Payment made for management services or assistance in the management of business\(^1\) (with effect from 29 Dec 2009)

Services performed outside Singapore?  

Yes → Withholding tax applies  

No → Cost reimbursement between related parties under a cost-pooling arrangement\(^2\)?  

Yes → Withholding tax applies  

No → Is recipient a resident of a country with a comprehensive DTA?  

Yes → Does the DTA require the existence of a P.E. for the income to be taxable in Singapore?  

Yes → Withholding tax applies  

No → No withholding tax  

No  

Is recipient a resident of a country with a comprehensive DTA?  

Yes → Does the DTA require the existence of a P.E. for the income to be taxable in Singapore?  

Yes → Withholding tax applies  

No → No withholding tax  

No  

Does the DTA require the existence of a P.E. for the income to be taxable in Singapore?  

Yes → Permanent establishment exists in Singapore under DTA?  

Yes → Withholding tax applies  

No → No withholding tax  

No  

Permanent establishment exists in Singapore under DTA?  

Yes → Withholding tax applies  

No → No withholding tax  

No
1 Includes routine support services as listed in Annex C of the e-Tax Guide *Transfer Pricing Guidelines* (1.46MB).

2 For more information on cost-pooling, please refer to Paragraph 12.28 onwards on Page 108 of the e-Tax Guide *Transfer Pricing Guidelines* (1.46MB).

3 DTAs such as Australia*, Pakistan, South Korea, Sweden and Taiwan.

*With effect from 1 May 2018, the income derived by a non-individual (e.g. company) tax resident in Australia from the provision of services in Singapore through employees or other personnel engaged by the non-individual would be considered as profits of an enterprise and Articles 4 and 5 would be the applicable articles. Consequently, the service income will only be subject to tax in Singapore if the provision of services constitutes a PE in Singapore under the provisions of Article 4 of the Singapore-Australia DTA. This means that no withholding tax is applicable on the service income if there is no PE in Singapore. For more information, please refer to footnote 1 of Article 2 of the DTA which documents the mutual agreement reached by the competent authorities of Singapore and Australia.