Advance Ruling Summary No. 19/2026
Published on 2 Nov 2026

---

1. Subject:

Whether:

a. X Limited Partnership ("**X LP**") is regarded as tax transparent for Singapore income tax purposes;

b. Distributions out of business income to be received from X LP by Company A are considered foreign-sourced income and taxable in Singapore only upon their receipt/deemed receipt in Singapore under section 10(25) of the Income Tax Act 1947 (the "**ITA**"); and

c. Distributions out of dividend income to be received from X LP by Company A retain their underlying character, and are considered foreign-sourced dividend income and taxable in Singapore only upon their receipt/deemed receipt in Singapore under section 10(25) of the ITA, unless exempted under section 13(8) or 13(12) of the ITA, if the relevant conditions are satisfied.

---

2. Relevant background and facts:

a. Company A is incorporated in Singapore and is a Singapore tax resident.

b. X LP is a limited partnership established in jurisdiction X.

c. The general partner of X LP is Company B, which is incorporated and tax resident in jurisdiction X.

d. Company A is the limited partner of X LP and holds 100% of the partnership interest.

e. Company A and Company B are entitled to share in X LP's profits as they arise based on the proportion of their capital contribution to the partnership. As Company B did not contribute any capital to X LP, it is not entitled to any share of X LP's profits or losses.

f. X LP is treated as tax transparent in jurisdiction X. Company A is therefore subject to corporate income tax in jurisdiction X on its share of X LP's income.

g. X LP's management and business operations will be conducted by Company B in jurisdiction X. X LP will not conduct any business activities

or have any business presence (e.g. employees, office or agents) in Singapore.

h. A comparison of the characteristics of a Singapore limited partnership ("**Singapore LP**") and a limited partnership in jurisdiction X ("**Foreign LP**") is summarised below:

	Singapore LP	**Foreign LP**
Definition of "Partnership"	Relationship which subsists between persons carrying on a business in common with a view of profit.	A partnership whose purpose is to operate a commercial business under a common name.
Legal personality	Not a separate legal entity; cannot own property in its own name. Only general partners are allowed to contract on behalf of the partnership / represent the partnership.	No separate legal personality but it can sue someone or can be sued (partial legal capacity).
Partners	At least one general partner and one limited partner. The partnership is managed by the general partners while the limited partners do not participate in the conduct of the business.	At least one limited partner and one general partner. Unless provided otherwise in the articles of association, each general partner has sole power of representation and may manage the business of the partnership solely; however, extraordinary legal transactions require a resolution by all partners.
Liability of partners	General partners have unlimited liability for the partnership's obligations. Limited partner's liability is limited to his contribution in the partnership.	Unlimited liability for general partners, limited partners are only liable up to the amount specified in the commercial register.
Taxation on the profits of	Partnership is not taxed on the profits. Instead,	The partnership is not subject to (corporate)

	Singapore LP	Foreign LP
the partnership	the profits are taxed in the hands of the partners.	income tax, this is assessed at the level of the partners.

i. In addition to business income derived from operations conducted by Company B, X LP will also derive passive dividend income from its foreign subsidiaries. These foreign subsidiaries are incorporated and tax resident outside Singapore.

---

3. Relevant legislative provisions:

a. Income Tax Act 1947 – Sections 36C and 10(1)

---

4. The rulings:

a. X LP is regarded as tax transparent for Singapore income tax purposes.

b. Distributions out of X LP's business income from X LP to Company A are considered foreign-sourced income for Singapore income tax purposes. Company A's share of X LP's profits will be taxable in Singapore when it is received or deemed to be received in Singapore under section 10(25) of the ITA.

c. Distributions out of dividends from X LP to Company A will retain the character of the underlying income (i.e. foreign-sourced dividends from X LP's subsidiaries). Such dividends are taxable in Singapore only upon its receipt or deemed receipt in Singapore under section 10(25) of the ITA, unless exempted under section 13(8) or 13(12) of the ITA, subject to meeting the relevant conditions.

---

5. Reasons for the decision:

a. Based on the characteristics of Foreign LP and its close similarities to a Singapore LP, X LP is treated as tax transparent for Singapore income tax purposes.

b. X LP's profit generating operations and business activities are located and managed in jurisdiction X, and X LP does not carry on any business activities in Singapore. Accordingly, distributions out of X LP's business income are considered foreign-sourced income for Singapore income tax purposes.

c. Given that X LP is treated as tax transparent for Singapore income tax purposes, its income retains its original nature in the hands of the partners.

Accordingly, distributions out of dividends to be received from X LP by Company A retain their character as foreign-sourced dividends.

---

6. General Reference:

a. Taxpayers may refer to the IRAS website[1] for the approach that the Comptroller of Income Tax generally applies to determine the classification of a foreign entity for Singapore income tax purposes.

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 approach can be found at the following address: https://www.iras.gov.sg/taxes/corporate-income-tax/specific-topics/classification-of-foreign-entities-for-singapore-income-tax-purposes