

Additional information for Income Tax Advance Ruling request on the Adequacy of Economic Substance

Please refer to the IRAS e-Tax Guide “Income Tax: Tax Treatment of Gains or Losses from the Sale of Foreign Assets” for the guidelines on how the Comptroller of Income Tax determines the adequacy of economic substance for the purpose of section 10L of the Income Tax Act 1947.

The additional information listed below (not an exhaustive list) may be relevant for your advance ruling application on the adequacy of economic substance.

1. A diagram showing the holding structure of the entities of the relevant group for the purpose of section 10L of the Income Tax Act 1947, clearly indicating the relationship between the entities.
2. Documentation showing how the outsourcing entity monitors its economic activities that are carried out by the outsourced entity if this information is not documented in the outsourcing agreement to be submitted with the advance ruling application.
3. For applications by a Singapore listed Real Estate Investment Trust (“**REIT**”), to provide the following confirmation:
 - a. Whether the core income generating activity is carried out by its REIT Manager in Singapore
 - b. Whether the trust deed sets out the following:
 - i. The functions and responsibilities of the REIT Manager; and
 - ii. Provision for the termination of the services of the REIT Manager.
 - c. Whether the REIT Manager has set aside dedicated resources to perform its functions and responsibilities as per the trust deed; and
 - d. Whether the REIT Manager charges an arm’s length fee for its services.
4. For applications by a private trust, to provide the following confirmation:
 - a. Whether the core income generating activity is carried out by its Trustee in Singapore
 - b. Whether the trust deed sets out the following:
 - i. The functions and responsibilities of the Trustee; and
 - ii. Provision for the termination of the services of the Trustee.
 - c. Whether the Trustee has set aside dedicated resources to perform its functions and responsibilities as per the trust deed; and
 - d. Whether the Trustee charges an arm’s length fee for its services.



5. For applications by Registered Business Trust, to provide the following confirmation:
 - a. Whether the core income generating activity is carried out by its Trustee-manager in Singapore
 - b. Whether the trust deed sets out the following:
 - i. The functions and responsibilities of the Trustee-manager; and
 - ii. Provision for the termination of the services of the Trustee-manager.
 - c. Whether the Trustee-manager has set aside dedicated resources to perform its functions and responsibilities as per the trust deed; and
 - d. Whether the Trustee-manager charges an arm's length fee for its services.