt with under the new section 80B).

Clause 38 inserts new sections 80B and 80C.

The new section 80B deals with a case where an appeal is before a single member and the member becomes unavailable. The Chairperson of the Board is to appoint a new member or a committee who may continue to hear and determine the appeal unless the parties object or the member or committee decides that it is in the interests of justice for the appeal to be reheard.

The new section 80C enables a single member appointed to hear an appeal to request the Chairperson of the Board to appoint a committee to do so instead if the member believes that it is in the interests of justice for the case to be heard by a committee. If the Chairperson appoints a committee for the case, the committee so appointed has to rehear the appeal.

Clause 39 amends section 86 (Recovery of tax from persons leaving Singapore) by removing the requirement for a notification to a person that a certificate has been issued that he or she is to be prevented from leaving Singapore without paying tax, to be served by personal service or registered post.

Clause 40 amends section 105M (Offences) to enable the Comptroller to compound offences under subsection (1B). Subsection (1B) criminalises a non-compliance with a regulation under section 105P other than one requiring a person to apply for registration or report any information to the Comptroller.

Clause 41 amends section 106 (Powers to amend Schedules) to include the new Eleventh Schedule in the list of Schedules which may be amended by the Minister by way of order in the Gazette.

Clause 42 amends Part A of the Second Schedule (Rates of Tax). It inserts a new table for the rates of tax on chargeable income of an individual resident in Singapore for the year of assessment 2024 and subsequent years of assessment. In particular, it provides for a tax rate of 23% for every dollar of the individual's chargeable income from \$500,001 to \$1,000,000, and a rate of tax of 24% for every dollar of the individual's chargeable income exceeding \$1,000,000.

Clause 43 inserts an Eleventh Schedule to prescribe information that the Comptroller may disclose to any public officer or officer of a statutory board for the performance of his or her official duties, without the consent of the person to whom the information relates.

Clause 44 —

- (a) sets out the definitions of “holding company”, “subsidiary” and “related party” in section 2 (Interpretation);
- (b) deletes the definitions of those terms in various sections of the Act consequential on those terms now being defined in section 2; and
- (c) makes amendments to various sections of the Act that are consequential on the insertion of the definitions of those terms in section 2.

The insertion of the definitions in paragraph (a) in section 2 does not imply that those terms took a different meaning previously.

Clause 44 also amends the following sections to increase the rate of withholding tax from 22% to 24% [from 1 January 2023] and other amendments consequential on this:

- (a) section 45 (Withholding of tax in respect of interest paid to non-resident persons);
- (b) section 45B (Application of section 45 to non-resident director's remuneration);
- (c) section 45E (Application of section 45 to withdrawals by non-citizen SRS members, etc.);
- (d) section 45EA (Approval of deduction of investment from SRS of non-citizen).

Clause 45 repeals provisions of the Act that are obsolete and to make certain consequential amendments to those provisions.

Clause 46 makes related amendments to the Goods and Services Tax Act 1993 ("GSTA").

First, clause 46 amends section 2 (Interpretation) of the GSTA to delete the definition of "authentication code" and replace the definition of "electronic service" to refer to the system in section 29 of the Inland Revenue Authority of Singapore Act 1992. Provisions relating to the provision and use of the electronic service (other than those applicable only to the GSTA) will be deleted as these provisions are now found in section 29 of the Inland Revenue Authority of Singapore Act 1992.

Second, amendments are made to section 6 (Official secrecy) of the GSTA that are related to those made to section 6 of the Income Tax Act 1947 as well as the new Eleventh Schedule to the Act.

Third, clause 46 also repeals and re-enacts section 42 (Use of Electronic service) of the GSTA. Most of the provisions in the existing section 42 are now found in the amended section 29 of the Inland Revenue Authority of Singapore Act 1992. The new section 42 retains certain provisions applicable only to the GSTA.

Fourth, amendments are made to the provisions in the GSTA relating to the Goods and Services Tax Board of Review to align them with the provisions in the Income Tax Act 1947 relating to the Income Tax Board of Review, as amended by the Bill.

Finally, an amendment is made to section 82 of the GSTA that is related to the amendment made to section 86 of the Income Tax Act 1947.

Clause 47 makes amendments to section 29 (Electronic Service system) of the Inland Revenue Authority of Singapore Act 1992 that are consequential on the amendments to section 8A of the Income Tax Act 1947, section 42 of the GSTA and section 66 of the Property Tax Act 1960. The amendments enable —

- (a) information required or permitted to be given under the various Tax Acts to be given using the electronic service system;

- (b) persons and other matters required or permitted to be registered under the various Tax Acts (such as the registration of a person as a taxable person under the GSTA) to be done using that system; and
- (c) various procedures for the use of that system to be specified by the Authority instead of by regulations.

Clause 48 makes amendments to the Property Tax Act 1960 that are related to those made to the provisions in the Income Tax Act 1947 permitting the Comptroller of Income Tax to extend prescribed deadlines.

Clause 48 also amends section 2 (Interpretation) of the Property Tax Act 1960 to delete the definition of “authentication code” and replace the definition of “electronic service” to refer to the system in section 29 of the Inland Revenue Authority of Singapore Act 1992. Provisions relating to the provision and use of the electronic service (other than those applicable only to the Property Tax Act 1960) will be deleted as these provisions are now found in section 29 of the Inland Revenue Authority of Singapore Act 1992

Clause 48 also repeals and re-enacts section 66 of the Property Tax Act 1960 (Use of electronic service). Most of the provisions in the existing section 66 are now found in the amended section 29 of the Inland Revenue Authority of Singapore Act 1992. The new section 66 retains certain provisions applicable only to the Property Tax Act 1960. The clause further makes an amendment to section 65 of that Act that is consequential on the repeal and re-enactment of section 66.

Clause 49 provides saving and transitional provisions arising from the amendment of section 6 of the Income Tax Act 1947 and section 6 of the GSTA, and the insertion of section 78(10) and section 50(6A) in the Income Tax Act 1947 and the GSTA respectively.

EXPENDITURE OF PUBLIC MONEY

This Bill will involve the Government in extra financial expenditure, the exact amount of which cannot at present be ascertained.
