INLAND REVENUE AUTHORITY OF SINGAPORE

# IRAS e-Tax Guide

## Multinational Enterprise Top-up Tax and Domestic Top-up Tax (Third Edition)

Published by
Inland Revenue Authority of Singapore

Published on 30 Oct 2026

First edition on 31 Dec 2024
Second edition on 7 Jan 2026

Disclaimers: IRAS shall not be responsible or held accountable in any way for any damage, loss or expense whatsoever, arising directly or indirectly from any inaccuracy or incompleteness in the Contents of this e-Tax Guide, or errors or omissions in the transmission of the Contents. IRAS shall not be responsible or held accountable in any way for any decision made or action taken by you or any third party in reliance upon the Contents in this e-Tax Guide. Except where specific Contents carry legal force, this information aims to provide a better general understanding of taxpayers' tax obligations and is not intended to comprehensively address all possible tax issues that may arise. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary its position accordingly.

© Inland Revenue Authority of Singapore

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording without the written permission of the copyright holder, application for which should be addressed to the publisher. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

## Table of Contents

**Page**


1. Aim ..... 4

2. At a glance ..... 4

3. Background ..... 4

4. Effective date of implementation ..... 5

5. MNE group to which the MTT / DTT applies ..... 6

6. Exclusions and safe harbours ..... 7

7. Key features of the MTT ..... 9

8. Key features of the DTT ..... 14

9. Key differences between the MTT and DTT ..... 19

10. Administrative requirements ..... 21

11. Income tax treatment of taxes imposed by Singapore and other jurisdictions under the GloBE rules ..... 31

12. Contact information ..... 34

13. Updates and amendments ..... 35

Annex A: Frequently asked questions ..... 37

Annex B: Summary table of provisions in the MMT Act ..... 43

Annex C-1: Example of a DTT computation with and without the election under paragraph 8.5.1 above ..... 59

Annex C-2: Example of a DTT computation with special entities ..... 60

Annex D: Illustration of the timelines for the MTT, DTT and GIR ..... 62

Annex E: Illustration of the operation of the dissemination approach for the GIR (under central filing) ..... 63

**Abbreviations and acronyms**

| | |
|---|---|
| AG | Administrative Guidance issued by the Inclusive Framework on the interpretation or administration of the GloBE Model Rules |
| BEPS | Base Erosion and Profit Shifting |
| CbCR | Country-by-Country Reporting |
| CE | Constituent Entity |
| CFC | Controlled Foreign Company |
| CFS | Consolidated Financial Statements |
| CIT | Corporate Income Tax |
| Comptroller | Comptroller of Income Tax |
| CPF | Central Provident Fund |
| DFE | Designated Local DTT Filing Entity |
| DMTT | Domestic Minimum Top-up Tax |
| DTA | Deferred Tax Asset |
| DTL | Deferred Tax Liability |
| DTT | Domestic Top-up Tax |
| ECB | European Central Bank |
| ETR | Effective Tax Rate |
| FANIL | Financial Accounting Net Income or Loss |
| FIFO | First In, First Out |
| FSIE | Foreign-Sourced Income Exemption |
| FTC | Foreign Tax Credit |
| FY | Financial Year |
| FYE | Financial Year End |
| GFE | Designated Local GIR Filing Entity |
| GIR | GloBE Information Return |
| GIR MCAA | Multilateral Competent Authority Agreement on the Exchange of GloBE Information |
| GloBE | Global Anti-Base Erosion |
| IF | OECD / G20 Inclusive Framework on Base Erosion and Profit Shifting |
| IIR | Income Inclusion Rule |
| IPE | Intermediate Parent Entity |
| ITA | Income Tax Act 1947 |
| JV | Joint Venture |
| LFAS | Local Financial Accounting Standards |
| LIFO | Last In, First Out |
| LTCE | Low-Taxed Constituent Entity |
| MAS | Monetary Authority of Singapore |
| MCAA | Multilateral Competent Authority Agreement |
| MMT Act | Multinational Enterprise (Minimum Tax) Act 2024 |

| | |
|---|---|
| MMT Regulations | Multinational Enterprise (Minimum Tax) Regulations 2024 |
| MNE | Multinational Enterprise |
| MTT | Multinational Enterprise Top-up Tax |
| NOA | Notice of Assessment |
| OECD | Organisation for Economic Co-operation and Development |
| PE | Permanent Establishment |
| QDMTT | Qualified Domestic Minimum Top-up Tax |
| SBIE | Substance-Based Income Exclusion |
| UPE | Ultimate Parent Entity |
| UTPR | Undertaxed Profits Rule |

## 1. Aim

1.1 This e-Tax Guide sets out the key parameters of the MTT and DTT which are provided in the MMT Act and subsidiary legislations.

1.2 This e-Tax Guide is relevant to MNE groups with annual revenue of EUR 750 million or more in the CFS of the UPE for at least two out of the four preceding FYs, in line with the Pillar Two GloBE rules.

## 2. At a glance

2.1 Singapore has implemented a DTT and the IIR under Pillar Two of the BEPS 2.0 initiative, which impose a minimum ETR of 15% on businesses' profits from FYs starting on or after 1 January 2025[1]. The MMT Act has been enacted to implement the IIR (which is referred to as the MTT in the MMT Act) and DTT. The MTT and DTT are based on the published GloBE Model Rules, Commentary[2] and AGs[3] (collectively referred to as the "GloBE rules").

2.2 The MTT and DTT apply to MNE groups with annual revenue of EUR 750 million or more in the CFS of the UPE for at least two out of the four preceding FYs (also known as in-scope MNE groups).

2.3 The UPE of an in-scope MNE group must notify the Comptroller of its liability to be registered under the MMT Act. The Comptroller may register an in-scope MNE group that fails to register.

2.4 All registered MNE groups liable for the MTT and / or DTT are required to file tax returns on their top-up tax liability in Singapore. All registered MNE groups are also required to file a GIR with Singapore, unless the GIR is filed with another jurisdiction and, in such a case, a GIR notification (if Singapore will receive the GIR through a filing made in another jurisdiction via exchange of information) must be filed with Singapore.

## 3. Background

3.1 In October 2021, the IF agreed on a two-pillar solution (commonly known as BEPS 2.0) to address the tax challenges arising from the digitalisation of the economy. As part of Pillar Two under BEPS 2.0, the GloBE Model Rules and its Commentary were first released on 20 December 2021 and 14 March 2022, respectively.

3.2 The GloBE rules comprise the IIR and UTPR. Broadly, the GloBE rules are designed to ensure that in-scope MNE groups pay a minimum level of tax on

[1] As announced in the 2024 Budget Statement.
[2] The Commentary refers to the Consolidated Commentary to the GloBE Model Rules (2025) as published by the IF on 9 May 2025, which incorporated the various AGs that were approved and released by the IF from March 2022 to January 2025.
[3] Please refer to the link for the mentioned documents – https://www.oecd.org/en/topics/sub-issues/global-minimum-tax/global-anti-base-erosion-model-rules-pillar-two.html

the income arising in each jurisdiction where they operate. A top-up tax on excess profits[4] arising in a jurisdiction is imposed whenever the ETR of the MNE group, determined on a jurisdictional basis, is below the minimum rate of 15%.

3.3 The GloBE rules recognise that jurisdictions may introduce DMTTs to bring the ETR of LTCEs operating in those jurisdictions to 15%. Where such taxes are regarded as QDMTTs under the GloBE rules, they reduce the top-up tax that would otherwise arise under the IIR or UTPR in respect of such LTCEs.

3.4 Singapore has implemented the MTT and DTT for businesses' FYs starting on or after 1 January 2025. The MTT and DTT are based on the GloBE rules. A summary table of provisions in the MMT Act, and (if applicable) the corresponding provisions in the GloBE rules, is at **Annex B.**

3.5 Singapore's MMT Act obtained transitional qualified status with effect from 1 January 2025. In other words, the MTT and DTT are recognised as qualified IIR and qualified DMTT respectively. Please refer to the OECD's website[5] for the Central Record of Legislation with Transitional Qualified Status.

3.6 On 5 January 2026, the IF agreed on a Side-by-Side package comprising a Simplified ETR Safe Harbour, an extension of the Transitional CbCR Safe Harbour, a Substance-based Tax Incentive Safe Harbour and a Side-by-Side system comprising a Side-by-Side Safe Harbour and a UPE Safe Harbour. Singapore will implement the Side-by-Side package in accordance with the IF's agreement. The MMT Act and the MMT Regulations will be amended to adopt the relevant safe harbours.

## 4. Effective date of implementation

4.1 The MTT and DTT apply to an MNE group for a FY beginning on or after 1 January 2025. For this purpose, the FY is generally determined based on the accounting period of the UPE's CFS[6].

4.2 This means that if the CFS of the UPE of an MNE group are prepared for an accounting period from 1 January 2025 to 31 December 2025, the MTT and DTT apply to in-scope entities of that MNE group whose financial results are consolidated into that CFS for the same period, i.e. from 1 January 2025 to 31 December 2025. This applies even if the FYs of some of the in-scope entities do not begin from 1 January 2025 (e.g. the entities' FY could be from 1 July 2024 to 30 June 2025 for their individual financial accounts, but they are nonetheless considered as in-scope entities from 1 January 2025).

[4] This refers to the amount of net GloBE income for the jurisdiction after the SBIE.
[5] https://www.oecd.org/en/topics/sub-issues/global-minimum-tax/global-anti-base-erosion-model-rules-pillar-two.html#central-record
[6] In the case of a CFS as defined in paragraph 2(d) of the First Schedule of the MMT Act (i.e. a deemed consolidation test), the FY is determined based on a calendar year.

## 5. MNE group to which the MTT / DTT applies

5.1 The MTT and DTT apply to an MNE group that has annual revenue of EUR 750 million or more in the CFS of the UPE for at least two out of the four FYs immediately preceding the tested FY (the "revenue threshold"). The following table illustrates how the revenue threshold is to be applied:

| FY ended | Annual revenue in UPE's CFS (EUR) | | |
|---|---|---|---|
| | **E.g. 1** | **E.g. 2** | **E.g. 3** |
| 31 December 2021 | No CFS (as the MNE group did not exist) | 550 million | 400 million |
| 31 December 2022 | | 800 million ✓ | 800 million ✓ |
| 31 December 2023 | | 300 million | 300 million |
| 31 December 2024 | 600 million | 850 million ✓ | 800 million ✓ |
| 31 December 2025 | 750 million ✓ | 450 million | 900 million ✓ |
| 31 December 2026 | 900 million ✓ | 500 million | 750 million ✓ |
| **Whether the MNE group is in-scope for MTT and DTT in the tested FY:** | | | |
| **Tested FY** | **E.g. 1** | **E.g. 2** | **E.g. 3** |
| FY ended 31 December 2025 | Not in-scope | In-scope | In-scope |
| FY ended 31 December 2026 | Not in-scope | In-scope | In-scope |
| FY ended 31 December 2027 | In-scope | Not in-scope | In-scope |

✓ *The annual revenue is EUR 750 million or more for that FY.*

5.2 When determining whether an MNE group meets the revenue threshold, the annual revenue threshold of EUR 750 million is adjusted proportionally to correspond with the period covered by the relevant FY. For example, if a FY of an MNE group consists of only 9 months, then the applicable annual revenue threshold for that particular FY is EUR 562.5 million ($\frac{9}{12}$ x EUR 750 million).

5.3 The annual revenue of an MNE group for a FY refers to the consolidated group revenue reflected in the CFS of its UPE for that FY (or if different types of revenue are presented as separate line items in such CFS, the aggregate of such revenues). Adjustments, where necessary, should be made to reflect the following:

a. revenue of the entities of the MNE group for that FY from their ordinary activities must be included;

b. cost of sales (and other operating expenses) for that FY must be added back;

c. net investment gains for that FY reflected in the profit and loss statement of the CFS must be included; and

d. income or gains for that FY presented as extraordinary or non-recurring items in the CFS must be included.

5.4 Please refer to Article 6.1.1 of the GloBE Model Rules and its accompanying Commentary for further information on rules, which modify the application of the annual revenue threshold of EUR 750 million, in merger and demerger cases.

## 6. Exclusions and safe harbours

6.1 Notwithstanding section 5 above, certain entities are not subject to the MTT and DTT (i.e. excluded entities). The MTT and DTT adopt the same scope of excluded entities as the GloBE rules. This means that:

a. Attributes of excluded entities, such as their profits, losses, taxes accrued, tangible assets, and payroll expenses, are excluded from the various computations under the MTT and DTT, including the de minimis exclusion.

b. However, the revenue of excluded entities is still taken into account for the purpose of determining whether the revenue threshold of the MNE group in paragraph 5.1 above is met.

c. Excluded entities do not have any administrative obligations under the MTT and DTT, such as the filing of a GIR.

6.2 Examples of excluded entities include a governmental entity, international organisation and non-profit organisation. Please refer to Article 1.5 of the GloBE Model Rules and its accompanying Commentary for further information.

6.3 Besides excluded entities, the MTT and DTT regimes also provide for the following three types of exclusions in accordance with the GloBE rules as stated below. These three types of exclusions affect the computation of the top-up amount under the GloBE rules. They do not affect the determination of whether the revenue threshold of the MNE group is met and the administrative obligations for the MNE group under the MTT and DTT regimes:

a. **International Shipping Income Exclusion** (Article 3.3 of the GloBE Model Rules): A CE's international shipping income or qualified ancillary international shipping income is excluded from the computation of its GloBE income or loss if the strategic or commercial management of all ships concerned is effectively carried on within the jurisdiction where the CE is located.

b. **SBIE** (Article 5.3 of the GloBE Model Rules): The SBIE provides for a formulaic and substance-based carve-out, based on a percentage of the eligible payroll costs and carrying value of eligible tangible assets of the MNE group. The SBIE seeks to exclude a fixed return for substantive activities within a jurisdiction from the application of the GloBE rules.

c. **De Minimis Exclusion** (Article 5.5 of the GloBE Model Rules): MNE groups may make an annual election for the de minimis exclusion. To

qualify for a de minimis exclusion for a jurisdiction for a FY: (i) the average GloBE revenue[7] of CEs (not being stateless entities[8], investment entities or insurance investment entities[9]) in the jurisdiction for that FY and the two preceding FYs must be less than EUR 10 million; and (ii) the average GloBE income of those CEs for the same period must be less than EUR 1 million or the CEs must be in a loss position. If so, the top-up amounts for that FY of those CEs are deemed to be nil.

6.4 The MTT and DTT regimes also provide for the following safe harbours that help reduce the MNE groups' compliance burden (e.g. avoiding the need for detailed MTT or DTT calculations):[10].

a. the Transitional CbCR Safe Harbour;

b. the Simplified Calculations Safe Harbour[11]; and

c. the QDMTT Safe Harbour.

Where a safe harbour is elected by an MNE group for a jurisdiction, the top-up amounts for qualifying entities of the MNE group in the jurisdiction are treated as nil under the MTT or DTT (as the case may be)[12]. Please refer to Annex A of the Commentary for more information on these safe harbours.

The following safe harbours were introduced in the Side-by-Side package[13], and will be incorporated into the MMT Regulations through future legislative amendments:

a. the Side-by-Side Safe Harbour;

b. the Substance-based Tax Incentive Safe Harbour; and

c. the Simplified ETR Safe Harbour.

[7] The GloBE revenue is the sum of the revenue of all the CEs located in the jurisdiction for a FY, after taking into account the specified adjustments in Chapter 3 of the GloBE Model Rules.
[8] As defined in paragraph 10 of the First Schedule of the MMT Act.
[9] As defined in paragraph 7 of the First Schedule of the MMT Act.
[10] As Singapore has not implemented the UTPR, it is not relevant for Singapore to provide a Transitional UTPR Safe Harbour at this juncture.
[11] This includes the simplified calculations for non-material CEs.
[12] Safe harbour (c), the QDMTT Safe Harbour, is only applicable to the MTT but not relevant for the DTT. Where an MNE group (with a parent entity that is a responsible member in Singapore) qualifies and elects to apply the QDMTT Safe Harbour for another jurisdiction, then for the purpose of MTT, the top-up amounts for the CEs in that jurisdiction are treated as nil. If an MNE group qualifies and elects for the QDMTT Safe Harbour for Singapore, then the top-up amounts under a foreign jurisdiction's IIR are treated as nil.
[13] The Side-by-Side package also includes a UPE Safe Harbour. As Singapore has not implemented the UTPR, it is not relevant for Singapore to provide a UPE Safe Harbour at this juncture.

## 7. Key features of the MTT

7.1 The MTT applies to a Singapore parent entity's ownership interest in its relevant entities outside Singapore and its stateless entities but does not apply to its ownership interest in its domestic entities. The minimum rate for the MTT is 15% and the top-up amount is computed using the ETR that is calculated on a jurisdictional basis for an MNE group.

7.2 Entity chargeable with the MTT

7.2.1 An entity is a chargeable entity for the MTT if it is a responsible member located in Singapore[14] of an MNE group and holds an ownership interest in a CE located outside Singapore, or a stateless entity of the MNE group, that has a top-up amount for the FY (called a relevant entity).

7.2.2 A responsible member of an MNE group is any of the following entities located in Singapore or subject to a qualified IIR[15] in the jurisdiction where it is located:

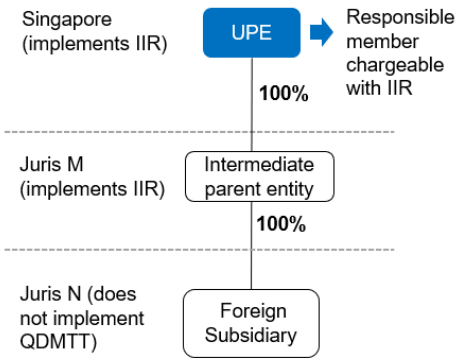
a. the UPE of the MNE group;

b. an IPE of the MNE group if no other member of the MNE group that owns a controlling interest in the entity is a responsible member (e.g. the UPE);

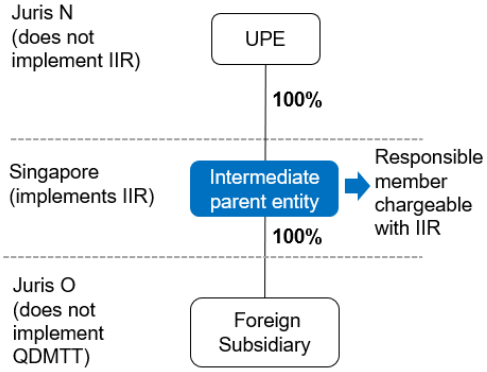
c. a partially-owned parent entity of the MNE group if it is not wholly-owned by another partially-owned parent entity of the MNE group that is a responsible member.

7.2.3 The following scenarios illustrate the responsible member in each of the MNE groups where the UPE, IPE or partially-owned parent entity is located in Singapore:

**Scenario 1:**
**UPE jurisdiction implements IIR**

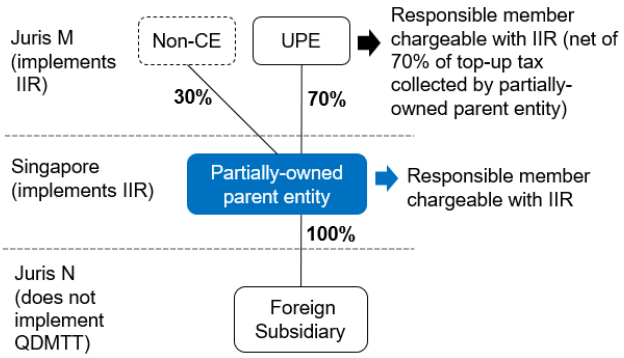



**Scenario 2:**
**UPE jurisdiction does not implement IIR but intermediate parent entity jurisdiction implements IIR**

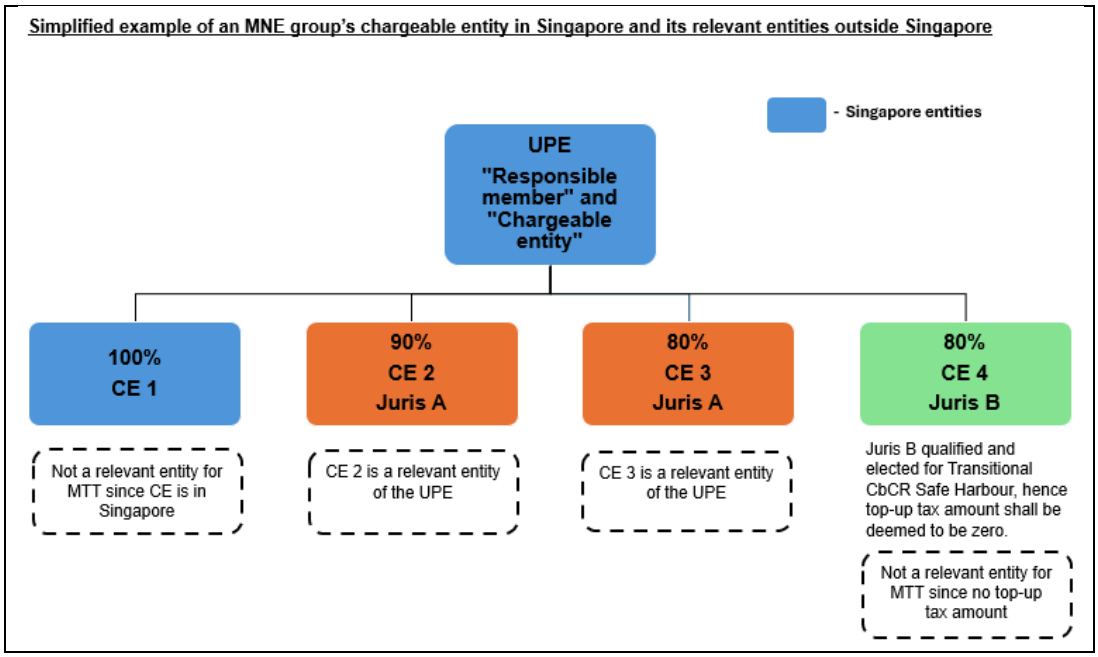



[14] The rules for determining the location of an entity are defined in sections 5 and 6 of the MMT Act.
[15] As defined in section 2(1) of the MMT Act.

**Scenario 3:**
**Where there is a partially-owned parent entity**




7.2.4 The diagram below shows an MNE group which comprises a UPE in Singapore and CEs in Singapore, Jurisdictions A and B. It provides a simplified example of an MNE group's chargeable entity in Singapore and its relevant entities outside Singapore.




## 7.3 Amount of MTT chargeable on a chargeable entity

7.3.1 The amount of MTT chargeable on a chargeable entity for a FY is the sum of the top-up tax of each relevant entity of the chargeable entity for the FY.

7.3.2 Where the chargeable entity holds its indirect ownership interest in a relevant entity X through another responsible member of the MNE group, the amount of MTT payable by the chargeable entity is reduced by the proportionate amount of MTT or any qualified IIR payable by that responsible member in respect of the relevant entity X. This situation may arise, for example, when the chargeable entity is a UPE and holds an ownership interest in another responsible member that is a partially-owned parent entity; hence, both the chargeable entity and that responsible member pay MTT or qualified IIR, respectively, in respect of the same relevant entity.

7.3.3 For a relevant entity (that is not an investment entity or insurance investment entity) of a chargeable entity, the top-up tax for a FY is computed as follows:

Top-up tax = (Top-up amount of the relevant entity for the FY) x (Chargeable entity's inclusion ratio for the relevant entity for the FY)

7.3.4 The chargeable entity's inclusion ratio for a relevant entity for a FY is the proportion of the GloBE income of the relevant entity for the FY that is not attributable to entities other than the chargeable entity.

7.3.5 In accordance with the GloBE rules, separate computations of top-up amount are required for each category of entities or each special entity[16] (as the case may be) as follows:

a. the top-up amount of the CEs (other than special entities) located outside Singapore;

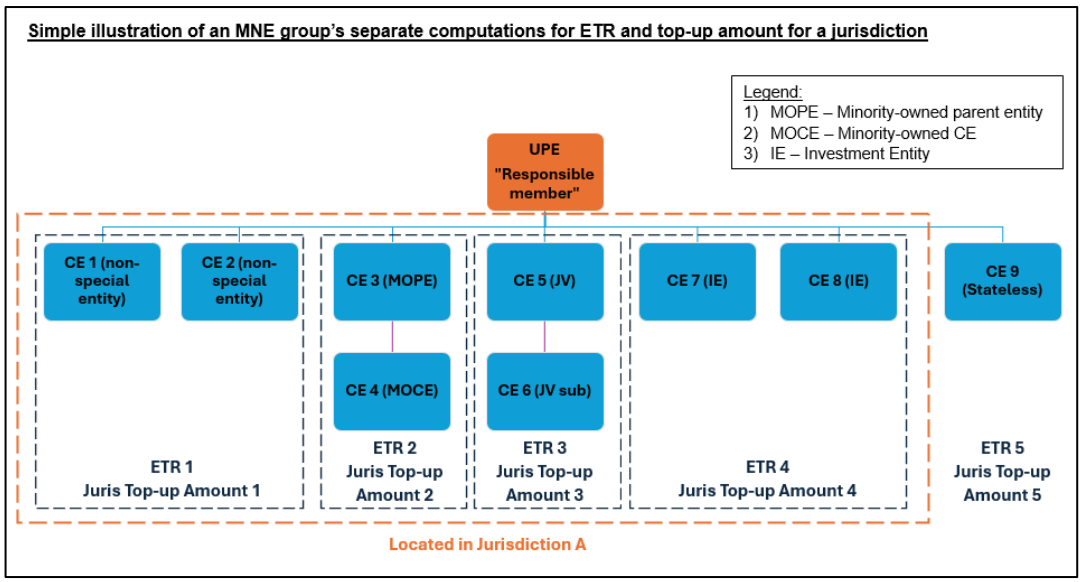
b. the top-up amount of any JV and JV subsidiary located outside Singapore;

c. the top-up amount of the minority-owned subgroup and minority-owned CEs located outside Singapore;

d. the top-up amount of the investment entities and insurance investment entities located outside Singapore; and

e. the top-up amount of each stateless entity.

7.3.6 The diagram below provides a simple illustration of an MNE group's separate computations for the ETR and top-up amount for a jurisdiction.




7.3.7 The top-up amount of a CE that is not a special entity is determined as follows:

[16] A special entity refers to a CE of a group that is an investment entity, insurance investment entity, minority-owned CE or stateless entity; and includes a JV and JV subsidiary.

| Steps |
|---|
| **Step 1**: For each CE in the MNE group,<br>a. Determine the GloBE income or loss<br>b. Determine the adjusted covered taxes |
| **Step 2**: For each jurisdiction,<br>a. Aggregate the GloBE income or loss of all CEs (that are not special entities) located in that jurisdiction<br>b. Aggregate the adjusted covered taxes of all those CEs<br>c. Determine the ETR for that jurisdiction by dividing (b) by (a) |
| **Step 3**: For each of those jurisdictions with ETR below 15% or have an additional current top-up amount[17],<br>a. Determine the jurisdictional top-up amount<br>b. Determine the top-up amount of each CE (that is not a special entity) by apportioning the jurisdictional top-up amount<br><br>The **jurisdictional top-up amount** for the MNE group for a jurisdiction for a FY is determined as follows:<br><br>( Top-up tax percentage x Excess profits ) + Additional current top-up amount - Qualified domestic minimum top-up tax<br><br>The **top-up tax percentage** for the MNE group for a jurisdiction for a FY is the difference between the minimum rate of 15% and the ETR for the MNE group for the jurisdiction for the FY (if the ETR is less than 15%). The top-up tax percentage is nil if the ETR for the MNE group for the jurisdiction for the FY is 15% or more.<br><br>The **excess profits** for the MNE group for a jurisdiction for a FY is the sum of the GloBE income or loss for the FY of the CEs (not being special entities) of the MNE group located in the jurisdiction less the **SBIE** for the MNE group for the jurisdiction for the FY. The excess profits for the MNE group for the jurisdiction for the FY cannot be less than nil.<br><br>The **jurisdictional top-up amount** for the MNE group for a jurisdiction for the FY is apportioned between the CEs (not being special entities) of the MNE group that are located in that jurisdiction. The apportionment is generally based on the GloBE income of the CEs for the FY. For example, if the sum of the GloBE income or loss (including any GloBE losses) of all the CEs is a positive amount, the apportionment is based on the proportion of GloBE income (a positive amount) of a CE to the sum of the GloBE income of all the CEs located in the jurisdiction. |

[17] As defined in section 21 of the MMT Act. There are specific rules under the GloBE rules which may result in an additional current top-up amount. One example is the requirement to recalculate the ETR and top-up amounts for a prior FY under the five-year recapture rule for DTL. Any incremental top-up amount (if applicable) is treated as an additional current top-up amount in the current FY.

7.3.8 The top-up amount of an entity that is a special entity is determined as follows:

| Type of special entity | Treatment |
|---|---|
| Stateless entity | • The top-up amount is determined in a similar manner as paragraph 7.3.7 above and modified accordingly for these respective special entities so that separate ETRs[18] apply to these special entities.<br>• For a stateless entity that is a reverse hybrid entity[19] formed, registered or incorporated in Singapore and is not a responsible member, any amount of DTT that is imposed on it shall be further deducted from the top-up amount. |
| Minority-owned CE and member of a minority-owned subgroup | |
| JV and JV subsidiary | |
| Investment entity and insurance investment entity | • The top-up amount is determined in a similar manner as paragraph 7.3.7 above except as specified below.<br>• The ETR of an investment entity or insurance investment entity is calculated separately from any other CEs in the same jurisdiction. If the MNE group owns interests in multiple investment entities or insurance investment entities located in the same jurisdiction, a single ETR is computed for all such entities in the jurisdiction.<br>• The GloBE income or loss and adjusted covered taxes are reduced to only the proportionate amount attributable to the UPE's share in the investment entity or insurance investment entity. |

[18] A separate ETR applies to:
- each stateless entity as if it were the only CE of the MNE group located in a jurisdiction;
- each minority-owned CE (that is not a member of a minority-owned subgroup) or member(s) of a minority-owned subgroup located in a jurisdiction; and
- each standalone JV or member(s) of a JV group located in a jurisdiction.

[19] A flow-through entity is a "reverse hybrid entity" with respect to any of its income, expenditure, profit or loss attributable to its owner, if it is not fiscally transparent with respect to that income, expenditure, profit or loss under the law of the jurisdiction in which the owner is located.

Currency

7.3.9 The calculations for MTT are to be carried out in the presentation currency of the UPE's CFS.

7.3.10 The currency used for thresholds in the MMT Act are based on Euros. For the purpose of determining whether the relevant threshold amounts in the MMT Act are met, an MNE group whose UPE's CFS presentation currency is not in Euros must translate the relevant amounts in its financial statements to Euros. Such translation is to be based on the average foreign exchange rate for the December month of the calendar year immediately before the relevant FY. Even if the MNE group's FY ends in a month other than December, the average foreign exchange rate for the month of December of the previous FY is to be applied. The "average foreign exchange rate" is the average foreign exchange rate quoted by the ECB for that month. Where the ECB does not provide such a foreign exchange reference rate for the presentation currency, the average foreign exchange rate is generally the rate made available by the MAS for that month.

7.3.11 Please refer to the Commentary for further information on "Currency conversion".

## 8. Key features of the DTT

8.1 The DTT is a tax imposed in Singapore on MNE groups that meet the revenue threshold in paragraph 5.1 above, in addition to CIT.

8.2 Scope of the DTT

8.2.1 The DTT applies to in-scope entities of an MNE group. It does not apply to a wholly domestic group[20].

8.2.2 In-scope entities for the DTT refer to the following categories of entities of, or connected to, an MNE group:

a. the members (including partially-owned CEs) of the MNE group located in Singapore;

b. JVs and JV subsidiaries located in Singapore;

c. members of a minority-owned subgroup, and minority-owned CEs located in Singapore; and

d. reverse hybrid entities which are:

i. formed, registered or incorporated in Singapore; and

[20] A wholly domestic group is a group with all its members located in Singapore and none of its subsidiaries or branches are located outside Singapore.

ii. not responsible members.

8.2.3 The DTT does not apply to CEs that are located outside Singapore, excluded entities, stateless PEs and tax transparent entities[21] of MNE groups. The MTT, qualified IIR or qualified UTPR may apply to these entities instead. For investment entities and insurance investment entities that are located in Singapore, the top-up amount of these entities is treated as nil for DTT purpose.

8.3 The DTT is applicable to in-scope entities of the MNE group located in Singapore that are excluded from the UTPR under Article 9.3 of the GloBE Model Rules.

8.4 Design of the DTT

8.4.1 The DTT is designed to meet the conditions of a QDMTT such that the DTT liability can be offset against any IIR / UTPR liabilities in respect of the low-taxed profits of in-scope entities located in Singapore that may arise from the application of the GloBE rules in other jurisdictions.

8.4.2 The DTT is also designed to satisfy the requirements of the QDMTT Safe Harbour. Where the QDMTT Safe Harbour applies under the GloBE rules in other jurisdictions, the application of the GloBE rules in these jurisdictions is turned off by treating any top-up tax payable under the GloBE rules to be nil. In this way, MNE groups only undertake one computation for QDMTT (i.e. the DTT in Singapore) without the need to make a further calculation under the GloBE rules in other jurisdictions.

8.4.3 The DTT ensures that in-scope entities of an MNE group located in Singapore are charged a top-up amount (that is, the DTT) if their jurisdictional ETR is below 15% (see **Annex C-1** for example). This raises the ETR of the MNE group to 15% in Singapore. The DTT is calculated in a similar way to the MTT with the exceptions highlighted in paragraphs 8.7.2 and 9.1 below.

8.4.4 Where the GloBE rules permit an election, the DTT provides for the same election. An MNE group is required to make the same election(s) under both the DTT and GloBE rules.

8.5 Entity chargeable with the DTT

8.5.1 A CE in Singapore, known as a DFE, is chargeable with the DTT of an MNE group, unless the MNE group makes an election to allocate a specified amount of the DTT to a qualifying CE. A qualifying CE does not include:

a. a CE with GloBE loss;

b. a CE which is a flow-through entity that is not a reverse hybrid entity;

[21] Where the CE-owner of a tax transparent entity is an in-scope entity for the DTT, it is subject to the DTT (if any) on the GloBE income of the tax transparent entity that is attributable to the CE-owner.

c. a CE with an ETR of 15% or more; and

d. a CE which is no longer in the MNE group, e.g. the CE has left the MNE group or ceased to exist after the reported FY.

8.5.2 If the DFE does not pay the DTT on-time resulting in DTT in arrears, every CE located in Singapore ("Singapore CE") of an MNE group, JV and JV subsidiary located in Singapore which are connected with the MNE group, and reverse hybrid entity of the MNE group (as specified in paragraph 8.2.2 above) is jointly and severally liable for the DTT or interest in arrears for the FY that the DTT relates to[22].

8.6 Amount of the DTT payable

8.6.1 The top-up amount of the MNE group is the sum of the following:

a. the top-up amount of the CEs (other than special entities) located in Singapore;

b. the top-up amount of any JV and JV subsidiary located in Singapore;

c. the top-up amount of the members of a minority-owned subgroup and minority-owned CEs located in Singapore; and

d. the top-up amount of each reverse hybrid entity (not being a responsible member) formed, registered or incorporated in Singapore.

8.6.2 Similar to the MTT, separate computations of top-up amount for each category of entities or each special entity (as the case may be) are required.

8.7 Computation of the DTT

8.7.1 The tax payable under the DTT is the whole jurisdictional top-up amount, regardless of the level of ownership interest of the parent entity in the in-scope entities.

8.7.2 The jurisdictional top-up amount is computed based on the following formula:

(Top-up tax percentage x Excess profits) + Additional current top-up amount

8.7.3 The **top-up tax percentage** is the difference between the 15% minimum rate and the ETR of the MNE group in Singapore, while the **excess profits** is the difference between the sum of the GloBE income or loss of the entities located in Singapore less the **SBIE** for those entities.

8.7.4 The computation of the DTT is in accordance with the GloBE rules and the conditions for the QDMTT and QDMTT Safe Harbour. In particular, for the purpose of computing the ETR in Singapore, the DTT does not take into

[22] This excludes a securitisation entity (as defined in section 2 of the MMT Act) of the MNE group. A securitisation entity would not be jointly and severally liable for the unpaid DTT and interest of the MNE group.

account the allocation of cross-border taxes, such as CFC taxes, incurred by a parent entity or taxes incurred by a foreign main entity with respect to profits attributable to its PE in Singapore.

8.7.5 The DTT computation is prepared in accordance with the LFAS rule subject to the conditions therein.

LFAS rule

a. The LFAS refer to:

- the Singapore Financial Reporting Standards (International) (SFRS(I));
- the Singapore Financial Reporting Standards (SFRS); or
- the Singapore Financial Reporting Standards for Small Entities (SFRS for SE).

b. The DTT computation is based on the LFAS if all the CEs of the MNE group located in Singapore meet both the following conditions:

i. Condition 1: Have financial statements prepared in accordance with the accounting standards made or formulated under Part 3 of Singapore's Accounting Standards Act 2007 and:

- the CEs are required to keep or use such accounts under any written law in Singapore; or
- such financial statements are audited by an external financial auditor.

ii. Condition 2: The FY of their financial statements is the same as the FY of the CFS of the UPE.

c. The LFAS rule similarly applies to a standalone JV and entities of a JV group located in Singapore. To meet Condition 2, the FY of their financial statements must be same as the FY of the CFS of the UPE of their connected MNE group.

d. Where the CEs located in Singapore do not meet either or both conditions in sub-paragraph (b), the DTT computation is based on Article 3.1.2 or 3.1.3 of the GloBE Model Rules. This would generally be based on the financial accounting standard used in the preparation of the CFS of the UPE.

Changes to LFAS rule for FYs beginning on or after 1 January 2026[23]

e. Singapore will align the LFAS rule with the AG on "Use of Local Financial Accounting Standard under a QDMTT in case of mismatching fiscal periods". For FYs beginning on or after 1 January 2026, Condition 2 described in sub-paragraph (b) will be amended to require all the CEs of the MNE group located in Singapore to:

- Condition 2: Have an accounting period that is the same as the accounting period used for them in the preparation of the CFS of the UPE.

With the amendment, a CE located in Singapore may meet Condition 2 even if the FY of its financial statements is different from the FY of the CFS of the UPE. For example, a CE (X) has an accounting period of 1 January 2026 to 31 December 2026, while the FY of the CFS of its UPE is 1 April 2026 to 31 March 2027. Under the original Condition 2, all CEs located in Singapore cannot use the LFAS for their DTT computations because X's accounting period (which is also its FY) is different from the FY of the CFS of the UPE. However, X will meet the amended Condition 2 if the UPE's CFS for the financial year of 1 April 2026 to 31 March 2027 is prepared using the financial information of X for its accounting period of 1 January 2026 to 31 December 2026.

f. For FYs beginning on or after 1 January 2026, entities of a JV group will also apply Condition 2 by comparing their accounting period with that of the JV (i.e. the parent of the JV group), instead of the UPE of their connected MNE group. Similarly, a standalone JV will apply Condition 2 by comparing its accounting period with that of itself, instead of the UPE of its connected MNE group.

Elections for early application of the changes to LFAS rule from FYs beginning on or after 1 January 2025

g. An MNE group may elect to apply the amended Condition 2 in sub-paragraph (e) from its FY beginning on or after 1 January 2025.

h. A standalone JV or entities of a JV group may elect to apply Condition 2 in the manner as described in sub-paragraph (f) from its FY beginning on or after 1 January 2025.

i. The abovementioned elections are separate elections, and both elections may be made concurrently.

8.7.6 Please refer to **Annexes C-1 and C-2** for examples of DTT computations.

[23] Information on the changes to the LFAS rule in this e-Tax Guide, including elections for early application of the changes, is intended to provide early guidance to MNE groups. Changes to the LFAS rule will be provided in the MMT Regulations by December 2026.

## 9. Key differences between the MTT and DTT

9.1 The table below summarises the key differences between the MTT and DTT.

| | MTT | DTT |
|---|---|---|
| **Incidence of tax** | The parent entity that is a responsible member located in Singapore. | The DFE and / or qualifying entity referred to in paragraph 8.5.1 above (if any). |
| **Income on which tax is imposed** | Imposed on the low-taxed income of CEs, JVs and JV subsidiaries located outside Singapore and stateless CEs. | Imposed on the low-taxed income of CEs, JVs and JV subsidiaries located in Singapore, and reverse hybrid entities formed, registered or incorporated in Singapore which are not responsible members. |
| **Financial Accounting Standard** | The UPE's financial accounting standard in line with Articles 3.1.2 and 3.1.3 of the GloBE Model Rules. | The LFAS, but if conditions of the LFAS rule are not met, then the UPE's financial accounting standard (in line with Articles 3.1.2 and 3.1.3 of the GloBE Model Rules). |
| **Currency for computation** | Based on the presentation currency per the UPE's CFS. | Based on Singapore dollar (S$) where the DTT is determined in accordance with the LFAS and all CEs in Singapore are using Singapore dollar as their functional currency in their financial statements.<br><br>Otherwise, the DTT computations must be made in a single currency, i.e. either the presentation currency of the UPE's CFS or Singapore dollar under a five-year election. |
| **Applicable to investment entities / insurance investment entities?** | Applies to investment entities and insurance investment entities. | The top-up amount of investment entities and insurance investment entities is treated as nil. |
| **Allocation of covered tax from** | Allocation of: | No allocation of tax is made to: |

| | MTT | DTT |
|---|---|---|
| **one CE to another CE** | • tax reflected in the main entity's financial accounts, to its PE;<br>• tax on the CE-owner under a CFC regime to the CE, subject to a restriction in respect of passive income;<br>• tax on the CE-owner of a hybrid entity[24], to the hybrid entity, subject to a restriction in respect of passive income;<br>• tax on the CE-owner of a reverse hybrid entity to the reverse hybrid entity, subject to a restriction in respect of passive income; and / or<br>• tax on the direct CE-owner on distribution to the distributing CE. | • the PE located in Singapore;<br>• the CE, being a CFC located in Singapore;<br>• the hybrid entity located in Singapore while the CE-owner is located outside Singapore (the non-allocation rule does not apply to tax imposed by the ITA, which is allocated to the hybrid entity);<br>• the reverse hybrid entity formed, registered or incorporated in Singapore while the CE-owner is located outside Singapore (the non-allocation rule does not apply to tax imposed by the ITA, which is allocated to the reverse hybrid entity); or<br>• the distributing CE located in Singapore (the non-allocation rule does not apply to the withholding tax imposed by Singapore, which is allocated to the distributing CE in Singapore).<br><br>In a case where a foreign hybrid entity has a Singapore CE-owner, to include tax imposed in Singapore on that CE-owner on passive income of the foreign hybrid entity in excess of the restriction under Article 4.3.3 of the |

[24] An entity that is treated as a separate taxable person for income tax purposes in the jurisdiction where it is located is a "hybrid entity" with respect to its income, expenditure, profit or loss to the extent that it is fiscally transparent in the jurisdiction in which its owner is located.

| | MTT | DTT |
|---|---|---|
| | | GloBE Model Rules as the adjusted covered tax of that CE-owner for DTT purpose. |
| **Inclusion ratio (to adjust for ownership interest not held by the MNE group)** | Parent entity inclusion ratio. | 100% in all cases. |

## 10. Administrative requirements

Assessment system

10.1 The MTT and DTT are administered under a self-assessment system in Singapore. This means that the filing process for the MTT and DTT is treated as complete without a need for the Comptroller to assess the tax and issue a NOA.

10.2 The Comptroller may select the MTT and DTT returns filed by taxpayers for audit as part of IRAS' regular compliance reviews. If the Comptroller is of the view that the MTT or DTT declared is inaccurate, the Comptroller may issue a NOA to revise the tax payable. If the MNE group disagrees with the Comptroller's assessment, it can object to the assessment within two months of the service of the NOA.

Registration obligations

10.3 The UPE of an MNE group that has a CE or JV located in Singapore, or a reverse hybrid entity formed, registered or incorporated in Singapore (not being a responsible member), must notify the Comptroller of the MNE group's liability to be registered under the MMT Act. The registration is a one-time process, and the registration form will be available digitally. The registration must be made within six months after the first FYE of the UPE where the MTT or DTT, or both, applies to the MNE group (or such extended time as the Comptroller may allow).

10.4 The Comptroller may register an MNE group that fails to register.

Appointment of the DFE / GFE

10.5 The MNE group is required to designate a single Singapore CE to be the DFE and GFE to fulfil its tax obligations in Singapore. The same CE is designated as the DFE and GFE. The rules in determining the DFE and GFE of an MNE group are set out below:[25]

[25] A securitisation entity (as defined in section 2 of the MMT Act) of an MNE group shall not be designated as a DFE or GFE for the MNE group unless it is the only CE located in Singapore.

a. Where the UPE is located in Singapore, and is not an excluded entity, the UPE is the DFE / GFE.

b. Otherwise, an IPE that is located in Singapore, is the parent entity of all other Singapore CEs and is not an excluded entity, is the DFE / GFE.

c. If there is no such UPE / IPE, any CE in Singapore can be designated as the DFE / GFE if the designated CE is a legal person located in Singapore or a branch of a foreign company registered in Singapore under Division 2 of Part 11 of the Companies Act 1967, or if no such entity exists, a PE located in Singapore can be designated as such.

10.6 Where the MNE group does not have a CE that meets the above requirements, the Comptroller must deem a CE of the MNE group located in Singapore, a JV or JV subsidiary located in Singapore and connected to the MNE group, or a reverse hybrid entity of the MNE group, to be the DFE / GFE.

10.7 The appointment of the DFE / GFE must be made within six months after the first FYE of the UPE where the MTT or DTT, or both, applies to the MNE group (or such extended time as the Comptroller may allow). The first appointment of the DFE / GFE is made together with the registration of the MNE group at paragraph 10.3 above.

10.8 If the DFE / GFE no longer exists or no longer belongs to the MNE group, the UPE must inform the Comptroller of the new DFE / GFE no later than a month after the DFE / GFE ceases to be a part of the MNE group, or such extended time as the Comptroller may allow.

10.9 The MNE group is required to designate another Singapore CE as the new DFE / GFE. The newly appointed DFE / GFE is required to carry out any duty of the previous DFE / GFE that has yet to be fulfilled as at the date of new appointment.

Key timelines for the MTT and DTT

10.10 The table below sets out the key timelines for the MTT and DTT, and the entity responsible for fulfilling the respective obligations:

| **Obligations** | **Entity responsible for fulfilling the obligations** | **Due date** | **Example** *(Assume the UPE's FY ends on 31 December 2025)* |
|---|---|---|---|
| **Registration of MNE group within the scope of the MTT / DTT, including the** | • UPE – registration of the MNE group and designation of the DFE.<br>• Any Singapore CE of the MNE group | No later than 6 months from the UPE's first FYE. | By 30 June 2026. |

| Obligations | Entity responsible for fulfilling the obligations | Due date | Example *(Assume the UPE's FY ends on 31 December 2025)* |
|---|---|---|---|
| **designation of a CE as a DFE and GFE** | – designation of the GFE. | | |
| **Filing of:**<br>**a. MTT return**<br><br>**b. DTT return**<br><br>**c. GIR / GIR notification** | a. Parent entity that is a responsible member located in Singapore.<br><br>b. DFE.<br><br>c. GFE. | No later than 15 months from the UPE's FYE (18 months if it is the transition year)[26]. | By 31 March 2027<br>(30 June 2027 if it is the transition year). |
| **Payment of:**<br>**a. MTT**<br><br>**b. DTT** | a. Parent entity that is a responsible member located in Singapore.<br><br>b. DFE. | No later than 1 month from the filing due date. | By 30 April 2027<br>(31 July 2027 if it is the transition year). |
| **Objections to assessments[27]:**<br>**a. MTT**<br><br>**b. DTT** | a. Parent entity that is a responsible member located in Singapore.<br><br>b. DFE. | No later than 2 months from the service of the NOA. | If the Comptroller issues a NOA dated 30 June 2027, any objection to the assessment must be made by 31 August 2027. |

Please also refer to **Annex D** for an illustration of the timelines for the DTT, MTT and GIR.

Submission of the MTT / DTT returns and GIR / GIR notification filing

10.11 All registered MNE groups liable for the MTT and / or DTT are required to file tax returns on their top-up tax liability in Singapore. The filing of tax returns for the MTT and DTT will be available in digital service.

[26] The due date would not be before 30 June 2026, as per the transitional relief for the GIR provided in paragraph 32 of the Commentary on Article 9.4 of the GloBE Model Rules.

[27] No NOA will be issued on the amount of the MTT / DTT declared in the tax return as the tax is to be self-assessed by the MNE group. An acknowledgement page on filing details will be shown upon submission of the tax return via digital service.

10.12 In addition to the obligation to file tax returns for the MTT and DTT, there is also an obligation to file a GIR. The GIR is a standardised information return required under the GloBE rules. By default, every Singapore CE of an MNE group has an obligation to file a GIR with the Comptroller, regardless of where the MNE group is headquartered. The GFE of a registered MNE group in Singapore is required to file the GIR annually with the Comptroller on behalf of its represented entities[28] in Singapore. The format and requirements of the GIR is based on the document titled "Tax Challenges Arising from the Digitalisation of the Economy – GloBE Information Return" issued by the IF on 17 July 2023, and updated on 15 January 2025.

10.13 A foreign CE, such as the UPE of a foreign MNE group, may file a GIR centrally in a foreign jurisdiction. Where a GIR has been filed in a jurisdiction outside Singapore and Singapore has an activated exchange relationship with that foreign jurisdiction to receive the GIR[29], the GFE in Singapore is not required to file a GIR with the Comptroller. However, the GFE is still required to file a GIR notification annually with the Comptroller. The GIR notification informs the Comptroller of the identity of the filing CE (e.g. the foreign UPE) and where the GIR is filed. This is to facilitate the transmission of the GIR to the Comptroller via automatic exchange of information.

10.14 The parent entity that is a responsible member located in Singapore, DFE and GFE are responsible for submitting the MTT return, DTT return and GIR / GIR notification respectively.

10.15 The due date for submission of the MTT and DTT returns and GIR / GIR notification is 15 months after the end of each FY (or 18 months if the FY is a transition year)[30]. If the MTT or DTT return is not submitted by the filing due date, the Comptroller may estimate the MTT or DTT payable and issue a NOA.

Dissemination of information in the GIR

10.16 On 14 April 2026, Singapore signed the GIR MCAA. This facilitates the central filing of GIRs by Singapore-headquartered MNE groups from FY 2025 onwards[31], which will help minimise compliance burden as it reduces the number of jurisdictions with which these MNE groups must file the GIR. Under the GIR MCAA, GIR information will only be exchanged with a jurisdiction where there is an active exchange relationship with that jurisdiction for the relevant FY. Singapore is in the process of activating its exchange

[28] Represented entities refer to:
- a. all the CEs located in Singapore of the MNE group;
- b. all JVs and JV subsidiaries located in Singapore and connected to the MNE group; and
- c. all entities of the MNE group that:
  - i. are flow-through entities established, formed, incorporated or registered under the law of Singapore;
  - ii. are not responsible members; and
  - iii. are reverse hybrid entities with respect to any of their income, expenditure, profit or loss.

[29] The list of jurisdictions will be published on IRAS website when available.

[30] The due date would not be before 30 June 2026, as per the transitional relief for the GIR provided in paragraph 32 of the Commentary on Article 9.4 of the GloBE Model Rules.

[31] FY 2025 is the first FY for which a GIR is required to be filed with Singapore.

relationships under the GIR MCAA, and the list of Singapore's activated exchange relationships will be published on the IRAS website when available.

10.17 If an MNE group files its GIR centrally in an implementing jurisdiction according to Article 8.1.2 of the GloBE Model Rules, the information in the GIR will be disseminated to other implementing jurisdictions where the MNE group is operating in based on an approach that has been agreed by the IF. The IF has adopted the following targeted dissemination approach for sharing the GIR of each MNE group, whereby:

- the jurisdiction of the UPE is provided with the GIR as a whole;
- the jurisdictions with taxing rights under the GloBE rules are provided with the sections of the GIR that relate to the ETR and top-up tax computation, allocation and attribution for those jurisdictions in respect of which they have taxing rights (including the taxing rights under the QDMTT for jurisdictions imposing the QDMTT); and
- all implementing jurisdictions where CEs of the MNE group are located are provided with general information and the corporate structure, which covers all the data points necessary to verify whether they have any taxing rights over any other jurisdiction under the GloBE rules.

The GIR for an MNE group includes the GloBE calculations for all the jurisdictions in which the MNE group has CEs, including those jurisdictions that have not adopted the GloBE rules.

Please refer to **Annex E** for an illustration of the operation of the dissemination approach.

10.18 Where central filing of the GIR is not available, the relevant sections of the GIR would have to be filed locally in the IIR, UTPR and QDMTT jurisdictions where the MNE group operates. Under this local filing approach, the information filed with each jurisdiction would be aligned with the information the jurisdictions will receive through the GIR dissemination approach. All implementing jurisdictions are required to adhere to the agreed GIR dissemination approach, whether the GIR is filed centrally or locally. Foreign jurisdictions may, however, request further information from the MNE group through follow-up requests to verify the accuracy of the top-up tax liability computations, in line with their domestic risk assessment and compliance audit procedures.

10.19 The IF may also consider developing further guidance on the role of the central filing tax administration and how the dissemination of GloBE information shall be performed.

<u>Record keeping</u>

10.20 The standard record keeping periods for the MTT and DTT are as follows:

| | MTT | DTT |
|---|---|---|
| **Record keeping period** | Until 31 December of the 5th year after the year in which the MTT return is due. | Until 31 December of the 5th year after the FY to which the DTT relates. |
| **Examples** | **E.g. 1: FYE of MNE group A is 30 September 2026 (i.e. not a transition year for MNE group A)** | |
| | Records must be kept till 31 December 2032 (the MTT return is due on 31 December 2027). | Records must be kept till 31 December 2031. |
| | **E.g. 2: FYE of MNE group B is 30 September 2026 (i.e. a transition year for MNE group B)** | |
| | Records must be kept till 31 December 2033 (the MTT return is due on 31 March 2028). | Records must be kept till 31 December 2031. |

10.21 The records to be kept for MTT and DTT purposes are generally aligned with the records to be kept for CIT or accounting purposes. Examples of records are general ledgers, invoices, accounting records and schedules, bank statements and pre-consolidated accounts.

10.22 For records that substantiate the calculation of the provisions in the GloBE rules that require looking back at the MNE group's past years' figures, an extended record keeping period is required for the Comptroller to verify the accuracy of the calculations. The extended record keeping periods for the MTT and DTT are as follows:

| | MTT | DTT |
|---|---|---|
| **Record keeping period** | Until 31 December of the 10th year after the year in which the MTT return is due. | Until 31 December of the 10th year after the FY to which the DTT relates. |
| **Examples** | **E.g. 1: FYE of MNE group A is 30 September 2026 (i.e. not a transition year for MNE group A)** | |
| | Records must be kept till 31 December 2037 (the MTT return is due on 31 December 2027). | Records must be kept till 31 December 2036. |
| | **E.g. 2: FYE of MNE group B is 30 September 2026 (i.e. a transition year for MNE group B)** | |
| | Records must be kept till 31 December 2038 (the MTT return is due on 31 March 2028). | Records must be kept till 31 December 2036. |

10.23 The provisions in the GloBE Model Rules to which the extended record keeping period applies to, and the types of records required to be kept for the period, are:

| Article | Types of records |
|---|---|
| Article 3.2.6 (Election to recognise asset gains over the look-back period)<br><br>Under Article 3.2.6 of the GloBE Model Rules, when there is a net gain from the disposal of local tangible assets by all the CEs located in a jurisdiction, a filing CE may make an annual election for that jurisdiction to adjust the GloBE income or loss with respect to each previous FY in the look-back period (i.e. the election year and four prior years) and to spread any remaining asset gain over the look-back period. The ETR and top-up tax, if any, for any previous FY must be re-calculated. | • Evidence of the asset disposal (e.g. sale agreements or equivalent records).<br>• Fixed asset schedule showing movements and resulting net gain of the relevant assets.<br>• The MTT / DTT computation workpapers for all affected FYs.<br>• Any other supporting documents to verify the GloBE income or loss, ETR and top-up tax adjustments for the look-back period. |
| Article 4.4.4 (Recapturing of the DTLs that do not reverse within five FYs)<br><br>Under Article 4.4.4 of the GloBE Model Rules, a DTL, if not paid within the 5 subsequent FYs, must be recaptured. This rule ensures that the DTL recorded with respect to categories that do not relate to specific policy disallowed categories are actually settled within the required period of time. The amount of the recaptured DTL determined for the current FY shall be treated as a reduction to the covered taxes in the 5th preceding FY and the ETR and top-up tax of such FY shall be recalculated under the rules of Article 5.4.1 of the GloBE Model Rules. | • Deferred tax computation workpapers for the relevant FYs.<br>• Tracking schedules of the DTL subject to recapture.<br>• The MTT / DTT computation workpapers for all affected FYs.<br>• Documents to demonstrate the objective facts or basis for applying the simplification methodologies for the DTL recapture, including the FIFO and LIFO methodology and the aggregation of short-term DTLs.<br>• Any other supporting documents necessary to substantiate the deferred tax adjustments, recapture calculations, and their impact on the ETR and top-up tax. |
| Article 4.6.1 (Re-computation of the ETR and top-up amount for the FY to which a post-filing tax adjustment results in the decrease in the adjusted covered taxes)<br><br>Under Article 4.6.1 of the GloBE Model Rules, if an adjustment is made to the tax | • Records to show that an Article 4.6.1 re-computation is required.<br>• The MTT / DTT computation workpapers for all affected FYs. |

| Article | Types of records |
|---|---|
| liability for a previous FY recorded in the financial statements and the adjustment is a decrease in the covered taxes included in the adjusted covered taxes for the previous FY, the ETR and top-up tax for the previous FY and any affected intervening FYs must be recalculated under Article 5.4.1 of the GloBE Model Rules. If the aggregate decrease in the adjusted covered taxes for the jurisdiction is less than EUR 1 million (i.e. an immaterial decrease), the filing CE may make an annual election to treat the immaterial decrease as an adjustment to the covered taxes in the FY in which the adjustment is recorded in the financial statements. | • Any other supporting documents required to verify the basis and impact of the tax adjustment on the GloBE income or loss, ETR and top-up tax. |
| Article 4.6.4 (Re-computation of the ETR and top-up amount for the FY to which the current tax expense exceeding EUR 1 million was claimed as an adjusted covered tax but not paid within three years)<br><br>Under Article 4.6.4 of the GloBE Model Rules, if more than EUR 1 million of the amount accrued by a CE as current tax expense and included in the adjusted covered taxes for a FY is not paid within three years of the last day of the FY, the ETR and top-up tax for the FY in which the unpaid amount was claimed as a covered tax must be recalculated in accordance with Article 5.4.1 of the GloBE Model Rules by excluding such unpaid amount from the adjusted covered taxes. | • Records to show that an Article 4.6.4 re-computation is required.<br>• The MTT / DTT computation workpapers for all affected FYs.<br>• Any other supporting documents necessary to substantiate the tax adjustment and its impact on the ETR and top-up tax. |
| Article 7.3.5 – Re-computation of the ETR and top-up amount for the FY if there is an outstanding balance of the deemed distribution tax recapture account (relevant for the MTT only)<br><br>Under Article 7.3.5 of the GloBE Model Rules, if there is an outstanding balance of a deemed distribution tax recapture account (maintained in accordance with Article 7.3.3 of the GloBE Model Rules) on the last day of the 4th FY after the FY for which such account was established, | • Tracking schedule showing movement and outstanding balance in the deemed distribution tax recapture account for the relevant FY.<br>• The MTT computation workpapers for all affected FYs.<br>• Any other supporting documents necessary to verify the recapture account movements and |

| Article | Types of records |
|---|---|
| the ETR and top-up tax for the FY for which the account was established must be recalculated under Article 5.4.1 of the GloBE Model Rules by treating the balance of the deemed distribution tax recapture account as a reduction to the adjusted covered taxes previously determined for such year. | their impact on the adjusted covered taxes, ETR and top-up tax. |

Statutory time limit to raise assessment

10.24 The statutory time limits to raise an assessment for the MTT and DTT are as follows:

| | Statutory time limit | Example |
|---|---|---|
| **MTT** | 31 December of the 5th year after the year in which the MTT return is due. | For an MNE group with FYE of 31 December 2025 (and for which the MTT return is due on 31 March 2027), the statutory time limit will be until 31 December 2032. |
| **DTT** | 31 December of the 5th year after the FY to which the DTT relates. | For an MNE group with FYE of 31 December 2025, the statutory time limit will be until 31 December 2030. |

Incidence of tax / Payment of the MTT and DTT

10.25 The parent entity that is a responsible member located in Singapore and the DFE are responsible for the payment of the MTT and DTT respectively.

10.26 For DTT purpose, the DFE can elect under section 45 of the MMT Act to have a qualifying entity in the group (entity X) to be allocated a share of the MNE group's DTT liability ($Y). Please refer to paragraph 8.5.1 above for the CEs which do not qualify for the election. An MNE group can elect up to 30 CEs for any FY.

10.27 If the election is made, entity X is responsible for payment of $Y to the Comptroller and the DFE is liable to pay the remaining MNE group's DTT. The election can be made on a yearly basis at the point of filing the DTT return and is irrevocable for that FY.

10.28 The due date for the payment of MTT and DTT is no later than one month after the filing due date of the MTT and DTT return respectively. Where the Comptroller issues a NOA, the due date for the payment of the MTT or DTT is within one month after the service of the NOA.

Currency

10.29 Where the MTT or DTT has been computed in a currency other than Singapore dollars, the tax payable in foreign currency needs to be converted into Singapore dollars for payment to the Comptroller. The exchange rate to be used is:

a. the average exchange rate, as made available by the MAS, calculated on the basis of the rate of exchange at the end of each month for that FY; or

b. where no such average rate of exchange is made available by the MAS, such rate of exchange as the Comptroller may determine.

Repayment and claiming of relief for error or mistake in tax assessment

10.30 The time periods for the repayment of the MTT and DTT, and the claiming of relief for error or mistake in respect of an MTT and DTT return, are aligned with the statutory time limits for the MTT and DTT assessments respectively.

10.31 A claim for repayment, or an application for relief, must be made no later than:

| | Time limit | Example |
|---|---|---|
| **MTT** | 31 December of the 5th year after the year in which the MTT return is due. | For an MNE group with FYE of 31 December 2025 (and for which the MTT return is due on 31 March 2027), the time limit will be until 31 December 2032. |
| **DTT** | 31 December of the 5th year after the FY to which the DTT relates. | For an MNE group with FYE of 31 December 2025, the time limit will be until 31 December 2030. |

Obligation to inform the Comptroller if certain events take place

10.32 The UPE of a registered MNE group must inform the Comptroller of the following events:

a. When there is a change of appointment of the DFE and / or GFE.

b. Any changes to the information provided for the registration of the MNE group.

c. Change in the MNE group's FYE.

d. When a new transition year is applied for the DTT (i.e. when the GloBE rules come into effect after the DTT).

10.33 The UPE of the MNE group is required to inform the Comptroller within six months after the end of the FY in which any of the above events occurred or such extended time as the Comptroller may allow.

Penalties

10.34 Penalties (including composition amounts or fines) and / or surcharges may be imposed under the MMT Act where an in-scope MNE group fails to meet its obligations for the MTT and DTT. Some of the key obligations have been highlighted in paragraph 10.10 above.

10.35 As the MTT and DTT rules are new, MNE groups will require time to familiarise themselves with the rules. In view that some MNE groups have given feedback that such rules are complex, the Comptroller will adopt a light touch approach for the first three FYs from FY 2025 (i.e. FYs 2025 to 2027), if an MNE group can demonstrate that it has taken reasonable measures to ensure the correct application of the rules.

## 11. Income tax treatment of taxes imposed by Singapore and other jurisdictions under the GloBE rules

Non-deductibility of the MTT and DTT for CIT purposes

11.1 The MTT and DTT are taxes charged on the income of an MNE group. They are not incurred in the production of income. Thus, they are not deductible for CIT purposes in Singapore, under section 15(1)(g) of the ITA.

Non-deductibility of the IIR, UTPR and QDMTT imposed by other jurisdictions for CIT purposes

11.2 Any qualified IIR, qualified UTPR and QDMTT or taxes substantially similar[32] to these taxes are not allowed for tax deduction for CIT purposes in Singapore.

11.3 The qualified IIR, qualified UTPR and QDMTT refer to taxes imposed by the law of another jurisdiction that are prescribed by the Minister in the regulations as being equivalent in effect as the MTT, tax imposed by the UTPR in the GloBE rules and the DTT, respectively.

11.4 In terms of rule order, the qualified IIR and qualified UTPR (or substantially similar taxes) imposed by other jurisdictions ("foreign GloBE taxes") are to be imposed after the application of the CIT in Singapore. Allowing a deduction for foreign GloBE taxes for CIT purposes would thus create circularity in the charging of the CIT under the ITA. Tax deduction is therefore not allowed on such amounts.

11.5 A QDMTT is a form of tax on income, as the tax base in the computation of the QDMTT is premised on the entity's accounting profits (i.e. income). Hence, similar to the DTT, the QDMTT (or substantially similar taxes) imposed by other jurisdictions is disallowed for tax deduction for CIT purposes in Singapore.

[32] Substantially similar taxes refer to taxes that are designed with the intent to be aligned with the qualified IIR, qualified UTPR or QDMTT (respectively) under the GloBE rules but did not pass the peer review / self-assessment process (e.g. due to omissions of legislative provisions, etc.).

Granting the FTC on the QDMTT (or substantially similar taxes) imposed by other jurisdictions ("foreign DMTT")

11.6 For CIT purposes in Singapore, the FTC may be allowed on foreign DMTT paid or payable on:

a. income of a foreign PE whose main entity is a Singapore CE; or

b. income of a foreign dividend-paying company, out of which dividend is paid to entities resident in Singapore.

11.7 For the Singapore CE to qualify for the FTC claims in Singapore on foreign DMTT paid or payable, the following conditions must be met:

a. either:

i. the foreign DMTT is tax paid or payable in respect of income (i.e. income tax) or tax covered under a tax treaty with Singapore; or

ii. the foreign DMTT is a tax paid or payable in respect of income derived from the foreign jurisdiction under the law of that jurisdiction;

b. the Singapore CE entitled to the income (on which the amount of foreign DMTT is paid or payable) is a tax resident of Singapore; and

c. the income is subject to tax in Singapore (i.e. there is tax paid or payable in respect of that income in Singapore).

11.8 For dividend income derived by the Singapore CE, the FTC takes into account the underlying tax paid by the dividend-paying company in the foreign jurisdiction.

11.9 For the purpose of granting the FTC, the portion of foreign DMTT in respect of which the FTC may be allowed must be clearly attributed to the remitted (or deemed remitted) income. If there is no clear attribution of the taxes to the remitted (or deemed remitted) income, no FTC is allowed. Where the foreign DMTT relates to the underlying tax, it must be clearly attributed to the profits out of which the dividend is paid to the Singapore CE.

11.10 Since the foreign DMTT is intended to be aligned with the GloBE rules, it is expected that the allocation of the foreign DMTT to the foreign entity is in accordance with Article 5.2.4 of the GloBE Model Rules.

11.11 Where the foreign DMTT is:

a. paid by an entity of the MNE group in the foreign jurisdiction on behalf of the group; and

b. a portion of the foreign DMTT is subsequently recharged to the foreign PE / dividend-paying company (as mentioned in paragraph 11.6 above) based on an allocation consistent with Article 5.2.4 of the GloBE Model Rules,

the FTC may be allowed to the Singapore CE on the amount of foreign DMTT recharged to the foreign PE / dividend-paying company, if the conditions in paragraph 11.7 above are met.

11.12 The amount of the FTC granted to the Singapore CE is the lower of the total Singapore tax payable on the foreign income remitted (or deemed remitted) and the foreign DMTT and other income tax paid or payable by the Singapore CE on such income.

11.13 Where a foreign jurisdiction imposing the foreign DMTT does not provide for an allocation of the tax to the CEs of the MNE group located in that jurisdiction, the FTC cannot be claimed on that foreign DMTT by the Singapore CE as the conditions in paragraph 11.7(a) above are not met.

Granting the FTC for foreign GloBE taxes

11.14 The FTC is not allowed for foreign GloBE taxes for CIT purposes in Singapore. In terms of rule order, the foreign GloBE taxes are to be imposed after the application of the income tax. Providing the FTC in Singapore for foreign GloBE taxes creates circularity, since the foreign GloBE taxes are determined after taking into account the income tax payable (net of the FTC) of the Singapore CE. In addition, the foreign GloBE taxes are payable by a parent entity and not by the entity who derives the income.

Whether the foreign GloBE taxes and foreign DMTT are taken into account in the FSIE and FTC pooling system conditions, under sections 13(9) and 50C of the ITA

11.15 Under the FSIE scheme, foreign-sourced dividends, foreign branch profits and foreign-sourced service income received by resident taxpayers in Singapore are exempt from tax if all the following conditions ("FSIE conditions") are met[33]:

a. "subject to tax" condition;

b. "foreign headline tax rate of at least 15%" condition; and

c. "beneficial tax exemption" condition.

11.16 Under the FTC pooling system, resident taxpayers in Singapore may elect for FTC pooling if all the following conditions ("FTC pooling system conditions") are met[34]:

[33] For more information on the FSIE conditions, please refer to the e-Tax Guide entitled "Tax Exemption for Foreign-Sourced Income". The conditions are also applicable to tax exemption granted under section 13(12) of the ITA.
[34] For more information on the FTC pooling system conditions, please refer to the e-Tax Guide entitled "Foreign Tax Credit Pooling".

a. "subject to tax" condition;

b. "foreign headline tax rate of at least 15%" condition; and

c. the taxpayer is entitled to claim for FTC under the ITA.

11.17 When determining whether the "subject to tax" condition is met under the FSIE scheme and FTC pooling system:

a. the foreign DMTT paid in a foreign jurisdiction in respect of specified foreign income is considered as meeting the "subject to tax" condition, in alignment with the position taken to treat the foreign DMTT as a tax paid or payable in respect of income; and

b. the foreign GloBE taxes are not considered to have met the "subject to tax" condition, as these taxes are not eligible for the FTC as mentioned in paragraph 11.14 above.

11.18 If the highest CIT rate of a foreign jurisdiction of source in the year the foreign income is remitted (or deemed remitted to Singapore) from that foreign jurisdiction is at least 15%, the "foreign headline tax rate of at least 15%" condition for the FSIE scheme and FTC pooling system is considered to be met.

11.19 The foreign DMTT imposed in the foreign jurisdiction is not considered when determining the highest CIT rate of a foreign jurisdiction under the FSIE scheme and FTC pooling system. The "foreign headline tax rate of at least 15%" condition should also not take into account the foreign GloBE taxes to preserve the rule order among the GloBE taxes and domestic income tax.

11.20 There is no change to how the condition in paragraph 11.15(c) above is applied under the FSIE scheme, where the taxes concerned are foreign DMTT and foreign GloBE taxes.

## 12. Contact information

12.1 Any request for clarification on the e-Tax Guide can be sent to IRAS_Pillar_Two@iras.gov.sg.

## 13. Updates and amendments

| | Date of amendment | Amendments made |
|---|---|---|
| 1 | 7 January 2026 | • Inserted a new paragraph 3.5 and new footnote 6 to state that Singapore's MMT Act obtained transitional qualified status with effect from 1 January 2025.<br>• Inserted a new paragraph 5.3 on the determination of the annual revenue for the purpose of the revenue threshold.<br>• Updated the table at paragraph 7.3.8 on the top-up amount for a stateless entity that is a reverse hybrid entity formed, registered or incorporated in Singapore and is not a responsible member.<br>• Updated paragraph 7.3.10 to clarify the basis of translation for an MNE group whose FY ends in a month other than December.<br>• Inserted new footnotes 22 and 24 regarding securitisation entities.<br>• Updated the table at paragraph 9.1 regarding the allocation of tax with respect to hybrid entities and reverse hybrid entities.<br>• Updated paragraph 10.5 regarding an entity that is appointed as the DFE and GFE.<br>• Updated paragraphs 10.20 and 10.21 regarding extended record keeping requirements.<br>• Inserted a new paragraph 11.11 to clarify that FTC may be allowed where foreign DMTT paid by an entity of the MNE group on behalf of the group is recharged to the foreign entity based on an allocation consistent with Article 5.2.4 of the GloBE Model Rules.<br>• Inserted new FAQs at Annex A to clarify on MTT and DTT calculations and tax administration.<br>• Updated Annex B for changes from the Finance (Income Taxes) Act 2025. |
| 2 | 30 October 2026 | • Inserted a new paragraph 3.6 regarding the Side-by-Side package agreed by the IF on 5 January 2026.<br>• Updated paragraph 6.4 to reflect the safe harbours relevant to Singapore under the Side-by-Side package.<br>• Updated paragraph 8.7.5 to reflect the changes to the LFAS rule for FYs beginning on or after 1 January 2026, and the elections |

| | | |
|---|---|---|
| | | for early application of the changes from FYs beginning on or after 1 January 2025.<br>• Updated paragraph 10.13 and inserted a new paragraph 10.16 regarding Singapore's signing of the GIR MCAA and explain the concept of exchanging GIR information between jurisdictions with an active exchange relationship.<br>• Inserted a new paragraph 10.18 regarding the GIR information to be filed under local filing where central filing is not available.<br>• Updated Q1 of the FAQs in Annex A to reflect the changes to the LFAS rule.<br>• Updated Q15 of the FAQs in Annex A regarding the tax treatment of GMT recharges. |

## Annex A: Frequently asked questions

Scope and charging provisions

**Q1: If the MNE group has several CEs in Singapore and some of the Singapore CEs have accounting periods that are different from that of its UPE, which accounting period should the DTT calculations be based on? Which accounting standard should the DTT calculations be based on?**

A1: As defined in the MMT Act, "FY" refers to an accounting period for which the UPE of the MNE group prepares its CFS. All the Singapore CEs of the MNE group are subject to the DTT based on the UPE's CFS period notwithstanding that individual Singapore CEs may have different accounting periods for their financial accounts.

For example, a foreign UPE's CFS is from 1 January 2025 to 31 December 2025. The UPE's CFS is prepared based on the generally accepted accounting principles ("GAAP") of that foreign jurisdiction. The Singapore entity of the foreign MNE group's accounting period for its separate financial accounts is from 1 April 2024 to 31 March 2025 and its financial accounts are prepared based on the SFRS.

Notwithstanding that the Singapore entity's accounting period is different from the UPE's, the Singapore entity is subject to the DTT based on the UPE's CFS period of 1 January 2025 to 31 December 2025.

In addition, as the Singapore entity's accounting period is different from the UPE's CFS period, DTT computation cannot be based on LFAS under the LFAS rule. In this example, the DTT is computed based on the UPE's financial accounting standard in line with Articles 3.1.2 and 3.1.3 of the GloBE Model Rules (i.e. GAAP). With effect from FY beginning on or after 1 January 2026, changes will apply to align the LFAS rule with the AG on "Use of Local Financial Accounting Standard under a QDMTT in case of mismatching fiscal periods" (please refer to paragraph 8.7.5). An MNE group may also elect to apply the changes from its FY beginning on or after 1 January 2025.

**Q2: Can a UPE in Singapore be subject to both the MTT and DTT?**

A2: The MTT and DTT are top-up taxes in respect of the low-taxed profits of CEs of an in-scope MNE group. The MTT is a tax on the responsible member of an MNE group in respect of the low-taxed profits of its CEs that are located outside Singapore, whereas the DTT is a tax on the CEs of that MNE group that are located in Singapore in respect of their low-taxed profits in Singapore. Accordingly, a UPE in Singapore could be subject to the MTT as a responsible member of the MNE group in respect of the low-taxed profits of its CEs that are located outside Singapore, and also be subject to the DTT as a DFE of the MNE group in respect of the MNE group's low-taxed profits in Singapore.

MTT and DTT calculations

**Q3: The Singapore CE has a branch in Jurisdiction X, which is in a loss position. Should the losses of the branch in Jurisdiction X be included in the DTT computation of the Singapore entity?**

A3: Based on Article 1.3.1 of the GloBE Model Rules, a branch (which is a PE) is a CE of the MNE group and a separate CE from its main entity. As such, the branch in Jurisdiction X is a separate CE from its Singapore main entity.

The DTT is applicable to in-scope MNE groups that are operating in Singapore, i.e. CEs that are located in Singapore. Hence, Singapore DTT is not applicable to the branch in Jurisdiction X. For Singapore DTT purposes, the losses of the branch in Jurisdiction X should be excluded from the DTT computation.

**Q4: In the event where the blended ETR of a jurisdiction is above the minimum tax rate of 15% and some entities in that jurisdiction are loss-making, will there be any avenue to carry forward the losses to subsequent years where the blended ETR is below 15% to offset the top-up taxes in those years?**

A4: No, the losses cannot be carried forward to future years in this instance. However, the blended ETR of a jurisdiction takes into account any negative amount of deferred tax expense arising from the utilisation of losses that are carried forward under the CIT regime in the jurisdiction and attributable to the GloBE losses.

**Q5: An MNE group has two CEs, Entity A and Entity B, in Singapore. The UPE's ownership interest in Entity A and Entity B is 70% and 100% respectively. Would the ownership interest affect the determination of DTT?**

A5: Based on paragraph 118.10 of the Commentary on the QDMTT definition, the jurisdictional top-up amount that is subject to the QDMTT is based on the whole of the top-up amount computed under Article 5.2.3 of the GloBE Model Rules, irrespective of any parent entity's ownership interest held in the CE. In the above scenario, although the UPE's ownership interest in Entity A is only 70%, the DTT is computed based on the whole of the top-up amount computed under Article 5.2.3 of the GloBE Model Rules, irrespective of the UPE's ownership interest held in Entity A.

**Q6: Do CPF contributions made for employees of a CE of an MNE group qualify as accrued pension expenses under the MMT Regulations?**

A6: Regulation 19(2) of the MMT Regulations sets out the adjustments to be made in respect of a pension fund provided that at least one of the conditions enumerated in regulation 19(1) of the MMT Regulations is satisfied. In particular, where a CE of an MNE group: (a) has made any contribution to a pension fund in the FY; (b) has received any amount from the pension fund in the FY; or (c) otherwise has any amount of income or expense relating to the pension fund reflected in its FANIL, the FANIL of the CE must be adjusted in accordance with regulation 19(2) of the MMT Regulations. Singapore's CPF is regarded as a pension fund for the purpose of regulation 19 of the MMT Regulations and, hence, the FANIL of a CE must be adjusted in accordance with regulation 19(2) of the MMT Regulations to account for any CPF contributions and accrued CPF expense of such a CE.

**Q7: A Singapore CE of an MNE group may recognise a DTA in its financial accounts in respect of an unutilised capital allowance, unutilised loss, unutilised donation or unutilised investment allowance that arises in FY 2025 when the MNE group comes within the scope of the MMT Act. Can a deferred**

**tax expense arising from such a DTA (i.e. an in-regime DTA) be included in the adjusted covered taxes? If such a DTA is recorded on the basis of a tax rate less than 15%, can the deferred tax expense be recast to 15% for the purpose of the DTT calculations?**

A7: A deferred tax expense arising from an in-regime DTA recognised in respect of such unutilised tax attribute may only be included in the adjusted covered taxes if it is attributable to a GloBE income or loss. A DTA that is attributable to the following cannot be included in the adjusted covered taxes as it is not attributable to a GloBE income or loss:

- Any part of unutilised loss that relates to an enhanced tax deduction.
- Any part of unutilised capital allowance that does not relate to a depreciation expense.
- Any part of unutilised donation that is not an expense included in the GloBE income or loss, such as any additional amount of tax deduction.
- Any unutilised investment allowance.

Under regulation 45(3) of the MMT Regulations, where a CE of an MNE group has a DTA calculated on the basis of a tax rate of less than 15%, the amount of deferred tax expense arising from the DTA may be adjusted to the amount it would have been had the tax rate been 15%. When the DTA is recognised, the amount of the adjustment is then subtracted from the qualifying deferred tax expense of that CE for that FY. When the DTA reverses, the amount of the adjustment is then added to the qualifying deferred tax expenses of that CE for that FY.

Separate transition rules are applicable for a pre-regime DTA.

<u>Tax administration</u>

**Q8: Why is the UPE liable to register the MNE group for the MTT, DTT and GIR? The UPE could be a foreign entity that is not based in Singapore.**

A8: The UPE is in the best position to determine whether the MNE group is liable to be registered under Part 4 of the MMT Act, as it has all the relevant information on the CEs in the MNE group.

**Q9: Can the payment for the MTT and DTT be made in instalments?**

A9: This will be considered on a case-by-case basis, in particular, for cases where the entities in the MNE group are in financial difficulty.

**Q10: An MNE group has a UPE and a partially-owned parent entity located in Singapore. Are both the UPE and the partially-owned parent entity responsible members for filing MTT returns?**

A10: The UPE is a responsible member unless it is an excluded entity.

The partially-owned parent entity is also a responsible member. However, if the ownership interest in the partially-owned parent entity (POPE X) is wholly held by another partially-owned parent entity (POPE Y) of that MNE group, and POPE Y is subject to the MTT in Singapore or a qualified IIR in a foreign jurisdiction, then only POPE Y is a responsible member.

Where both the UPE and partially-owned parent entity are responsible members of the MNE group for MTT purpose, each entity must file its own separate MTT return to the Comptroller.

**Q11: Are all the CEs of an in-scope MNE group that are located in Singapore required to individually file a DTT return?**

A11: Where an MNE group has more than one CE located in Singapore, one of the CEs located in Singapore must be designated by the UPE of the MNE group as the MNE group's DFE on behalf of all the CEs of the MNE group located in Singapore (section 34 of the MMT Act). The DFE is the entity tasked with furnishing the DTT return to the Comptroller on behalf of all the CEs of the MNE group located in Singapore for the FY (section 43(1) of the MMT Act), regardless of whether an election is made under section 45 of the MMT Act.

**Q12: Can the DFE of an MNE group make an election under section 45(1) of the MMT Act?**

A12: Under section 45(1) of the MMT Act, an MNE group may (through its DFE) elect for the part of its top-up amount for a FY that is attributable to a CE of the MNE group, or a JV or JV subsidiary connected to the MNE group, to be paid separately by such CE, JV or JV subsidiary (as the case may be). Accordingly, the DFE of the MNE group may make an election under section 45(1) of the MMT Act for itself.

As the DFE of the MNE group is the entity tasked with: (a) furnishing the DTT return to the Comptroller under section 43(1) of the MMT Act; and (b) paying the DTT payable to the Comptroller under section 44(1) of the MMT Act, on behalf of the other CEs of the MNE group, or JVs or JV subsidiaries connected to the MNE group, a DFE which makes an election under section 45(1) of the MMT Act is not relieved of its obligation under sections 43(1) and 44(1) of the MMT Act to furnish the DTT return and pay the DTT payable by the MNE group to the Comptroller.

**Q13: What is meant by transition year for purposes of filing the MTT and DTT returns? How does an MNE group determine if FY 2025 is the transition year for such purposes?**

A13: Based on section 2(1) of the MMT Act, "transition year", in relation to an MNE group, refers to the first FY:

a. the MNE group comes within the scope of the law of any jurisdiction imposing a qualified IIR or qualified UTPR; or

b. for which the MNE group is liable to be registered under Part 4 of the MMT Act, whichever is earlier.

For example, an MNE group's UPE is in Jurisdiction Y where the GloBE rules were implemented in FY 2024. The MNE group has two CEs in Singapore. The MNE group's FYE is 31 December.

Since the MNE group comes within scope of a qualified IIR in Jurisdiction Y for FY 2024, for the purposes of filing the MTT and DTT returns in Singapore, FY 2024 is the transition year for the MNE group and FY 2025 is not considered as the transition year.

Others

**Q14: What is a qualified IIR / UTPR / DMTT?**

A14: A qualified IIR / UTPR / DMTT[35] is an IIR / UTPR / DMTT that has received qualified status. The IF will rely on a peer review process to determine whether a jurisdiction's IIR, UTPR and DMTT can be accorded the qualified status.

This process starts with a transitional qualification mechanism, which is a simplified procedure for an initial qualification mechanism, that allows the swift recognition of the qualified status of implementing jurisdictions' legislation on a temporary basis. The confirmation of qualified status under the transitional qualification mechanism will be published on the OECD's website [36] in a timely manner, after the transitional qualification process for a jurisdiction's legislation has concluded. For more information on the IF's peer review process / transitional qualification mechanism, please refer to the OECD's website[37].

**Q15: What is the tax treatment for on-charging / recharging of the IIR / UTPR / DTT?**

A15: The tax treatment of on-charging or recharging of top-up taxes under the IIR / UTPR / DTT (referred to as "Global minimum tax (GMT) recharges") follows the general CIT treatment. For example, if a UPE of a Singapore-headquartered MNE group is subject to top-up taxes under the MTT in Singapore and wishes to recharge the top-up taxes to another Singapore CE, the top-up taxes paid by that CE is not deductible and accordingly, the tax recovered by the UPE in Singapore is not taxable.

GMT recharges are, in substance, a recovery of tax expense. Accordingly, they should be tax-neutral and should not affect GloBE outcomes, regardless of the accounting treatment in which such recharges are recognised. In this regard, to the extent that a CE's FANIL includes any amount of GMT recharges, such amounts should be excluded from the GloBE Income or Loss of the CE on the basis that GMT recharges relate to a tax expense in respect of GloBE top-up taxes which are excluded under Regulation 11 of the MMT Regulations.

Where a CE's tax expense includes any amount of GMT recharges, such amounts should be excluded from the adjusted covered taxes of the CE on the basis that the

[35] Refer to the definitions in section 2(1) of the MMT Act.
[36] Please refer to the Central Record of Legislation with Transitional Qualified Status at https://www.oecd.org/en/topics/sub-issues/global-minimum-tax/global-anti-base-erosion-model-rules-pillar-two.html#central-record
[37] https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/global-minimum-tax/qualified-status-under-the-global-minimum-tax-questions-and-answers.pdf

GMT recharges relate to a tax that is a MTT, qualified IIR, DTT, QDMTT or qualified UTPR which are excluded under paragraph 1(6) of the First Schedule of the MMT Act.

**Annex B: Summary table of provisions in the MMT Act**

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| **Part 1 – Preliminary** | | | | | |
| 1 | Definitions of various terms used in the legislation. | Sections 2 to 4, First Schedule – paragraphs 2 to 5, and 7 to 10 | ✓ | ✓ | GloBE Model Rules – Articles 1.2 to 1.5, 10.1 and 10.2<br><br>Chapter 1 of February 2023 AG – sections 1.2, 1.4, 1.5 and 1.6<br><br>Chapters 5 and 6 of June 2024 AG |
| 2 | Provision that makes clear that any undefined term used in the legislation that is defined in the GloBE rules, has the meaning given to it in the GloBE rules, as explained or modified in regulations made under section 84. | Section 2(8) | ✓ | ✓ | - |
| 3 | **Location of an entity or PE**<br><br>**Sections 5 and 6** set out the rules to determine whether an entity or a PE is located in a jurisdiction. | Sections 5 and 6 | ✓ | ✓ | GloBE Model Rules – Article 10.3 |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| 4 | **"GloBE income or loss" and "FANIL"**<br><br>**Paragraph 6 of the First Schedule** provides that the GloBE income or loss of a CE of an MNE group for a FY is its FANIL after making the adjustments prescribed in regulations.<br><br>Generally, the FANIL of:<br>a. a CE is the net income or loss of the entity before making any consolidation adjustments that is used to prepare the CFS of the UPE of the MNE group, and excludes the FANIL of a PE of the entity;<br>b. a PE is the profits or loss of the PE reflected in the accounts for the PE; and<br>c. a flow-through entity (not being UPE) is allocated to the owners who are not group entities, followed by a PE of the flow-through entity, and the owner (that is a reference entity) located in a jurisdiction that treats the flow-through entity as fiscally transparent. Where the group entity owner (that is a reference entity) of the flow-through entity is located in a jurisdiction that does not treat the flow-through entity as fiscally transparent (i.e. reverse hybrid entity), the FANIL is allocated to the reverse hybrid entity. | First Schedule – paragraph 6 | ✓ | ✓ | Chapter 3 of December 2023 AG – section 3.2<br><br>Chapter 5 of June 2024 AG |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| 5 | **"Adjusted covered taxes" and "covered taxes"**<br><br>**Paragraph 1 of the First Schedule** provides that the adjusted covered taxes of a CE of an MNE group for a FY is the qualifying current tax expense and qualifying deferred tax expense of the entity after making the adjustments prescribed in regulations.<br><br>The qualifying current tax expense and qualifying deferred tax expense of a CE is the current tax expense and deferred tax expense reflected in its FANIL that relates to the covered taxes (as defined), and excludes the qualifying current tax expense and qualifying deferred tax expense in respect of a PE of the entity.<br><br>Where the FANIL of a flow-through entity is allocated to another CE of the same MNE group, the qualifying current tax expense and qualifying deferred tax expense are also allocated to that other CE in the same proportion. | First Schedule – paragraph 1 | ✓ | ✓ | GloBE Model Rules – Chapter 4 (in relation to the definition of "disqualified refundable imputation tax", "eligible distribution tax system", and "qualified imputation tax")<br><br>Chapter 5 of June 2024 AG |
| 6 | **Minimum rate**<br><br>**Section 7** provides that the minimum rate for the purposes of the MTT and DTT is 15%. | Section 7 | ✓ | ✓ | GloBE Model Rules – Article 10.1<br><br>Chapter 5 of February 2023 AG – section 5.1.3 |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| 7 | **MNE group to which the MMT Act applies**<br><br>**Section 8** provides that the MTT and DTT apply to MNE groups that have consolidated group revenue of EUR 750 million or more for at least 2 out of the 4 preceding FYs. | Section 8 | ✓ | ✓ | GloBE Model Rules – Article 1.1 |
| 8 | **Currency**<br><br>**Section 9** provides that, unless modified in regulations made under section 84, calculations under the MMT Act are to be carried out in the currency used to prepare the CFS for the FY concerned of the UPE; or where no such statements were prepared, the currency in which such statements would have been prepared in accordance with paragraph 2(d) of the First Schedule.<br><br>However, for the purpose of DTT, where all the CEs of an MNE group located in Singapore have the same FY as the UPE, prepare their financial statements for that FY in accordance with the accounting standards made or formulated under Part 3 of the Accounting Standards Act 2007 and use Singapore dollar as their functional currency in preparing those financial statements, then the calculations under the MMT Act are to be carried out in Singapore dollar. This also applies to a standalone JV or entities of a JV group located in Singapore. | Section 9 | ✓ | ✓ | Chapters 1, 4 and 5 of July 2023 AG |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| 9 | **The MMT Act to be construed as one with the ITA**<br><br>**Section 10** provides that the MMT Act is to be construed as one with the ITA. | Section 10 | ✓ | ✓ | - |
| **Part 2 – MTT** | | | | | |
| 10 | **Purpose of Part – to impose top-up tax under the IIR**<br><br>**Section 11** sets out the purpose for the MTT to implement the GloBE rules relating to the top-up tax under the IIR. | Section 11 | ✓ | - | GloBE Model Rules – Article 2.1 |
| 11 | **Entity chargeable with the MTT**<br><br>**Sections 12 and 13** set out the group entity(ies) of an MNE group which is chargeable with the MTT. | Sections 12 and 13 | ✓ | - | GloBE Model Rules – Article 2.1 |
| 12 | **Amount of MTT chargeable on a chargeable entity**<br><br>**Section 14** provides that the amount of MTT chargeable on a chargeable entity for a FY is the sum of the top-up tax of each relevant entity of the chargeable entity for the FY. | Section 14 | ✓ | - | GloBE Model Rules – Articles 2.2 and 2.3 |
| 13 | **Top-up tax and top-up amount for an entity that is not a special entity**<br><br>**Section 15** sets out the determination of the top-up tax for a relevant entity of a chargeable entity that is not an investment entity or insurance investment entity. | Sections 15 to 18 and 21 | ✓ | Sections 16 to 18 and 21, with modifications | GloBE Model Rules – Articles 2.2, 2.3, 4.1.5, 5.1, 5.2, 5.3 and 5.4<br><br>Chapters 2 and 5 of February |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| | **Sections 16 to 18 and 21** provide the rules for computing the jurisdictional top-up amount for CEs located in a jurisdiction and the top-up amount of an entity that is not a special entity. Section 21 also explains when an additional current top-up amount applies. | | | | 2023 AG – sections 2.7.3 and 5.1.3<br><br>Chapters 4 and 5 of July 2023 AG |
| 14 | **Top-up amount for special entities and multi-parent groups**<br><br>**Sections 22 to 25** set out how the top-up amount is computed for relevant entities that are the following special entities:<br>• stateless entities;<br>• minority-owned CEs;<br>• investment entities and insurance investment entities; and<br>• JVs and JV subsidiaries.<br><br>**Section 26** enables regulations to be made in accordance with the GloBE rules to prescribe how the provisions of the MMT Act apply in relation to multi-parent groups. | Sections 22 to 26 | ✓ | ✓ with modifications | GloBE Model Rules – Articles 5.6, 6.4, 6.5, 7.4, 7.5 and 7.6<br><br>Chapter 5 of February 2023 AG – section 5.1.3 |
| 15 | **De minimis exclusion**<br>**GloBE Safe Harbours**<br><br>**Sections 19 and 20** set out the de minimis exclusion and GloBE Safe Harbours, where an election may be made in | Sections 19 and 20 | ✓ | ✓ | GloBE Model Rules – Articles 5.5 and 8.2 |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| | accordance with the GloBE rules for an amount of top-up tax for a jurisdiction to be treated as nil, subject to conditions. | | | | |
| **Part 3 – DTT** | | | | | |
| 16 | **Purpose of Part**<br><br>**Section 27** sets out the purpose to implement the DTT as a QDMTT within the meaning of the GloBE rules. | Section 27 | - | ✓ | - |
| 17 | **The DTT payable in respect of an MNE group and the amount of DTT**<br><br>**Section 28** sets out when the DTT is applicable to an MNE group, and that the amount of DTT payable is the top-up amount for the MNE group for the FY. | Section 28 | - | ✓ | - |
| 18 | **Top-up amount of an MNE group**<br><br>**Section 29** provides that the top-up amount for an MNE group is the sum of the top-up amounts of the different entity types stated in that section. | Section 29 | - | ✓ | - |
| 19 | **Top-up amounts of CEs**<br><br>**Section 30** modifies the provisions applicable to the computation of the MTT in sections 16 to 23 and 25 for the purpose of computing the DTT as a QDMTT within the meaning of the GloBE rules. | Section 30 | - | ✓ | GloBE Model Rules – Articles 4.1.5, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 6.4 and 8.2 |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| | | | | | Chapters 2 and 5 of February 2023 AG – sections 2.7.3 and 5.1.3<br><br>Chapter 4 of July 2023 AG – QDMTT guidance, specifically the guidance on JVs, JV subsidiaries, minority-owned CEs and stateless CEs<br><br>Chapter 5 of July 2023 AG – QDMTT Safe Harbour and switch off rule for investment entities, JVs and JV subsidiaries |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| **Parts 4, 5, 6 and 7 – Administration, etc.** | | | | | |
| 20 | **Registration and cancellation or suspension of registration of an MNE group**<br><br>**Sections 31 and 32** provide for the registration of an MNE group that has a CE or JV located in Singapore or a reverse hybrid entity formed, registered or incorporated in Singapore (not being a responsible member). The UPE of such an MNE group has the liability to register the MNE group; failing which, the Comptroller may register the MNE group.<br><br>**Section 35** provides that the UPE of a registered MNE group must inform the Comptroller of the occurrence of prescribed events.<br><br>**Section 36** provides that a surcharge may be imposed on the UPE if it fails to register the MNE group.<br><br>**Section 38** provides for the cancellation or suspension of registration of an MNE group if it is not one to which the MMT Act applies. | Sections 31, 32, 35, 36 and 38 | ✓ | ✓ | - |
| 21 | **The GFE and DFE**<br><br>**Sections 33 and 34** provide that a Singapore CE of a registered MNE group must be designated as the GFE and | Sections 33 and 34 | ✓ (Section 33) | ✓ (Section 34) | - |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| | DFE of the MNE group. Otherwise, an entity may be deemed as the GFE and DFE by the Comptroller. | | | | |
| 22 | **Record keeping**<br><br>**Section 37** sets out the record keeping obligations of prescribed entities of an MNE group. | Section 37 | ✓ | ✓ | - |
| 23 | **Returns deemed furnished by due authority**<br><br>**Section 39** establishes a presumption that a return, statement or form presented as from an entity is considered to have been furnished by that entity, unless proven otherwise. The person signing such a document is deemed to be aware of its content. | Section 39 | ✓ | ✓ | - |
| 24 | **GloBE information return**<br><br>**Section 40** provides for the obligation of a GFE to file a GIR, or where such a return has been filed in another jurisdiction pursuant to a qualifying competent authority agreement, to notify the Comptroller of the particulars of the filing CE and the jurisdiction where it is located instead. | Section 40 | ✓ | - | GloBE Model Rules – Article 8.1 |
| 25 | **Returns and payment of the MTT**<br><br>**Section 41** provides for the filing of returns stating the liability for the MTT and, where applicable, the amount of top-up tax in respect of each relevant entity. | Sections 41 and 42 | ✓ | - | - |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| | **Section 42** sets out the obligation to pay any MTT payable no later than one month after the due date to furnish a MTT return. | | | | |
| 26 | **Returns and payment of the DTT (including election to pay amount attributable to an entity separately)**<br><br>**Section 43** provides for the filing of returns stating the liability for the DTT of the MNE group, and where an election is made for an amount to be paid separately by an entity, the identity of the entity and the amount to be paid by that entity.<br><br>**Section 44** sets out the obligation to pay any DTT payable no later than one month after the due date to furnish a DTT return.<br><br>**Section 45** provides for the election mentioned in section 43 to pay amount attributable to an entity separately. | Sections 43 to 45 | - | ✓ | - |
| 27 | **Information gathering powers of the Comptroller, powers of arrest and disposal of items furnished or seized**<br><br>**Sections 46 and 47** provide that the Comptroller may exercise the specified powers under the ITA to obtain information or evidence, or to arrest, for the purpose of administering or enforcing the MMT Act. | Sections 46 to 48 | ✓ | ✓ | - |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| | **Section 48** provides that the Comptroller may use information obtained under the Goods and Services Tax Act 1993, the Property Tax Act 1960 or the Stamp Duties Act 1929, for the purpose of administering and enforcing the MMT Act. | | | | |
| 28 | **Assessments, objections and appeals**<br><br>**Sections 49, 50 and 51** provide that the Comptroller may make an assessment of the MTT or DTT on a chargeable entity of an MNE group in certain circumstances, for example, if a return is not furnished by the due date, if the MNE group was not registered but should have been registered by the due date, or when fraud or wilful default has been committed.<br><br>**Section 52** provides that an assessment or other proceeding purporting to be made in accordance with the MMT Act is not affected by any mistake, defect or omission therein, if it is in substance and effect in conformity with the intent and meaning of the legislation.<br><br>**Section 53** sets out the objection process if a chargeable entity disputes an assessment of the MTT or DTT payable by it for a FY.<br><br>**Section 54** provides that the Board of Review established under the ITA may hear appeals against assessments | Sections 49 to 57 | ✓ | ✓ | - |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| | made under the MMT Act. The decision of the Board of Review may be appealed against to the General Division of the High Court as provided under **sections 55 and 56**.<br><br>**Section 57** provides that if no valid notice of appeal is lodged within the prescribed time against an assessment, or if the assessment has been determined on appeal, the assessment is final and conclusive. | | | | |
| 29 | **Recovery of unpaid MTT, interest and penalty**<br><br>**Section 58** provides that various provisions of the ITA relating to collection and recovery of unpaid income tax also apply to the collection and recovery of the MTT (including any interest imposed) with specified modifications. | Section 58 | ✓ | - | - |
| 30 | **Repayment of the MTT and DTT**<br><br>**Section 60** provides that an entity that has paid excess MTT or DTT may claim a repayment of the excess amount.<br><br>**Section 63** provides that an entity that had paid excess MTT or DTT on the basis of an erroneous return may apply to the Comptroller for relief. | Sections 60 and 63 | ✓ | ✓ | - |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| 31 | **Collection and recovery of the DTT (including right of contribution)**<br><br>**Section 59** provides that entities of or connected to an MNE group are jointly and severally liable to pay the DTT in arrears and interest in arrears. It also provides that various provisions of the ITA relating to the collection and recovery of unpaid income tax also apply to the collection and recovery of the DTT (including any interest imposed) with specified modifications.<br><br>**Section 61** provides for a right to contribution or indemnity of an entity of or connected to an MNE group who has made payment to the Comptroller of any part of the DTT, from another liable entity of that MNE group.<br><br>**Section 62** provides that where a JV or JV subsidiary is connected to more than one MNE group and the DTT is payable in respect of both MNE groups for a FY, the DFE of either MNE group may apply to the Comptroller for relief against double-counting of the DTT. | Sections 59, 61 and 62 | - | ✓ | - |
| **Part 8 – Offences** | | | | | |
| 32 | **Offences**<br><br>**Sections 64 to 75** provide for the penalties and consequences for:<br>• failure to make return; | Sections 64 to 75 | ✓ | ✓ | - |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| | • failure to keep proper records;<br>• failure to file the GIR and GIR notification;<br>• mistakes in the GIR that are known to be false or misleading;<br>• incorrect MTT and DTT return;<br>• serious fraudulent tax evasion;<br>• offences by authorised and unauthorised persons; and<br>• offence for obstructing the Comptroller or officers, etc. | | | | |
| **Part 9 – Miscellaneous** | | | | | |
| 33 | **Miscellaneous**<br><br>**Sections 76 to 83** provide for:<br>• authorisation of officers;<br>• liability of managers of entities;<br>• duty of liquidator, etc. on the winding up of entity;<br>• provisions relating to interest and penalty;<br>• saving for criminal proceedings;<br>• admissibility of certain statements and documents as evidence;<br>• protection of informers; and<br>• application of other ITA provisions. | Sections 76 to 83 | ✓ | ✓ | - |
| 34 | **Regulations**<br><br>**Section 84** provides the Minister with regulation making powers for the matters listed therein. | Section 84 | ✓ | ✓ | - |

| S/N | Description of provisions | Section in MMT Act | Section applicable to MTT | Section applicable to DTT | Reference to GloBE Model Rules / AGs |
|---|---|---|---|---|---|
| 35 | **Related amendments to the ITA**<br><br>**Section 85** provides for related amendments to be made to the ITA. | Section 85 | - | - | - |
| 36 | **Related amendments to Inland Revenue Authority of Singapore Tax Act 1992**<br><br>**Section 86** provides for related amendments to be made to the Inland Revenue Authority of Singapore Tax Act 1992. | Section 86 | - | - | - |
| **Second Schedule** | | | | | |
| 37 | **The Second Schedule** provides the relevant percentages to be applied for the purpose of applying the SBIE in sections 18(2) and 18(3) for a FY beginning in 2023 and subsequent years. | Second Schedule | ✓ | ✓ | GloBE Model Rules – Article 9.2 |

**Annex C-1: Example of a DTT computation with and without the election under paragraph 8.5.1 above**

An MNE group is in-scope for the DTT for the FYE of 31 December 2025. Other relevant facts include:

- The LFAS rule is applied.
- The MNE group has SBIE of S$30.
- The MNE group has no additional current top-up amount.
- The MNE group has four Singapore CEs that are not special entities (NSE 1 to NSE 4).
- The DTT is computed based on the GloBE income or loss and adjusted covered taxes shown in the table below:

| | **GloBE income / loss** | **Adjusted covered taxes** |
|---|---|---|
| NSE 1 | S$100 | S$10 |
| NSE 2 | S$200 | S$15 |
| NSE 3 | - S$80 (loss) | S$0* |
| NSE 4 | S$80 | S$11 |
| **Sum of the GloBE income or loss and adjusted covered taxes of NSE 1 to NSE 4** | **S$300** | **S$36** |
| Jurisdictional **ETR** of the MNE group in Singapore<br>= S$36 ÷ S$300<br>= 12%<br>**Top-up tax percentage**<br>= 15% – 12%<br>= 3%<br>Amount of **excess profits**<br>= S$300 – S$30<br>= S$270<br>**Top-up amount (i.e. DTT)**<br>= 3% x S$270<br>= **S$8.10** | | |

** Assume that the deferred tax benefit in relation to the tax loss did not qualify as adjusted covered taxes.*

<u>Scenario 1 – No election is made under paragraph 8.5.1 above</u>

- The DFE is chargeable with the DTT of S$8.10.

Scenario 2 – An election under paragraph 8.5.1 above is made by NSE 2

- The amounts of DTT chargeable on the DFE and NSE 2 is:

| | DTT chargeable |
|---|---|
| **NSE 2**<br>Allocation based on section 45(4) of the MMT Act<br>= S$200 ÷ (S$100 + S$200 + S$80) x S$8.10<br>*(GloBE loss is not included in the allocation base)* | S$4.26 |
| **DFE**<br>= S$8.10 – S$4.26 | S$3.84 |
| **Total DTT chargeable on the MNE group in Singapore** | **S$8.10** |

**Annex C-2: Example of a DTT computation with special entities**

An MNE group is in-scope for the DTT for the FYE of 31 December 2025. Other relevant facts include:

- The LFAS rule is applied.
- The MNE group has no SBIE and no additional current top-up amount.
- The MNE group has four Singapore CEs that are not special entities (NSE 1 to NSE 4), and two special entities which are minority-owned CEs of the same minority-owned subgroup (SE 1 and SE 2).
- The DTT is computed based on the GloBE income or loss and adjusted covered taxes shown in the table below:
    - When computing the DTT, the jurisdictional ETR and top-up amount must be computed separately for: (a) CEs that are not special entities; and (b) CEs that are special entities.
    - In addition, the DTT chargeable is at 100% notwithstanding that the UPE of the MNE group may have less than 100% ownership interests in any of the CEs.

| | GloBE income / loss | Adjusted covered taxes |
|---|---|---|
| NSE 1 | S$100 | S$10 |
| NSE 2 | S$200 | S$15 |
| NSE 3 | - S$50 (loss) | S$0* |
| NSE 4 | S$80 | S$11 |
| **Sum of the GloBE income or loss and adjusted covered taxes of NSE 1 to NSE 4** | **S$330** | **S$36** |
| ** Assume that the deferred tax benefit in relation to the tax loss did not qualify as adjusted covered taxes.* | | |

<table>
<tr><td colspan="3">Jurisdictional ETR for CEs that are not special entities<br>= S$36 ÷ S$330<br>= 10.9091%[38]</td></tr>
<tr><td colspan="3">Top-up tax percentage<br>= 15% – 10.9091%<br>= 4.0909%</td></tr>
<tr><td colspan="3">Amount of excess profits<br>= S$330 – S$0<br>= S$330<br>Top-up amount for NSE 1 to NSE 4<br>= 4.0909% x S$330<br>= S$13.50</td></tr>
<tr><td>SE 1</td><td>S$30</td><td>S$5</td></tr>
<tr><td>SE 2</td><td>S$80</td><td>S$8</td></tr>
<tr><td>Sum of the GloBE income or loss and adjusted covered taxes of SE1 and SE 2</td><td>S$110</td><td>S$13</td></tr>
<tr><td colspan="3">Jurisdictional ETR for CEs that are minority-owned CEs<br>= S$13 ÷ S$110<br>= 11.8182%<br>Top-up tax percentage<br>= 15% – 11.8182%<br>= 3.1818%<br>Amount of excess profits<br>= S$110 – S$0<br>= S$110<br>Top-up amount for SE 1 and SE 2<br>= 3.1818% x S$110<br>= S$3.50</td></tr>
<tr><td colspan="3">Total top-up amount (i.e. DTT)<br>= S$13.50 + S$3.50<br>= S$17</td></tr>
</table>

Scenario 1 – No election is made under paragraph 8.5.1 above

- The DFE is chargeable with the DTT of S$17.

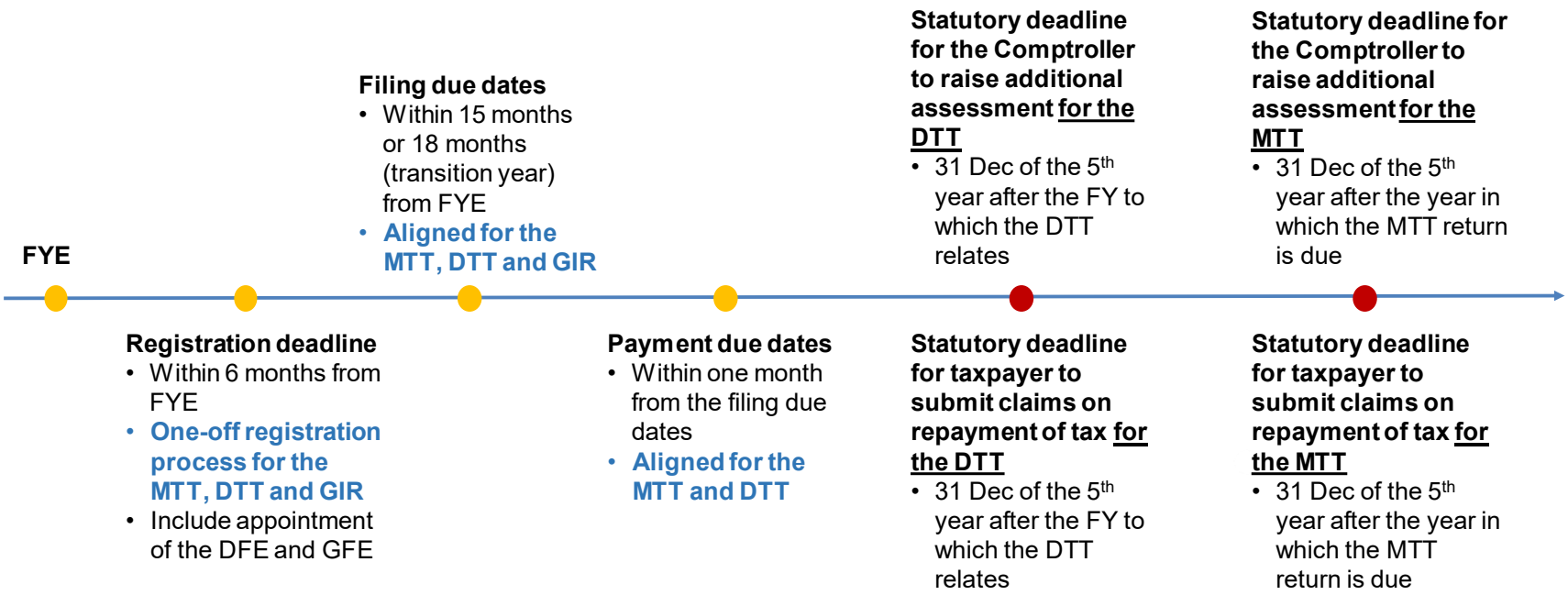
Scenario 2 – An election under paragraph 8.5.1 above is made by a CE

- If an election under paragraph 8.5.1 above is made by any of the CEs, the DTT chargeable to each of the CEs is computed based on the allocation in section 45(4) of the MMT Act. The DFE is then chargeable on the remaining amount of the DTT not allocated to the CEs. Please also refer to **Annex C-1** above on how the allocation in section 45(4) of the MMT Act is applied.

[38] Per Commentary on Article 5.1.1 of the GloBE Model Rules – The jurisdictional ETR is to be expressed as a percentage rounded to the fourth decimal place.

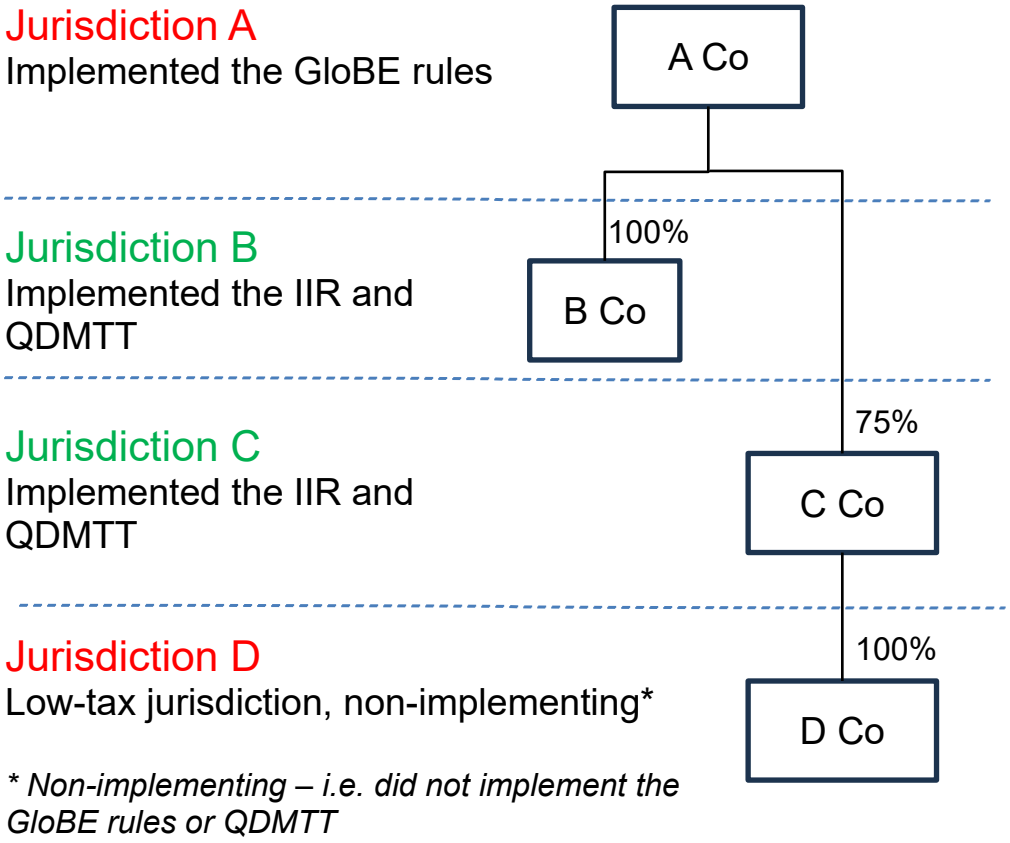
**Annex D: Illustration of the timelines for the MTT, DTT and GIR**

# Administrative process for the MTT and DTT

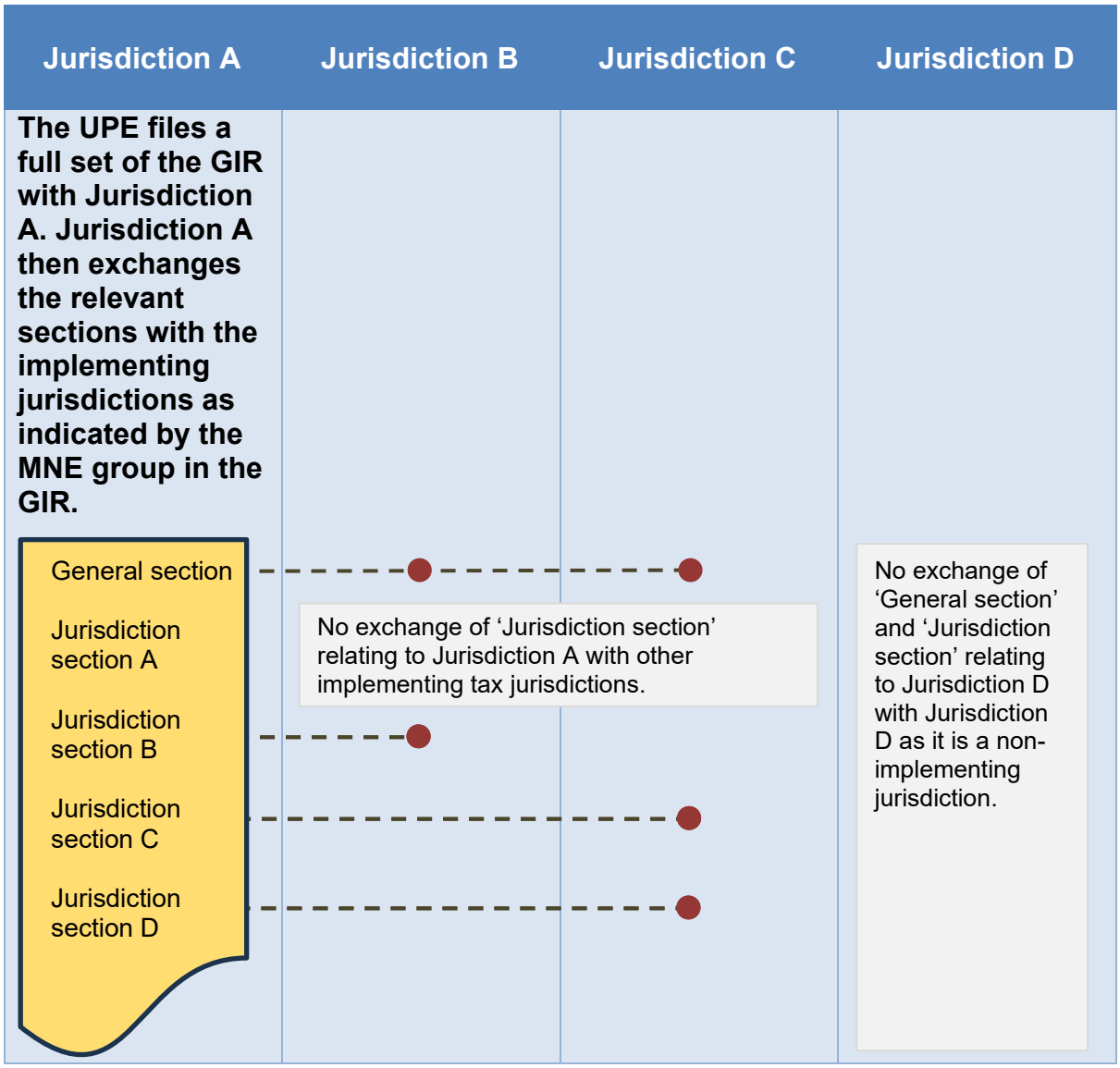


**Annex E: Illustration of the operation of the dissemination approach for the GIR (under central filing)**

Consider an MNE group with the following structure and operations in various jurisdictions:



The dissemination approach for the GIR is as follows:




Assume that Jurisdiction A has a qualifying competent authority agreement with all the other jurisdictions:

- Jurisdiction A exchanges the 'General section' with Jurisdictions B and C since they are both implementing jurisdictions.
- Jurisdiction A exchanges the 'Jurisdiction section' of Jurisdiction B with Jurisdiction B since it has taxing rights in respect of itself under a QDMTT.
- Jurisdiction A exchanges the 'Jurisdiction section' of Jurisdiction C with Jurisdiction C since it has taxing rights in respect of itself under a QDMTT. Jurisdiction C also receives the 'Jurisdiction section' of Jurisdiction D because C Co is a partially-owned parent entity that has taxing rights in respect of D Co.