

IRAS CIRCULAR

REVIEW OF COMPANIES' INCOME TAX FILING REQUIREMENT IN VIEW OF AUDIT EXEMPTION UNDER THE COMPANIES ACT



**INLAND REVENUE
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OF SINGAPORE**

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¹ Please refer to the Ministry of Finance Press Statement dated 25 May 2004 on “Audit Exemption for Exempt Private Companies with Revenue of \$5 million and below” for further details.

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Companies reporting their income to IRAS are currently required to file their audited accounts together with their tax returns. IRAS has reviewed this filing requirement in view of the removal of the legal requirement of audit for dormant and small exempt private companies.

Under the Companies Act, dormant companies and exempt private companies with annual revenue below the prescribed threshold (currently set at [\\$5 million](#)) are now not required to have their accounts audited for financial year beginning on or after [1 June 2004](#).² These companies have a choice as to whether to have their accounts audited except where the law has prescribed that an audit is still required.

For income tax filing purpose, companies that qualify for the audit exemption and have chosen not to have their accounts audited can file the unaudited accounts in place of the audited accounts. The unaudited accounts (including notes to accounts) must be accompanied by the Directors' report and the Statement by Directors and they must be prepared in compliance with the Companies Act.

On the other hand, companies that qualify for the audit exemption and have chosen to have their accounts audited will still be required to file the audited accounts with their tax returns.

The filing requirement for companies that do not qualify for the audit exemption remains unchanged.

If you need further clarification, please call our Corporate Tax Helpline on 1800-3568622.

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² Accounts for financial year [beginning on or after 15 May 2003 but before 1 June 2004](#) need not be audited if the company's (i.e. dormant company and exempt private company) annual revenue is [below \\$2.5 million](#).