

Additional information for Income Tax advance ruling request: Sale of property

Purchase of the property

- Full address of the property
- Description of the property
- Freehold or leasehold interest acquired (state no. of years for leasehold interest)
- Copy of directors' resolutions authorising the purchase
- Date of purchase
- A breakdown of purchase cost and incidental expenses, and how they are reflected in the accounts
- Name of vendor and his relationship with the company, its directors, officers and shareholders
- A breakdown of total purchase cost financed by each source of funds
- Terms of loan obtained (if applicable)
- Purpose of the acquisition
- Use of the property from date of purchase to the date of proposed disposal, and date of commencement of each use
- Computation of the yearly rate of return on investment

Yearly rate of return = <u>Gross rental - interest expenses - other expenses</u> Acquisition cost (purchase cost and incidental expenses) of property

- Description of development/ improvement made to the property, date and total cost of development/ improvement, and amount financed by each source of funds
- Date of TOP if the transferor is the developer of the property

Proposed disposal of the property

- Date of advertisement for sale
- Name and address of the property/ housing agent
- Date of commencement of negotiations for sale and parties involved in the negotiations
- Sale price and how it was determined
- Copy of directors' resolutions authorising the sale
- Date of Sale & Purchase agreement
- Date option given to the purchaser, exercised by the purchaser
- Date of conveyance or transfer
- Length of time held before sale
- Details of the circumstances for/ leading to the proposed disposal
- Name of purchaser and nature of relationship with the company, its directors, officers and shareholders
- Intended use of the sale proceeds
- Computation of the profit/loss on disposal and how it is dealt with in the accounts
- Reasons for considering the profit as capital in nature



Other information

- Authorised capital and paid-up share capital of company
- Details of shares held by individuals belonging to any group companies, if applicable
- Any power in Memorandum and Articles of Association for the company to deal in property?
- Whether the company has disposed of other properties in the past. If so, give the details as follows:
 - Address of property
 - Date of purchase and sale
 - Purchase and sale price
 - > Use of property before it was sold
 - Reasons for the purchase and sale
 - > Amount of gain/ loss on disposal
 - How the profit/loss on disposal was dealt with? Whether it was subject to tax and or objection lodged?
- Details on subsequent profit/loss on disposal of properties