

Moving to Singapore

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Iyer
Practice
ADVISERS

SINGAPORE | HONGKONG
20 YEARS IN PRACTICE



AGENDA

1. Why Move to Singapore?
2. Registering in Singapore
 3. Immigration
 4. Tax Incentives
 5. Personal Tax



WHY MOVE TO SINGAPORE?

Tax
Incentives

Personal Tax
Rates

Geographical
Location



REGISTERING IN SINGAPORE

Branch vs. Subsidiary

Branch



Subsidiary



Bank Account

Staff
Office
Activities



CRS



CRS

16
Bilateral
CAAs

1 January
2017

Residence
Address Test



IMMIGRATION

Employment Pass



PR / Citizenship



Contribution
to Singapore
(Society)



TAX INCENTIVES

Tax Factors



Fund
Management

Trading

Marine

Headquarters

Basic Corporate Tax System

- Residence basis: Management and Control
- Basis of Taxation: Territorial tax system with remittance based tax
- Normal Corporate Tax rate: 17% (Partial exemption (S\$300k) [75% (S\$10k) / 25% (S\$290k)])
- Capital Gains Tax: None (except trading gains); Safe Harbour (2 yrs, 20%)
- WHT: Services (17%); Interest (15%); Royalties (10%); Dividends (0%)
[Such rates may be reduced by DTAs]

Fund Management

- Exemption of fund income:
 - Section 13R: Singapore companies
 - Section 13X: Other entities
 - Section 13CA: Offshore funds
- Tax treaty benefits: Singapore resident companies
- 10% tax on fund management income for the local fund manager



Marine

- Automatic exemption on shipping profits – Singapore flagged ships
- AIS Scheme – Foreign flagged ships
 - Tax resident in Singapore
 - Fleet size, head count, local business spending
- Ships include oil rigs
- Also includes ship financing, leasing, logistics



Global Trader Programme

- 5% or 10% on trading specific commodities (for 3 to 5 years)
- Income from physical trading, brokering of physical trades and derivative trading income.
 - Turnover
 - Local business spending
 - No. of persons employed

Operational Headquarters

- 5% or 10%
- Incentive only on headquarter function income
- Regional or International Activities
- Business plan: incremental business spending and professional employment



IP Development Incentive (“IDI”)

- IP income
- Budget 2017
- BEPS compliance modified nexus approach
- IP income will be removed from all other incentives (from 1 July 2021)
- IDI will take effect from 1 July 2017.





PERSONAL TAX

Basis of Taxation

- Territorial tax system
- No capital gains tax (unless it is beneficial for the taxpayer to be taxable, e.g. DTA)

Income (US\$)	ETR (%)
100,000	8%
200,000	13%
265,000	15%

- 22% marginal tax rate above US\$230,000 of income



NOR Scheme

- Greater than 90 days outside Singapore
- Minimum US\$140,000 of income
- Tax exemptions on days outside Singapore for business, subject to a minimum effective tax rate of 10%.

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