

## EXPLANATORY NOTES TO FORM IRIN 301 FOR YEAR OF ASSESSMENT 2019

### Essential information to note before completing Form IRIN 301

- This Form is to be submitted together with Form C, except for dormant companies and companies servicing only related parties with “Cost-Plus Mark-Up” basis of assessment.
- All boxes must be completed. If any item is not applicable, enter “0”. All figures must be **right-aligned**.

### Part A: Deductions Claimed Against Income

Box 1	Medical Expenses	<ul style="list-style-type: none"> <li>○ Deductible medical expenses (including cash allowance in lieu of medical expenses and medical insurance) are capped at 1% of total employees’ remuneration. However, the cap is increased to 2% of total employees’ remuneration if the company has: <ul style="list-style-type: none"> <li>● provided its employees with inpatient medical insurance benefits in the form of a <b>Portable Medical Benefits Scheme</b>, a <b>Transferable Medical Insurance Scheme</b> or a <b>Shield plan</b>; or made ad-hoc contributions to its employees’ <b>Medisave</b> accounts (subject to a cap of \$1,500* per employee per year) during the relevant basis period; <u>and</u></li> <li>● met the qualifying conditions under the respective scheme/ plan.</li> </ul> </li> <li>○ The additional tax deduction for medical expenses beyond 1% of total employees’ remuneration <b>excludes</b> premiums for <b>Riders on Shield plans</b> that cover deductibles and co-payments.</li> <li>○ Companies claiming medical expenses in excess of 1% of total employees’ remuneration must <b>declare</b> in their tax computations that conditions under <b>Sections 14(6A), (6B) and (6C)</b> of the Income Tax Act (ITA) are met.</li> <li>○ For more information, please refer to <b>Sections 14(5) to (8)</b> of the ITA and IRAS’ website under <a href="#">Home &gt; Businesses &gt; Companies &gt; Working out Corporate Income Taxes &gt; Business Expenses</a>, click on “Select Subheading” and select “Non-Deductible Business Expenses” followed by “Medical Expenses”.</li> </ul> <p><i>* From 1 Jan 2018, the cap has been raised from \$1,500 to \$2,730 per employee per year. However, the overall deduction for medical expenses will still be subject to a cap of 2% on total employees’ remuneration.</i></p>
Box 3	Deduction for cost on protecting Intellectual Property (IP) (i.e. 100% base deduction) - Section 14A	Qualifying cost incurred on protecting Intellectual Property during the basis periods relating to YA 2019 to YA 2025 will qualify for an additional 100% deduction under Section 14A of the Income Tax Act, subject to a cap of \$100,000.
Boxes 4 & 5	<p>Participation in approved local trade fairs – Section 14B</p> <p>Participation in overseas trade fairs, overseas business development and investment study trips/ missions – Section 14B/ 14K</p>	<ul style="list-style-type: none"> <li>○ Businesses may claim automatic double tax deduction on <b>up to \$150,000</b> of qualifying expenses incurred in the following four qualifying activities for each YA, without approval from IE Singapore of STB: <ol style="list-style-type: none"> <li>a) Overseas business development trips/ missions;</li> <li>b) Overseas investment study trips/ missions;</li> <li>c) Participation in overseas trade fairs; and</li> <li>d) Participation in approved local trade fairs.</li> </ol> </li> <li>○ Enter the relevant amount incurred for the qualifying activities in Boxes 4 and 5 accordingly, subject to the cap of \$150,000 for all the four qualifying activities.</li> <li>○ For more information, please refer to IRAS’ website under <a href="#">Home &gt; Schemes &gt; Businesses &gt; Double Tax Deduction for Internationalisation Scheme</a>.</li> </ul>
Box 10	Deduction for cost on IP In-Licensing (i.e. 100% base deduction) - Section 14W	Qualifying cost incurred on Intellectual Property In-Licensing during the basis periods relating to YA 2019 to YA 2025 will qualify for an additional 100% deduction under Section 14W of the Income Tax Act, subject to a cap of \$100,000.

### Part B: Current Year Capital Allowances Claimed as per Tax Computation

Boxes 12 to 18	Capital Allowances claimed	<p>Enter the total of IA + AA + BA – BC, including Enhanced Allowances claimed under the Productivity and Innovation Credit (PIC)/ PIC+ Scheme [Section 19A(2BAA) of the Income Tax Act]. If the amount is negative as a result of BC, enter an “X” in the box on the extreme left for paper filing, or add a negative sign for e-Filing.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Section</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>19</td> <td>Allowances for plant or machinery (over the prescribed tax useful life)</td> </tr> <tr> <td>19A(1)</td> <td>Accelerated allowances of 3 years’ write-off for plant and machinery</td> </tr> <tr> <td>19A(2), 19A(3) &amp; 19A(4)</td> <td>Accelerated allowances of 100% write-off for computer, prescribed automation equipment and robots, etc.</td> </tr> <tr> <td>19A(10)</td> <td>Accelerated allowances of 100% write-off for website</td> </tr> <tr> <td>19A(10A)</td> <td>Accelerated allowances of 100% write-off for items of plant or machinery costing no more than \$5,000 each</td> </tr> <tr> <td>19B</td> <td>Writing-down allowances for intellectual property rights</td> </tr> </tbody> </table>	Section	Description	19	Allowances for plant or machinery (over the prescribed tax useful life)	19A(1)	Accelerated allowances of 3 years’ write-off for plant and machinery	19A(2), 19A(3) & 19A(4)	Accelerated allowances of 100% write-off for computer, prescribed automation equipment and robots, etc.	19A(10)	Accelerated allowances of 100% write-off for website	19A(10A)	Accelerated allowances of 100% write-off for items of plant or machinery costing no more than \$5,000 each	19B	Writing-down allowances for intellectual property rights
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Part C: Foreign Tax Paid on Foreign Income Received in Singapore																													
If the rows provided are insufficient, please enter the top 5 highest amounts in rows 19a to 19e and consolidate all remaining amounts in the last row (19f). For the consolidated amount, please select the most representative option for <Nature of Income> and "Other countries not elsewhere classified" (999) for <Country>.																													
Boxes 19a to 19f	Nature of Income	<p>Enter one of the following codes in the boxes provided:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Section</th> <th style="text-align: left;">Description</th> <th style="text-align: left;">Code</th> </tr> </thead> <tbody> <tr> <td>10(1)(a)</td> <td>Trade/ Business income derived from professional, consultancy and others</td> <td>A</td> </tr> <tr> <td>10(1)(a)</td> <td>Trade/ Business profit derived from branches outside Singapore</td> <td>P</td> </tr> <tr> <td>10(1)(d)</td> <td>Dividends</td> <td>B</td> </tr> <tr> <td>10(1)(d)</td> <td>Interest/ Discounts</td> <td>C</td> </tr> <tr> <td>10(1)(f)</td> <td>Rent, Premiums and any other Profits arising from Property</td> <td>D</td> </tr> <tr> <td>10(1)(f)</td> <td>Royalties</td> <td>E</td> </tr> <tr> <td>10(1)(e)</td> <td>Any pension, charge or annuity [includes trust distribution (e.g. REIT distribution)]</td> <td>F</td> </tr> <tr> <td>10(1)(g)</td> <td>Income not falling under A to E above</td> <td>F</td> </tr> </tbody> </table> <p>For foreign-sourced dividends, foreign branch profits and foreign-sourced service income that qualify for exemption, please declare the amount(s) in Part D: Exemption on Foreign Dividends, Branch Profits and Service Income Received in Singapore.</p>	Section	Description	Code	10(1)(a)	Trade/ Business income derived from professional, consultancy and others	A	10(1)(a)	Trade/ Business profit derived from branches outside Singapore	P	10(1)(d)	Dividends	B	10(1)(d)	Interest/ Discounts	C	10(1)(f)	Rent, Premiums and any other Profits arising from Property	D	10(1)(f)	Royalties	E	10(1)(e)	Any pension, charge or annuity [includes trust distribution (e.g. REIT distribution)]	F	10(1)(g)	Income not falling under A to E above	F
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	Country	Refer to the list of country codes in Appendix 1A of the Explanatory Notes to Form C.																											
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If the rows provided are insufficient, please enter the top 6 highest amounts. Where there are more than 6 rows, the company need not enter details for the remaining amounts.																													
Boxes 20a to 20f	Headline tax rate (%)	Headline tax rate of a foreign jurisdiction refers to the highest corporate tax rate of the foreign jurisdiction specified in the main tax legislation or the highest tax rate stipulated in the relevant special legislation, as the case may be. It need not be the actual rate of tax imposed by the foreign jurisdiction on the specified foreign income. Please refer to IRAS' e-Tax Guide "Tax Exemption for Foreign-Sourced Income (Third Edition)" for details.																											
	Income subject to tax in the foreign jurisdiction	<p>For foreign income received in Singapore to be exempted, income tax must have been paid or be payable in the foreign jurisdiction from which the foreign income is received. For dividends received, tax paid or payable includes income tax paid or payable in that foreign jurisdiction by the payer company on its income out of which the dividend is paid.</p> <p>As a tax concession, where the foreign income is exempted from tax in the foreign jurisdiction from which it is received as a direct consequence of that foreign jurisdiction granting a tax incentive for carrying out substantive business activities in that jurisdiction, the "subject to tax condition" will be considered as met. To enjoy this concession, relevant documents must be retained and submitted to IRAS upon request. For details, please refer to IRAS' website under <a href="#">Home &gt; Businesses &gt; Companies &gt; Filing Taxes (Form C-S/ C) &gt; Guidance on Completing Form C-S/ C</a>, click on "Select Subheading" and select "Before Completing Form C-S/ C" followed by "Documents to Prepare when Filing Form C-S/ C. Details are also available in IRAS' e-Tax Guide "Tax Exemption for Foreign-Sourced Income (Third Edition)".</p>																											
Part E: Deduction for Expenditure on Research and Development (R&D)																													
Box 21	Deduction for expenditure incurred on R&D – Total deduction under Section 14D	<p>Enter the amount of expenditure (net of grants from Government or statutory boards) incurred on:</p> <ul style="list-style-type: none"> <li>○ R&amp;D activities conducted wholly in Singapore (whether related to trade or not) including:                             <ul style="list-style-type: none"> <li>● In-house R&amp;D</li> <li>● Outsourced R&amp;D</li> </ul> </li> <li>○ R&amp;D activities conducted wholly overseas (related to trade).</li> <li>○ Mixed R&amp;D activities partly undertaken in Singapore and partly outside Singapore (related to trade).</li> <li>○ R&amp;D cost-sharing agreement (CSA) conducted in Singapore and/ or overseas (whether related to trade or not).</li> </ul> <p>For more information, please refer to IRAS' website on <a href="#">Home &gt; Businesses &gt; Companies &gt; Working out Corporate Income Taxes &gt; Tax Treatment of Business Expenses (Q-R)</a>, click on "Select Subheading" and select "Research and Development (R&amp;D) Expenditure".</p>																											
Box 22	Section 14D deduction for expenditure incurred on R&D activities undertaken in Singapore	Enter the amount of expenditure incurred on R&D activities undertaken in Singapore that qualifies for Section 14D deduction. The difference between Boxes 21 and 22 is the expenditure incurred on overseas R&D activities.																											
Box 23	Staff costs and consumables for R&D activities undertaken in Singapore qualifying for Section 14DA(1)	Enter only qualifying expenditure comprising staff costs and consumables incurred on research and development activities undertaken in Singapore. Qualifying expenditure incurred during the basis periods relating to YA 2019 to YA 2025 will qualify for an additional 150% deduction under Section 14DA(1) of the Income Tax Act. The amount included in Box 23 is before applying the 150%.																											
Box 24	Further deduction for expenditure on R&D project - Section 14E	Enter the amount of further deduction for expenditure in addition to the deduction allowed under Sections 14, 14D or 14DA. The total amount of deduction allowed under Sections 14E, 14, 14D and 14DA for an approved research and development project in Singapore shall not exceed 200% of such expenditure incurred.																											

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**Example:**

A company incurred the following expenses: -

- R&D projects undertaken in Singapore - \$80,000 (inclusive of \$50,000 for staff cost & consumables)
- R&D projects undertaken overseas (related to trade) - \$20,000

	Form C Box	Amount to enter S\$
Deduction for expenditure incurred on R&D – Total deduction under Section 14D	21	100,000
Section 14D deduction for expenditure incurred on R&D activities <u>undertaken in Singapore</u>	22	80,000
Staff costs and consumables for R&D activities <u>undertaken in Singapore</u> qualifying for Section 14DA(1)	23	50,000
Further deduction for expenditure on R&D project - Section 14E	24	0

**Part F: Exemption of Gains from Disposal of Ordinary Shares in Another Company under Section 13Z**

Box 25	Gains from disposal of shares	<p>For gains/ profits from disposal of ordinary shares in another company qualifying for tax exemption under Section 13Z, the company must retain the requisite information and submit to IRAS upon request. For details, please refer to IRAS' website under <a href="#">Home &gt; Businesses &gt; Companies &gt; Filing Taxes (Form C-S/ C) &gt; Guidance on Completing Form C-S/ C</a>, click on "Select Subheading" and select "Before Completing Form C-S/ C" followed by "Documents to Prepare when Filing Form C-S/ C".</p> <p>For the specified qualifying conditions, please refer to IRAS' e-Tax Guide "Income Tax: Certainty of Non-taxation of Companies' Gains on Disposal of Equity Investments (Second Edition)".</p>
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The above information is intended for better general understanding and is not intended to comprehensively address all possible issues that may arise. While every effort has been made to ensure that the above information is consistent with existing policies and practice, should there be any changes, IRAS reserves the right to vary its position accordingly. For the latest information, please refer to IRAS' website at [www.iras.gov.sg](http://www.iras.gov.sg).