Advance Ruling Summary No. 12/2026
Published on 3 Aug 2026

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1. Subject:

Whether the gains from the sale of the Properties (defined below) are capital in nature and not income subject to tax under the Income Tax Act 1947 ("**ITA**").

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2. Relevant background and facts:

a. Company A is incorporated in Singapore and carries on a business in Singapore.

b. Company A owns long-term strategic investment properties that have been consistently leased out for the production of rental income, or for its own use (collectively "**the Properties**").

c. As part of an internal group restructuring, Company A sold the Properties to other related companies.

d. Company A did not take on any loans in respect of the financing of the Properties, or which are secured by the Properties.

e. Each of the Properties had been held by Company A for at least 15 years.

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3. Relevant legislative provisions:

a. Income Tax Act 1947 – Section 10(1)

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4. The rulings:

a. The gains from the sale of the Properties are capital in nature and not income subject to tax under Section 10(1) of the ITA.

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5. Reasons for the decision:

a. The gains from the sale of the Properties by Company A to other related companies are regarded as capital in nature after taking into consideration the following factors:

   i. Intention of Company A at the time of acquiring the Properties;
   ii. Use of the Properties since their acquisition;
   iii. The holding period of the Properties;
   iv. Circumstances for the sale of the Properties; and

v. Mode of financing.

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6. General Reference:

a. Taxpayers may refer to the factors listed on IRAS website[1] that the Comptroller of Income Tax considers when determining whether or not a trade is being carried on.

Disclaimer

The published summary of the advance ruling is for general reference only. It is binding only in respect of the applicant of the advance ruling and the specified transaction under consideration of the advance ruling. All taxpayers should exercise caution in relying upon the published summary of the advance ruling, as the Comptroller is not bound to apply the same tax treatment to a transaction that is similar to the specified transaction.

Please note that IRAS will not update the published ruling to reflect changes in the tax laws or our interpretations of the tax laws.

[1] The said factors can be found at the following address: https://www.iras.gov.sg/taxes/corporate-income-tax/income-deductions-for-companies/taxable-non-taxable-income