

S45 Withholding Tax

Changes To S45 Withholding Tax Regime with effect from 1 April 2003

Information Presented During IRAS Budget Seminar on 14 Mar 2003



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S45 Withholding Tax

- Changes are effective for all transactions with ***Date of Payment from 1 Apr 2003*** onwards
- Transactions with ***Date of Payment prior to 1 Apr 2003*** will be administered under the current S45 rulings



Definition-Date Of Payment

Defined as the earliest of the following dates :

- a) when payment is due and payable based on the agreement or contract. In the absence of contract or agreement, the date of invoice would be the deemed date of payment;
- b) when payment is credited to the account of the non-resident (reinvested, etc) or any other account however designated on behalf of the non-resident ;or
- c) the date of actual payment.

Date of payment for director's fees is the date they are voted and approved at the company's AGM.



S45(1)&(4)

- Filing & Payment

Current	Revised
<i>Within 10 days after the date of payment</i> to non-resident	<i>By the 15th of the month following the date of payment</i> to non-resident

For Example

NR	Date of Payment	Current - Due Date	Revised - Due Date
A	1 Apr 03	11 Apr 03	15 May 03
B	19 Apr 03	29 Apr 03	15 May 03



S45 Penalty Regime

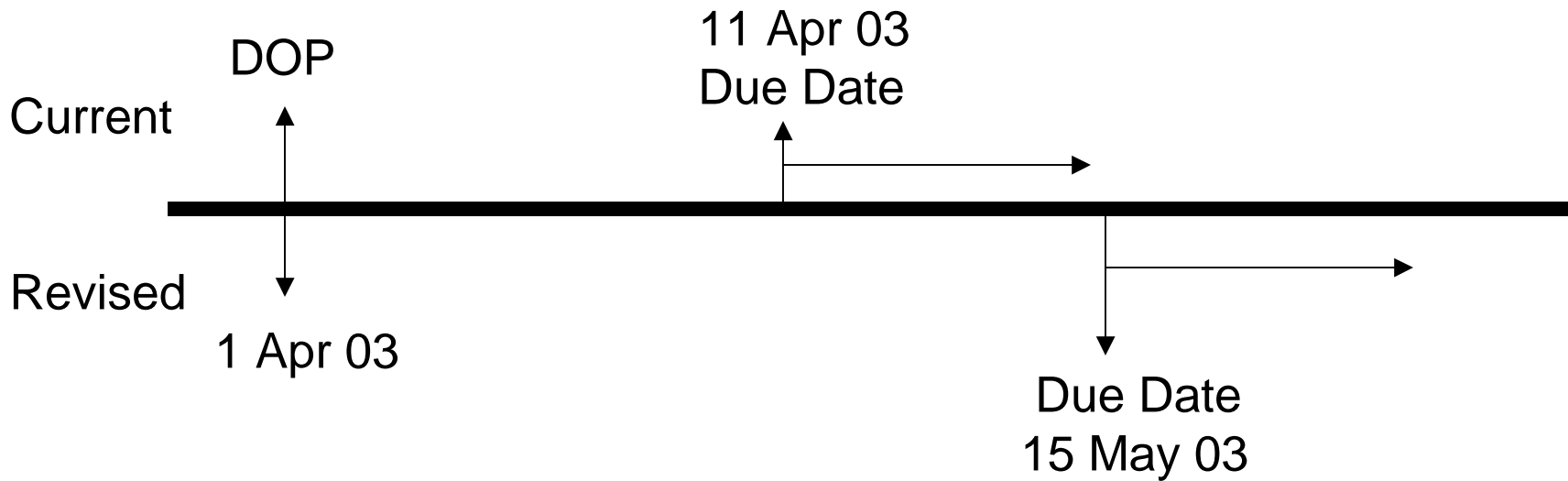
S45(4)(a) - 5% Late Payment Penalty

S45(4)(b) - Additional 1% Late Payment Penalty for each completed month that the tax remains unpaid, up to max. of 15% of the amount of tax o/s



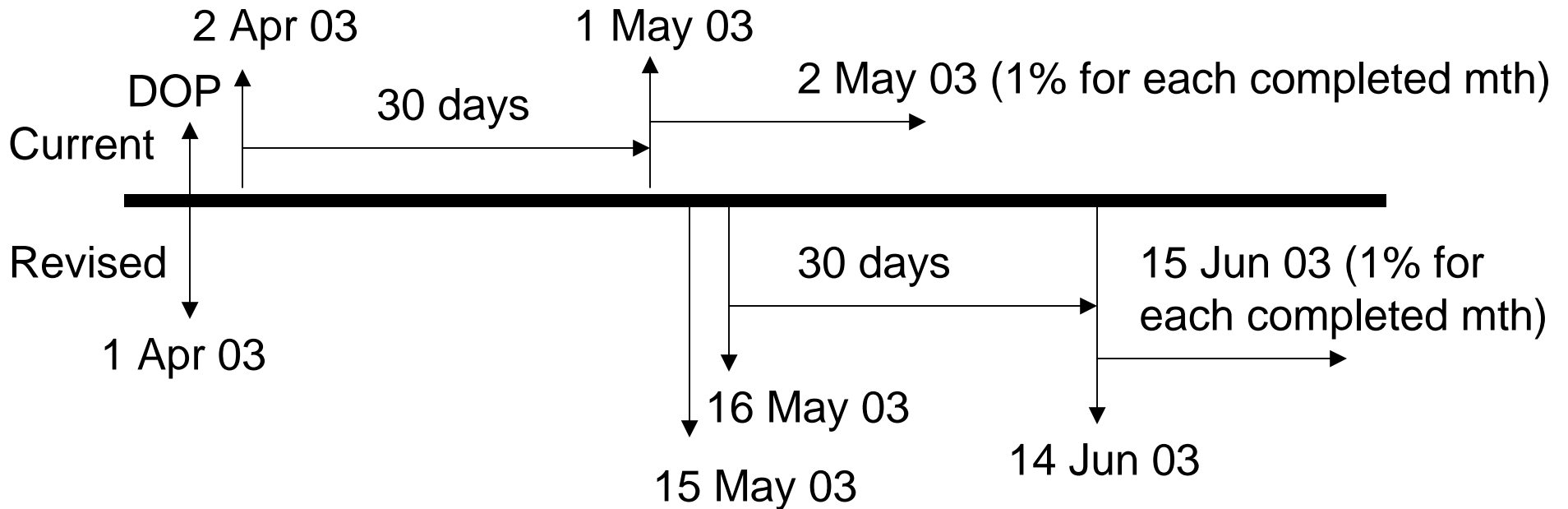
S45 Penalty Regime - S45(4)(a)

5% LPP



S45 Penalty Regime - S45(4)(b)

Additional 1% LPP



The End



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