

# EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

## Essential information to note before completing Form C

Please refer to IRAS' website ([www.iras.gov.sg](http://www.iras.gov.sg)) for **Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C** under [Home > Taxes > Corporate Income Tax > Form C-S/ Form C-S \(Lite\)/ Form C Filing > Guidance on Filing Form C-S/ Form C-S \(Lite\)/ Form C](#) for information on:

- How to File Form C
- Documents to be submitted with Form C
- Documents to be retained and submitted to IRAS upon request

## Quick links to explanatory notes for Main Form Pages

<a href="#">General Info</a>	<a href="#">Assessment 1</a>	<a href="#">Assessment 2</a>
<a href="#">Additional Info</a>	<a href="#">Group Relief</a>	<a href="#">Related Party Transactions</a>

## General Info

### The return has been reviewed by a person who is a Singapore Chartered Tax Professionals Limited (SCTP) Accredited Tax Advisor or Accredited Tax Practitioner for Income Tax.

The Singapore Chartered Tax Professionals Limited (SCTP) is the accreditation body for tax professionals in Singapore.

- A reviewer can include a tax agent, or an in-house tax professional. For example:
  - A tax agent's staff prepares the Company's Income Tax Return based on the information provided and representation made by the Company, of which the corporate income tax treatment in the Return is reviewed by the tax manager of the tax agent firm. Thereafter, the Company's Director endorses the reviewed Return and submits it to IRAS. In this case, the reviewer is the tax manager, as the person's role is to review the Return before submission.
  - A Company's accounts officer prepares and completes the Corporate Income Tax Return. The Return is submitted to the Director of the Company, who reviews the corporate income tax treatment in the Return and approves the submission of the Return to IRAS. In this case, the reviewer is the Director of the Company.
- If the reviewer is a SCTP Accredited Tax Advisor or Accredited Tax Practitioner for Income Tax, please obtain the reviewer's SCTP membership number to complete this field. If the information is not readily available, please select "No" for this field.
- Where there are multiple accredited reviewers, please provide the details (name and membership number) of any one reviewer.

All Returns, whether reviewed by a SCTP-accredited professional, will be processed similarly by IRAS in accordance with our Tax Assessment Process. For more details, please refer to IRAS' website under [Home > Taxes > Corporate Income Tax > Form C-S/ Form C-S \(Lite\)/ Form C Filing > After Filing Form C-S/ Form C-S \(Lite\)/ Form C](#). The information provided in this field will be used by IRAS for statistical analysis and will not affect the assessment of the company's tax returns or IRAS' Corporate Income Tax compliance programmes on companies.

### Does the company meet the criteria in Section 205C of the Companies Act 1967 which exempts its financial statements from being audited?

Under the Companies Act 1967, the following companies are not required to have their financial statements audited:

- Dormant companies (i.e. companies that do not have accounting transactions or business activities)
- Companies that meet the "small company" criteria\*

\* A company qualifies as a "small company" if:

- it is a private company for the financial period ending in 2023 (i.e. it is owned by 50 members or less); and
- it meets at least 2 of the following 3 quantitative criteria for the immediate past two financial periods:
  - a) total annual revenue not more than \$10 million
  - b) total assets not more than \$10 million
  - c) number of employees not more than 50

For a company which is part of a group to qualify for audit exemption:

- a) the company must qualify as a small company; and
- b) entire group must be a "small group", i.e. the group must meet at least 2 of the 3 quantitative criteria on a consolidated basis for the immediate past two consecutive financial periods.

Companies that qualify for an audit exemption and have chosen not to have their financial statements audited should file unaudited financial statements. The unaudited financial statements (including notes to the financial statements), prepared in compliance with the Companies Act 1967, must be accompanied by the Statement by Directors.

### Which type of financial statements is the company submitting?

Unaudited financial statements (including Notes to the Financial Statements) must comply with the Companies Act 1967 and be accompanied by the Statement by Directors.

### Is the company claiming for Tax Exemption Scheme for New Start-Up Companies?

#### Has the company satisfied all conditions to qualify for the Tax Exemption Scheme for New Start-Up Companies?

The qualifying conditions for the Tax Exemption Scheme for New Start-up Companies (SUTE), including companies limited by guarantee\*, are as follows:

- The company must be incorporated in Singapore;
- The company must be a tax resident in Singapore for that YA of claim; and
- The company's total share capital is beneficially held directly by no more than 20 shareholders throughout the basis period for that YA where:
  - all of the shareholders are individuals; or
  - at least one shareholder is an individual holding at least 10% of the issued ordinary shares of the company.

\* Companies limited by guarantee must have members:

- all of whom are individuals throughout the basis period for that YA; or
- at least one of whom is an individual throughout the basis period for that YA, and the contribution of that individual under the Memorandum of Association of the company to the assets of the company in the event of it being wound up, amounts to at least 10% of the total contributions of the members of the company throughout the basis period for that YA.

The following types of companies are not eligible for SUTE:

- a) a company whose principal activity is that of investment holding; and
- b) a company which undertakes property development for sale, for investment, or for both investment and sale.

Tax exemption is granted on the first \$200,000 of a qualifying company's normal chargeable income for each of its first 3 consecutive YAs. The **exempt amount** is computed as follows:

- 75% of the first \$100,000 normal chargeable income
- 50% of the next \$100,000 normal chargeable income

## EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

The first YA of a qualifying company refers to the YA relating to the basis period during which the company is incorporated. A YA generally should not cover more than 12 months. For example, a company incorporated on 15 Apr 2022 closed its first set of financial statements on 30 Jun 2023:

YA	Basis Period	Items to be submitted by Filing Due Date
YA 2023 (1 <sup>st</sup> YA)	15 Apr 2022 to 30 Jun 2022	<ul style="list-style-type: none"> <li>Form C for YA 2024<sup>#</sup> and other relevant Forms</li> <li>Audited/ unaudited financial statements for the period ending on 30 Jun 2023</li> <li>Tax computations for YA 2023 and YA 2024</li> </ul>
YA 2024 (2 <sup>nd</sup> YA)	1 Jul 2022 to 30 Jun 2023	
YA 2025 (3 <sup>rd</sup> YA)	1 Jul 2023 to 30 Jun 2024	<ul style="list-style-type: none"> <li>Form C for YA 2025 and other relevant Forms</li> <li>Audited/ unaudited financial statements for the year ending on 30 Jun 2024</li> <li>Tax computation for YA 2025</li> </ul>

<sup>#</sup> The company need not request to file the Form C for YA 2023. Instead, it will have to apportion and attribute the adjusted profit/losses to YA 2023 and YA 2024 and complete the line items for each YA when filing the Form C for YA 2024. For more details, please refer to the section on "Attribution of Profits/ Losses for New Companies" in this IRAS' webpage on [Basic Guide to Corporate Income Tax for Companies](#).

### Partial Tax Exemption Scheme

Companies that do not qualify for the SUTE will enjoy a partial tax exemption on the first \$200,000 of their normal chargeable income. The **exempt amount** is computed as follows:

- 75% of the first \$10,000 normal chargeable income
- 50% of the next \$190,000 normal chargeable income

For more details, please refer to IRAS' website under [Home > Taxes > Corporate Income Tax > Basics of Corporate Income Tax > Corporate Income Tax Rate, Rebates & Tax Exemption Schemes](#).

### The financial period for this return based on the company's financial statements is

#### Normal Companies

Income is assessed on a preceding year basis. This means that the basis period for any YA is the financial year ending in the year preceding the YA. E.g. If the company's financial year-end is 31 Mar of each year, the basis period for YA 2024 is 1 Apr 2022 to 31 Mar 2023.

Please change the dates if the period stated is different from the company's financial statements.

For more details, please refer to IRAS' website under [Home > Taxes > Corporate Income Tax > Basics of Corporate Income Tax > Basic Guide to Corporate Income Tax for Companies](#).

#### Insurer Companies

As announced in the 2022 Budget Statement, the MAS Statutory Returns instead of the financial statements will be used as the basis for preparing the tax computation for insurers with effect from YA 2024 (for insurers whose financial year end is 31 December) or YA 2025 (for insurers whose financial year end is not 31 December).

For more information, please refer to the [IRAS' e-Tax Guide](#), "Income Tax: Taxation of Insurers Arising from Adoption of FRS 117 – Insurance Contracts".

Please change the dates if the period stated is different from the company's MAS Statutory Returns.

### Assessment 1

- Exempt income/ loss should be reported in Item 15 and **not** Items 1 to 11.
- Exempt income **excludes** exempt amounts under the Tax Exemption Scheme for New Start-up Companies, the Partial Tax Exemption Scheme and any part of income that is subject to tax at a concessionary tax rate.
- For Items 1b to 1f, enter the net amounts after deducting tax deductible expenses. If the net amount is negative, enter "0".

<b>Item 1a</b>	Trade/ Business Income/ Loss - Section 10(1)(a)	<ul style="list-style-type: none"> <li>The amount of adjusted profit/ loss is arrived at after adjusting for non-taxable items, separate source income and non-deductible/ restricted expenses. See Annex on how to complete Item 1a.</li> <li>If the company is claiming Mergers and Acquisitions (M&amp;A) allowances, the amount reported in Item 1a should be after deducting M&amp;A allowances.</li> </ul>																								
<b>Item 1d</b>	Rent, Premiums and any other Profits arising from Property - Section 10(1)(f)	<p>Enter net rent after expenses [before Industrial Building Allowances (IBA) and Land Intensification Allowances (LIA)]. <b>If net rent after expenses (before IBA &amp; LIA) is a loss, enter "0"</b>. For IBA and LIA claimed against such rent, include the IBA and LIA in the amount to be reported in Item 1a.</p> <p>Example:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">S\$</th> <th style="text-align: center;">Form C Item</th> <th style="text-align: center;">Amount to enter S\$</th> </tr> </thead> <tbody> <tr> <td>Gross rental income</td> <td style="text-align: right;">180,000</td> <td></td> <td></td> </tr> <tr> <td>Less: Deductible expenses</td> <td style="text-align: right;">(200,000)</td> <td></td> <td></td> </tr> <tr> <td>Net rent before IBA</td> <td style="text-align: right;">(20,000)</td> <td style="text-align: center;">1d</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Less: IBA</td> <td style="text-align: right;">(30,000)</td> <td style="text-align: center;">1a</td> <td style="text-align: right;">-30,000</td> </tr> <tr> <td>Net rental deficit</td> <td style="text-align: right;">(50,000)</td> <td></td> <td></td> </tr> </tbody> </table>		S\$	Form C Item	Amount to enter S\$	Gross rental income	180,000			Less: Deductible expenses	(200,000)			Net rent before IBA	(20,000)	1d	0	Less: IBA	(30,000)	1a	-30,000	Net rental deficit	(50,000)		
	S\$	Form C Item	Amount to enter S\$																							
Gross rental income	180,000																									
Less: Deductible expenses	(200,000)																									
Net rent before IBA	(20,000)	1d	0																							
Less: IBA	(30,000)	1a	-30,000																							
Net rental deficit	(50,000)																									
<b>Item 2</b>	Foreign income Received in Singapore (before Exempt Amount)	<ul style="list-style-type: none"> <li>Where tax set-offs (Items 12a to 12e) are claimed, enter the gross amount of each type of foreign income less deductible expenses.</li> <li>Where tax set-offs (Items 12a to 12e) are not claimed or where Chargeable Income is nil, enter the amount of each type of foreign income received in Singapore (i.e. net of foreign tax) less deductible expenses.</li> <li>Under the Foreign-Sourced Income Exemption (FSIE) Scheme, a Singapore tax resident company can enjoy tax exemption on its specified foreign income that is remitted into Singapore. The specified foreign income are foreign-sourced dividend, foreign branch profits and foreign-sourced service income. For more details, please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Income &amp; Deductions for Companies &gt; Companies Receiving Foreign Income</a>.</li> </ul>																								

## EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

		<ul style="list-style-type: none"> <li>The company can enter up to 6 rows for this item only. If there are more than 6 rows, please enter the 5 highest amount received in rows 1 to 5 and consolidate all the remaining amounts received in the last row. Please select the most representative option under &lt;Nature of Income&gt; and "Others" under &lt;Country/ Territory&gt; for the consolidated amount.</li> </ul>
<b>Item 4a</b>	Unutilised Donations b/f @ Normal Rate (IRAS' record)	<ul style="list-style-type: none"> <li>Pre-filling is based on the amount carried forward in IRAS' record for YA 2023, less any donations from YA 2018 that has expired.</li> <li>This is for your reference. You may declare a different amount if your records differ.</li> <li>For more details, please refer to IRAS's website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Form C-S/ Form C-S (Lite)/ Form C Filing &gt; Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C</a>.</li> </ul>
<b>Item 4c</b>	Current Year Donations (IRAS' record)	<p>Only donations that are auto-included from the Institutions of a Public Character (IPCs) can be deducted. Please access the <a href="#">View Donations</a> digital service to view the current year approved donations.</p> <p>If there are donations not in the list, it may be due to:</p> <ol style="list-style-type: none"> <li><b>Differences in receipting date</b> The IPC may have recorded the company's donation in a later financial period and a deduction would be accorded in the corresponding Year of Assessment (YA).</li> <li><b>The company did not provide its Unique Entity Number (UEN) to the IPC</b> Please update the company's donation record with the IPC. IRAS will amend the company's assessment when we receive the updated record.</li> </ol>
<b>Items 5 and 9</b>	Loss Transferred to Claimant Company  Loss Claimed from Transferor Company	<ul style="list-style-type: none"> <li>Group relief is available to Singapore-incorporated companies belonging to the same group and which have the same financial year end. Please refer to <a href="#">IRAS' e-Tax Guide</a> "Group Relief System" for details.</li> <li>Loss items that can be transferred/ claimed under the Group Relief System are current year unutilised capital allowances, current year unutilised trade losses (including deductions under Section 14N) and current year unutilised donations.</li> </ul>
<b>Items 6a to 6c</b>	Carry-Back of Current Year Capital Allowances/ Losses	<ul style="list-style-type: none"> <li>If there is no change in the principal activities of a company [Section 37D(11) of the Income Tax Act 1947 (ITA)] and no substantial change in the ultimate shareholders and their shareholdings [Section 37D(12) of the ITA], the company can deduct current year unutilised capital allowances/ trade losses of up to \$100,000 against the assessable income for the immediate preceding YA. If there is a change in the principal activities of the company during the basis period, it can carry back current year's trade losses as long as it meets the shareholding test. Please refer to <a href="#">IRAS' e-Tax Guide</a> "Carry-back Relief System" for details.</li> <li>There is <u>no</u> substantial change in shareholders and their shareholdings if the aggregate shareholdings (%) of common shareholders as at the <b>first day of the YA</b> in which the capital allowances were granted/ <b>first day of the year</b> in which the trade losses were incurred; and the <b>last day of the preceding YA</b> in which the capital allowances/ trade losses are to be deducted, are 50% or more of the total shares of the company. If there is a substantial change in the shareholders and their shareholdings, please refer to the <b>explanatory notes under Item 17</b> below.</li> <li>If your company has also elected for group relief, the amount you can carry back is the net amount after deducting the loss items transferred out to the eligible claimant company or companies.</li> </ul>
<b>Items 7a to 7d</b>	Investment Allowances	<p>The amount unutilised b/f in Item 7a is pre-filled based on the amount carried forward in IRAS' record for YA 2023, where available. This is for your reference. You may declare a different amount if your records differ. For more details, please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Form C-S/ Form C-S (Lite)/ Form C Filing &gt; Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C</a>.</p> <p>The amount utilised in Item 7c is the lower of:</p> <ul style="list-style-type: none"> <li>sum of Item 7a and Item 7b; or</li> <li>total in Item 3 less Unutilised Donations b/f and Current year approved donations.</li> </ul>
<b>Item 8</b>	Chargeable Income after Unutilised Donations b/f and Current Year Approved Donations (before Exempt Amount)	This refers to Chargeable Income <b>after</b> claiming approved donations and unutilised donations brought forward but before claiming partial tax exemption or tax exemption for new start-up companies.
<b>Items 12a to 12e</b>	Tax Set-Offs	<ul style="list-style-type: none"> <li>The amount claimed for <b>each type</b> of foreign income from <b>each country/ territory</b> is restricted to the lower of the Singapore tax payable on the net income or the foreign tax paid.</li> <li>Where applicable, if claiming tax set-off, please complete the fields under 'Foreign Income Received in Singapore' and exclude the same amount from the 'Trade/ Business Income/ Loss - Section 10(1)(a)' field (Item 1a).</li> <li><b>Foreign Tax Credit (FTC) Pooling System</b> Singapore tax residents may elect for FTC pooling when claiming FTC on income for which they have paid foreign tax. The amount of FTC to be granted under the FTC pooling system is the lower of the total Singapore tax payable on those foreign income and the pooled foreign taxes paid on those income. For the qualifying conditions and details, please refer to <a href="#">IRAS' e-Tax Guide</a> "Income Tax: Foreign Tax Credit Pooling".</li> </ul>
<b>Item 13a</b>	Tax Deducted from Interest/ Distribution from REIT	Singapore tax deducted at the time of interest distribution from loan stock or distribution from REIT.
<b>Item 13b</b>	Tax Deducted from Income other than Interest/ Distribution from REIT	Withholding tax paid on gross income at the prevailing corporate income tax rate. If you are claiming foreign tax paid on income remitted, enter the amount in the relevant fields under Tax Set-Offs section.

## EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

<b>Item 14</b>	Tax to be Remitted under Sections 92(1) and 92(2) (Do not include Corporate Income Tax Rebate)	“Remission” refers to tax remitted by the Comptroller [Section 92(1) of the Income Tax Act 1947 (ITA)] or by the Minister [Section 92(2) of the ITA].
<b>Item 15</b>	Exempt Income/ Loss for Current Year of Assessment	<ul style="list-style-type: none"> <li>○ Refers to Current Year Adjusted Exempt Income/ Loss after Current Year Capital Allowances, where applicable.</li> <li>○ Excludes Tax Exemption for New Start-Up Companies, Partial Tax Exemption and any part of income that is subject to tax at a concessionary tax rate.</li> <li>○ <b>Foreign-Sourced Income Exemption (FSIE)</b> Enter the amount of income qualifying for FSIE. Please also complete Part D of “Additional Info” page. Please refer to <a href="#">IRAS' e-Tax Guide</a> “Tax Exemption for Foreign-Sourced Income” for details.</li> </ul>

Assessment 2		
<b>Item 16a</b>	Is there a change in the principal activities of the company during the basis period?	The company can deduct unutilised capital allowances, trade losses, M&A allowances and/ or donations incurred in any year against income in subsequent years as long as there is no substantial change in the ultimate shareholders and their shareholdings. In addition, to deduct unutilised capital allowances of any year against income in subsequent years, there must also not be a change in the company's principal activities.
<b>Item 16b</b>	Is there a substantial change in the company's ultimate shareholders and their shareholdings as at the relevant dates?	There is <u>no</u> substantial change in shareholders and their shareholdings if the shareholdings (%) of common shareholders as at the <b>last day of the YA</b> in which the capital allowances or M&A allowances arose/ <b>last day of the year</b> in which the losses and donations were incurred; and as at the <b>first day of the YA</b> (e.g. 1 January 2024 for YA 2024) in which the utilisation occurs, are 50% or more.
<b>Item 17</b>	Unutilised Capital Allowances/ Losses/ Donations claimed where waiver of the shareholding test has been/ will be granted by IRAS (To complete only if answer in Item 16b is "Yes")	<p>Where there is a substantial change in shareholders and their shareholdings, the company may submit an application to the Comptroller for a waiver of the shareholding test under Sections 23(5), 37(16), 37D(15) or 37O(22) of the Income Tax Act 1947. Each case will be considered based on its merits. If the Comptroller is satisfied that the substantial change in shareholders is not tax-motivated, the company will be allowed to:</p> <ul style="list-style-type: none"> <li>○ offset unutilised capital allowances/ trade losses/ mergers &amp; acquisitions allowance/ donations against profits derived from the <b>same</b> trade/ business; and</li> <li>○ carry back unutilised capital allowances/ trade losses of the current YA to the immediate preceding YA and offset against profits derived from the <b>same</b> trade/ business.</li> </ul>
<b>Item 18</b>	Unutilised Capital Allowances b/f (IRAS' record)	<p>Pre-filing is based on the amount carried forward in IRAS' record for YA 2023, where available. This is for your reference. You may declare a different amount if your records differ. For more details, please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Form C-S/ Form C-S (Lite)/ Form C Filing &gt; Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C</a>.</p> <ul style="list-style-type: none"> <li>○ Unutilised Capital Allowances b/f consists of unabsorbed capital allowances including Industrial Building Allowances, Land Intensification Allowances (amongst others) and M&amp;A allowances* that were not fully deducted from prior YAs.</li> </ul> <p>* M&amp;A allowances include double tax deduction on transaction costs incurred from 17 Feb 2012 to 31 Dec 2025 on qualifying share acquisitions, subject to an expenditure cap of \$100,000 per YA.</p>
<b>Item 19</b>	Current Year Capital Allowances	<ul style="list-style-type: none"> <li>○ Current Year Capital Allowances consist of total capital allowances (including Balancing Allowance, Balancing Charge, Enhanced Allowances under the Enterprise Innovation Scheme, Enhanced Allowances on equipment acquired through hire purchase, Industrial Building Allowances and Land Intensification Allowances, amongst others) claimed in the current YA.</li> <li>○ For YA 2024, companies are given an option to accelerate the write-off over two years, instead of three years or over the prescribed working life of the asset, on the cost incurred in acquiring the asset during the basis period (i.e. financial period ending in 2023). The rates of accelerated capital allowance allowed are as follows: <ul style="list-style-type: none"> <li>• 75% of the cost incurred to be written off in the first year (i.e. YA 2024); and</li> <li>• 25% of the cost incurred to be written off in the second year (i.e. YA 2025).</li> </ul> </li> </ul> <p>No deferment of capital allowance claim is allowed under this option. This election, once elected, is irrevocable.</p>
<b>Item 20</b>	Unutilised Capital Allowances c/f	<ul style="list-style-type: none"> <li>○ Unutilised Capital Allowances c/f consists of capital allowances including Industrial Building Allowances, Land Intensification Allowances (amongst others) that remained unabsorbed from current and prior YAs, and M&amp;A allowances that were not fully deducted against income in the current YA.</li> </ul> <p>* M&amp;A allowances include double tax deduction on transaction costs incurred from 17 Feb 2012 to 31 Dec 2025 on qualifying share acquisitions, subject to an expenditure cap of \$100,000 per YA.</p>
<b>Item 21</b>	Unutilised Losses b/f (IRAS' record)	<p>Pre-filing is based on the amount carried forward in IRAS' record for YA 2023, where available. This is for your reference. You may declare a different amount if your records differ. For more details, please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Form C-S/ Form C-S (Lite)/ Form C Filing &gt; Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C</a>.</p>
<b>Item 25b</b>	Other receipts (exclude one-tier exempt dividends and Jobs Support Scheme payout)	<p>Do not include the gains from disposal of ordinary shares under Section 13W of the Income Tax Act 1947. Please provide information on such gains under Part F of “Additional Info” page.</p> <p>Do not include receipts that are specifically exempted such as the Jobs Support Scheme payout and one-tier exempt dividend.</p>
<b>Item 26</b>	Expenses claimed on Non-Income Producing Assets (included in Items 1 and 2)	Non-income producing assets are those which have not yet produced income, for example, vacant properties, securities which have not yielded dividends, or interest-free loans funded by interest-bearing borrowings. Expenses incurred on or attributable to non-income producing assets are not deductible for tax purposes.



## EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

<b>Item 27</b>	Deferred Expenditure claimed in Items 1 and 2	Deferred expenditures are costs that have been paid, but not yet incurred by the company for income tax purpose (e.g. advanced rental paid for an office unit). Please provide the nature of the Deferred Expenditure and reasons for claiming the capitalised expenditure as a deductible expense.																												
<b>Item 28b</b>	Qualifying cost incurred during the year on the construction or renovation/ extension of approved building(s) or structure(s) for which LIA are claimed	To claim for LIA, prior approval must have been obtained from the Singapore Economic Development Board or Building and Construction Authority. Companies claiming LIA have to retain relevant documents/ information and submit them to IRAS upon request. Please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Form C-S/ Form C-S (Lite)/ Form C Filing &gt; Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C</a> .																												
<b>Item 29</b>	Deduction Claimed under Section 14N for Expenditure on Renovation or Refurbishment (R&R) Works	<ul style="list-style-type: none"> <li>○ A tax deduction is allowed on qualifying R&amp;R costs incurred on renovating or refurbishing business premises. Generally, all R&amp;R costs would qualify except those relating to structural changes that require approval from the Commissioner of Building Control. Deduction is granted as long as the company carries on the trade, business or profession for which R&amp;R costs were incurred.</li> <li>○ The amount of R&amp;R costs that qualify for tax deduction is subject to an expenditure cap of \$300,000 for every relevant three-year period. The Section 14N deduction must be claimed over three consecutive YAs, starting from the YA relating to the basis period in which the R&amp;R costs were first incurred (i.e. 1/3 of the R&amp;R costs can be claimed each YA over the three consecutive YAs). Any amount of qualifying R&amp;R costs not claimed in the YA relating to the basis period in which they were first incurred, will not qualify for deduction in subsequent YAs.</li> </ul> <table border="1" data-bbox="544 667 1489 925" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 10%;">YA 2019* S\$</th> <th style="width: 10%;">YA 2020 S\$</th> <th style="width: 10%;">YA 2021 S\$</th> <th style="width: 10%;">YA 2022 S\$</th> <th style="width: 10%;">YA 2023 S\$</th> <th style="width: 10%;">YA 2024 S\$</th> </tr> </thead> <tbody> <tr> <td>Total R&amp;R costs incurred</td> <td>180,000</td> <td>150,000</td> <td>20,000</td> <td>-</td> <td>400,000</td> <td>-</td> </tr> <tr> <td>Qualifying R&amp;R costs claimed during the year (Item 29a)</td> <td>180,000</td> <td>120,000 **</td> <td>- **</td> <td>- ***</td> <td>300,000</td> <td>-</td> </tr> <tr> <td>R&amp;R claim (Item 8 of 'Additional Info' page)</td> <td>60,000</td> <td>100,000 (60,000 + 40,000)</td> <td>100,000 (60,000 + 40,000)</td> <td>40,000</td> <td>100,000</td> <td>100,000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>* The relevant three-year period starts from the period in which the R&amp;R costs were first incurred and claimed</li> <li>** Capped at \$300,000 for each relevant three-year period</li> <li>*** Start of a new three-year period for the purpose of determining the expenditure cap of \$300,000</li> <li>○ For YA 2024, companies have the option to claim qualifying R&amp;R costs incurred in the basis period (i.e. financial period ending in 2023) in one YA instead of over three YAs. The accelerated R&amp;R deduction option, once elected, is irrevocable.</li> <li>○ Companies claiming Section 14N deductions have to retain the documents/ information and submit them to IRAS upon request. For the type of documents/ information to be retained, please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Form C-S/ Form C-S (Lite)/ Form C Filing &gt; Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C</a>.</li> <li>○ Deductions under Section 14N are available for transfer under the Group Relief System (see <b>explanatory notes under Items 5 and 9</b> above). For a list of non-qualifying R&amp;R costs and other conditions, please refer to <a href="#">IRAS' e-Tax Guide</a> "Tax Deduction for Expenses Incurred on Renovation or Refurbishment Works Done to Business Premises".</li> </ul>		YA 2019* S\$	YA 2020 S\$	YA 2021 S\$	YA 2022 S\$	YA 2023 S\$	YA 2024 S\$	Total R&R costs incurred	180,000	150,000	20,000	-	400,000	-	Qualifying R&R costs claimed during the year (Item 29a)	180,000	120,000 **	- **	- ***	300,000	-	R&R claim (Item 8 of 'Additional Info' page)	60,000	100,000 (60,000 + 40,000)	100,000 (60,000 + 40,000)	40,000	100,000	100,000
	YA 2019* S\$	YA 2020 S\$	YA 2021 S\$	YA 2022 S\$	YA 2023 S\$	YA 2024 S\$																								
Total R&R costs incurred	180,000	150,000	20,000	-	400,000	-																								
Qualifying R&R costs claimed during the year (Item 29a)	180,000	120,000 **	- **	- ***	300,000	-																								
R&R claim (Item 8 of 'Additional Info' page)	60,000	100,000 (60,000 + 40,000)	100,000 (60,000 + 40,000)	40,000	100,000	100,000																								
<b>Item 30</b>	Withholding Tax for Non-Residents	<ul style="list-style-type: none"> <li>○ A company must withhold tax when it makes payment of a specified nature to non-resident payees. The rate of withholding tax depends on the nature of payment and the type of non-resident entities. Examples of payments that attract withholding tax when made to non-resident payees: <ul style="list-style-type: none"> <li>• Interest, commission, fee in connection with any loan or indebtedness;</li> <li>• Royalty or other payments for the use of or the right to use any movable property;</li> <li>• Payments for the use of or the right to use scientific, technical, industrial or commercial knowledge or information or for the rendering of assistance or service in connection with the application or use of such knowledge or information;</li> <li>• Payments of management fees;</li> <li>• Rent or other payments for the use of any movable property;</li> <li>• Payments for the purchase of real property from a non-resident property trader.</li> </ul> </li> <li>○ For more details, please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Withholding Tax</a>.</li> </ul>																												
<b>Item 31</b>	Related Party Transactions	<p><b>Normal Companies</b></p> <p>The value of the company's related party transactions as disclosed in the financial statements for the financial period is the aggregate of:</p> <ul style="list-style-type: none"> <li>○ all amounts received/ receivable from related parties and all amounts paid/ payable to related parties as reported in the Income Statement, but excluding compensation paid to key management personnel and dividends.</li> <li>○ year-end balances of loans and non-trade amounts due from/ to all related parties.</li> </ul> <p><b>Insurer Companies</b></p> <p>Insurers should continue to complete this field based on the value of related party transactions as disclosed in the financial statements.</p>																												
<b>Item 32</b>	Appropriation of Trading Stock or Conversion of Non-Trade/ Capital Asset	<ul style="list-style-type: none"> <li>○ An appropriation occurs when a trading stock of a person's trade or business is permanently set aside for use other than for sale or disposal in the ordinary course of the person's trade or business.</li> <li>○ A conversion occurs when a non-trade or capital asset is converted, whether wholly or partly, to trading stock.</li> </ul>																												

## EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

		<ul style="list-style-type: none"> <li>Please refer to <a href="#">IRAS' e-Tax Guide</a> "Tax Treatment on Appropriation of Trading Stock for Non-Trade or Capital Purposes and Conversion of Non-Trade or Capital Assets to Trading Stock" for more details.</li> </ul>
<b>Item 33</b>	Revenue	Company's main source of income, excluding separate source income such as interest. For an investment holding company, it would be its investment income (e.g. dividend income, interest income).

Additional Info																		
Part A: Deductions Claimed Against Income																		
<b>Item 1</b>	Medical expenses - Section 14(5) (Deductible amount only)	<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 \$2,730 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 1947 (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; Taxes &gt; Corporate Income Tax &gt; Income &amp; Deductions for Companies &gt; Business Expenses &gt; Tax Treatment of Business Expenses (M-R)</a>.</li> </ul>																
<b>Item 2</b>	Total remuneration excluding Directors' Fees	Include employees' salaries, allowances & bonuses, leave pay, gratuities and CPF contributions. Exclude directors' fees, benefits-in-kind, medical expenses and cash allowances in lieu of medical expenses.																
<b>Items 3 &amp; 4</b>	<p>Participation in approved local trade fairs and approved virtual trade fairs, approved product/ service certification, and advertising in approved local trade publication – Section 14B</p> <p>Participation in overseas trade fairs, overseas business development and investment study trips/ missions, overseas advertising and promotional campaigns, and design of packaging for overseas markets – Section 14B/ 14H</p>	<ul style="list-style-type: none"> <li><b>Automatic Double Tax Deduction for Internationalisation (DTD<sub>i</sub>)</b> allows businesses to claim double tax deduction <b>on the first \$150,000</b> of qualifying expenses incurred on the following qualifying activities under automatic DTD<sub>i</sub> for each YA, up to 31 Dec 2025, <u>without obtaining prior approval</u> for the expenses from Enterprise Singapore ("EnterpriseSG") or Singapore Tourism Board ("STB"): <ol style="list-style-type: none"> <li>Overseas business development trips/ missions</li> <li>Overseas investment study trips/ missions</li> <li>Participation in overseas trade fairs</li> <li>Participation in local trade fairs approved by EnterpriseSG or STB</li> <li>Participation in virtual trade fairs approved by EnterpriseSG*</li> <li>Product/ service certification approved by EnterpriseSG*</li> <li>Overseas advertising and promotional campaigns*</li> <li>Design of packaging for overseas markets*</li> <li>Advertising in approved local trade publication*</li> </ol> <p><i>* These activities qualify with effect from 17 February 2021.</i></p> </li> <li>Report the amount of qualifying expenses, capped within the threshold of \$150,000 incurred on the relevant qualifying activities during the basis period, in Items 3 and 4 accordingly.</li> <li>Your company must maintain documentation as proof of expenditure and purpose, and submit them upon IRAS' request.</li> <li>For more information on qualifying expenditure under automatic DTD<sub>i</sub>, please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Income &amp; Deductions for Companies &gt; Business Expenses &gt; Double Tax Deduction for Internationalisation Scheme</a>.</li> </ul>																
<b>Item 8</b>	Deduction for expenditure incurred on Renovation or Refurbishment works - Section 14N	Please enter the total R&R claim amount for the YA. For example, if the company had incurred a total of \$180,000 qualifying R&R costs in YA 2023 and \$120,000 in YA 2024 (assuming YA 2023 is the start of the company's relevant three-year period), the total R&R claim amount to be entered for YA 2024 is \$100,000 (\$60,000 from YA 2023, and \$40,000 from YA 2024). In this example, the company did not opt for the accelerated R&R deduction option.																
Part B: Current Year Capital Allowances Claimed as per Tax Computation																		
<b>Item 10</b>	Total Industrial Building Allowances	Total of Initial Allowances + Annual Allowances + Balancing Allowances - Balancing Charge.																
<b>Items 13 to 16</b>	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 1947].</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> </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(1E)</td> <td>Accelerated allowances of 2 years write-off for plant and machinery acquired during the basis period for <b>YA 2021, YA 2022 and YA 2024</b> (75% of the capital expenditure in first YA of claim and 25% of the capital expenditure in second YA of claim)</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(1E)	Accelerated allowances of 2 years write-off for plant and machinery acquired during the basis period for <b>YA 2021, YA 2022 and YA 2024</b> (75% of the capital expenditure in first YA of claim and 25% of the capital expenditure in second YA of claim)	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
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(1E)	Accelerated allowances of 2 years write-off for plant and machinery acquired during the basis period for <b>YA 2021, YA 2022 and YA 2024</b> (75% of the capital expenditure in first YA of claim and 25% of the capital expenditure in second YA of claim)																	
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																	

# EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

Part C: Foreign Tax Paid on Foreign Income Received in Singapore														
<p>The company can enter up to 6 rows for this item only. If there are more than 6 rows, please enter the 5 highest amounts received in rows 1 to 5 and consolidate all the remaining amounts in the last row. Please select the most representative option under &lt;Nature of Income&gt; and "Others" under &lt;Country/ Territory&gt; for the consolidated amount. Please enter amount regardless of whether Foreign Tax Credit is claimed.</p> <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>														
Part D: Exemption on Foreign Dividends, Branch Profits and Service Income Received in Singapore														
<p>The company can enter up to 6 rows for this item only. Please enter details of the 6 highest income received. Where there are more than 6 rows, the company need not enter details for the remaining income.</p>														
Item 18	Headline tax rate (%)	Headline tax rate of a foreign jurisdiction refers to the highest corporate income 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 <a href="#">IRAS' e-Tax Guide "Tax Exemption for Foreign-Sourced Income"</a> for details.												
	Amount	Refers to amount of income received in Singapore net of foreign tax paid/ payable. This includes the amount of tax exemption under Section 13(12) for specified scenarios, real estate investment trusts and qualifying offshore infrastructure project/ asset.												
	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; Taxes &gt; Corporate Income Tax &gt; Form C-S/ Form C-S (Lite)/ Form C Filing &gt; Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C</a>. Details are also available in <a href="#">IRAS' e-Tax Guide "Tax Exemption for Foreign-Sourced Income"</a>.</p>												
Part E: Deduction for Expenditure on Research and Development (R&D)														
Item 19	Deduction for expenditure incurred on R&D (undertaken in Singapore and overseas) – Total deduction under Section 14C	<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 under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Income &amp; Deductions for Companies &gt; Business Expenses &gt; Research &amp; Development (R&amp;D) Tax Measures</a>.</p>												
Item 20	Section 14C 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 14C deduction.												
Item 21	Staff costs and consumables for R&D activities undertaken in Singapore qualifying for the additional 150% tax deduction under Section 14D(1) in excess of the \$400,000 cap under the Enterprise Innovation Scheme	Refers to only qualifying expenditure comprising staff costs and consumables incurred on R&D activities undertaken in Singapore in excess of the \$400,000 cap claimed under the Enterprise Innovation Scheme (EIS). Enter the amount before applying the 150% deduction. For example, a company had incurred \$600,000 of staff costs and consumables on qualifying R&D activities undertaken in Singapore, of which the first \$400,000 qualifies for EIS benefits. The excess of \$200,000 (i.e. \$600,000 - \$400,000) qualifying R&D costs will qualify for an additional 150% deduction under Section 14D(1). The company will enter \$200,000 since this is the amount before applying the 150% deduction.												
<p>Example: A company incurred the following expenses: -</p> <ul style="list-style-type: none"> <li>○ R&amp;D projects undertaken in Singapore - \$800,000 (inclusive of \$500,000 for staff cost &amp; consumables)</li> <li>○ R&amp;D projects undertaken overseas (related to trade) - \$200,000</li> </ul>														
<table border="1"> <thead> <tr> <th></th> <th>Form C Item</th> <th>Amount to enter S\$</th> </tr> </thead> <tbody> <tr> <td>Deduction for expenditure incurred on R&amp;D (undertaken in Singapore and overseas) – Total deduction under Section 14C</td> <td>19</td> <td>1,000,000</td> </tr> <tr> <td>Section 14C deduction for expenditure incurred on R&amp;D activities undertaken in Singapore</td> <td>20</td> <td>800,000</td> </tr> <tr> <td>Staff costs and consumables for R&amp;D activities undertaken in Singapore qualifying for the additional 150% tax deduction under Section 14D(1) in excess of the \$400,000 cap under the Enterprise Innovation Scheme</td> <td>21</td> <td>100,000<sup>#</sup></td> </tr> </tbody> </table>				Form C Item	Amount to enter S\$	Deduction for expenditure incurred on R&D (undertaken in Singapore and overseas) – Total deduction under Section 14C	19	1,000,000	Section 14C deduction for expenditure incurred on R&D activities undertaken in Singapore	20	800,000	Staff costs and consumables for R&D activities undertaken in Singapore qualifying for the additional 150% tax deduction under Section 14D(1) in excess of the \$400,000 cap under the Enterprise Innovation Scheme	21	100,000 <sup>#</sup>
	Form C Item	Amount to enter S\$												
Deduction for expenditure incurred on R&D (undertaken in Singapore and overseas) – Total deduction under Section 14C	19	1,000,000												
Section 14C deduction for expenditure incurred on R&D activities undertaken in Singapore	20	800,000												
Staff costs and consumables for R&D activities undertaken in Singapore qualifying for the additional 150% tax deduction under Section 14D(1) in excess of the \$400,000 cap under the Enterprise Innovation Scheme	21	100,000 <sup>#</sup>												
<p><sup>#</sup> In the example above, the company is granted a 400% deduction on the first \$400,000 of qualifying R&amp;D expenditure (i.e. staff costs &amp; consumables) undertaken in Singapore under the Enterprise Innovation Scheme. The balance of \$100,000 (i.e. \$500,000 - \$400,000), will qualify for an additional 150% under Section 14D(1).</p>														
Part F: Exemption of Gains from Disposal of Ordinary Shares in Another Company under Section 13W														
Item 22	Gains from disposal of shares	For gains/ profits from disposal of ordinary shares in another company qualifying for tax exemption under Section 13W, 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; Taxes &gt; Corporate Income Tax &gt; Form C-S/ Form C-S (Lite)/ Form C Filing &gt; Guidance on Filing Form C-S/ Form C-S (Lite)/ Form C</a> .												

## EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

		For the specified qualifying conditions, please refer to <a href="#">IRAS' e-Tax Guide</a> "Certainty of Non-taxation of Companies' Gains on Disposal of Equity Investments".
<p><b>Part G: Enterprise Innovation Scheme (EIS):</b> The EIS is available from YA 2024 to YA 2028. To qualify for EIS enhanced deductions/ allowances, a company must have:</p> <p>a) Incurred qualifying costs on any of the 5 EIS activities; and</p> <p>b) Carried out active business operations in Singapore.</p> <p>For Items 25 to 29: Enter the 'Total Qualifying Cost Incurred' and the 'Enhanced Deductions/ Allowances claimed/ to be claimed' for each activity under the EIS. Total qualifying cost is derived after excluding grant/ subsidy from the Government/ Statutory Board and amount converted to Cash Payout. Enhanced deductions/ allowances claimed/ to be claimed is 300% of the qualifying costs incurred.</p> <p>For more information, please refer to IRAS' website under <a href="#">Home &gt; Schemes &gt; Government Schemes &gt; Enterprise Innovation Scheme (EIS)</a>.</p>		
<b>Item 25</b>	Training	<p>Qualifying training expenditure incurred on courses that are eligible for SkillsFuture Singapore (SSG) funding and aligned with the Skills Framework will be granted an additional 300% tax deduction on the first \$400,000 of qualifying training expenditure incurred for each relevant YA. This is in addition to the 100% base deduction under Section 14 of the ITA.</p> <p>Qualifying training expenditure refers to course fees, assessment fees and certification fees paid by employers (whether directly or in the form of reimbursement) to a training provider which is registered with the SSG.</p>
<b>Item 26</b>	Innovation Projects Carried Out with Partner Institutions	<p>Qualifying innovation projects refer to projects that predominantly involve one or more of the following innovation activities defined within the Oslo Manual 2018: Guidelines for Collecting, Reporting and Using Data on Innovation:</p> <ul style="list-style-type: none"> <li>• Research and experimental development activities;</li> <li>• Engineering, design and other creative work activities;</li> <li>• IP-related activities; and</li> <li>• Software development and database activities</li> </ul> <p>To qualify for the tax deduction, the company must collaborate directly with the partner institution and be the beneficiary of the qualifying innovation project. A 400% tax deduction is granted on up to \$50,000 of qualifying innovation expenditure incurred by a company for each relevant YA on qualifying innovation projects carried out with partner institutions*.</p> <p><i>*Partner institutions refer to Singapore Polytechnic, Ngee Ann Polytechnic, Nanyang Polytechnic, Republic Polytechnic, Temasek Polytechnic, the Institute of Technical Education, and the Precision Engineering Centre of Innovation at A*STAR SIMTech.</i></p>
<b>Items 27a and 27b</b>	Acquisition and Licensing of Intellectual Property Rights (IPRs)	<p>Companies with annual revenue of less than \$500 million in the basis period of the YA of claim can qualify for an enhanced Writing-Down Allowance (WDA) or enhanced tax deduction for acquisition or licensing of IPRs respectively.</p> <p>In addition to the 100% WDA/ tax deduction for qualifying IPR acquisition/ licensing expenditure, an additional 300% WDA/ tax deduction is granted on the first \$400,000 (combined cap) of qualifying expenditure incurred on the acquisition and licensing of qualifying IPRs for each relevant YA.</p>
<b>Item 28</b>	Registration of Intellectual Property (IPs)	<p>Qualifying IP registration costs are costs incurred by a company in registering IP for its trade or business where both the legal and economic ownership of the IP belong to the company. The company must own the related IPRs registered for at least one year. Claw-back provisions shall apply if the requirement is not complied with. For details, please refer to the section "Registration Costs for Patents, Trademarks Design &amp; Plant Varieties" on IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Income &amp; Deductions for Companies &gt; Business Expenses &gt; Tax Treatment of Business Expenses (M – R)</a>.</p> <p>In addition to the 100% base deduction under Section 14A of the ITA, an additional 300% tax deduction is granted on the first \$400,000 of qualifying IP registration costs incurred for each relevant YA.</p>
<b>Item 29</b>	Qualifying Research and Development (R&D) undertaken in Singapore	<p>Qualifying R&amp;D expenditure under the EIS refers to staff costs and consumables incurred on qualifying R&amp;D projects undertaken in Singapore in the basis period.</p> <p>In addition to the 100% tax deduction on R&amp;D expenditure under section 14C of the ITA, an additional 300% tax deduction on the first \$400,000 of qualifying R&amp;D expenditure (staff costs and consumables) is granted for each relevant YA.</p> <p>An additional 150% tax deduction is granted on the balance of qualifying R&amp;D expenditure in excess of \$400,000 for each relevant YA.</p>



# EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

<b>Group Relief</b>
<b>Form GR A/B:</b> <b>1. The ordinary shareholding levels of the relevant holding company are maintained at or above 75% during the continuous period that ends on the last day of the basis period.</b>
There are two tests to apply in determining ordinary shareholding.  First level test: Ordinary shareholding requirement. Second level test: Profits and assets available for distribution.  For more details, please refer to IRAS' website under <a href="#">Home &gt; Taxes &gt; Corporate Income Tax &gt; Income &amp; Deductions for Companies &gt; Claiming Reliefs &gt; Group Relief</a> or <a href="#">e-Tax Guide</a> "Group Relief System".
<b>Form GR A:</b> <b>Loss Items Transferred &gt; Concessionary Tax Rate (CTR)</b>
For loss items under concessionary tax rate, the quantum to be completed is based on transferor's tax computation submitted with Form C before claimant's S37A adjustment. Example: Transferor's loss items: S\$10,000 (@ 10%) Claimant (only has income under normal tax rate): S\$5,882 (after S37A adjustment - S\$10,000 x 10/17) Quantum to be completed in Form GR A: S\$10,000 (@10%)

<b>Related Party Transactions</b>
<b>Total Value of Related Party Transactions (S\$)</b>
Total Value of items in Part 2 and Closing Balance of items in Part 5.  Learn more about the <a href="#">Related Party Transactions (RPT) reporting requirements</a> , including the procedure to revise the Form for Reporting RPT and the Frequently Asked Questions.
<b>2c. Royalties, licence fees and other receipts/ payments for intellectual property rights from/ to all related parties</b>
Intellectual property rights means the right to do or authorise the doing of anything which would, but for that right, be an infringement of any patent, copyright, trademark, registered design, geographical indication, lay-out design of integrated circuit, trade secret or information that has commercial value, or the grant of protection of a plant variety.
<b>3b &amp; 4b: "Relationship Type"</b>
<b>Immediate holding company/ Ultimate holding company</b> If a company is both the immediate holding company and the ultimate holding company, please select "Ultimate Holding Company". <b>Other related party</b> "Other related party" refers to any other person whose transaction with the reporting company is required to be disclosed as a related party transaction in the financial statements. For example, a joint venture or another company belonging to the same group as the reporting company.

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).

# EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2024

ANNEX

## COMPUTATION OF TAX PAYABLE

### Example on Partial Tax Exemption

	S\$	S\$	S\$	Form C Item No.	References
Adjusted trade profit		520,000			i
Less: Unutilised capital allowances b/f	(1,000)			18 (Normal Rate)	
Current year capital allowances	(8,000)			19 (Normal Rate)	
Unutilised losses b/f	<u>(3,000)</u>			21 (Normal Rate)	
		(12,000)			
Rental income			508,000	1a	
			<u>50,000</u>	1d	
			558,000	3	
Less: Unutilised donations b/f			<u>(2,000)</u>	4a (Normal Rate)	
			556,000		
Less: Donations			<u>(4,800)</u>	4c	ii
Chargeable income (before exempt amount)			551,200	8	
Less: Exempt amount			<u>(102,500)</u>		iii
Chargeable income (after exempt amount)			<u>448,700</u>		
Tax assessed at 17%			76,279.00		
Less: Tax to be remitted			0.00	14	
Less: 50% CIT Rebate (capped at \$40,000)			<u>38,139.50</u>		iv
Tax payable after remission/ rebate			38,139.50		
Less: Tax assessed previously (tax based on Estimated Chargeable Income)			<u>(37,240.00)</u>		
Additional tax payable			<u>899.50</u>		

### Example on Tax Exemption Scheme for New Start-up Companies

	S\$	S\$	S\$	Form C Item No.	References
Adjusted trade loss			(10,000)		v
Rental income		150,000		1d	
Less: Unutilised capital allowances b/f	(1,000)			18 (Normal Rate)	
Current year capital allowances	(8,000)			19 (Normal Rate)	
Unutilised losses b/f	<u>(3,000)</u>			21 (Normal Rate)	
		(12,000)			
			<u>138,000</u>		v
			128,000	3	
Less: Unutilised donations b/f			<u>(2,000)</u>	4a (Normal Rate)	
			126,000		
Less: Donations			<u>(4,800)</u>		ii
Chargeable income (before exempt amount)			121,200	8	
Less: Exempt amount			<u>(85,600)</u>		vi
Chargeable income (after exempt amount)			<u>35,600</u>		
Tax assessed at 17%			6,052.00		
Less: Tax to be remitted			0.00	14	
Less: 50% CIT Rebate (capped at \$40,000)			<u>1,026.00</u>		vii
Tax payable after remission/ rebate			5,026.00		
Less: Tax assessed previously (tax based on Estimated Chargeable Income)			<u>(7,500.00)</u>		
Tax to be discharged			<u>(2,474.00)</u>		

### **References:**

- (i) Adjusted trade profit is arrived at after adjustment for non-taxable items, separate source income and disallowable/ restricted expenses, e.g. Donations.
- (ii) Approved donations made during the financial period = S\$1,920  
Qualifying tax deduction = S\$1,920 x 2.5 = S\$4,800
- (iii) Computation of exempt amount:
- |                            |                |
|----------------------------|----------------|
| 75% on the first S\$10,000 | S\$ 7,500      |
| 50% on the next S\$190,000 | <u>95,000</u>  |
| Total exempt amount        | <u>102,500</u> |
- (iv) Assume that the company did not meet the local employee condition and did not receive the CIT Rebate Cash Grant of \$2,000.  
CIT Rebate = 50% x 76,279.00 = 38,139.50
- (v) In this case, the amount to be entered in Item 1a is “-22,000” (i.e. S\$10,000 + S\$1,000 + S\$8,000 + S\$3,000).
- (vi) For qualifying conditions of the Tax Exemption Scheme for New Start-up Companies, refer to the explanatory notes for the section on ‘General Info’ (page 1).  
Computation of exempt amount:
- |                             |               |
|-----------------------------|---------------|
| 75% on the first S\$100,000 | S\$ 75,000    |
| 50% on the next S\$21,200   | <u>10,600</u> |
| Total exempt amount         | <u>85,600</u> |
- (vii) Assume that the company met the local employee condition and received the CIT Rebate Cash Grant of \$2,000.  
CIT Rebate = 50% x 6,052.00 – 2,000 = 1,026.00