



Taxation of Investment Holding Companies



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23 Oct 2023



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House Rules

- 1 Add your company's name in front of your name (e.g. XXX Pte Ltd – John Doe).
- 2 No recording is allowed during the webinar.
- 3 Mute your microphone throughout the webinar.
- 4 Turn off the camera to optimise bandwidth.
- 5 Be respectful to the trainer, administrative staff, and other participants.
- 6 Post seminar-related questions during the Q&A session (via Mentimeter), and we will respond to as many questions as time permits. Do not use the chat function to post your questions.

Objective of the webinar

Help you to:

Understand a company's annual tax filing obligations

Understand basic taxation of investment holding company

Be able to prepare a tax computation and file Form C-S/ Form C-S (Lite)/ Form C for an investment holding company



Corporate Income Tax Filing Obligations

Corporate Income Tax Filing Obligations

Responsibilities of a Company:

- ✓ Keep proper business records and accounts
- ✓ Comply with the submission of Corporate Income Tax Returns
- ✓ Make truthful and accurate declaration of income
- ✓ Be responsible for all declarations made, notwithstanding that it has engaged the services of tax agents



Watch our e-Learning video:

[Corporate Tax Filing Obligations](#)



Introduction to Corporate Income Tax

A company's income is assessable on a **preceding** financial year basis.

Year of Assessment (YA)

Year in which income tax is charged
Current YA is YA 2023

Basis Period for a YA

The period of income relevant to the YA, depending on your financial year end (FYE):

E.g., 1 Jan 2022 to 31 Dec 2022 (YA 2023)
1 Apr 2021 to 31 Mar 2022 (YA 2023)
1 Jul 2022 to 30 Jun 2023 (YA 2024)

Start Right: Maintaining Proper Records



- Companies are required to keep proper business records and accounts
 - Regardless of whether the tax assessment is finalised, records have to be kept and retained for at least 5 years
 - E.g. Records for period 1 Jul 2021 to 30 Jun 2022 (YA 2023) should be kept up to 31 Dec 2027



Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[Taxes > Corporate Income Tax > Basics of Corporate Income Tax > Record Keeping Requirements](#)



Start Right: Maintaining Proper Records (cont.)

- You are encouraged to use Accounting Software as it improves record-keeping and tax compliance
- You can also use the information captured in the software for your business operations
- You can refer to the [IRAS Accounting Software Register Plus \(ASR+\)](#) and select a software that meets your tax filing needs.



Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[Digital Collaboration > For Software Developers> Accounting/ Tax Software/ IRAS Accounting Software Register Plus \(ASR+\)](#)



Failing to Keep Proper Records



- Failure to keep proper records is an **offence** under the **Income Tax Act 1947/ GST Act 1993** and could result in:
 - IRAS exercising best judgment to estimate the income earned
 - Claims for expenses, capital allowances or GST input tax being disallowed
 - Imposition of penalties

Filing of Corporate Income Tax Returns

2 Corporate Income Tax Returns must be filed each year:

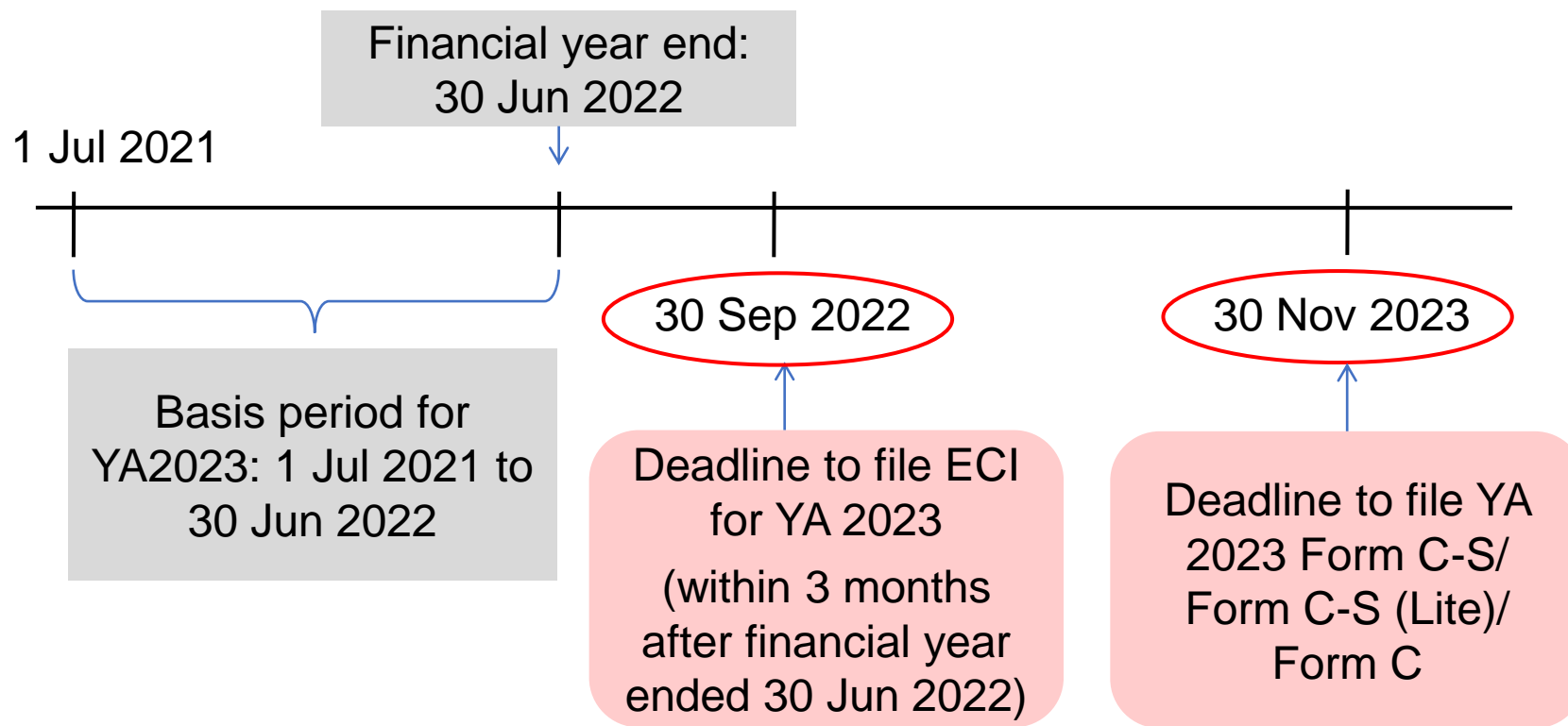
	To file^	By the filing due date
1	Estimated Chargeable Income (ECI)*	Within 3 months after FYE
2	Form C-S/ Form C-S (Lite)/ Form C	30 Nov

- * *Waiver to file ECI: Companies will qualify for ECI waiver if their annual revenue is \leq \$5 million **and** ECI is NIL*
- Companies that meet both criteria do not need to file their ECI for that particular YA, even though the company's ECI filing status for the YA at mytax.iras.gov.sg shows "Ready to File". There is no need to contact IRAS nor seek a confirmation that you need not file*

^ *If you require technical assistance, please refer to our [FAQs](#)*

Filing of Corporate Income Tax Returns - Timeline

Illustration:



Non-Filing of Corporate Income Tax Returns

If a company fails to file a return by the due date, IRAS may:

- Estimate the company's income and issue an assessment;
 - Payment has to be made within 1 month from the date of the NOA
 - Any objection to the assessment will be reviewed only upon filing of the tax return
- Impose a composition fee not exceeding \$5,000; or
- Summon the company or director to Court

If the company fails to file a return for 2 years or more, a summon may be issued and upon conviction, the company may be ordered to pay:

- A penalty that is twice the amount of tax that IRAS may have assessed for that YA; or
- A fine of up to \$5,000



Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[Taxes > Corporate Income Tax > Form C-S/ Form C-S \(Lite\)/ Form C Filing > Late or Non-Filing of Form C-S/ Form C-S \(Lite\)/ Form C](#)





Corporate Income Tax Digital Services

Corporate Income Tax Digital Services at mytax.iras.gov.sg

Types of Digital Services	
For Tax Agents	<ul style="list-style-type: none">• Overview of clients' Corporate Income Tax matters• Perform transactions on behalf of clients• View latest correspondences/ notices issued
Filing	<ul style="list-style-type: none">• File Estimated Chargeable Income (ECI)• File Corporate Income Tax Return (Form C-S/ Form C-S (Lite)/ Form C, Dormant Company)• Section 45 (Withholding Tax) Digital Services
Revising/ Objecting	<ul style="list-style-type: none">• Lodge an objection to the Notice of Assessment or make amendments to the ECI and Form C-S/ Form C-S (Lite)/ Form C filed
Applications	<ul style="list-style-type: none">• Apply for Certificate of Residence (COR)• Apply for Waiver/ File last Form C-S/ C (Dormant/ Striking Off)
Viewing Communications/ Status	<ul style="list-style-type: none">• View Corporate Income Tax Notices/ Letters• View Corporate Income Tax Filing Status• View Donations• View Officer-in-charge
Payment	<ul style="list-style-type: none">• Payment via internet banking
Updating Corporate Details	<ul style="list-style-type: none">• Update company's particulars and contact details• Update Notice Preferences

How to Access mytax.iras.gov.sg

- You must first be authorised by the company to act for its Corporate Income Tax matters via [Corppass](#)
- For assistance on Corppass setup, please refer to our [step-by-step guides](#) for guidance



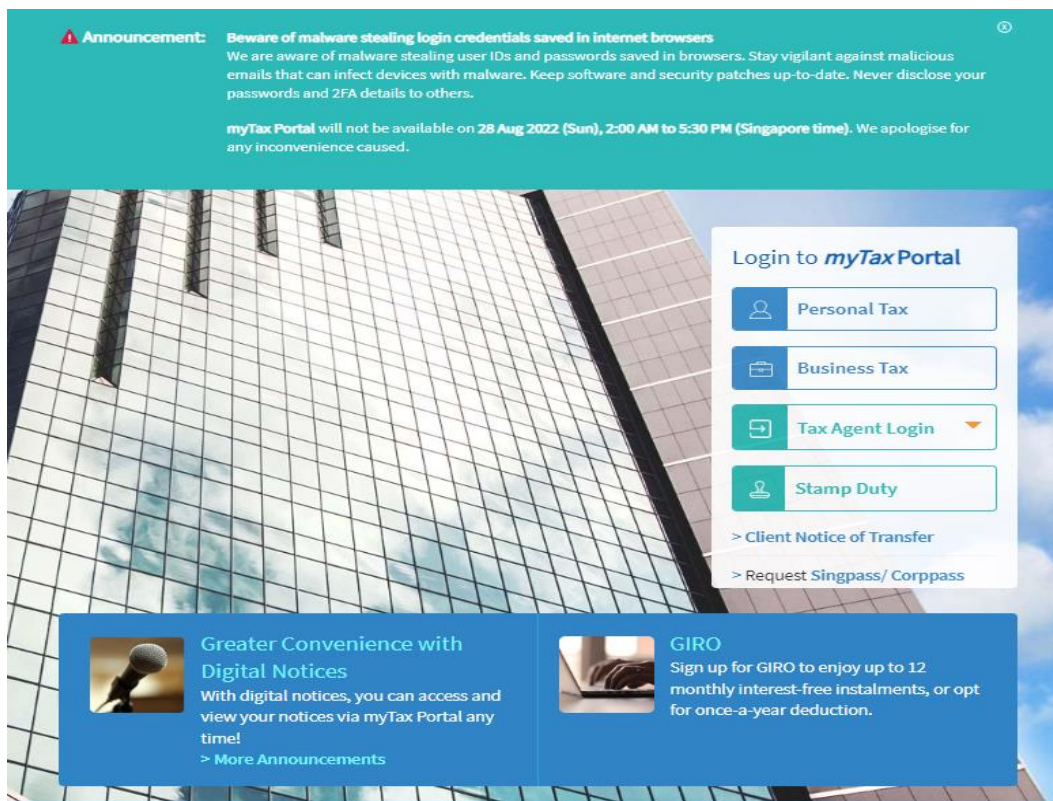
Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg) for assistance on Corppass setup:

[Digital Services > Companies/ Tax Agents](#)

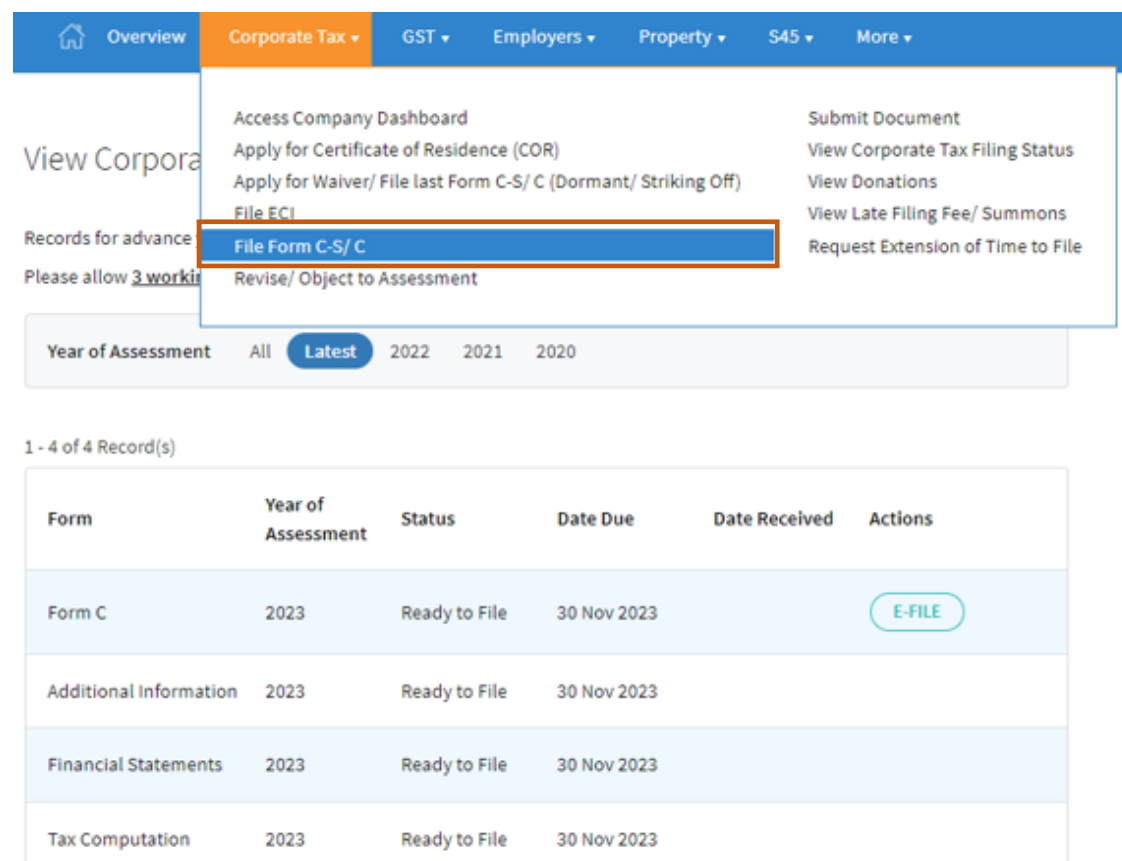


How to Access mytax.iras.gov.sg (cont.)

1) Go to mytax.iras.gov.sg and log in with your Singpass.



2) Click on **Corporate Tax** and select the relevant digital service.





Digital Services for e-Filing



Form C-S / Form C-S (Lite)
/ Form C

Filing of Form C-S at mytax.iras.gov.sg

Form C-S is a simplified Corporate Income Tax Return for qualifying small companies

- You are NOT required to file financial statements, tax computation and supporting schedules with Form C-S, but you still need to prepare and submit them to IRAS upon request
- Companies claiming writing-down allowances for Intellectual Property Rights under Section 19B are required to file the Declaration Form* with IRAS at the time of lodgment of the Form C-S
 - Please file the Declaration Form with IRAS via the 'Submit Document' digital service at mytax.iras.gov.sg

** To obtain the Form, please download it from the IRAS' website at iras.gov.sg*

[Home](#) > [Quick Links](#) > [Forms](#) > [Companies](#)

Qualifying Conditions for Filing Form C-S

The company must:	The company must not claim any of the following:
<ul style="list-style-type: none">• Be incorporated in Singapore• Have an annual revenue* of \$5 million or below• Derive only income taxable at 17%	<ul style="list-style-type: none">• Carry-back of Current Year Capital Allowances/ Losses• Group Relief• Investment Allowance• Foreign Tax Credit and Tax Deducted at Source

* Revenue of a company refers to the main income source of the company excluding separate source income, such as interest, dividend and rental, which does not arise from its principal activity. In the case of an investment company, the revenue is its investment income (e.g. interest, dividend and rental).



Form C-S/ **Form C-S (Lite)**
/ Form C

Filing of Form C-S (Lite) at mytax.iras.gov.sg

Form C-S (Lite) is a simplified Corporate Income Tax Return comprising only 6 essential fields to be completed for companies with straightforward tax matters

- Companies that qualify to file Form C-S and have an **annual revenue of \$200,000 or below** have the option to file Form C-S (Lite)
- Similar to Form C-S, you are NOT required to file financial statements, tax computation and supporting schedules with Form C-S (Lite) but you still need to prepare and submit them to IRAS upon request



Refer to IRAS' website at iras.gov.sg:

[Taxes > Corporate Income Tax > Form C-S/ Form C-S \(Lite\)/ Form C Filing > Overview of Form C-S/ Form C-S \(Lite\)/ Form C](#)



Filing of Form C-S (Lite) at mytax.iras.gov.sg (cont'd)

1) Input the company's **revenue** figure under Form C-S at the "Form Type" selection at mytax.iras.gov.sg, then click "E-FILE"

File Form C-S/ C

Form Type Selection

Year of Assessment 2023

Choose only one form type to begin filing.

Form Type	Description
Form C-S	<p>Simplified Income Tax Return for Singapore-incorporated companies that meet all the following conditions:</p> <p>■ Note: Please input the company's revenue below. If the company's revenue is S\$200,000 or below, you will be presented with the option to e-file Form C-S (Lite).</p> <div><p>1. Have revenue of S\$5 million or below; Revenue* (as stated in the financial statements for period ending in 2022)</p><p>S\$ <input type="text"/></p></div> <p>2. Derive only income taxable at normal corporate tax rate; and</p> <p>3. Not making certain claims/ allowances.</p>

2) If the revenue figure entered is **\$200,000 or below**, the company will be presented with the option to file Form C-S (Lite). Click "FORM C-S (LITE)"

Year of Assessment 2022

Choose only one form type to begin filing.

Form Type

Form C-S

Option to file Form C-S or Form C-S (Lite)

The company has the option to file Form C-S (Lite) as its revenue is \$200,000 or below.

There are fewer fields to complete in Form C-S (Lite) compared to Form C-S.

Please choose a form to proceed with filing.

FORM C-S **FORM C-S (LITE)**



Form C-S/ Form C-S (Lite)
/ **Form C**

Filing of Form C at mytax.iras.gov.sg

Companies that do not meet the conditions to file Form C-S or Form C-S (Lite) will have to file Form C together with the:

- Financial statements
- Detailed profit and loss statement
- Tax computation
- Supporting schedules

Tips on Filing Form C



For softcopies that are not in PDF format, convert them to PDF format using a software convertor (e.g. PrimoPDF)



Ensure that hardcopy documents are scanned into PDF format and the images are clear



Use font size of at least 11 for your attachments



When reducing file size of attachments, the recommended resolution is 100dpi black and white

Note: Do NOT submit your revised tax computations for past YAs together with the current year filing (i.e. YA 2023). Please submit it using the “Revise/ Object to Assessment” digital service at mytax.iras.gov.sg



Refer to IRAS' website at iras.gov.sg:

[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](#)





Digital Services for Revising/ Objecting to Assessments

Objecting to Your Notice of Assessment (NOA)

- Companies that do not agree with the tax assessment raised by IRAS must file the objections within **2 months** from the date of the NOA
- E.g. Date of NOA: 1 Apr 2023
Company will have to object to the NOA by 1 Jun 2023
- Payment must be made within 1 month from the date of the NOA, notwithstanding any objections. If the objection is successful, IRAS will refund any excess amount paid
- If no objections are received within that period, the assessments will be treated as final



Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[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](#)



Watch our e-Learning video:

[Corporate Tax Filing Obligations > Objecting to your NOA](#) (@ 8:32 min)



Objecting to Your Notice of Assessment (NOA) (cont.)

File your objection using the “Revise/ Object to Assessment” option at mytax.iras.gov.sg and provide the following details (where applicable):

- Year of Assessment
- Date of NOA
- Description of the item(s) under objection
- Amount of income/ deduction for each item under objection
- Reason to explain why deduction/ allowance/ relief ought to be allowed
- Reason why income should not be subject to tax
- Details on voluntary disclosure of errors
- Original and/ or revised tax computation and supporting schedules
- Original and/ or revised financial statements, with detailed profit and loss statement



Investment Holding Company

What is an Investment Holding Company

- Principal activity is the passive holding of investments
- Owns investments such as properties and shares for the long-term
- Derives investment income, passive in nature, such as:
 - Dividend [chargeable to tax under Section 10(1)(d)]
 - Interest [chargeable to tax under Section 10(1)(d)]
 - Rental income [chargeable to tax under Section 10(1)(f)]



Taxable Income

Income tax is payable on:

1) Singapore-sourced Income	2) Remitted Foreign-sourced Income
Income accruing in or derived from Singapore	Income received in Singapore from outside Singapore
E.g. Interest income from a bank in Singapore	E.g. Interest income from a foreign bank outside Singapore that is remitted to Singapore

Unremitted Foreign-sourced Income



- Unremitted foreign-sourced income is to be:
 - **Disclosed** in tax computation schedule
 - **Tracked** in relation to the:
 - YA in which the income is earned
 - YA in which the income is remitted
 - Expenses attributable to the income

Dividend Income

Singapore-sourced Dividend Income

Current Tax Treatment

- Singapore adopts a **one-tier corporate tax system**
 - ✓ Tax paid by a Singapore company on its chargeable income is the final tax
 - ✓ Therefore, all dividends paid by a Singapore resident company are **exempt** from tax in the hands of the shareholders

Dividend Income

Foreign-sourced Dividend Income

Current Tax Treatment

- Foreign-sourced dividend received in Singapore is taxable at 17% (i.e. current corporate tax rate) unless tax exempt
- For Singapore tax residents, double taxation is relieved by:
 - ✓ Double taxation relief under tax treaties; or
 - ✓ Unilateral tax relief

Dividend Income

Tax Exemption for Foreign-sourced Dividend

- Granted to all persons resident in Singapore
- Provided the following conditions are met:
 - ✓ Foreign-sourced dividend income has been subjected to tax in foreign jurisdiction;
 - ✓ Headline tax rate of foreign jurisdiction is at least 15%; **and**
 - ✓ Tax exemption is beneficial to the resident

Dividend Income

Concessionary 'Group' Treatment

All investments in shares and stocks are divided into 4 groups

Group 1	Non-income producing shares (whether local or foreign shares)
Group 2	Shares which generate tax-exempt dividend income (e.g. one-tier and foreign-sourced dividend income remitted to Singapore in the year and exempted from tax)
Group 3	Income producing shares in overseas companies where dividend income is remitted to Singapore in the year and taxable in Singapore.
Group 4	Income producing shares in overseas companies where dividend income is not remitted to Singapore in the year.

Dividend Income

Concessionary 'Group' Treatment

Group 1

- Expenses are not deductible as the expenses incurred on the shares do not produce dividend income taxable in Singapore

Group 2

- Allows the deficit (expenses in excess of dividend income) arising within a group from any block of shares for a particular year to offset against the net dividend income for the same year from other blocks of shares within the same group
- Net deficit of any group shall be disregarded and cannot be set-off against net dividend income of another group or other sources of income

Dividend Income

Concessionary 'Group' Treatment

Group 3

- Allows the deficit (expenses in excess of dividend income) arising within a group from any block of shares for a particular year to offset against the net dividend income for the same year from other blocks of shares within the same group
- Net deficit of any group shall be disregarded and cannot be set-off against net dividend income of another group or other sources of income

Group 4

- Expenses are not deductible as the expenses incurred on the shares do not produce dividend income taxable in Singapore but may be carried forward*

*Refer to e-Tax Guide on IRAS' website at iras.gov.sg

[Quick links > e-Tax Guides > Liberalised Treatment of Expenses Incurred In Singapore To Derive Foreign Income](#)

Dividend Income

Example of the Concessionary 'Group' Treatment

A company remits the dividend income it receives from foreign companies A and B (i.e. same group).

Shares in company	Net dividend income / (deficit)	Without concession	With concession
A	S\$1m	S\$1m	S\$1m
B	(S\$2m)	Disregarded	(\$2m)
Net dividend income:		S\$1m	NIL*

* Net deficit is disregarded

Interest Income

Current Tax Treatment

- Taxable at 17% (i.e. current corporate tax rate) when accrued in or remitted to Singapore
- For Singapore tax residents receiving foreign-sourced interest, double taxation is relieved by:
 - ✓ Double taxation relief under tax treaties; or
 - ✓ Unilateral tax relief

Rental Income

Current Tax Treatment

- Taxable at 17% (i.e. current corporate tax rate) when accrued in or remitted to Singapore
- For Singapore tax residents receiving foreign-sourced rental income, double taxation is relieved by:
 - ✓ Double taxation relief under tax treaties; or
 - ✓ Unilateral tax relief

‘Block’ Basis Concession

- The income producing properties form a single “block” where net rental loss from one property is deductible against net rental income from other properties
- This excludes owner-occupied or vacant properties (non-income producing properties)

Rental Income

Example of the 'Block' Basis Concession

A company rented out its properties A and B.

	Without concession	With concession
Property A: Net rental income of S\$30,000	S\$30,000	S\$30,000
Property B: Net rental loss of S\$40,000	Disregarded	(S\$40,000)
Net rental income	S\$30,000	NIL*

* Net loss will be disregarded

Summary of Common Types of Passive Income

Type of Income	Tax Treatment
Dividend	<ul style="list-style-type: none">▪ All dividends paid by a Singapore resident company are exempt from tax in the hands of the shareholders▪ Foreign-sourced dividend received in Singapore is taxable at 17% (i.e. current corporate tax rate), with tax exemption or tax relief available subject to qualifying conditions▪ Concessionary “Group” treatment for dividend income
Interest	<ul style="list-style-type: none">▪ Interest income is taxed when accrued in or remitted to Singapore
Rental	<ul style="list-style-type: none">▪ Source of rental income is based on where the property is situated▪ “Block” basis concession for rental income

Deductible Expenses

	Direct expenses	Statutory and Regulatory expenses	Other Allowable expenses
What is it?	<ul style="list-style-type: none"> Expenses directly incurred to earn investment income 	<ul style="list-style-type: none"> Expenses incurred in accordance with statutory and regulatory provisions 	<ul style="list-style-type: none"> Expenses not directly incurred to earn investment income
Examples	<ul style="list-style-type: none"> Custodian fees (for income producing shares) Property tax, insurance, repairs & maintenance (for rental properties) Interest expense (on loan taken to acquire shares / property) 	<ul style="list-style-type: none"> Accounting fees Annual listing fees Audit fees Bank charges Income tax service fees Printing and stationery Secretarial fees 	<ul style="list-style-type: none"> Directors' fees Office rental Office telephone charges Office water and light Staff salaries Transport expenses (exclude expenses incurred on S-plated cars which are not deductible)
Deductibility	<ul style="list-style-type: none"> Deductible against the respective source of investment income 	<ul style="list-style-type: none"> Deductible under S14V of the ITA 1947 Apportion to the respective source of investment income 	<ul style="list-style-type: none"> Only a reasonable amount of such expenses is allowable As a guide, the total amount of such expenses should not exceed 5% of the company's gross investment income Apportion to the respective source of investment income

Example 1: One source of income

YA 2023

Investment income	S\$
Rental income	3,000

Expenses	S\$	
Property tax	300	Direct Expenses
Repair of property	500	
Audit fee	2,000	Statutory/ Regulatory Expenses
Secretarial fee	1,000	
Bank charges	500	
Staff salaries & CPF	1,000	Other Expenses

Example 1: One source of income (cont.)

Tax Computation-YA 2023	S\$	S\$
Rental income		3,000
Less: Direct Expenses		
Property tax	(300)	
Repair of property	(500)	(800)
Less: Statutory and Regulatory Expenses		
Audit fee	(2,000)	
Secretarial fee	(1,000)	
Bank charges	(500)	(3,500)
Less: Other Allowable Expenses		
Staff salaries & CPF (Lower of actual expenses or 5% of gross rental income)		(150)
Net rental income / loss	Note: Net rental loss is disregarded	NIL
Chargeable income before exempt amount		NIL
Tax Payable @17%		Nil

Example 2: Multiple sources of income

YA 2023

Investment income	S\$
Rental income	2,000
Interest income	8,000
Total	10,000

Expenses	S\$
Property tax	300
Repair of property	1,200
Audit fee	2,000
Secretarial fee	1,000
Bank charges	500
Staff salaries & CPF	1,000

Direct Expenses

Statutory/ Regulatory Expenses

Other Expenses

Example 2: Multiple sources of income (cont.)

Common expenses	S\$	
Audit fee	2,000	Statutory/ Regulatory Expenses
Secretarial fee	1,000	
Bank charges	500	
Staff salaries & CPF (capped at 5% of total investment income of S\$10,000)	500	Other Allowable Expenses
Total	4,000	

Apportion common expenses to each source of income:

Source of income	Share of common expenses	S\$
Rental	4,000 x (2,000 / 10,000)	800
Interest	4,000 x (8,000 / 10,000)	3,200

Example 2: Multiple sources of income (cont.)

Tax Computation- YA 2023	S\$	S\$
Rental income		2,000
Less: Direct Expenses		
Property tax	(300)	
Repair of property	(1,200)	(1500)
Less: Share of Common Expenses		(800)
Net rental income	* Net rental loss is disregarded NIL*	
Interest income		8,000
Less: Direct Expenses		NIL
Less: Share of Common Expenses		(3,200)
Net interest income		4,800

Example 2: Multiple sources of income (cont.)

Tax Computation-YA 2023	\$	\$
Chargeable income before exempt amount		4,800
Less: Exempt amount (\$4,800 x 75%)		(3,600)
Chargeable income after exempt amount		1,200
Tax payable @17%		204.00

What is exempt amount?



Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[Taxes > Corporate Income Taxes > Specific Industries > Investment Holding Companies](#)



Partial Tax Exemption

- Partial tax exemption on chargeable income taxed at 17% of up to \$200,000

Chargeable Income	% Exempted From Tax	Amount Exempted From Tax
First \$10,000	75%	\$7,500
Next \$190,000	50%	\$95,000

- Maximum exempt amount is \$102,500 (\$7,500 + \$95,000)

Note: An investment holding company is not eligible to claim the tax exemption for new-start up companies. However, it is still eligible for the partial tax exemption.



Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[Taxes > Corporate Income Taxes > Basics of Corporate Income Tax > Corporate Income Tax Rate, Rebates & Tax Exemption Schemes](#)



Things To Note

1. Expenses attributable to non-income producing investments are **not deductible**

Example:

Interest expense incurred to acquire shares that did not yield dividend

Property tax incurred for vacant property not rented out

Things To Note

2. Deficit/loss (expenses in excess of income) from any source of investment is to be disregarded, and cannot be:
- **Set-off** against the income of another source
 - **Carried forward** to offset against future income
 - **Transferred out** under the group relief system
 - **Carried back** to the immediate preceding YA

However, an investment holding company can claim **current year loss items** transferred to it by a related company under the group relief system.

Things To Note

3. Not eligible to claim capital allowances on plant and machinery purchased (e.g. computers) [reason: an investment holding company is not carrying on a trade or business]

However, an investment holding company can claim Land Intensification Allowance (LIA) if it meets the qualifying conditions.

Things To Note

4. Is income distribution from Real Estate Investment Trusts (REITs) taxable?

The nature, tax treatment and applicable period/ Year of assessment of each REIT distribution are reflected in the Annual Distribution Statement issued by the Central Depository Pte Ltd (CDP).

A REIT distribution is taxable in the hands of corporate unit holders unless stated otherwise* in the CDP statement.

The REIT distribution is taxable in the Year of Assessment as reflected in the CDP Statement.

* E.g. Distribution is tax-exempt, distribution is a return of capital, etc.

Things To Note

5. Can an investment holding company that also provides routine support services (as per Annex C of the Transfer Pricing Guidelines) to its related parties remain on the “Cost plus mark up basis of assessment” (CM basis)?

An investment company has to use the “Normal Trading company” basis of assessment.

The CM basis of assessment is only applicable for pure service companies providing certain routine support services [[Annex C of the e-Tax Guide on Transfer Pricing Guidelines](#) (PDF, 1.4MB)] to only its related parties.

[Basic Format of Tax Computation for an Investment Holding Company that Also Provides Routine Support Services to its Related Parties](#) (PDF, 224KB)

Things To Note

6. Are expenses incurred to secure a tenant deductible against the rental income of that property?

Prior to YA 2022	From YA 2022
<p>Prior to YA 2022, the costs for getting the first tenant is not allowed.</p> <p>Only the following are allowable:</p> <p>Agent's commission, advertising, legal expenses and stamp duties for getting subsequent tenants.</p> <p>Agent's commission, advertising, legal expenses and stamp duties for getting the first tenant of an additional property is deductible against the rental income of that property.</p>	<p>From YA 2022, agent's commission, advertising, legal expenses and stamp duties incurred to obtain, grant, renew or extend a lease for first and subsequent tenants are allowed.</p> <p>Note: No deduction is allowed for the following types of leases:</p> <ul style="list-style-type: none">a) any lease, or any renewal or extension of a lease, for a term that (excluding any option for the renewal or extension of the lease) exceeds 3 years;b) any acquisition, grant, novation, transfer or assignment of a lease because of any acquisition, sale, transfer or restructuring of any business; orc) a lease under an arrangement where the property is sold by, and leased back to the seller of the property.

Things To Note

7. Declaration in **Form C-S (Lite)**

- Declare your investment income by completing items 7 to 9
- Complete Part C- 'Information from financial statements'

7.	Net Rental Income i	<input type="text" value="0"/>
8.	Interest Income i	<input type="text" value="0"/>
9.	Other Taxable Income i	<input type="text" value="0"/>

Form C-S (Lite)

Form C-S (Lite)

Year of Assessment 2023

Part C - Information from Financial Statements		SS
Information from Financial Statements		
17.	Revenue i (Enter the revenue as per the financial statements for period ending in 2022)	<input type="text" value="0"/>
18.	Non-Taxable Income i	<input type="text" value="0"/>

The 'Revenue' on item 17 refers to company's main source of income. For an Investment holding company, it would be its investment income (e.g. dividend, interest and rental).

This 'Revenue' field will be prefilled for Form C-S/ Form C-S (Lite) based on the amount entered at the 'Form Type Selection' page. You can revise the amount in this box.

Things To Note

8. Declaration in **Form C-S**

- Declare your investment income by completing items 13a to 15

Add: Separate Source Income		Form C-S
13a.	Gross Rental Income ⓘ	<input type="text" value="0"/>
13b.	Less: Deductible Expenses ⓘ	<input type="text" value="0"/>
13c.	Net Rental Income ⓘ	<input type="text" value="0"/>
14.	Interest Income ⓘ	<input type="text" value="0"/>
15.	Other Taxable Income ⓘ	<input type="text" value="0"/>

Things To Note

8. Declaration in **Form C-S [cont.]**

- Complete Part C- 'Information from financial statements'

Form C-S

Year of Assessment 2023

Part C - Information from Financial Statements

S\$

Information from Financial Statements

23. Revenue ⓘ
(Enter the revenue as per the financial statements for period ending in 2022)

0

24. Gross Profit/ Loss ⓘ
(Enter negative sign for Gross Loss, e.g. '-123456')

0

25. Directors' Fees and Remuneration ⓘ

0

26. Total Remuneration excluding Directors' Fees ⓘ

0

27. Medical Expenses ⓘ
(Enter the deductible amount)

0

Form C-S

The 'Revenue' on item 23 refers to company's main source of income. For an Investment holding company, it would be its investment income (e.g. dividend, interest and rental).

This 'Revenue' field will be prefilled for Form C-S/ Form C-S (Lite) based on the amount entered at the 'Form Type Selection' page. You can revise the amount in this box.


Things To Note

9. Declaration in **Form C**

- Declare your investment income by completing items 1b to 2

Form C

1. Income Accruing in/ Derived from Singapore (before Exempt Amount)

1a. Trade/ Business Income/ Loss - Section 10(1)(a)  1,600

Trade/ Business Income/ Loss:

Adjusted Profit/ Loss ⓘ xxx

Less: Unutilised Capital Allowances b/f (xxx)


Current Year Capital Allowances (xxx)

Unutilised Losses b/f (xxx)

Trade/ Business Income/ Loss xxx

1b. Interest/ Discounts - Section 10(1)(d) 0

1c. Trust Distribution (including REIT Distribution) - Section 10(1)(e)
(Attach a list showing details of distributions received on Submit Document page.) 0

1d. Rent, Premiums and any other Profits arising from Property - Section 10(1)(f)  1,600

1e. Royalties - Section 10(1)(f) 0

1f. Other Income not falling under Items 1a to 1e - Section 10(1)(g) 0

2. Foreign Income Received in Singapore (before Exempt Amount) ⓘ [Declare if applicable ▼](#)
[Excluding income exempted under the Foreign-Sourced Income Exemption Scheme]

Example: Investment income for YA 2023 is \$1,600 from rent. To put this under item 1d instead of 1a.

Things To Note

9. Declaration in **Form C** [cont.]

- Complete fields that are applicable to the company such as exempt foreign dividend under sec 13(8)

11. Chargeable Income after Group Relief (Item 10) to be taxed at rates other than 17%	Declare if applicable ▼				
12. Tax Set-Offs ⓘ	Declare if applicable ▼				
13. Tax Deducted at Source	Declare if applicable ▼				
14. Tax to be Remitted under Sections 92(1) and 92(2) ⓘ (Do not include Corporate Income Tax Rebate)	0.00				
15. Exempt Income/ Loss for Current Year of Assessment ⓘ	Click to Hide ▲				
<table><thead><tr><th>Type of Tax Incentive* ⓘ</th><th>Amount*</th></tr></thead><tbody><tr><td><div>----- Select -----</div><div>Exempt Foreign Dividends, Branch Profits and Service Inc - S13(8) of ITA</div></td><td>12,500</td></tr></tbody></table>		Type of Tax Incentive* ⓘ	Amount*	<div>----- Select -----</div> <div>Exempt Foreign Dividends, Branch Profits and Service Inc - S13(8) of ITA</div>	12,500
Type of Tax Incentive* ⓘ	Amount*				
<div>----- Select -----</div> <div>Exempt Foreign Dividends, Branch Profits and Service Inc - S13(8) of ITA</div>	12,500				

Example: Exempt investment income (Sec13(8) exempt foreign dividend) for YA 2023 is \$12,500

Form C

Things To Note

9. Declaration in **Form C** [cont.]

- Complete fields that are applicable to the company such as exempt foreign dividend under sec 13(8)

Additional Info

Part C Foreign Tax Paid on Foreign Income Received in Singapore [i](#)

[Click to Hide ▲](#)**Form C**

19.	Nature of Income*	Country/ Territory*	Amount* i
-----	-------------------	---------------------	---------------------------



---- Select ----



Specify



0.00

[+](#) Add another row

Maximum 6 rows

Part D Exemption on Foreign Dividends, Branch Profits and Service Income Received in Singapore

[Click to Hide ▲](#)

20.	Nature of Income*	Country/ Territory*	Headline Tax Rate (%)*	Amount* i
-----	-------------------	---------------------	------------------------	---------------------------



---- Select ----



Specify



%

0

Is the income subject to tax in the country/ territory from which it was received?*



Yes



No

If the answer to the above question is "No", is the income exempt from tax as a result of incentive granted by foreign jurisdiction?*



Yes



No

[+](#) Add another row

Maximum 6 rows

Things To Note

9. Declaration in **Form C [Cont.]**

- Complete 'Data as shown in the Financial Statements' under 'Assessment 2'

Data as shown in the Financial Statements for the financial period from 08 Aug 2021 to 30 Jun 2022	
33. Revenue i	<input type="text" value="0"/>
34. Purchases	<input type="text" value="0"/>
35. Gross Profit/ Loss	<input type="text" value="0"/>
36. Inventories	<input type="text" value="0"/>
37. Sales, General and Administrative Expenses (Excluding Directors' Fees & Remuneration and Head Office Expenses)	<input type="text" value="0"/>
38. Directors' Fees and Remuneration	<input type="text" value="0"/>
39. Head Office Expenses	<input type="text" value="0"/>
40. Other Receivables	<input type="text" value="0"/>
41. Trade Receivables	<input type="text" value="0"/>
42. Trade Payables	<input type="text" value="0"/>
43. Net Profit/ Loss before Tax	<input type="text" value="0"/>

Form C

The 'Revenue' on item 33 refers to company's main source of income. For an investment holding company, it would be its investment income (e.g. dividend, interest and rental).

Summary of Tax Treatment for Investment Company

Items	Tax Treatment	Method of Claiming
Deductible expenses	1. Direct expenses	Deduct against each source of income
	2. Statutory and regulatory expenses	Apportion to each source of income
	3. <u>Other allowable expenses</u> - Only a reasonable amount of such expenses is allowable. - As a guide, the total amount of such expenses should not exceed 5% of the company's gross investment income	
Losses	Losses <u>cannot</u> offset against: • Other sources of income • Future income	N.A.
Capital Allowances	Not allowable	N.A.
Loss Carry-back	Not allowable	N.A.
Group Relief loss items	Cannot transfer out loss items but can claim current year loss items transferred to it	Claim loss items transferred to it to arrive at CI



Investment Dealing Company

Section 10(1)(a) of ITA

What is an Investment Dealing Company?

- Principal activity is to carry on a business of investment dealing
- Owns investments such as properties and shares as a form of trading stock
- Derive trade income from purchase and sale of investments [S10(1)(a)] e.g. gain on sale of real properties and shares

Summary of Tax Treatment for Investment Dealing Company

Items	Investment Dealing Company S10(1)(a)
Investment Income	Taxable
Gains/ Losses of sale of investment	Taxable/ deductible
Expenses	Expenses allowed in accordance with S14 & S15
Trade losses	Can offset against other sources of income/ future income
Capital allowances (CA)	<ul style="list-style-type: none">- Can claim CA on qualifying plant or machinery- Unabsorbed CA can offset against other sources/ future income, subject to same business test and shareholder test



A Company in the Business of Making Investments

Section 10(1)(a) subject to
Section 10D

What is a Company in the Business of Making Investments?

- Principal activity is that of carrying on a business of making investments
- Owns investments such as properties and shares for the business of making investments; e.g. a business of letting immovable properties or service apartments
- To derive investment income as a trade [S10(1)(a)], subject to S10D restriction

What is a Company in the Business of Making Investments?

S10D Restriction

- a. Any outgoings or expenses incurred in respect of investments which do not produce any income are not deductible;
- b. Any outgoings or expenses incurred in respect of investments which produce income are only deductible against the income derived from such investments. The balance of any outgoings and expenses which cannot be set off in that year shall be disregarded; and
- c. Capital allowances are only deductible against the income derived from investments which produce income. The balance of any allowances which cannot be set off in that year shall be disregarded.




Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[Quick links > e-Tax Guides > Ascertainment of Income from Business of making Investment](#)



Summary of Tax Treatment for Company in the Business of Making Investments

Items	Business of making investments S10(1)(a) subject to S10D
Investment Income	Taxable
Gains/ Losses of sale of investment	Not taxable/ not deductible provided that the facts of the case shows that the gains are indeed capital in nature
Deductibility of expenses	Only expenses incurred on income-producing investments allowed
Trade losses	Cannot offset against other sources of income/ future income
Capital allowances	<ul style="list-style-type: none"> - Can claim CA on qualifying plant or machinery - Unutilised CA cannot offset against other sources/ future income



Tax Exemption For Foreign-sourced Income

Exemption for Specified Foreign-sourced Income

Granted to all persons **resident** in Singapore on the following sources of foreign income received in Singapore on or after 1 Jun 2003:

- Foreign-sourced dividends
- Foreign branch profits
- Foreign-sourced service income (Rendered in the course of person's trade through a fixed place of operation in foreign jurisdiction)

Qualifying conditions

- Foreign-sourced income has been subject to tax in foreign jurisdiction;
- Headline tax rate of foreign jurisdiction is at least 15%; and
- Tax exemption is beneficial to the resident

Assistance and Service Channels



Website
www.iras.gov.sg

- [Home > Digital Services > Companies/ Tax Agents](#)
- [Home > Digital Services > Others > Corppass](#)
- Live Chat



Email

- Email us at [myTax Mail](#)



Helpline

- For companies: 1800-356-8622
- 8.00am to 5.00pm from Mondays to Fridays
 - Best time to call: 8.30am – 10.30am
 - Best day to call: Friday



Social Media



[Twitter.com/IRAS_SG](https://twitter.com/IRAS_SG)



Facebook.com/irassg

Thank You

www.iras.gov.sg



The information presented in the slides aims to provide a better general understanding of taxpayers' tax obligations and is not intended to comprehensively address all possible tax issues that may arise. This information is correct as at the date of presentation. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary its position accordingly.



Annexes

Guidance for New Companies

- Visit our [Basic Guide to Corporate Income Tax for Companies](#) to find out about:
 - Filing obligations of a company (i.e. forms to submit, deadlines)
 - How to determine income taxable for the period
 - FAQs by companies



Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[Taxes > Corporate Income Tax > Basics of Corporate Income Tax > Basic Guide to Corporate Income Tax for Companies](#)



Guidance for New Companies (cont.)



- Access our [New Company Start-Up Kit](#), an interactive toolkit to help new companies better understand their first filing obligation



Refer to IRAS' website at iras.gov.sg:

[Taxes > Corporate Income Tax > Basics of Corporate Income Tax > New Company Start-Up Kit](#)



Corppass Step-by-Step Guides

For assistance on Corppass setup, please refer to the following for guidance:

For Companies

- [Corppass Step-by-Step Guide for Companies](#) (PDF, 4.75MB)
- [Corppass Simplified Guide for Companies where the Registered Officer Handles All Digital Services for the Company](#) (PDF, 298KB)
- [Guide on How to Log In to myTax Portal](#) (PDF, 990KB)
- [Frequently Asked Questions \(FAQs\) on Corppass for Companies](#) (PDF, 132KB)

For Tax Agents

- [Corppass Step-by-Step Guide for Tax Agents](#) (PDF, 4.68MB)
- [Guide on How to Log In to myTax Portal](#) (PDF, 1.01MB)
- [FAQs on Corppass for Tax Agents](#) (PDF, 131KB)

For Foreign Entities

- [Corppass Step-by-Step Guide for Foreign Entities](#) (PDF, 5.71MB)
- [Guide on How to Log In to myTax Portal](#) (PDF, 982KB)

Keeping Your Company's Particulars Up-To-Date

Particulars that must be kept up-to-date:

- Contact details
- Business activity (i.e. SSIC Code)
- Address of the company's registered office
- Company's financial year end (FYE)
- Functional currency
- [Notice preference](#) (to receive either email notifications or paper notices)

Why is it important to keep these details up-to-date?

- Business activity (i.e. SSIC Code) may be used for tax assessment purposes
- All Notices will be sent based on the company's notice preference
- IRAS' record of your company's FYE can affect:
 - Our record of your ECI due date
 - Our record of whether the company can be accorded the Tax Exemption for New Start-Up Companies

How to Change Your Company's Particulars

- Company's staff or tax agent who has been authorised with an "Approver" role can log in to mytax.iras.gov.sg to update the company's:
 - Contact details (i.e. name of contact person, telephone number and email address)
 - Functional currency
 - Notice preference
- These particulars will be updated immediately upon successful submission. For changes in notice preference, the changes will take effect within 7 days



Company's Business Activity (i.e. SSIC Code)

- If the company's principal activity has changed such that its business activity (i.e. SSIC Code) is different from that provided to ACRA at the point of incorporation, please:
 - Update the company's new business activity with ACRA via [BizFile+](#)
 - Email IRAS via [myTax Mail](#) to inform us of the company's new business activity and the effective date of change together with a copy of the Business Profile extracted from ACRA's [BizFile](#)



Company's Registered Address and Financial Year End

- View your address and financial year end at the “Update Corporate Profile/ Contact Details” digital service at mytax.iras.gov.sg
- If the address is not that of your company's registered office/ there is a change in your company's financial year end:
 - You will need to inform ACRA via [BizFile+](#) on the change in the company's particulars
 - There is no need to inform IRAS separately. IRAS updates its records based on the information filed with ACRA on a weekly basis
 - However, for urgent updating of address by IRAS, you may email us via myTax Mail with these details:
 - Company's tax reference number
 - Company's name
 - Company's new address that has been updated with ACRA



When and How to Pay Your Tax



- Companies must pay the tax stated in the Notice of Assessment (NOA) **within 1 month** from the date of the NOA
- E.g. **Date of NOA:** 1 Jul 2023
Payment due date: 1 Aug 2023

When and How to Pay Your Tax

- Singapore registered companies that are on [GIRO](#) qualify to pay the estimated tax on their ECI by instalments
- The earlier the company files its ECI, the greater the number of instalments it can enjoy.

ECI e-Filed By	No. of Instalments Given
26 th of 1st month from financial year end	10
26 th of 2nd month from financial year end	8
26 th of 3rd month from financial year end	6
After 26 th of 3rd month from financial year end	0



Refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg):

[Home > Quick links > Payments > Corporate Income Tax](#)

