

## Additional information for Income Tax advance ruling request: Sale of shares

## Purchase of the shares

- Name of investee company
- Quoted or unquoted shares, whether in related company and whether bought in open market
- Date of purchase
- Copy of directors' resolutions authorising the purchase
- Number of shares and percentage of equity bought
- Purchase price per share, total purchase cost, 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 from each source of funds
- Terms of loan obtained (if applicable)
- Purpose of the acquisition
- Computation of the yearly rate of return on investment

Yearly rate of return = <u>Gross dividend - interest expenses - other expenses</u>

Acquisition cost (purchase cost and incidental expenses) of shares

## **Proposed disposal of the shares**

- Number of shares and percentage of equity to be disposed
- 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 of transfer
- Length of time held before sale
- Whether the shares were sold through the stock exchange or private deal
- 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, whether any shares are held by individuals belonging to any group companies
- Any power in Memorandum and Articles of Association for the company to deal in shares?



- Whether the company has disposed of other shares in the past. If so, give the details as follows:
  - Name of the investee company
  - > Date of purchase and sale
  - Purchase and sale price
  - > Reasons for the purchase and sale
  - Amount of gain/ loss on disposal
  - ➤ How the profit/loss on disposal was dealt with? Was it subject to tax and or objection lodged?
- Details on subsequent profit/loss on disposal of shares
- If the proposed disposal arises from a corporate restructuring, furnish:
  - Detailed description of the restructuring
  - > All business and non-business reasons for the restructuring
  - Name, address and Singapore income tax reference of the entities involved in the restructuring

Details of each of the steps undertaken to carry out the restructuring and a diagrammatic corporate structure before and after each step