

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Essential information to note before completing Form C-S

- Please refer to IRAS' website (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](#).
- You may use the Basic Corporate Income Tax Calculator available at IRAS' website under [Home > Quick Links > Calculators](#) to prepare the tax computation before completing Form C-S.
- If the company is claiming Section 19B writing-down allowances for Intellectual Property Rights (IPRs) acquired during the basis period, please submit the [Declaration Form](#) through the Submit Document digital service at [myTax Portal](#). For more details, please refer to IRAS' website under [Home > Taxes > Corporate Income Tax > Income & Deductions for Companies > Claiming Allowances > Writing-Down Allowances for Intellectual Property Rights \(IPRs\)](#).

Quick links to explanatory notes for Form C-S [Part A](#) | [Part B](#) | [Part C](#)

Notes	Description	Explanation
1	Newly-incorporated Company	<ul style="list-style-type: none"> • If your company's first set of financial statements covers a period of more than 12 months from its date of incorporation, indicate the relevant financial period under Part A of Form C-S. When completing Part B, you need to: <ol style="list-style-type: none"> 1. Attribute the company's adjusted profit/ loss before other deductions to YA 2024 and YA 2025*. This is because the basis period for each YA should not exceed 12 months. 2. Complete the line items for YA 2024 and YA 2025. <p>* Time apportionment basis may be used if you are unable to directly identify the income earned and expenses incurred for the corresponding basis period of each YA.</p> • The amount of revenue expenses that qualify for deduction under the "Concession for Enterprise Development – Deduction of Certain Expenses Incurred before Business Revenue is Earned" should be included in Item 8 of Part B. For more information on the concession, please refer to IRAS' website under Home > Taxes > Corporate Income Tax > Income & Deductions for Companies > Business Expenses, click on "Tax Treatment of Business Expenses (A-F)" and select "Expenses Incurred before Commencement of Business".
2	Investment Holding Company	<ul style="list-style-type: none"> • An investment holding company refers to a company whose principal activity is that of investment holding. It owns investments such as properties and shares for long term investment and derives investment income such as dividend, interest or rental. • For investment holding company or company that derives only rental and/or interest income, declare the investment income by completing Items 14a to 16 of Part B. • For more information on investment holding companies, please refer to IRAS' website under Home > Taxes > Corporate Income Tax > Specific Industries > Investment Holding Companies.
3	Company Servicing only Related Parties with "Cost Plus Mark-up" basis of assessment	<ul style="list-style-type: none"> • For information on companies that only render services to related parties, please refer to IRAS' website under Home > Taxes > Corporate Income Tax > Specific Industries > Companies Servicing Only Related Parties. • For service company taxable on a cost plus mark-up basis, declare the trade income by completing Item 1 of Part B with the deemed mark-up or mark-up amount. <p>Note: Typical service companies such as accounting firms, restaurants, retailers are <u>not</u> considered as companies that only render services to related parties.</p>

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Part A

Qualifying Conditions for filing Form C-S

1	Company's revenue for the financial period is S\$5 million or below	<ul style="list-style-type: none"> Revenue is the gross amount of income derived by a company from its principal activities in the basis period for that YA, excluding separate source income such as interest. For an investment holding company, revenue refers to its investment income (e.g. dividend income, interest income). A newly-incorporated company filing its first tax return, based on its first set of financial statements covering a period of more than 12 months, would meet this qualifying condition if the revenue for the 12-month period ending on its financial year-end is \$5,000,000 or less. Example: A company incorporated on 15 Apr 2023 closed its first set of financial statements on 30 Jun 2024. It would meet this qualifying condition if the revenue from 1 Jul 2023 to 30 Jun 2024 is \$5,000,000 or less. Please refer to Explanatory Notes 1 above.
2	Company derives only income subject to tax at 17%	<ul style="list-style-type: none"> The company must not derive tax-exempt income [except for one-tier exempt Singapore dividends and/ or specified foreign-sourced income exempted from tax under Section 13(8)] or income taxable at concessionary tax rates. Examples of such income are Section 13A shipping income, income under pioneer incentive, etc. Exempt income does not refer to the Tax Exemption for New Start-up Companies and Partial Tax Exemption. A company in a tax loss position (except companies who are in the business of making investments under Section 10D) can also file Form C-S if it meets the rest of the qualifying conditions.
3a	Carry-back of Current Year Capital Allowances/ Losses	<ul style="list-style-type: none"> Current year unutilised capital allowances and trade losses (collectively "loss items") that are carried back to set-off against the company's prior year's assessable income, i.e. YA 2025 unutilised loss items carried back to offset against assessable income for YA 2024. For more details, please refer to IRAS' website under Home > Taxes > Corporate Income Tax > Income & Deductions for Companies > Claiming Reliefs > Loss Carry-Back Relief
3b	Group Relief	<ul style="list-style-type: none"> Current year unutilised capital allowances/ trade losses/ donations that are deducted against income of another company belonging to the same group, with the same accounting year-end.
3c	Investment Allowance	<ul style="list-style-type: none"> Allowances for approved capital expenditure granted under a tax incentive scheme, e.g. approved project by the Singapore Economic Development Board or Building and Construction Authority.
3d	Foreign Tax Credit and Tax Deducted at Source	<ul style="list-style-type: none"> Foreign Tax Credit: A claim of tax paid in foreign country/ territory against the Singapore tax payable on the same income. Tax Deducted at Source: Singapore tax that has been deducted under Section 45 of the Income Tax Act 1947.

Particulars of Person who Reviewed the Return

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 his or her 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 his or her 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.

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

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 2025 is 1 Apr 2023 to 31 Mar 2024.

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

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

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Part B		
Item 1	Net Profit/ Loss before Tax as per Financial Statements	<ul style="list-style-type: none"> This refers to Total Income less Total Expenses. It can be extracted from the Statement of Comprehensive Income (or commonly known as Profit & Loss Statement).
Item 2	Separate Source Income	<ul style="list-style-type: none"> This refers to total income other than that from the company's principal activity or trade. Examples are rent from real property, fixed deposit interest and other non-trade taxable income. Details of such income must also be entered in Items 14a, 15 and 16, where applicable. It excludes exempt one-tier dividend income which should be included in Item 3 as it is not taxable.
Item 3	Non-Taxable Income	<ul style="list-style-type: none"> Examples are exempt one-tier dividend income, Section 13(8) exempt income, gain on disposal of fixed assets and receipts that are specifically exempted such as the Jobs Support Scheme payout and Enterprise Innovation Scheme (EIS) cash payout.
Item 4	Non-Tax Deductible Expenses	<ul style="list-style-type: none"> Non-tax deductible expenses refer to expenses that are: <ul style="list-style-type: none"> not wholly and exclusively incurred in the production of income; or not revenue in nature; or prohibited under the Income Tax Act 1947. Examples are depreciation, donations, fines and penalties, private expenses, S-plate car expenses, expenses incurred to produce separate source income and non-taxable income and interest expenses attributable to non-income producing assets.
Item 5	Adjusted Profit/Loss before Other Deductions	<ul style="list-style-type: none"> Computed as: Item 1 – Item 2 – Item 3 + Item 4
Item 6	Deduction for Renovation or Refurbishment Works under Section 14N	<ul style="list-style-type: none"> Examples are expenses relating to general electrical installation and lighting, door, window, fixed partition, flooring and wall covering, provided these items do not involve structural changes for which prior approval from Commissioner of Building Control is required. With effect from YA 2025, qualifying R&R expenditure for deduction under section 14N: <ul style="list-style-type: none"> will include designer or professional fees (provided that they do not relate to structural works where approval from the Commissioner of Building Control is required). will be subject to a cap of \$300,000 for every fixed 3-year period, with the first fixed 3-year period being from YA 2025 to YA 2027. This will replace the current regime where the 3-year period depends on when the company makes its first R&R claim. As a transitional measure, if the company's current 3-year period does not coincide with the first fixed 3-year period, the company will still be allowed a full expenditure cap of \$300,000 for the period from YA 2025 to YA 2027. can be claimed in 1 year instead of over 3 years on a straight-line basis. The 1-year write off option, if exercised, is irrevocable. For more information, please refer to IRAS' website under Home > Taxes > Corporate Income Taxes > Income & Deductions for Companies > Business Expenses, click on "Tax Treatment of Business Expenses (M-R)" and select "Renovation & refurbishment Works Expenditure (Section 14N)".
Item 7	Enhanced Deductions under Enterprise Innovation Scheme (EIS)	<ul style="list-style-type: none"> From YA 2024 to 2028, companies may claim enhanced deductions/ allowances on qualifying expenditure incurred on any of the following EIS qualifying activities: <ol style="list-style-type: none"> Training; Innovation Projects Carried out with Partner Institutions; Acquisition and Licensing of Intellectual Property Rights (IPRs); Registration of intellectual property ("IPs"); and Qualifying Research & Development ("R&D") undertaken in Singapore. Companies can opt to convert up to \$100,000 of the total qualifying expenditure across all the qualifying activities for each YA into a non-taxable cash payout at a conversion rate of 20%, in lieu of tax deductions and/or allowances. Expenditure which has been converted into cash payout cannot be claimed as a tax deduction/allowance. For more information, please refer to IRAS' website on Home > Schemes > Government Schemes > Enterprise Innovation Scheme (EIS). Enter enhanced deductions under EIS in Item 7 and enhanced allowances under EIS in Item 12. Complete the relevant Items in Part C (EIS) on the enhanced deductions/allowances claimed.

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Item 8	Further Deductions/ Other Deductions	<p>This Item shall include:</p> <ul style="list-style-type: none"> expenditure qualifying for further deductions. Examples are: <ul style="list-style-type: none"> expenses relating to the cost on protecting Intellectual Property (IP) (Section 14A); expenses relating to approved trade fairs and exhibitions (Section 14B); research and development expenditure (Section 14D(1)). Please prepare and retain the Research & Development (R&D) Claim Form, which is available on IRAS' website; expenses relating to overseas investment development (Section 14H); expenses relating to the cost on IP In-Licensing (Section 14U). tax allowable deductions that are not included in Items 1 and 6. An example is pre-commencement expenditure (Section 14R).
Item 9	Adjusted Profit/Loss before Capital Allowances	<ul style="list-style-type: none"> Computed as: Item 5 – Item 6 – Item 7 - Item 8
Item 10	Balancing Charge	<ul style="list-style-type: none"> When a fixed asset is sold or is ceased to be used, a balancing charge (BC) or balancing allowance (BA) must be calculated if capital allowance had been claimed on the asset previously. A taxable BC arises if the sale proceeds is <i>higher</i> than the tax written down value. The taxable BC is restricted to the capital allowances allowed on the asset previously. A deductible BA arises if the sale proceeds is <i>lower</i> than the tax written down value. BA should be included in Item 12. For more details, please refer to IRAS' website under Home > Taxes > Corporate Income Tax > Income & Deductions for Companies > Claiming Allowances > Capital Allowances.
Item 11	Unutilised Capital Allowances brought forward (IRAS' record)	<ul style="list-style-type: none"> Pre-filing is based on the amount carried forward in IRAS' record for the preceding YA, 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 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.
Item 12	Current Year Capital Allowances	<ul style="list-style-type: none"> Capital allowances are given on assets which qualify as plant or machinery used in your trade or business. This Item should include the following if they are claimed: <ul style="list-style-type: none"> Capital allowances and enhanced allowances on equipment acquired through hire purchase; Capital allowances and enhanced allowances deferred previously but claiming in current YA; Enhanced Allowances under Enterprise Innovation Scheme (EIS) (see Item 7) Industrial building allowances (IBA); Land intensification allowances (LIA); Writing-down allowances on the acquisition cost of intellectual property rights; and Balancing allowances (BA) (see Item 10). If the company has claimed 2-year write-off on the cost incurred in acquiring the asset during the basis period for YA 2024, the company must claim the balance 25% of the cost incurred in acquiring that asset in YA 2025. No deferment of capital allowance claim is allowed under this option. For more information, please refer to IRAS' website under Home > Taxes > Corporate Income Tax > Income & Deductions for Companies > Claiming Allowances.
Item 13	Unutilised Losses brought forward (IRAS' record)	<ul style="list-style-type: none"> Pre-filing is based on the amount carried forward in IRAS' record for the preceding YA, 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 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.

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Item 14a	Gross Rental Income	<ul style="list-style-type: none"> Enter the total rental income for the financial period.
Item 14b	Less: Deductible Expenses	<ul style="list-style-type: none"> This refers to revenue expenses directly incurred to earn the rental income. Examples are interest on loan to acquire the property, agent's commission, insurance, property tax, repair and maintenance. For investment holding companies, deductible expenses include statutory expenses attributable to the rental income. This Item excludes industrial building allowances (IBA) and land intensification allowances (LIA), which should be included in Item 12.
Item 14c	Net Rental Income	<ul style="list-style-type: none"> If net rental income is negative, '0' will be shown. Expenses in excess of rental income cannot be deducted against any other type of income or carried forward.
Item 15	Interest Income	<ul style="list-style-type: none"> Enter '0' if amount is negative as expenses in excess of interest income will be disregarded.
Item 16	Other Taxable Income	<ul style="list-style-type: none"> Enter '0' if amount is negative as expenses in excess of other income will be disregarded.
Item 17	Total Income/ Losses (before Donations)	<ul style="list-style-type: none"> Computed as: Total of Items 9 and 10 – Total of Items 11 to 13 + Total of Items 14c to 16
Item 18	Unutilised Donations brought forward (IRAS' record)	<ul style="list-style-type: none"> Pre-filling is based on the amount carried forward in IRAS' record for YA 2024, less any donations from YA 2019 that has expired. This is for your reference. You may declare a different amount if your records differ. For more details, please refer to IRAS' website 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.
Item 19	Current Year Donations (IRAS' record)	<ul style="list-style-type: none"> Only donations that are auto-included from the Institutions of a Public Character (IPCs) can be deducted. Please access the View Donations digital service to view the current year approved donations. If there are donations not in the list, it may be due to: <ol style="list-style-type: none"> Differences in receipting date The IPC may have recorded the company's donation in a later financial period and a deduction would be accorded in the corresponding YA. The company did not provide its Unique Entity Number (UEN) to the IPC Please update the company's donation record with the IPC. IRAS will amend the company's assessment when we receive the updated record. If a company made qualifying overseas donations under the Philanthropy Tax Incentive Scheme for Family Offices (PTIS donations), please include the tax deduction for PTIS donations in the company's declaration. A 100% tax deduction is granted for PTIS donations, capped at 40% of the company's statutory income.
Item 20	Total Income/ Losses (after Donations)	<ul style="list-style-type: none"> Computed as: Item 17 - Item 18 - Item 19

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Part C

Information from Financial Statements

Enter the amounts as shown in the Audited/ Unaudited Financial Statements for the financial period (unless otherwise indicated).

Item 24	Revenue	<ul style="list-style-type: none"> Company's main source of income; for an investment holding company, it would be its investment income (e.g. dividend income, interest income).
Item 25	Gross Profit/ Loss	<ul style="list-style-type: none"> Revenue less cost of goods sold (COGS); if COGS is nil, gross profit should be the same amount as revenue.
Item 26	Directors' Fees and Remuneration	<ul style="list-style-type: none"> This refers to all fees and payments made to directors, e.g. salaries, leave pay, commissions, bonuses, gratuities, allowances, CPF. It excludes benefits-in-kind, medical expenses and cash allowances in lieu of medical expenses.
Item 27	Total Remuneration excluding Directors' Fees	<ul style="list-style-type: none"> This refers to total employees' remuneration but <u>excludes</u> Directors' Fees. Remuneration includes salaries, leave pay, commissions, bonuses, gratuities, allowances, CPF. It excludes benefits-in-kind, medical expenses and cash allowances in lieu of medical expenses.
Item 28	Medical Expenses	<ul style="list-style-type: none"> 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"> provided its employees with inpatient medical insurance benefits in the form of a Portable Medical Benefits Scheme, a Transferable Medical Insurance Scheme or a Shield plan; or made ad-hoc contributions to its employees' Medisave accounts (subject to a cap of \$2,730 per employee per year) during the relevant basis period; <u>and</u> met the qualifying conditions under the respective scheme/ plan. The additional tax deduction for medical expenses beyond 1% of total employees' remuneration excludes premiums for Riders on Shield plans that cover deductibles and co-payments. Companies claiming medical expenses in excess of 1% of total employees' remuneration must declare in their tax computations that conditions under Sections 14(6A), (6B) and (6C) of the Income Tax Act 1947 (ITA) are met. For more information, please refer to Sections 14(5) to (8) of the ITA and IRAS' website under Home > Taxes > Corporate Income Tax > Income & Deductions for Companies > Business Expenses, click on "Tax Treatment of Business Expenses (M-R)" and select "Medical Expenses".
Item 29	Transport/ Travelling Expenses	<ul style="list-style-type: none"> This refers to the transport/ travelling expenses as per the financial statements.
Item 30	Entertainment Expenses	<ul style="list-style-type: none"> This refers to the entertainment expenses as per the financial statements.
Item 31	Inventories	<ul style="list-style-type: none"> Also known as stocks/ goods. Enter amount at gross if available in the financial statements, otherwise, net of provision.
Item 32	Trade Receivables	<ul style="list-style-type: none"> Also known as trade debtors/ accounts receivables. Enter amount at gross if available in the financial statements, otherwise, net of provision.

Deduction of Unutilised Capital Allowances/ Losses/ Donations Brought Forward

For Items 33 and 34, select "N.A." if unutilised amounts are not claimed against the income of the current Year of Assessment. For details on the qualifying conditions, please refer to IRAS' website under [Home > Taxes > Corporate Income Tax > Income & Deductions for Companies > Unutilised Items \(Capital Allowances, Trade Losses & Donations\)](#).

Item 33	Change in principal activities	<ul style="list-style-type: none"> To deduct unutilised capital allowances brought forward, there must <u>not</u> be a change in the company's principal activities during the basis period.
---------	--------------------------------	---

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Item 34	Substantial change in the company's ultimate shareholders and their shareholdings as at the relevant dates	<ul style="list-style-type: none"> You can deduct unutilised capital allowances (CA)/ losses/ donations incurred in a previous year against income in the current year if there is <u>no</u> substantial change in the ultimate shareholders and their shareholdings as at the relevant dates. This means that at least 50% of the shareholdings are held by the same shareholders as at the relevant dates – this is known as the “shareholding test”. Relevant dates are as follows: <table border="1" data-bbox="611 302 1490 495"> <thead> <tr> <th></th><th>Unutilised CA</th><th>Unutilised Losses/ Donations</th></tr> </thead> <tbody> <tr> <td>Date 1</td><td>Last day of the YA in which the CA arose</td><td>Last day of the year in which the losses/ donations were incurred</td></tr> <tr> <td>Date 2</td><td colspan="2">First day of the YA in which the utilisation occurred</td></tr> </tbody> </table> <p><u>Example</u></p> <p>Unutilised CA: If the unutilised CA for YA 2019 (assuming the basis period is from 1 Oct 2017 to 30 Sep 2018) are utilised in YA 2025, the relevant dates for comparing the shareholders are 31 Dec 2019 and 1 Jan 2025.</p> <p>Unutilised Losses/ Donations: If the losses incurred for YA 2019 (assuming basis period is from 1 Oct 2017 to 30 Sep 2018) are utilised in YA 2025, the relevant dates for comparing the shareholders are 31 Dec 2018 and 1 Jan 2025.</p> 		Unutilised CA	Unutilised Losses/ Donations	Date 1	Last day of the YA in which the CA arose	Last day of the year in which the losses/ donations were incurred	Date 2	First day of the YA in which the utilisation occurred	
	Unutilised CA	Unutilised Losses/ Donations									
Date 1	Last day of the YA in which the CA arose	Last day of the year in which the losses/ donations were incurred									
Date 2	First day of the YA in which the utilisation occurred										
Item 35	Waiver of the shareholding test	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> offset unutilised capital allowances/ trade losses/ mergers & acquisitions allowance/ donations against profits derived from the same trade/ business; and carry back unutilised capital allowances/ trade losses of the current YA to the immediate preceding YA and offset against profits derived from the same trade/ business. 									
Tax Exemption Scheme for New Start-up Companies											
Item 36	Qualifying conditions	<ul style="list-style-type: none"> The scheme provides for tax exemption to new start-ups for each of their first 3 consecutive YAs[^]. The exempt amount is computed as follows: <ul style="list-style-type: none"> 75% exemption on the first \$100,000 of normal chargeable income*; and - 50% exemption on the next \$100,000 of normal chargeable income*. To qualify for tax exemption for new start-ups, a company must: <ol style="list-style-type: none"> be incorporated in Singapore (including companies limited by guarantee#); be a tax resident in Singapore for that YA; 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: <ol style="list-style-type: none"> 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. The following types of companies incorporated after 25 February 2013 are <u>not</u> eligible for the tax exemption scheme: <ol style="list-style-type: none"> a company whose principal activity is that of investment holding; and a company which undertakes property development for sale, for investment, or for both investment and sale. <p>However, these companies will be eligible for partial tax exemption.</p> 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. <p>[^]The first YA refers to the YA relating to the basis period during which the company was incorporated. If its first set of financial statements covers a period of more than 12 months from the date of incorporation, the profits/ losses must be attributed to two YAs as the basis period for the first YA should not be more than 12 months.</p> <p><i>Example:</i></p> <p>A company was incorporated on 15 Apr 2023 and its first set of financial statements closed on 30 Jun 2024. Its first 3 consecutive YAs are as follows:</p>									

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

		<table><tr><th>YA</th><th><i>Basis Period</i></th></tr><tr><td>2024 (1st YA)</td><td>15 Apr 2023 to 30 Jun 2023</td></tr><tr><td>2025 (2nd YA)</td><td>1 Jul 2023 to 30 Jun 2024</td></tr><tr><td>2026 (3rd YA)</td><td>1 Jul 2024 to 30 Jun 2025</td></tr></table>	YA	<i>Basis Period</i>	2024 (1 st YA)	15 Apr 2023 to 30 Jun 2023	2025 (2 nd YA)	1 Jul 2023 to 30 Jun 2024	2026 (3 rd YA)	1 Jul 2024 to 30 Jun 2025
YA	<i>Basis Period</i>									
2024 (1 st YA)	15 Apr 2023 to 30 Jun 2023									
2025 (2 nd YA)	1 Jul 2023 to 30 Jun 2024									
2026 (3 rd YA)	1 Jul 2024 to 30 Jun 2025									

** Normal chargeable income refers to income to be taxed at prevailing corporate tax rate, which is 17% for YA 2025.*

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*

Deduction for Expenditure on Research and Development (R&D)

Item 37	Deduction for expenditure incurred on R&D (undertaken in Singapore and Overseas) – Total deduction under Section 14C	<p>Enter the total amount of expenditure (net of grants from Government or statutory boards) incurred on:</p> <ul style="list-style-type: none"> R&D activities conducted wholly in Singapore (whether related to trade or not) including: <ul style="list-style-type: none"> In-house R&D Outsourced R&D R&D activities conducted wholly overseas (related to trade). Mixed R&D activities partly undertaken in Singapore and partly outside Singapore (related to trade). R&D cost-sharing agreement (CSA) conducted in Singapore and/ or overseas (whether related to trade or not). <p>For more information, please refer to IRAS' website on Home > Taxes > Corporate Income Taxes > Income & Deductions for Companies > Business Expenses, select "Research and Development (R&D) Tax Measures".</p>
Item 38	Section 14C deduction for expenditure incurred on R&D activities <u>undertaken in Singapore</u>	Enter the amount of expenditure incurred on R&D activities <u>undertaken in Singapore</u> that qualifies for Section 14C deduction.
Item 39	Staff costs and consumables for R&D activities <u>undertaken in Singapore</u> qualifying for the additional 150% tax deduction under Section 14D(1) in excess of the \$400,000 cap under the Enhanced Innovation Scheme	Enter only the amount of qualifying expenditure comprising staff costs and consumables incurred on R&D activities <u>undertaken in Singapore</u> on the balance of qualifying R&D expenditure in excess of \$400,000 that is claimed under the Enterprise Innovation Scheme. The amount included in Item 38 is before applying the 150%.

Example:

A company incurred the following expenses: -

- R&D projects undertaken in Singapore - \$800,000 (inclusive of \$500,000 for staff cost & consumables)
- R&D projects undertaken overseas (related to trade) - \$200,000

	Form C-S Item	Amount to enter S\$
Deduction for expenditure incurred on R&D – Total deduction under Section 14C	37	1,000,000
Section 14C deduction for expenditure incurred on R&D activities <u>undertaken in Singapore</u>	38	800,000
Staff costs and consumables for R&D activities <u>undertaken in Singapore</u> qualifying for Section 14D(1)	39	100,000*

* In the example above, the company is granted an additional 400% deduction for the first \$400,000 of qualifying R&D expenditure (i.e. staff costs & 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).

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Appropriation of Trading Stock or Conversion of Non-Trade/ Capital Asset												
Item 40	Appropriation of any trading stock for non-trade or capital purposes under Section 10J and/ or conversion of any non-trade or capital asset to trading stock under Section 32A	<ul style="list-style-type: none"> A change of use of trading stock (i.e. an appropriation of trading stock) occurs when the trading stock is subsequently used for purposes other than for sale in the ordinary course of business (e.g. computers intended for sale are subsequently used by employees of the company as fixed assets / real property purchased for sale is subsequently retained by the company and rented out to derive rental income as long-term investment). A change of use of non-trade/capital asset (i.e. a conversion of non-trade/capital asset) occurs when the non-trade/capital asset is subsequently converted to trading stock for sale. Generally, improvement work would be done to add value to the trading stock for sale. Please refer to IRAS' e-Tax Guide "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. 										
Gains/ losses from the sale or disposal of foreign assets - Section 10L												
Item 41	Gains/ losses from the sale or disposal of foreign assets – Section 10L	<ul style="list-style-type: none"> Gains from the sale or disposal of foreign assets (i.e. any movable or immovable property situated outside Singapore) of a covered entity will be treated as income chargeable to tax under section 10(1)(g) of the ITA, if the gains are not otherwise chargeable to tax under section 10(1) of the ITA or the gains are otherwise exempt from tax under the ITA. Such gains are referred to as "foreign-sourced disposal gains" ("FSDGs"). If the FSDGs do not fall under any of the scenarios under section 10L(8) of the ITA, and the sale or disposal of the foreign asset occurs on or after 1 January 2024, the FSDGs will be chargeable to tax when the gains are received in Singapore from outside Singapore by a covered entity and <ul style="list-style-type: none"> the covered entity deriving the gains does not have adequate economic substance in Singapore; or the covered entity derived the gains from a disposal of foreign IPRs. For more details, refer to IRAS' e-Tax Guide "Tax Treatment of Gains or Losses from the Sale of Foreign Assets". <p><u>For covered entities under Section 10L and deriving FSDGs (regardless of whether the gains are exempted under section 10L(8))</u></p> <ul style="list-style-type: none"> Please complete Items 41a to 41c Declaration for Item 41c should be determined with reference to Item 41a (i.e. Amount of gains / losses from the sale or disposal of foreign assets during the basis period for the current YA). If amount entered in Item 41a solely comprises foreign IPRs gains/ losses, please select "N.A." for Item 41c. If amount entered in Item 41a comprises foreign IPRs and non-IPRs gains/ losses, please select "No" for Item 41c, as the exclusions under section 10L(8) are not applicable for the sale or disposal of foreign IPRs. Further details can be provided in the tax computation (e.g. the entity satisfies the economic substance requirement in respect of the FSDGs for non-IPR assets). In addition, the FSDGs should be reported based on different circumstances provided taxpayers meet all the qualifying conditions (e.g. not claiming foreign tax credits) to file Form C-S: <table border="1"> <tr> <td></td> <td>FSDGs are not chargeable to tax</td> <td>FSDGs are chargeable to tax</td> </tr> <tr> <td>FSDGs are remitted in the same year as disposal</td> <td>Less: Non-Taxable Income</td> <td>Less: Separate Source income</td> </tr> <tr> <td></td> <td></td> <td>Add: Other Taxable Income</td> </tr> </table>			FSDGs are not chargeable to tax	FSDGs are chargeable to tax	FSDGs are remitted in the same year as disposal	Less: Non-Taxable Income	Less: Separate Source income			Add: Other Taxable Income
	FSDGs are not chargeable to tax	FSDGs are chargeable to tax										
FSDGs are remitted in the same year as disposal	Less: Non-Taxable Income	Less: Separate Source income										
		Add: Other Taxable Income										

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

		<p>FSDGs are remitted in a different year as disposal</p> <p><u>Year of Disposal</u> Less: Non-Taxable income</p> <p><u>Year of Receipt</u> Given that the FSDGs were derived in an earlier YA, the said amount would not be included in the net profit/loss for the year. Hence, the amount of FSDGs to be adjusted from net profit is nil.</p> <p>A taxpayer is required to maintain details of the remitted and non-taxable FSDGs in its tax computation and supporting schedule</p>	<p><u>Year of Disposal</u> Less: Non-Taxable income</p> <p><u>Year of Receipt</u> Add: Other Taxable Income</p>	
<p><u>For entities not covered under Section 10L</u> You are not required to complete this section. Please leave Items 41a and 41b as '0' and select "N.A." at Item 41c.</p>				
<p>Enterprise Innovation Scheme (EIS): 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><u>For Items 44 to 48:</u> 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. Partial cash conversion is allowed for qualifying R&D undertaken in Singapore, licensing of IPRs, training and innovation projects carried out with polytechnics, the ITE or other qualified partners. The said conversion is not allowed for registration of IPs and acquisition of IPRs. The cost of the IPR cannot be split up to claim both cash payout and EDA. Enhanced deductions/ allowances claimed/ to be claimed is 300% of the qualifying costs incurred.</p> <p>For more information, please refer to IRAS' website on Home > Schemes > Government Schemes > Enterprise Innovation Scheme (EIS).</p>				
Item 44	Training	<p>This refers to qualifying training expenditure* incurred on courses that are eligible for SkillsFuture Singapore (SSG) funding and aligned with the Skills Framework.</p> <p>In addition to the 100% base deduction under Section 14 of the ITA, an additional 300% tax deduction is granted on the first \$400,000 of qualifying training expenditure incurred for each relevant YA.</p> <p><i>*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.</i></p>		
Item 45	Innovation Projects Carried Out with Partner Institutions	<p>This refers to qualifying innovation expenditure incurred by businesses for each YA on qualifying innovation projects carried out with the partner institutions*. 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"> • Research and experimental development activities; • Engineering, design and other creative work activities; • IP-related activities; and • Software development and database activities <p>To qualify for the tax deduction, the business 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 for each relevant YA.</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 (COI) at A*STAR SIMTech.</i></p>		

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

Item 46	<p>a. Acquisition of Intellectual Property Rights (IPRs)</p> <p>b. Licensing of Intellectual Property Rights (IPRs)</p>	<p>This refers to qualifying IPR acquisition costs and IPR licensing expenditure incurred by a qualifying company eligible for writing-down allowance (WDA) under section 19B and tax deduction under section 14U respectively.</p> <p>In addition to the 100% WDA for qualifying IPR acquisition and 100% tax deduction for qualifying IPR licensing expenditure, an additional 300% WDA and an additional 300% tax deduction are granted on the first \$400,000 (combined cap) of qualifying IPR acquisition costs and IPR licensing expenditure incurred for each relevant YA.</p>
Item 47	Registration of Intellectual Property (IPs)	<p>This refers to 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.</p> <p>For details, please refer to the section "Registration Costs for Patents, Trademarks Design & Plant Varieties" on IRAS' website under Home > Taxes > Corporate Income Tax > Income & Deductions for Companies > Business Expenses > Tax Treatment of Business Expenses (M – R).</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>
Item 48	Qualifying Research and Development (R&D) undertaken in Singapore	<p>This refers to qualifying R&D expenditure incurred on qualifying R&D undertaken in Singapore.</p> <p>In addition to the 100% tax deduction on R&D expenditure under section 14C, an additional 300% tax deduction is granted on the first \$400,000 of qualifying R&D expenditure (ie. staff costs and consumables) incurred for each relevant YA.</p> <p>An additional 150% tax deduction is granted on the balance of qualifying R&D expenditure in excess of \$400,000 for each relevant YA.</p>

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.

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

COMPUTATION OF TAX PAYABLE

ANNEX

	S\$	S\$	Form C-S (Item No.)	References (see below)
Net Profit/ (Loss) Before Tax (per financial statements)		150,000	1	
Less: Separate Source Income				
- Overseas interest income	(6,900)			
- Gross rental income	(36,000)			
		(42,900)	2	
Less: Non-taxable income				
- Gain on sale of fixed assets		(1,000)	3	
		106,100		
Add: Non-tax deductible expenses				
- Depreciation	1,500			
- Donations	350			i
- Deductible expenses related to rental income	5,000			
- Fines and penalties	600			
- S-plated car expenses	180			
		7,630	4	
Adjusted profit/ (loss) before capital allowances		113,730	5	
Less: Unutilised capital allowances brought forward		(2,000)	11	iii
Current year capital allowances		(3,000)	12	iv
Adjusted profit/ (loss) after capital allowances		108,730		
Less: Unutilised losses brought forward		(1,000)	13	iii
		107,730		
Add: Separate source income				
- Gross rental income	36,000		14a	
- Less: Deductible expenses related to rental income	(5,000)		14b	
- Net rental income		31,000	14c	
- Interest income (remitted during the year)		6,900	15	
Total income/ (losses) before donations		145,630	17	
Less: Unutilised donations brought forward		(1,250)	18	
Donations to approved Institute of Public Characters (IPCs)		(600)	19	ii
Chargeable income before exempt amount		143,780		
Less: Partial exempt amount				
- First S\$10,000 @ 75%	(7,500)			v
- Next S\$133,780 @ 50%	(66,890)			
		(74,390)		
Chargeable income after exempt amount		69,390		
Tax assessed at 17%		11,796.30		
Less: CIT Rebate				
50% of \$11,796.30 = 5,898.15				
Less CIT Rebate Cash Grant of \$2,000		3,898.15		vi
Tax payable		7,898.15		

References:

- Donations made to both approved Institute of Public Characters (IPCs) and non-IPCs are not tax deductible expenses and must be added back.
- Approved donations made during the financial period = S\$240
Qualifying tax deduction = S\$240 x 2.5 = S\$600
- Please refer to the explanatory notes for Items 11 and 13 (Part B) and Items 33 to 35 (Part C).
- Please refer to the explanatory notes for Item 12 (Part B).

EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2025

v. Computation of Tax Exemption Scheme for New Start-up Companies (if applicable):

	S\$
75% on the first S\$100,000	75,000
50% on the next S\$ 43,780	<u>21,890</u>
Total Exempt Amount	<u>96,890</u>

Please refer to the explanatory notes for Item 36 (Part C) for the qualifying conditions on the Tax Exemption Scheme for New Start-up Companies.

vi. A CIT Rebate of 50% of the corporate tax payable will be granted to all taxpaying companies for the YA 2025. Active companies that have employed at least one local employee in 2024 (referred to as “local employee condition”) will receive a minimum benefit of \$2,000 in the form of a CIT Rebate Cash Grant. The total maximum benefits of CIT Rebate and CIT Rebate Cash Grant that a company may receive is \$40,000.

A company is considered to have met the local employee condition if it has made CPF contributions to at least one local (Singapore Citizen or Permanent Resident) employee, excluding shareholders who are also directors of the company, in the calendar year 2024.

An active company refers to one that is carrying on a trade or business at the point of disbursement of the CIT Rebate Cash Grant. On the other hand, inactive companies include:

- (a) Companies that are not carrying on any trade or business;
- (b) Companies that are under liquidation;
- (c) Companies that are under receivership; and
- (d) Amalgamating companies that are removed from the register by the Registrar of Companies upon an amalgamation coming into effect.

For (d), while amalgamating companies will not be eligible for CIT Rebate Cash Grant, the amalgamated company will be eligible for the CIT Rebate Cash Grant if it meets the local employee condition.