

## Singapore's provisional positions

At the point of signing the MLI, Singapore provided the following provisional positions which are subject to confirmation when Singapore ratifies the MLI.

<b>Article 6 (Purpose of a Covered Tax Agreement)</b>
<ul style="list-style-type: none"><li>• Paragraph 1 – To include a statement in the preamble of the DTA to clarify that the DTA is intended to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance.</li><li>• Paragraph 3 – To include a statement in the preamble to reflect a desire to further develop economic relationship or enhance cooperation in tax matters.</li></ul>
<b>Article 7 (Prevention of Treaty Abuse)</b>
<ul style="list-style-type: none"><li>• Paragraph 2 – To adopt the Principal Purpose Test in our DTAs to prevent treaty abuse. Asymmetrical application of simplified limitation of benefits rules will not be allowed.</li><li>• Paragraph 4 – To include the discretionary relief provision which would give a competent authority discretion to grant treaty benefits to a taxpayer, upon request, despite the taxpayer failing the Principal Purpose Test.</li></ul>
<b>Article 13 (Artificial Avoidance of Permanent Establishment Status through Specific Activity Exemptions)</b>
<ul style="list-style-type: none"><li>• Paragraph 3 – To opt in to Option B for the list of activities that are deemed not to constitute a permanent establishment. This ensures that businesses with foreign operations do not unduly create taxable presence in the foreign jurisdiction.</li></ul>
<b>Article 16 (Mutual Agreement Procedure)</b>
<ul style="list-style-type: none"><li>• Paragraph 1 – To adopt the alternative minimum standard to paragraph 1 such that resident taxpayers can approach IRAS for mutual agreement assistance and IRAS will implement a bilateral notification or consultation process to inform our treaty partner when IRAS rejects a MAP application.</li><li>• Paragraphs 2&amp;3 – To adopt these two paragraphs to facilitate dispute resolution.</li></ul>
<b>Article 17 (Corresponding Adjustments)</b>
<ul style="list-style-type: none"><li>• Paragraph 1 – To include a provision to allow jurisdictions to make corresponding adjustments and consult with one another in the event of a transfer pricing adjustment.</li></ul>
<b>Article 18 (Choice to Apply Part VI)</b>
<ul style="list-style-type: none"><li>• To opt in to the mandatory binding arbitration provisions to be applied to all DTAs covered under the MLI</li></ul>
<b>Article 19 (Mandatory Binding Arbitration)</b>
<ul style="list-style-type: none"><li>• Paragraph 12 – To reserve such that any unresolved issues arising from a mutual agreement procedure case shall not be submitted to arbitration if a decision on this issue has already been rendered by a court or administrative tribunal of either jurisdiction.</li><li>• Paragraph 12 – To reserve such that the arbitration process will terminate if, at any time after a request for arbitration has been made and before the arbitration panel has delivered its decision, a decision concerning the issue is rendered by a court or administrative tribunal of either jurisdiction.</li></ul>
<b>Article 23 (Type of arbitration process)</b>
<ul style="list-style-type: none"><li>• The final offer arbitration will be the default mode of arbitration.</li><li>• Paragraph 3 – To provide for Singapore to enter into discussion with our treaty partner to reach an agreement on the type of arbitration process to apply if our treaty partner reserves, under paragraph 2, to apply the independent opinion arbitration instead.</li><li>• Paragraph 4 – To opt in to the confidentiality provision. Under the confidentiality provision, taxpayers and their advisors must agree not to disclose to any other person any information received from either jurisdiction or the arbitration panel in the course of the arbitration process.</li></ul>

A breach of this provision could give rise to the termination of the mutual agreement procedure as well as the arbitration proceeding.

**Article 24 (Agreement on a Different Resolution)**

- Paragraph 2 – To allow jurisdictions to agree on a different resolution of all unresolved issues within three calendar months after the arbitration decision has been delivered.

**Article 28 (Reservations)**

- Paragraph 2 – To reserve such that cases which are subject to our domestic general anti-avoidance rules will not be eligible for arbitration.

**Article 36 (Entry into Effect of Part VI)**

- Paragraph 2 – The arbitration provisions provided under the MLI will be available to a case presented before the entry into force of the MLI only if both jurisdictions agree that it will apply to that specific case.