

Reminder on SingPass 2FA

IMPORTANT!

BE 2FA READY

Be 2FA Ready!

- Wef 5 Jul 2016, SingPass 2FA is required for access to all Government e-Services, including EASY and myTax Portal.

HAVE YOU SET UP YOUR SINGPASS 2FA?

To better protect your personal data, all government e-services involving sensitive data will require 2-Step Verification (2FA) **from 5 July 2016 onwards**. This means that in addition to your SingPass username and password, you will need to enter a One-Time Password (OTP) sent via SMS or generated through a OneKey token.

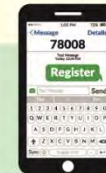
Using the same mobile number registered with your SingPass account, you can now set up your 2FA via SMS by completing the following steps:

STEP 1

Send SMS

SMS "Register" to **78008** to receive One-Time Passwords via SMS when performing sensitive government e-transactions.

You will then receive a confirmation SMS, and a PIN mailer will be sent to your registered address within seven working days for activation.



You've registered for SMS 2FA

STEP 2

Activate 2FA

Follow the instructions in the PIN mailer. You can SMS the activation code in the mailer, or log into Assurity's website to activate your 2FA.



Singapore Personal Access
SingPass

2FA Check✓

To confirm that you have already set up your SingPass 2FA:

Log into your SingPass account at
www.singpass.gov.sg



Click "My Account"



Click "Manage 2-Step Verification"

If you have not set up your 2FA, you will see a message prompter that will guide you to set it up.

Your SingPass account contains a lot of personal information – so don't let it fall into the wrong hands!

With 2FA, you'll protect your SingPass account with something you know, such as your password, and something you have - like your phone or token.



How do I access e-services using SingPass 2FA?

If you registered for SMS 2FA

All you have to do is:

Login

SingPass ID ?

Password ?

Login

Log into an e-service using your **SingPass ID** and **Password**

Please enter the 6-digit OTP in the below box

Mobile Number: XXXX XXXX

OTP: [Resend OTP](#)

If you do not receive the SMS OTP after 30 seconds, please click "Resend OTP".

Submit

Enter the 6-digit One-Time Password (OTP) sent to your **mobile phone**

If you registered for Token

All you have to do is:

Login

SingPass ID ?

Password ?

Login

Log into an e-service using your **SingPass ID** and **Password**

OTP: [Resend OTP](#)

Please enter the 8-digit OTP in the box below.

OTP:

Submit

Press "1" on your token, then enter the OTP generated from your **token**

If you have registered for both SMS 2FA and Token, you can select either one to proceed.

With 2-Step Verification (2FA), you'll protect your SingPass account with something you **know** (your password) and something you **have** (your phone or OneKey token).

Your SingPass account contains a lot of personal information, so don't let it fall into the wrong hands!

* For enquiries on SingPass, you may call SingPass Helpdesk at +65 6643 0555

Company's Tax Obligations for Year of Assessment 2017

**Presentation by Inland Revenue Authority of Singapore
For Corporate Seminars held in June 2017 onwards**



iras.gov.sg



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AGENDA

Basic Corporate Tax Rules

Corporate Tax Obligations

Others



AGENDA

Basic Corporate Tax Rules

- A. Basis of Assessment
- B. Taxable Income
- C. Deductions against Income
- D. Capital Allowances (CA)
- E. Productivity and Innovation Credit (PIC)
- F. Unutilised Losses/ CA/ Approved Donations
- G. Tax Schemes to Lower Tax Payable



AGENDA

Corporate Tax Obligations

- A. Tax Filing Obligations
- B. When to Pay Your Tax
- C. How to Object to Your Tax Assessment
- D. What to Do If You Discover Errors in Your Tax Declaration : IRAS' Voluntary Disclosure Programme
- E. Record-Keeping Requirements
- F. Keeping Company's Particulars Up-To-Date



AGENDA

Others

- A. Budget 2017 Highlights
- B. Q & A



After this seminar, you will:

Have a basic knowledge of corporate taxation

Understand your annual tax filing obligations including the filing due dates

Be able to prepare a tax computation and e-File your Form C-S/ C

Be ready to use the whole range of e-Services at mytax.iras.gov.sg



Basic Corporate Tax Rules

- A. Basis of Assessment
- B. Taxable Income
- C. Deductions against Income
- D. Capital Allowances (CA)
- E. Productivity and Innovation Credit (PIC)
- F. Unutilised Losses/CA/Donations
- G. Tax Schemes to Lower Tax Payable



(A) Basis of Assessment

Income is assessable on a **preceding** financial year basis

Year of Assessment (YA)

- ✚ year in which income tax is charged

- ✚ current YA is YA 2017

Basis Period for a YA

- ✚ the period of income relevant to the YA

- ✚ e.g. 1 Jan 2016 to 31 Dec 2016 (YA 2017)

- 1 Apr 2015 to 31 Mar 2016 (YA 2017)

- 1 Jul 2016 to 30 Jun 2017 (YA 2018)



(B) Taxable Income

Income tax is payable on:

Income <u>accruing</u> in or derived from Singapore (i.e. income sourced in Singapore)	Income <u>received</u> in Singapore from outside Singapore (i.e. foreign income received in Singapore)
E.g. Trade income of a company carrying on business in Singapore	E.g. Interest income from a foreign bank outside Singapore that is remitted to Singapore



(C) Deductions against Income

Deductions allowed for expenses wholly and exclusively incurred in the production of income

Expenses must be revenue in nature (e.g. normal day-to-day operating expenses)

Expenses must be incurred (i.e. not contingent liability or estimated amount)

Deduction must not be prohibited under the Income Tax Act (e.g. private plated car expenses even if incurred for business purposes)



Examples of Non-deductible Expenses

Private and Domestic Expenses

- Not incurred for business
- E.g. Directors' private expenses on entertainment or vacation

Capital Expenditure

- E.g. Expenses incurred in acquiring capital assets or expenses to incorporate a company



Examples of Non-deductible Expenses

Claim of Estimated Purchases or Expenses

- Required to make claims based on actual amounts incurred, with supporting receipts/invoices

Unreasonable Claim of Remuneration to Related Parties (e.g. Family members of director)

- Related parties do not work in company
- Payments do not commensurate with level of services performed
- To be deductible, payments must be reasonable having regard to similar services performed by an independent employee



Expenses incurred before Commencement of Business (“Pre-commencement Expenses”)

Generally, pre-commencement expenses are not deductible as they are not incurred in the production of income. They are incurred before the company begins generating revenue.

From YA 2012

Business treated as commenced business on the first day of the same financial year in which it earns its first dollar of business receipt (i.e. deemed date of commencement of business). Revenue expenses incurred one year before deemed commencement date will be allowed deduction*.

*Does not apply to S10E companies



Pre-commencement Expenses

Example of company with financial year ending on 31 Dec:

Company incurred revenue expenses on **1.9.2014**

Company earned its first dollar of business receipt on **1.9.2016**.
Deemed date of commencement is 1.1.2016

1.7.2014
(date of incorp.)

31.12.2014
(YA 2015)

31.12.2015
(YA 2016)

31.12.2016
(YA 2017)

Revenue expenses incurred from 1.7.2014 to 31.12.2014 (YA 2015) are not deductible

Revenue expenses incurred from:

1.1.2015 to 31.12.2015 (YA 2016) – treated as incurred on 1.1.2016, as expenses were incurred one year before deemed date of commencement. Deductible in YA 2017

1.1.2016 to 31.12.2016 (YA 2017) – Deductible as business is treated as having commenced on 1.1.2016



Summary

Revenue expenses incurred	From YA 2012
During the financial year in which company earns its first dollar of business receipt	Tax deductible
1 year before the first day of the basis period in which company earns its first dollar of business receipt	Tax deductible. The revenue expenses are treated as incurred on the deemed date of commencement of business.



Refer to IRAS' website at iras.gov.sg
 Businesses > Companies > Learning the Basics of Corporate Income Tax > Common Tax Reliefs
 That Help Reduce The Tax Bills

Medical Expenses

Deduction capped at:

- + 1% of total employee remuneration ***or***
- + 2% of total employee remuneration if Company meets the following qualifying criteria:
 - + Implemented and met qualifying conditions under Portable Medical Benefits Scheme (PMBS) or Transferable Medical Insurance Scheme (TMIS);
 - + Provided employees with inpatient medical insurance benefits in the form of portable medical shield plans:
 - by paying insurance premiums on behalf of employees to insurance companies directly; *or*
 - by reimbursing employees' Medisave accounts, premiums paid by employees
 - + Made ad-hoc contributions to employees' Medisave accounts (subject to a cap of \$1,500 per employee per year)*

* Companies may enjoy additional tax deduction on the amount of ad-hoc Medisave contributions, up to the overall medical expenses tax deduction limit of 2% of total employee remuneration. Refer to Example 2 of Medical Expenses on our [IRAS website](#).



Medical Expenses

Total remuneration

✚ Includes:

- employees' salaries, allowances & bonuses
- directors' remuneration
- CPF contributions

✚ Excludes:

- directors' fees
- medical expenses
- cash allowances in lieu of medical expenses
- benefits-in-kind
- skills development levy (SDL)
- foreign worker levy (FWL)

Refer to IRAS' website at iras.gov.sg

Businesses > Companies > Working out Corporate Income Taxes > Business Expenses > Tax Treatment of Businesses Expenses (I-P)



Deduction for Expenditure Incurred on Renovation or Refurbishment (R&R) Works under Section 14Q (incurred from 16 Feb 2008)

- ✚ Granted over 3 consecutive years on a straight-line basis so long as company continues to carry on that trade for which the R&R costs were incurred
- ✚ Subject to an expenditure cap of \$300,000 for every relevant three-year period
- ✚ Granted separately from the capital allowance framework for plant & machinery



Deduction for Expenditure Incurred on Renovation or Refurbishment (R&R) Works under Section 14Q (incurred from 16 Feb 2008)

Examples of qualifying expenditure
(if they do not affect structure of the business premises)

- General electrical installation and lighting
- Kitchen and sanitary fittings
- Door and window
- Fixed partition
- Wall covering
- Flooring
- False ceiling and cornice

More examples are available at IRAS' website iras.gov.sg



Refer to IRAS' website at iras.gov.sg

Businesses > Companies > Working Out Corporate Income Taxes > Business Expenses > Tax treatment of Business Expenses > Renovation or Refurbishment Works Expenditure (Section 14Q)

Deduction for Expenditure Incurred on Renovation or Refurbishment (R&R) Works under Section 14Q (incurred from 16 Feb 2008)

- ✚ **Excludes** expenditure relating to structural changes made to business premises and any:
 - a) design fees or professional fees
 - b) antique
 - c) any type of fine arts
 - d) any works carried out in relation to a place of residence provided or to be provided to the company's employees (applies to expenditure incurred from 18 Dec 2012)

- ✚ Deduction against income => Forms part of adjusted loss
 - Available for carry forward & carry back
 - Prior to YA 2013, unutilised S14Q deduction is not allowed to be transferred under group relief system



Deduction for Expenditure Incurred on Renovation or Refurbishment (R&R) Works under Section 14Q (incurred from 16 Feb 2008)

Example: (Assuming no R&R costs incurred in the previous years)

	YA 2015	YA 2016	YA 2017
Total qualifying R&R costs incurred	\$90,000	\$120,000	\$150,000
Qualifying R&R costs	\$90,000	\$120,000*	\$90,000*
R&R claim	\$30,000 (\$90k / 3 yrs)	\$70,000 [\$30,000 + \$40,000 (\$120k / 3 years)]	\$100,000 [\$30,000 + \$40,000 + \$30,000 (\$90,000/3years)]

* In YA 2016, the amount of qualifying R&R cost to be allowed is \$120,000 (\$300,000-\$90,000) as the combined qualifying R&R cost for YA 2015 and YA 2016 is still within the qualifying expenditure cap of \$300,000 for the relevant three-year period. In YA 2017, qualifying R&R cost to be allowed is capped at \$90,000 (\$300,000-\$90,000-\$120,000).



(D) Capital Allowances

- ✚ Capital allowances given in place of depreciation and other capital expenditure, which are not tax-deductible
- ✚ Given on qualifying fixed assets bought and used for trade purposes
 - ✗ Exception - S-plated private passenger car
- ✚ Not granted on items which are part of setting or part of premises in which business is carried on
 - ✚ E.g. Renovation expenditure



Refer to IRAS' website at iras.gov.sg
Businesses > Companies > Working Out Corporate Income Taxes > Claiming Allowances

(D) Capital Allowances

Examples of qualifying fixed assets:

- Carpet
- Electrical and electronic equipment (e.g. air-conditioning system, security/alarm system, sprinkler system and electrical appliances)
- Furniture and fixtures
- Industrial plant and machinery
- Motorcycle and bicycle
- Motor vehicle (goods/commercial vehicle such as lorry, truck and van)
- Movable partition
- Office equipment (e.g. computer, printer, photocopier, fax machine and telecommunication equipment)
- Venetian blind and curtain



(D) Capital Allowances

How to calculate	Qualifying assets	Annual allowance (AA)
Over working life of asset [Section 19]	• Apply to all qualifying assets • Refer to 6th Schedule of Income Tax Act for working life	• Initial allowance (IA) = 20% of cost • AA = (80% of cost) / No. of years of working life
3-year write-off [Section 19A(1)]	Apply to all qualifying assets	AA = 1/3 of cost
1-year write-off (for specific assets) [Section 19A(2)]	• Computers • Prescribed automation equipment listed in Income Tax (Automation Equipment) Rules 2004; and Amendment Rules 2010 (effective from 15 Dec 2010)	AA = 100% of cost



(D) Capital Allowances

How to calculate	Qualifying assets	Annual allowance (AA)
1-year write-off (only for low-value assets) [Section 19A(10A)]	Low-value assets - Cost of each asset not more than \$5,000* - Total claim for 1-year write-off of all such assets capped at \$30,000 per YA * Before YA 2013, it was \$1,000	AA = 100% of cost



(E)Productivity and Innovation Credit (PIC) *

- Overview**
- Tax Benefits under PIC**
- PIC IT and Automation Equipment**
- Training of Employees**
- Abusive PIC arrangements**

* As announced in Budget 2016, PIC scheme will lapse after YA 2018, in line with Govt's move towards more targeted measures under the Industry Transformation Programme



Overview of PIC Scheme (YA 2011 to YA 2018)

Invest in any of these 6 qualifying activities



1. Acquisition/Leasing of PIC IT and Automation Equipment
2. Training of Employees
3. Acquisition/Licensing of Intellectual Property
4. Registration of Patents, Trademarks, Designs and Plant Varieties
5. Research & Development Activities
6. Designed Projects Approved by DesignSingapore Council

} Commonly
claimed by
businesses

Tax Benefits under PIC

400% **tax deductions/allowances**

on up to \$400,000 expenditure per YA
in each of the 6 activities

Opt for cash payout
in place of tax deductions/allowances
capped at \$100,000 expenditure per YA
across all 6 activities at a cash payout rate
of:

- 60% (expenditure incurred from YAs 2013 to 31 July 2016)
- 40% (expenditure incurred from 1 Aug 2016 to YA 2018)

Tax Deductions/ Allowances

400%
tax deductions/allowances
on up to \$400,000 expenditure
per YA in each of the 6 PIC
activities



Tax Deductions/ Allowances

- ✚ **400% tax deductions/allowances** on up to \$400,000* expenditure per year in each of the 6 activities

To allow max PIC benefits, the spending cap across YAs for each activity can be combined as shown below:

Years of Assessment	Expenditure Cap* per Activity	Tax Deduction per Activity
2016 to 2018 (Combined)	\$1,200,000	\$4,800,000 (400% x \$1,200,000)

* Under the PIC+ scheme, the expenditure cap for **qualifying SMEs** will be increased from \$400,000 to \$600,000 per qualifying activity per YA. PIC+ takes effect from YA 2015 to YA 2018. The combined expenditure cap will be \$1.8 million for YA 2016 to YA 2018. The conversion cap for PIC cash payout will remain at \$100,000 per YA.

For more details on PIC+ and its qualifying conditions, please refer to [IRAS website - Schemes > Business > PIC benefits](https://www.iras.gov.sg/IRASHome/Schemes/Businesses/Productivity-and-Innovation-Credit-Scheme/PIC--Scheme/) (https://www.iras.gov.sg/IRASHome/Schemes/Businesses/Productivity-and-Innovation-Credit-Scheme/PIC--Scheme/)



400% Tax Deductions/Allowances

Expenditure cap per qualifying activity applies only if carrying on a trade or business for the relevant YAs. Otherwise, combined cap is reduced accordingly

For newly incorporated/registered businesses whose 1st YA is YA 2017, the combined expenditure cap for YAs 2017 to 2018 per activity is \$800,000

Expenditure is **net** of grant or subsidy by the government or statutory board

Expenditure exceeding the cap can still enjoy deduction based on existing rules

Unutilised tax deductions/ allowances can be:

- carried back to offset income of immediate preceding YA
- transferred under Group Relief System (companies)
- carried forward to offset income of future YAs

Cash Payout Option

Opt for cash payout in place of tax deductions/allowances

capped at \$100,000 expenditure per YA
across all 6 PIC activities at a
cash payout rate of:

- 60% (expenditure incurred from YA 2013 to 31 July 2016)
- 40% (expenditure incurred from 1 Aug 2016 to YA 2018)



- + Option to convert expenditure of up to \$100,000 in all 6 activities per YA
- + No pooling of expenditure cap across YAs
- + Expenditure is net of grant or subsidy by the government or statutory board
- + Cash payout is in lieu of a tax deduction – i.e. tax deductions/ allowances not granted on expenditure converted
- + Qualifying expenditure that is converted to cash payout will contribute towards the expenditure cap
- + Cash payout is non-taxable

Conditions for Cash Payout Option

For YAs 2016 to 2018

- Employed at least 3 local employees* (Singapore Citizens or PRs with CPF contributions) in the **last 3 months** of the quarter or combined quarters in the basis period for the relevant YA
- Carrying on business operations in Singapore.

* Employees exclude sole-proprietors, partners under contract for service, shareholders who are also directors of companies

Note: The 3-local-employee condition does not apply to 400% tax deductions/allowances



Application of Three-local-employee condition (Cash Payout) YAs 2016 to 2018

Example 1: Business X has a Dec financial year-end and it opts for cash payout at the end of each quarter.

Year of Assessment 2017: Quarters	Jan – Mar 2017	Apr – Jun 2017	Jul – Sep 2017	Oct – Dec 2017
Cash payout option exercised	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Relevant months for determining 3-local-employee condition	Jan – Mar 2017	Apr – Jun 2017	Jul – Sep 2017	Oct – Dec 2017
When to submit cash payout application	From Apr 2017	From Jul 2017	From Oct 2017	From Jan 2018
Deadline to submit cash payout application	By income tax return filing due date • 15 Apr 2018/ 18 Apr 2018 (e-File return) for sole-proprietor and partnership • 30 Nov 2018/ 15 Dec 2018 (e-File return) for company			



Application of Three-local-employee condition (Cash Payout) YAs 2016 to 2018

Example 2: Business Y has a Dec financial year-end and it opts for cash payout at the end of 1st, 3rd and 4th quarters.

Year of Assessment 2017: Quarters	Jan – Mar 2017	Apr – Jun 2017	Jul – Sep 2017	Oct – Dec 2017
Cash payout option exercised	Quarter 1	Quarters 2 & 3 combined		Quarter 4
Relevant months for determining 3-local-employee condition	Jan – Mar 2017	Jul – Sep 2017		Oct – Dec 2017
When to submit cash payout application	From Apr 2017	From Oct 2017		From Jan 2018
Deadline to submit cash payout application	By income tax return filing due date • 15 Apr 2018/ 18 Apr 2018 (e-File return) for sole-proprietor and partnership • 30 Nov 2018/ 15 Dec 2018 (e-File return) for company			



Determining the dates that expenditure is “incurred” for PIC purposes

- PIC benefits are given only when the qualifying expenditure has been incurred by the business
- An expense is incurred when the legal liability to pay has arisen, regardless of the date of actual payment of the money
- IRAS website provides guidance on when an expenditure is considered as “incurred”



Refer to IRAS' website at iras.gov.sg

Schemes > Businesses > Productivity and Innovation Credit Scheme > Reduction of Cash Payout
Rate from 1 Aug 2016 - How to determine the dates of the expenditure incurred

How and When to Claim PIC

	400% tax deductions/allowances	Cash payout
How	Claim tax deduction/allowances in income tax return	- With effect from 1 Aug 2016, it is compulsory to e-File PIC cash payout application form. - Submit PIC cash payout application form, hire-purchase template and Research and Development claim form (where applicable) Applying via myTax Portal - Step 1: Authorise an employee or a third party for "PIC Cash Payout Matters" via EASY. This is a one-off process - Step 2: Log in to mytax.iras.gov.sg to make an application <i>IRAS strives to distribute the Cash Payout within three months from the date of receipt of the application, provided all information is submitted. In most cases, IRAS processes the applications within six weeks. For cases selected for audit, IRAS will request further details and supporting documents for review. The processing time may take up to six months, depending on the complexity of each case.</i>

How and When to Claim PIC

	400% tax deductions/allowances	Cash payout
When	For company, submit income tax return by the filing due date: 30 Nov / 15 Dec (e-File income tax return) For sole-proprietor/ partnership, submit income tax return and PIC declaration form by the filing due date: 15 Apr / 18 Apr (e-File income tax return)	After the end of each quarter or combined quarters in the financial year but not later than the income tax filing due date



PIC IT and Automation Equipment



PIC IT and Automation Equipment



Automation equipment that qualify for PIC are prescribed in the “PIC IT and Automation Equipment List”

- If not, apply to IRAS to have the equipment approved on a case-by-case basis (Please refer to Appendix for qualifying conditions)

Use our **PIC IT and Automation Equipment Search** function to find out whether equipment qualifies for PIC benefit

- [Schemes>Businesses>Productivity and Innovation Credit Scheme> Acquisition and Leasing of PIC IT and Automation Equipment](#)

Both purchase and lease (only for own use) of PIC IT and automation equipment qualify for PIC

One expenditure cap applies for both purchase cost and lease payments:

- \$1,200,000* for YAs 2016 to 2018 combined

*For qualifying SMEs under PIC+ scheme, a higher expenditure cap applies

Website development costs

- ✚ 100% write-off will apply under S19A(10) instead of S19A(2)
- ✚ PIC benefits may be claimed with effect from YAs 2014 to 2018 on capital expenditure incurred on **developing a website**, including costs incurred for the one-time registration of a domain name for the website



PIC IT and Automation Equipment

E.g. Capital allowances (CA) under PIC for YA 2017

Equip-ment	Cost	Base CA 100%	Enhanced CA 300% on expenditure of up to \$1.2M	Total
A	\$340k	\$340k	\$300k x 300% = \$900k (Note 1)	\$1,240k
B	400k	400k	400k x 300% = 1,200k	1,600k
C	500k	500k	500k x 300% = 1,500k	2,000k
	1,240k		Total CA for YA 2017	4,840k

Note 1: Part of cost of Equipment A that qualifies for enhanced allowance = \$300k (\$1,200k cap less cost of Equipment B & C)



PIC IT and Automation Equipment

Cash payout option

Election is on “**per equipment**” basis (cannot claim tax deduction and cash payout on the same equipment)

Expenditure in excess of expenditure conversion cap **forfeited**

From YA 2012, HP equipment with repayment covering 2 or more basis periods are eligible for cash payout

- i.e. for equipment acquired under HP agreement signed during the basis periods relating to YAs 2012 to 2018
- HP equipment acquired under HP agreement signed during the basis period relating to YA2011, and with repayment covering 2 or more basis periods, are not eligible for cash payout

From YA 2016, to qualify for cash payouts on qualifying equipment, businesses must show that the **equipment is in use** by the business at the point when they elect for cash payout



PIC IT and Automation Equipment

Cash payout option for HP equipment

- ✚ Expenditure conversion cap will be applied on the price of the PIC automation equipment (excluding finance charges)
- ✚ Actual amount of cash payout is based on the principal sum repaid during the year
- ✚ Election has to be done in year of acquisition and the cash payout rate is "locked-in" in the same year

HP agreement	Repayment of equipment costing \$100k				
entered in YA 2012*	YA 2012	YA 2013	YA 2014	YA 2015	YA 2016
	20k	20k	20k	20k	20k
Cash payout rate	30%	30%	30%	30%	30%
Cash payout	6k	6k	6k	6k	6k



* For HP agreement entered from YAs 2013 to 31 July 2016, the cash payout rate is 60%. For HP agreement dated 1 August 2016 to YA 2018, the cash payout rate will be 40%.

PIC IT and Automation Equipment

Minimum ownership period

- Minimum 1-year holding for purchased equipment
- Claw-back may apply if equipment disposed of or leased out within 1 year from date of purchase

Waiver of claw-back provisions

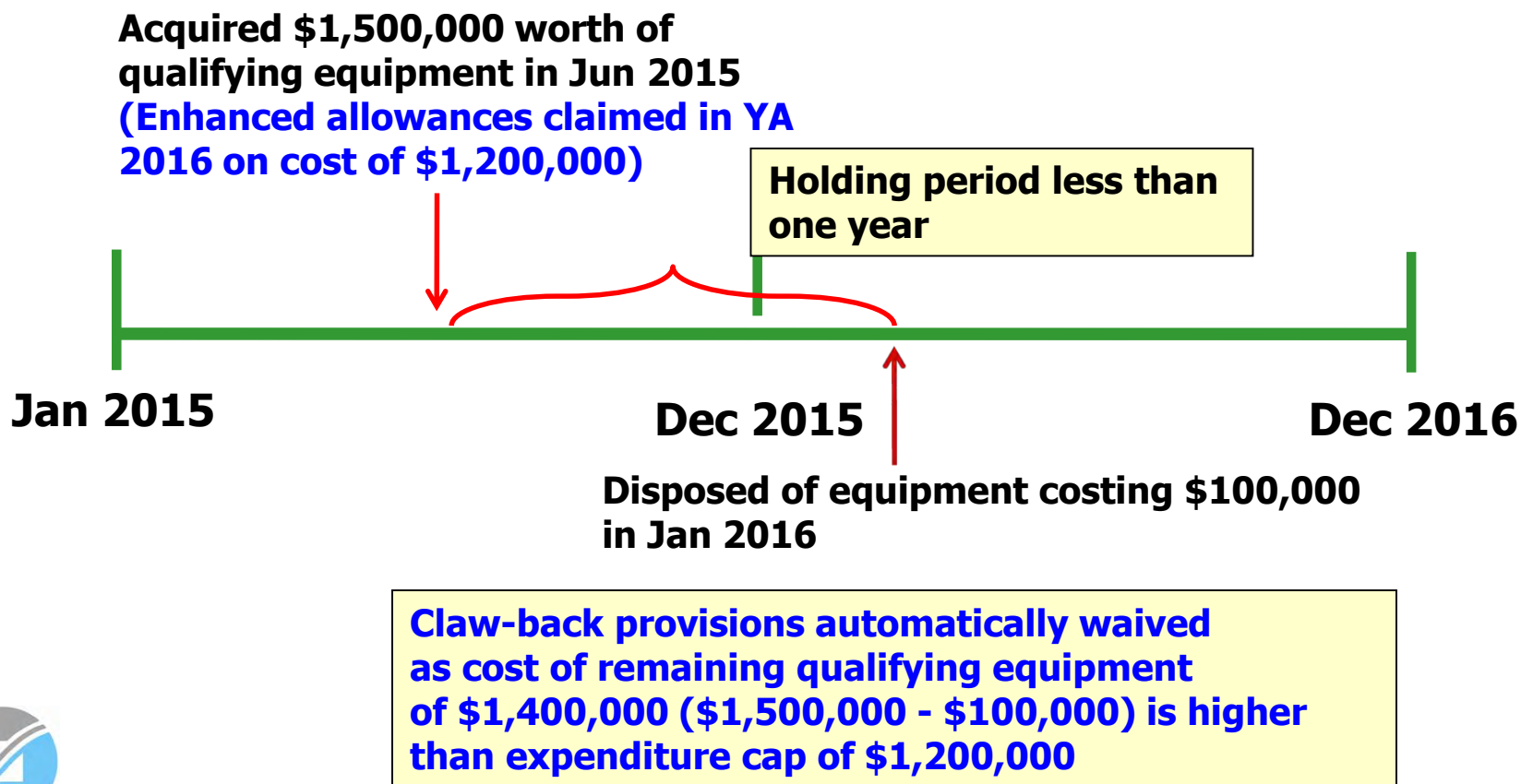
- Automatic waiver
- Case-by-case basis: If IRAS is satisfied with the commercial reason(s) that led to the disposal



PIC IT and Automation Equipment

Example - Automatic waiver

If in the basis period when the equipment was acquired, the cost of qualifying equipment acquired (excluding the cost of equipment disposed of) is more than or equal to the expenditure cap applicable to that basis period, claw-back provisions automatically waived



PIC IT and Automation Equipment (Summary)

	Purchase	Lease
Without PIC	100% accelerated CA	100% revenue deduction
With PIC (YAs 2011 to 2018)	400% allowances/deductions subject to expenditure cap ¹ , 100% allowances/deductions on balance exceeding the cap	
Qualifying Expenditure	Cost of equipment	Lease payments
Minimum Ownership Period	1 year from the date of purchase	N.A. ²
Cash Payout Option (YAs 2013 to 2018)	Per equipment basis Convert expenditure at: • 60% (expenditure incurred from YA 2013 to 31 July 2016) • 40% (expenditure incurred from 1 Aug 2016 to YA 2018) • subject to cap³	Convert expenditure at: • 60% (expenditure incurred from YA 2013 to 31 July 2016) • 40% (expenditure incurred from 1 Aug 2016 to YA 2018) • subject to cap³



¹ Total expenditure cap for **YAs 2016 to 2018 - \$1,200,000** for each of the six activities for the 3-year period. For qualifying SMEs under PIC+ scheme, a higher expenditure cap applies

² Equipment cannot be sub-leased within the same basis period of the YA

³ Maximum expenditure for **YAs 2016 to 2018 - \$100,000** per annum for all six activities taken together

Training of Employees



Training of Employees



External training

All external training qualify

Qualifying Expenditure Includes	Qualifying Expenditure Excludes
❖ Course fees to any external training service provider E.g. registration or enrolment fees, examination fees, tuition fees and aptitude test fees ❖ Rental of external training premises ❖ Meals and refreshments provided during the courses ❖ Training materials and stationery	❖ Accommodation, travelling and transport expenses of employees attending the training ❖ Overheads like imputed rental and utilities



Training of Employees

In-house training

Qualifying Training Programmes

Workforce Skills Qualification (WSQ) training courses accredited by the Singapore Workforce Development Agency and conducted by a WSQ in-house training provider

Courses approved by the Institute of Technical Education (ITE) under the ITE Approved Training Centre scheme

On-the-job training by an on-the-job training centre certified by ITE



Training of Employees

In-house training

From YAs
2012 to 2018

- Non-certified in-house training courses, subject to an expenditure cap of \$10,000 per YA. The \$10,000 cap cannot be combined across YAs
- The total training expenditure cap remains unchanged

Examples of
non-certified
in-house training

- Training sessions conducted on operation of specialised equipment with the help of instruction manual
- Training on a business' operating processes and functions in a group setting, with prepared materials and handouts
- Exclude informal sessions such as spontaneous consultation, day-to-day problem solving and coaching sessions



Training of Employees

In-house training

Qualifying Expenditure Includes	Qualifying Expenditure Excludes
❖ Salaries and other remuneration (excluding director fees) paid to in-house trainers for course delivery ❖ Rental of external training premises ❖ Meals and refreshments provided during the courses ❖ Training materials and stationery	❖ Salaries and other remuneration paid to in-house trainers for <u>other</u> duties including preparation of training material ❖ Salaries and other remuneration paid to employees providing administrative support ❖ Absentee payroll ❖ Accommodation, travelling and transport expenses ❖ Overheads like imputed rental and utilities

Training of Employees

If opt to convert \$100,000 of training costs to cash payout:

Training Date	Training cost incurred	Cost Converted	Base deduction 100%	Enhanced deduction 300%	Total
11 Jan 16	\$250k		\$250k	\$250k x 300% = \$750k	\$1,000k
22 Mar 16	100k	100k	0	0	0
	350k			750k	1,000k

YA 2017 Tax Computation
(assuming no tax disallowable items)

Net Profit Before Tax	\$1,850K
Add: Expenditure converted into cash	100k
Less: Enhanced deduction for training costs	(750k)
Adjusted Profit Before Capital Allowances	1,200k

Cash payout = 60% x \$100k = \$60k

The cash payout rate is at 60% of the expenditure incurred for YA 2013 to 31 Jul 2016 and 40% of the expenditure incurred from 1 Aug 2016 to YA 2018.



Training of Employees (Summary)

	In-house	External
Without PIC	100% revenue deduction	
With PIC (YAs 2011 to 2018)	400% tax deduction subject to expenditure cap ¹ , 100% deduction on balance exceeding the cap	
Qualifying Expenditure for Training of Employees including qualifying agents	- Remuneration for course delivery - Rental of external premises - Refreshments - Training materials	- Course fees paid - Rental of external premises - Refreshments - Training materials
Cash Payout Option (YAs 2013 to 2018)	Convert expenditure at: • 60% (expenditure incurred from YA 2013 to 31 July 2016) • 40% (expenditure incurred from 1 Aug 2016 to YA 2018) • subject to cap²	

¹ Total expenditure cap for **YAs 2016 to 2018 - \$1,200,000** for each of the six activities for the 3-year period. For qualifying SMEs under PIC+ scheme, a higher expenditure cap applies.

² Maximum expenditure for **YAs 2016 to 2018 - \$100,000** per annum for all six activities taken together



Top 2 Common Mistakes Made by Businesses

- **Double claim of PIC benefits**

- **Cannot claim both PIC Cash Payout and 100% / 400% tax deductions on the same dollar of expenditure**
- **E.g. A company that has claimed PIC Cash Payout on training costs of \$1,000 should not be claiming 400% tax deduction of the same training cost against its income, i.e. the training expense of \$1,000 should be added back in the tax computation.**

- **Incorrect claim on non-qualifying expenditure**

- **Do not claim PIC benefits for equipment not listed in the PIC IT and Automation Equipment List**
- **If the equipment is not in the list but it automates/mechanises the work process, businesses may apply for it to be approved, on a case-by-case basis**
- **Do not claim non-qualifying expenditure such as:**
 - GST paid by a GST registered trader on an item qualifying for PIC (GST component is not claimable for income tax purpose as the GST trader can claim input tax in its GST return);
 - costs not applicable to the automation equipment such as warranty fees and service maintenance fees;
 - consulting fees unrelated to the development of the automation equipment

Note: Penalties may be imposed for incorrect claims

Abusive PIC arrangements



Abusive PIC arrangements

Anti-abuse measures

Deny PIC benefits arising from abusive arrangements

Impose penalties on promoters of PIC arrangements (including vendors and consultants) who know, or have reasonable grounds to believe that the arrangements they are promoting are abusive PIC arrangements.

Convicted offenders will have to pay a fine of up to \$10,000 and/ or imprisonment of up to three years



Abusive PIC arrangements

Abusive arrangement

- Makes use of artificial, contrived or fraudulent step(s) to obtain PIC benefits
- Results in the payment of goods/ services for an amount that exceeds open market value without bona fide commercial reason or
- No bona fide commercial reason for entering into arrangement

Example

- Business A signs up for a training package of \$5,000 with Vendor G for its employees on how to use certain cleaning products
- As part of the training package, Business A is given credits of \$5,000 to redeem cleaning products sold by Vendor G
- Upon completion of a 30-minute training session, Business A fully redeems \$5,000 worth of cleaning products. It also makes a PIC cash payout claim on the purported training expenses of \$5,000
- Contract is an abusive PIC arrangement as it makes use of artificial steps to obtain PIC benefits



(F) Unutilised Capital Allowances (UCA), Unutilised Losses (UL) and Approved Donations



Unutilised Capital Allowances (UCA) & Unutilised Losses (UL)

- ✚ May be carried forward to set-off future income of company
- ✚ Conditions for claiming UCA & UL brought forward:

Same Business Test

- Applies only to UCA
- Same trade in respect of which CA were granted

Shareholders' Test

- Applies to both UCA & UL
- Ultimate shareholders & their shareholdings as at two relevant dates are substantially the same (50% or more of total issued shares)

Refer to IRAS' website at iras.gov.sg
Businesses > Companies > Working Out Corporate Income Taxes > Unutilised Items (Losses, Capital Allowances and Donations)



Unutilised Capital Allowances (UCA) & Unutilised Losses (UL)

Relevant Dates			
UCA	Last day of YA (31 Dec) in which CA arose	&	First day of YA (1 Jan) in which UCA is set-off
UL	Last day of year (31 Dec) in which losses incurred	&	First day of YA (1 Jan) in which UL is set-off

Example:

UCA and UL for financial year ended 31 Oct 2011 (YA 2012) to be set-off against income in YA 2017.

Relevant Dates		
UCA	31 Dec 2012	1 Jan 2017
UL	31 Dec 2011	1 Jan 2017



Approved Donations

- ✚ Donations are **not deductible expenses** as they are not incurred in the production of income
 - Please add back to arrive at adjusted profit
- ✚ However you can claim deduction on donations made to **approved IPCs or other approved recipients** for Singapore charitable purposes
 - Claim deduction of **2.5 times** the amount of donations made from 1 Jan 2009 to 31 Dec 2014 and from 1 Jan 2016 to 31 Dec 2018
 - Claim deduction of 3 times the amount of donations made from 1 Jan 2015 to 31 Dec 2015

Refer to IRAS' website at iras.gov.sg for a list of allowable types of donations
Other Taxes > Charities > Donations and Tax Deductions



Approved Donations

✚ From 1 Jan 2011, company is required to provide its identification number to an IPC to claim tax deduction on the donation made

➤ View donations made to approved IPCs from 1 Jan 2011 at the e-Service “[View Donations](#)” in mytax.iras.gov.sg

✚ Unutilised donations can **only be carried forward** and **for up to 5 years**

➤ For example: Unutilised donations for YA 2011 should be disregarded in YA 2017

✚ Condition for claiming unutilised donations

Satisfy shareholders’ test (% of shareholding of common shareholders as at two relevant dates are 50% or more)

Relevant Dates

Last day of year (31 Dec)
in which donations were made

& First day of YA (1 Jan)
in which unutilised donations
are to be deducted



(G) Tax Schemes to Lower Tax Payable

- Partial Tax Exemption**
- Tax Exemption for New Start-up Companies**
- Corporate Income Tax Rebate**



Partial Tax Exemption

- Partial tax exemption on chargeable income taxed at 17% of up to \$300,000:

First \$10,000 @ 75%	\$7,500
Next \$290,000 @ 50%	\$145,000
Total \$300,000	\$152,500

- Maximum Exempt Amount is \$152,500 for each YA



Partial Tax Exemption

Example:

	(1)	(2)
Chargeable Income (CI) before Exempt Amount	320,000	120,000
Less: Exempt Amount		
1. (75% x 10,000) 7,500		
(50% x 290,000) 145,000	152,500	
2. (75% x 10,000) 7,500		
(50% x 110,000) 55,000		62,500
Net CI after Exempt Amount	\$167,500	\$57,500

Declare CI before exempt amount
(IRAS will automatically compute
exempt amount)



Tax Exemption Scheme for New Start-up Companies

Qualifying conditions

- + Company incorporated in Singapore
- + **Tax resident** in Singapore for that YA
 - A company is tax resident in Singapore if control and management of its business is exercised in Singapore
- + **No more than 20 shareholders** throughout basis period for that YA
 - All are individuals beneficially and directly holding the shares in their own names; *or*
 - Where there are non-individual shareholders, at least one is an individual beneficially and directly holding at least 10% of the issued ordinary shares of the company



Tax Exemption Scheme for New Start-up Companies

Qualifying conditions

- ✚ The following companies incorporated after 25 Feb 2013 are not eligible for the tax exemption scheme:

1) **Property development companies**

- Any company that buys or leases land and arranges for a building to be built on land in order to lease, manage or sell the building

2) **Investment holding companies**

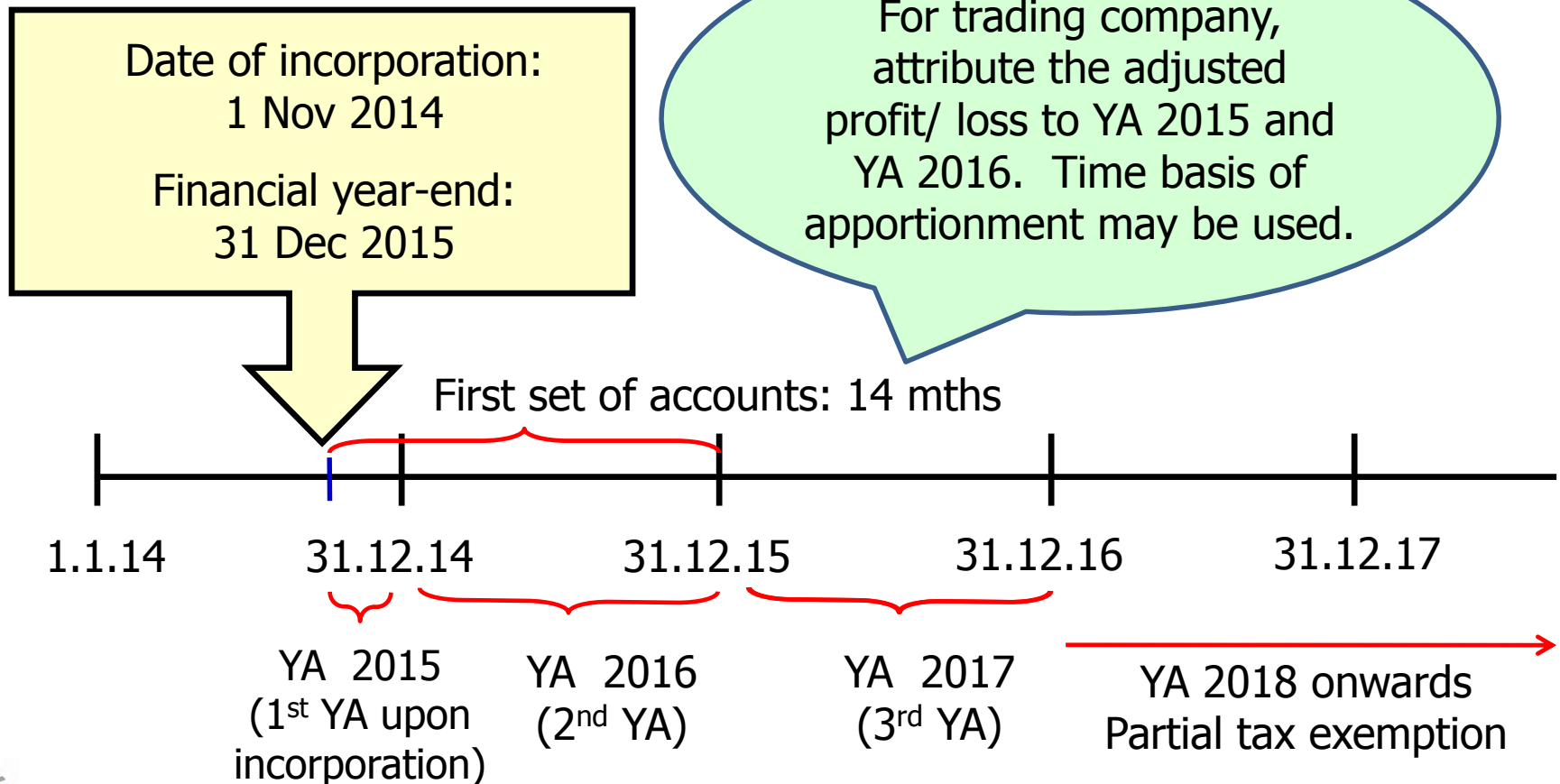
- A company whose principal activity is that of investment holding
- Derives investment income such as rental, dividend or interest income

- ✚ Companies that do not qualify for this scheme will still be eligible for partial tax exemption



Tax Exemption Scheme for New Start-up Companies

Example:



How to claim

Online Form C (General Info)

Form C

Click on the tabs to access the relevant pages in the Main Form.

Page **General Info** Assessment 1 Assessment 2 Additional Info Group Relief

Important

The company must give a full and true account of the whole of the company's income for the preceding year. There are penalties for failing to furnish a tax return or furnishing an incorrect tax return.

The company declares the following:

Did the auditors of the company make a qualification in the audited financial statements for the financial year? ☐ Yes ☐ No ☐

Is the company claiming enhanced deductions/ allowances and/ or cash payout under the Productivity and Innovation Credit (PIC) Scheme? ☐ Yes ☐ No

Is the company claiming benefits under the PIC+ Scheme and met all the qualifying conditions under the Scheme? ☐ Yes ☐ No

Is the company an Exempt Private Company? ☐ Yes ☐ No [i](#)

Is the company claiming for Tax Exemption Scheme for New Start-Up Companies? ☒ Yes ☐ No [i](#)

Does the company satisfy all conditions to qualify for the Tax Exemption Scheme for New Start-Up Companies? ☐ Yes ☐ No

e-Form C-S (Part C)

Deduction of Unutilised Capital Allowances/ Losses/ Donations Brought Forward

Select "N.A." if no claim for deduction is made.

30. Is there a substantial change in the company's ultimate shareholders and their shareholdings as at the relevant dates? [i](#)

31. Is there a change in the principal activities of the company during the basis period? [i](#)

Tax Exemption Scheme for New Start-up Companies [i](#)

32. Has the company satisfied all conditions to qualify for the tax exemption scheme for new start-up companies? [i](#)

Productivity and Innovation Credit (PIC)/ PIC+ Scheme [i](#)

(To be completed if the company has incurred PIC qualifying expenditure. Enter the total cost incurred for each of the following activities. Total cost is derived after excluding grant/subsidy from the Government/ Statutory Board and amount converted to Cash Payout)

33. PIC IT and Automation Equipment [i](#)

N.A.

Yes

No



Corporate Tax Rate

- **17%**

Corporate Income Tax Rebate

- All companies will receive a corporate income tax (CIT) rebate of the following:
 - 50% CIT rebate, capped at \$20,000 for YA 2016
 - 50% CIT rebate, capped at \$25,000 for YA 2017 *
 - 20% CIT rebate, capped at \$10,000 for YA 2018 *
- CIT rebate is computed on the tax payable after deducting tax set-offs (e.g. foreign tax credit)
- Administratively, companies need not factor in the CIT rebate when filing the Estimated Chargeable Income and Form C-S/ C as IRAS will compute and allow it automatically.



* Budget 2017 Enhancement

Corporate Tax Obligations

- A. Tax Filing Obligations
- B. When to Pay Your Tax
- C. How to Object to Your Tax Assessment
- D. What to Do If You Discover Errors in Your Tax Declaration :
IRAS' Voluntary Disclosure Programme
- E. Record-Keeping Requirements
- F. Keeping Company's Particulars Up-To-Date



(A) Tax Filing Obligations

Responsibilities of Company

- ✚ Comply with the submission of Income Tax Returns
- ✚ Make truthful and accurate declaration of income
- ✚ Company is responsible for all declarations made notwithstanding that it has engaged the services of tax agents

Overview of Tax Filing Obligations

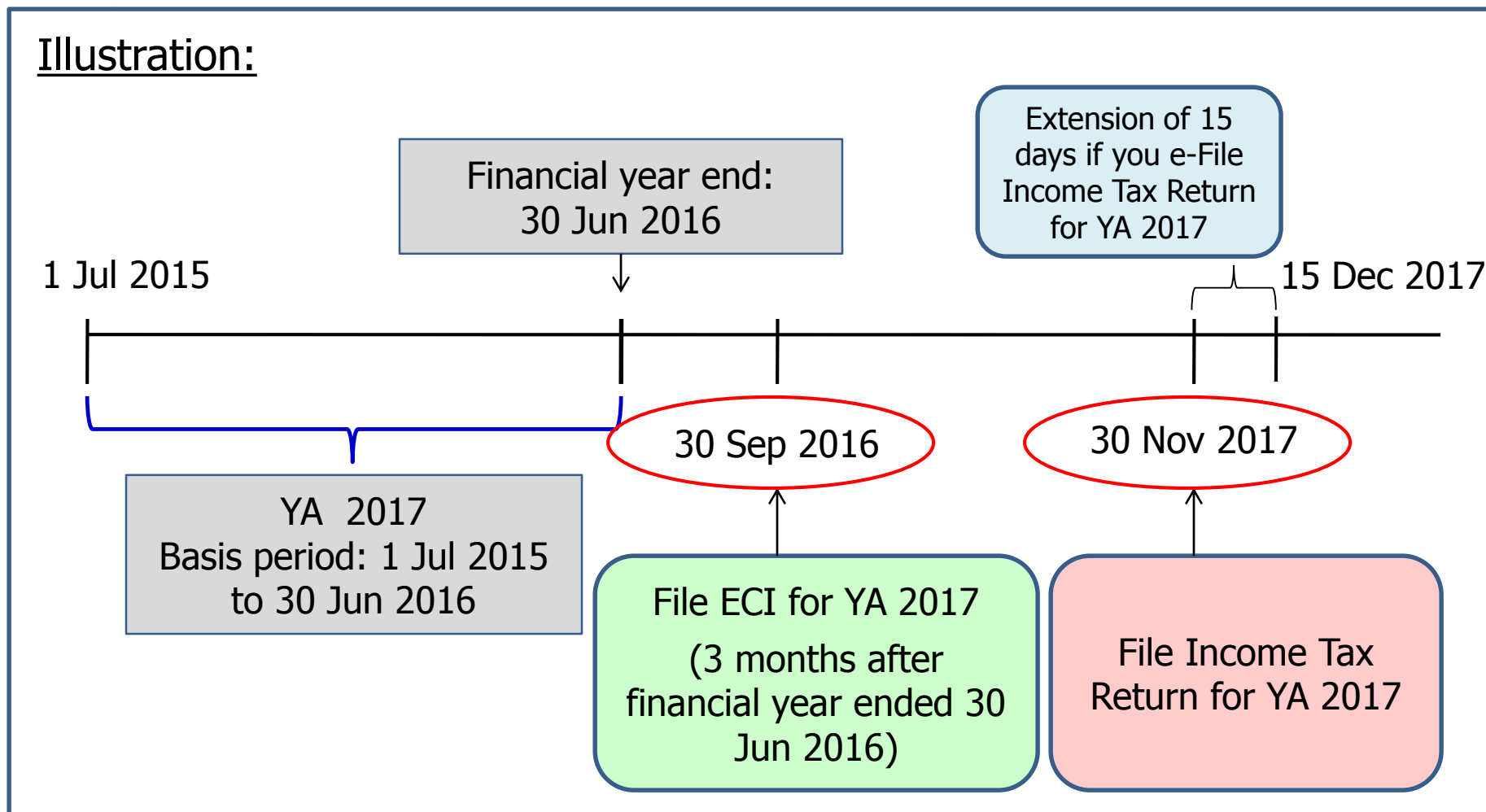
To File	By
Estimated Chargeable Income (ECI)	3 rd Month after financial year end
Form C-S/ Form C	30 Nov each year*

*If you e-File Form C-S/ C, the filing due date is extended until 15 Dec



Overview of Tax Filing Obligations

Illustration:



Estimated Chargeable Income (ECI)

- ✚ All companies are required to file an estimate of chargeable income (ECI) **within 3 months** after end of financial period

E.g. Financial year ending 30 Jun 2017
ECI for YA 2018 must be filed by 30 Sep 2017

- ✚ IRAS will issue ECI reminder letter in last month of financial year

Waiver to file ECI

- ✚ Companies do not need to file their ECI if they meet the following criteria:
 - If a company's financial year ends in or before Jun 2017, it will qualify for ECI waiver if its annual revenue is $\leq$ \$1million and ECI is NIL
 - If a company's financial year ends in or after Jul 2017, it will qualify for ECI waiver if its annual revenue is $\leq$ \$5million and ECI is NIL
- ✚ Companies that do not qualify for the above concession must file their ECI within 3 months after end of financial period, even if they do not receive the ECI reminder letter



e-Filing of ECI

✚ e-File by 26th of the month to enjoy more instalments* to pay your estimated tax

E.g. Company's financial year ended on 31 Dec

ECI filed by	e-Filers	ECI filed by	Paper-Filers
26 Jan	10	24 Jan	5
26 Feb	8	24 Feb	4
26 Mar	6	24 Mar	3
After 26 Mar	No instalments	After 24 Mar	No instalments

* A company must sign up for GIRO to enjoy paying its estimated tax by instalments. The first few instalments could be combined and deducted on the first GIRO deduction date, depending on the date of filing of ECI.



Things to note when filing ECI

- Refer to our user guide on to file ECI (Home>e-Services>Businesses>Companies>File Estimated Chargeable Income (ECI))



At **myTax Portal**,

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Home | About IRAS | News & Events | Careers | Ask IRAS | Useful Links | Technical FAQ

Text Size A A A

Main Menu 10/06/2015 | **Main Form > Confirmation > Acknowledgement**

Log out from myTax Portal | **ESTIMATED CHARGEABLE INCOME (ECI) E-FILING**

Change IRAS PIN

e-Services For

- Corporate Tax
- Goods & Services Tax

PIC Cash Payout

- Apply for PIC Cash Payout
- View PIC Cash Payout Application Status
- View PIC Cash Payout Correspondence/ Notices

Document Submission

View Account Summary

Payment Services

Tax Resources

- e-Tax Guides
- Downloadable Forms
- Average Exchange Rates
- Tax Treaties

Contact IRAS

- myTax Mail

Note: - This page may take you 5 minutes to complete.
- Please get ready the company's particulars, revenue figure and estimated chargeable income before you begin filing.

Name of Organisation : TEST_MOUKAWSHER & WALSH
Tax Reference No : 201202988D
Accounting Month : 31/12

* Year of Assessment : 2015

The company qualifies for the tax exemption scheme for new start-up companies ☒ Yes ☐ No

First YA upon incorporation 2013

Revenue

Revenue* S\$ 123,456.00

* Refers to the main income source of a company as reflected in its profit and loss account. For instance, the revenue of an investment company would be its investment income.

Estimated Chargeable Income ⓘ

The Corporate Income Tax (CIT) Rebate will be given automatically. Please do not exclude CIT Rebate from the ECI amount.

Tax Rate	Estimated Chargeable Income (S\$)
17.00 %	25,000.00
10.00 %	.00
	.00
	.00

Enter ECI to be taxed at 17% before deducting exempt amount.



Compulsory e-Filing of Corporate Income Tax (CIT) Returns

- ✚ CIT Returns include:
 - ECI
 - Form C-S/ C
- ✚ As announced in Budget 2016, compulsory e-Filing will be implemented in stages as follow:

YA	Target group
2018	Companies with turnover of more than \$10m in YA 2017
2019	Companies with turnover of more than \$1m in YA 2018
2020	All companies

With the introduction of compulsory e-Filing starting from YA 2018, companies are strongly encouraged to start e-Filing early.



Income Tax Return (Form C-S/ C)

- + All companies have to file a tax return by 30 Nov of each year
- + A NIL return is required
- + Due date for filing tax return for YA 2017: 30 Nov 2017
- + No extension of time beyond 30 Nov 2017
- + Exception: If you e-File Form C-S/ C, the filing due date is extended until 15 Dec 2017



Income Tax Return



File Form C-S

(Simplified Tax Filing
for Small Companies)

For companies that meet
qualifying conditions

OR

File Form C

and Appendix on
Additional Information
on Income & Deductions
(Form IRIN 301)



Filing Notification Letters

✚ 2 different letters issued to companies

Group	Companies likely to qualify for Form C-S	Companies likely to qualify for Form C
Filing notification letters to be issued	Form C-S e-Filing letter*	Form C e-Filing letter*

✚ If a company received Form C e-Filing notification letter but meets the qualifying conditions for filing Form C-S, it can still proceed to e-File Form C-S

* IRAS will not issue paper copies of Form C-S and Form C from YA 2014 and YA 2017 respectively. If a company cannot e-File Form C-S/ C, it can download the softcopy of Form C-S/ C from IRAS website.



Qualifying Conditions for Filing Form C-S

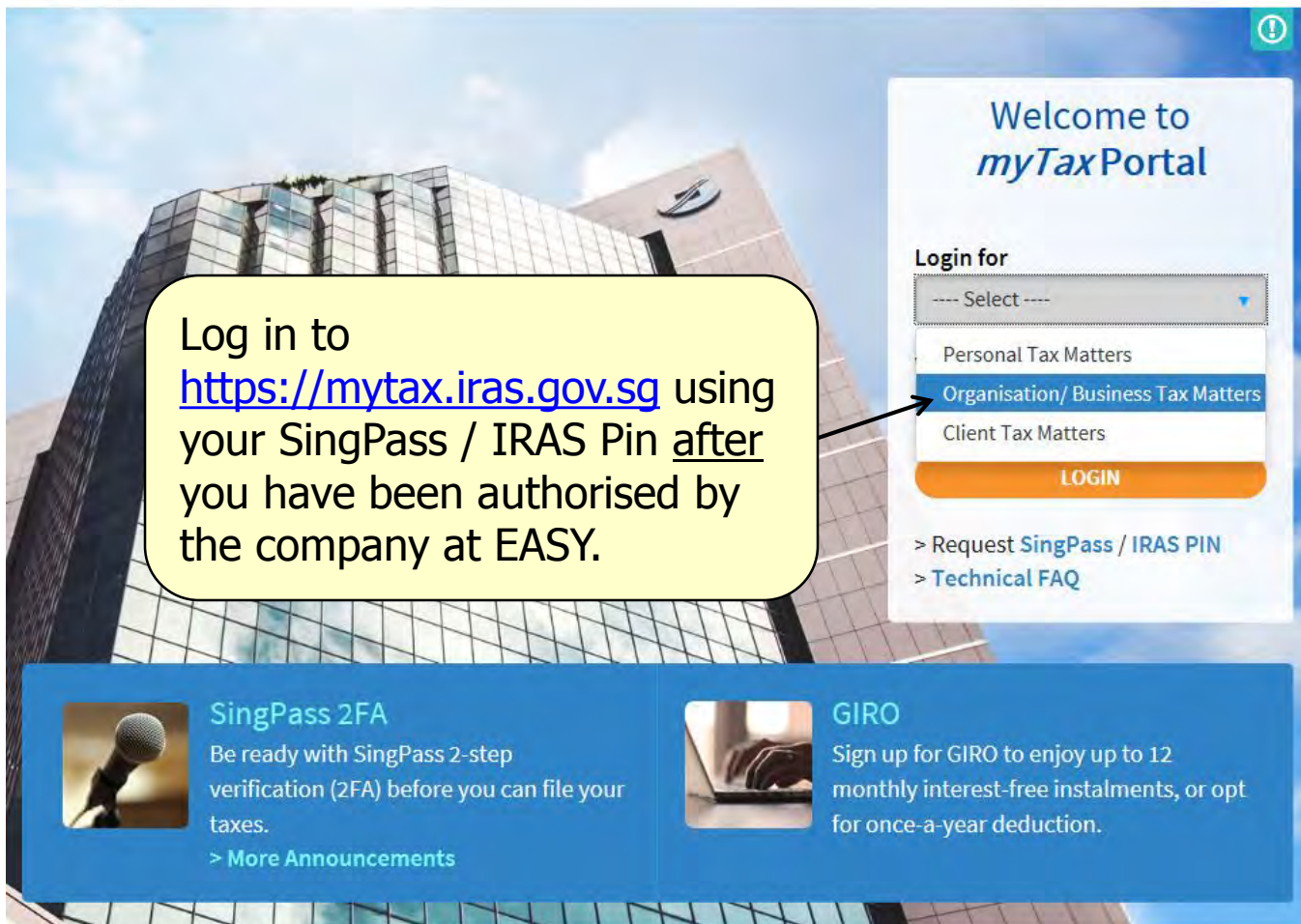
Company:	Does not claim any of the following:
• Is incorporated in Singapore • Has an annual revenue* of \$5 million or below Revised! • Derives only income taxable at 17%	• Carry-back of Current Year Capital Allowances/Losses • Group Relief • Investment Allowance • Foreign Tax Credit and Tax Deducted at Source

* Revenue refers to the gross income derived from principal activities of the company excluding separate source income such as interest

Note:

- 1) Companies that do not meet the conditions have to submit to IRAS a full set of tax return comprising the Form C, financial accounts, tax computation and supporting schedules.
- 2) The annual revenue threshold for filing Form C-S was increased from \$1 million to \$5 million with effect from YA 2017.





Welcome to myTaxPortal

Login for

--- Select ---

- Personal Tax Matters
- Organisation/ Business Tax Matters**
- Client Tax Matters

LOGIN

> Request [SingPass / IRAS PIN](#)

> [Technical FAQ](#)

SingPass 2FA
Be ready with SingPass 2-step verification (2FA) before you can file your taxes.
> [More Announcements](#)

GIRO
Sign up for GIRO to enjoy up to 12 monthly interest-free instalments, or opt for once-a-year deduction.

Log in to <https://mytax.iras.gov.sg> using your SingPass / IRAS Pin after you have been authorised by the company at EASY.

Last updated 2 Jan 2017

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Benefits of e-Filing

- + **On-the-spot guidance** as you e-File, with the **iHelp facility**
- + **In-built formulae** to auto-compute certain fields
- + **Save draft** until you are ready to submit
- + **Auto-computation** of estimated tax payable
- + Receive **instant acknowledgement** when you have successfully e-Filed
- + **Extended filing deadline of 15 Dec**, instead of 30 Nov



Feedback on e-Filing Income Tax Return

Feedback from companies and tax agents

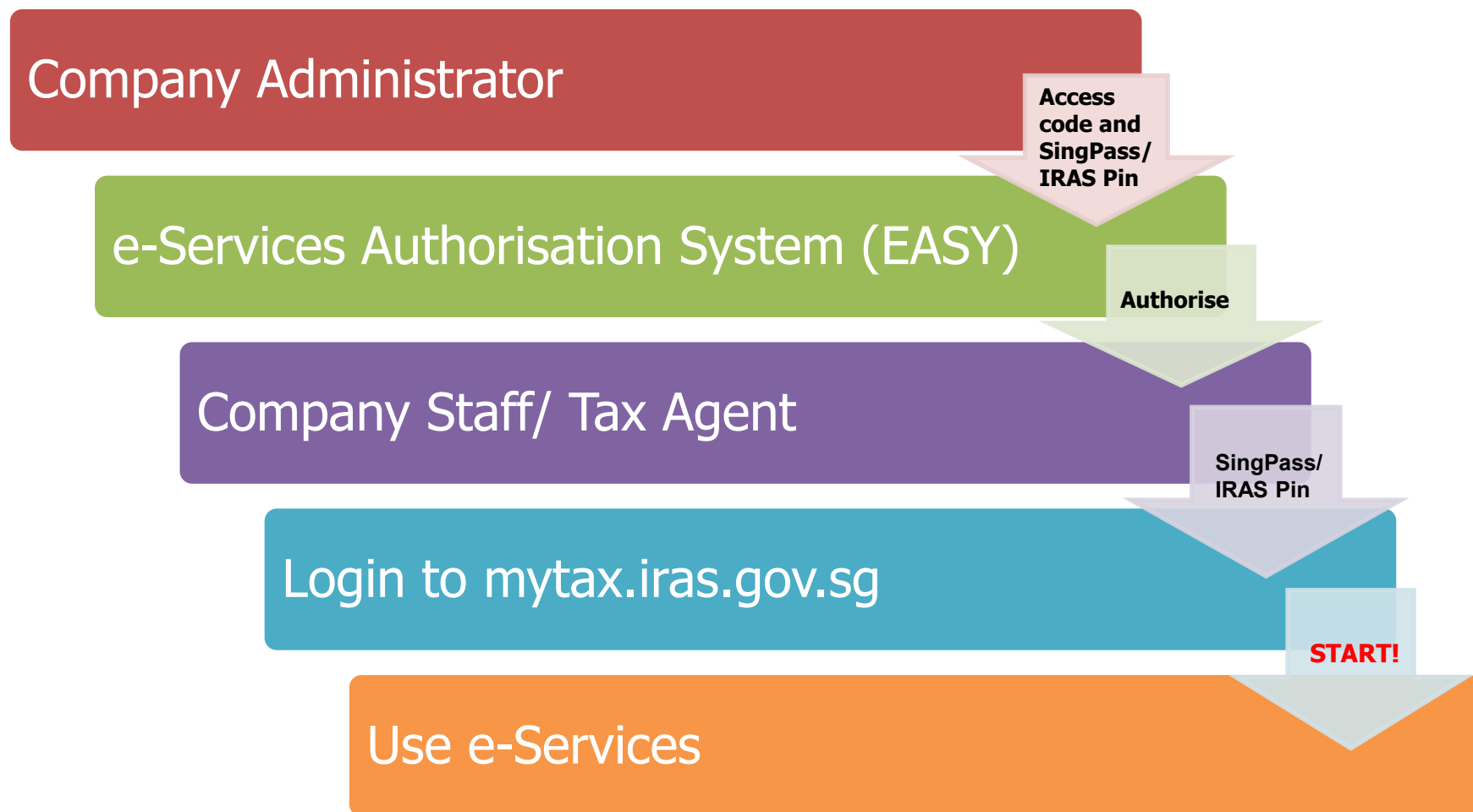
"The online Form C-S is easy to use and requires minimal training. It generally helps to cut down time spent on updating basic information of the client. No more worrying whether the hard copy Form C-S can reach us on time for the tax return filing! The ease and convenience of e-Filing anytime and anywhere, especially appeals to our clients and us in this highly digital and mobile age. With e-Filing of Form C-S, we can definitely accomplish more in less time!"

"The benefit of e-Filing Form C has been the reduction of administrative work such as arranging for the submission of hardcopies to IRAS and engaging courier services, and of printing cost."

"e-Filing with built-in validations helped us to minimise errors. The e-Filing portal is available 24 hours a day and has given us the flexibility to file at our own convenience. It is easier to manage a client's file as there is less paper work as compared to paper-based filing where we need to make photocopies. The draft version of Form C-S has made our job easier and faster as we use it to get the client's approval for submission. The processing time of the finalisation of assessments is faster when we e-Filed the tax return."



How to Access e-Services including e-Filing Form C-S/C



e-Services Authorisation System (EASY)

- ✚ Online system that allows organisations to authorise their employees/third party to access e-Services on their behalf
- ✚ All authorisations of staff and directors/ tax agent must be done at EASY
- ✚ Log in to EASY using your company's Access Code*

*Access Code is a unique password issued and sent to company's registered address shortly after its incorporation. Please request a new Access Code if you have misplace your access code or its existing Access Code is no longer valid. The request form is available at IRAS website iras.gov.sg e-Services > Businesses > Companies > EASY

For guidance, refer to User Guides on IRAS' website at iras.gov.sg
- e-Services > Others > EASY > Getting Started



e-Services Authorisation System (EASY)

Log in to EASY



EASY

Your gateway to a wide range of government e-Services



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Text Size [A](#) [A](#) [A](#)

EASY stands for e-Services Authorisation System, an online system that allows organisations to authorise their employees or a third party to access e-Services on their behalf.

Please ensure that you have your

- Organisation's tax reference number
- Organisation's [e-Services Access Code](#)
- Personal tax reference number
- [SingPass](#) or [IRAS PIN](#)

**Access Code
application form**

[Find out how to use EASY](#)

**Log in using your individual
[SingPass](#) OR [IRAS PIN](#)**

To begin authorisation for the organisation, login using your personal SingPass or IRAS PIN

[SingPass](#)

[IRAS PIN](#)

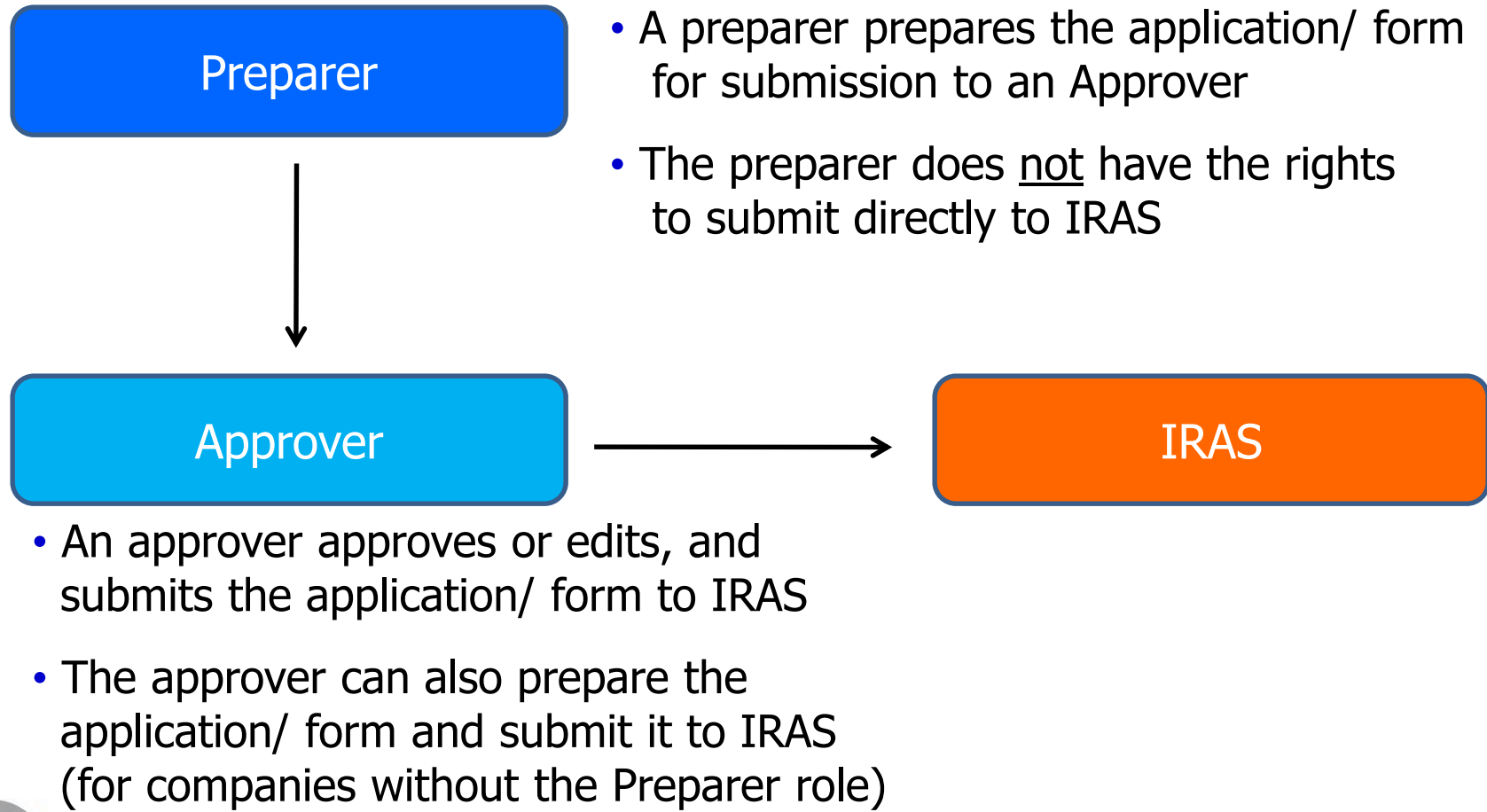
> Request [SingPass](#) or [IRAS PIN](#)

Log in to
**myTax
Portal**

Your one-stop
personalised portal for
transacting with IRAS



e-Services Authorisation System (EASY)



e-Filing Income Tax Returns

- Form C-S**
- Form C**



Form C-S e-Filing Notification letter

E-FILE YOUR CORPORATE INCOME TAX RETURN USING FORM C-S FOR YEAR OF ASSESSMENT (YA) 2017

You are required to e-File your company's Income Tax Return (Form C-S) for YA 2017 by **15 Dec 2017**.

Your company is eligible to file the simplified tax return, **Form C-S**, if it meets the qualifying conditions in YA 2017. **Please refer to the Annex to check if your company should use Form C-S.**

The e-Filing service is available from 01 Jun 2017 at mytax.iras.gov.sg. When you e-File, you can:

- get instant acknowledgement upon successful e-Filing
- get an estimate of the income tax payable
- easily access your company's tax records and information via mytax.iras.gov.sg

Please start e-Filing by following these steps:

Step 1: Authorise via EASY

- Log in to mytax.iras.gov.sg/EASY using the e-Services Authorisation System (EASY) Access Code
- Authorise yourself, your staff or third party for Corporate Tax Matters
- You need **not** perform Step 1 if it was previously done

Step 2: Log in to mytax.iras.gov.sg

- e-File your Form C-S under e-Services for Corporate Tax

Compulsory e-Filing

e-Filing of Corporate Tax Returns (ECI/ Form C-S/ C) will be compulsory by YA 2020 according to this timeline:

YA 2018

Companies with revenue > \$10 million in YA 2017;

YA 2019

Companies with revenue > \$1 million in YA 2018; and

YA 2020

All Companies

Help is available

User Guides for EASY and e-Services for Corporate Tax

www.iras.gov.sg

- > e-Services
- > Businesses
- > Companies

If you are unable to e-File Form C-S and need to file a paper return, you may download a paper copy of Form C-S from IRAS' Website at www.iras.gov.sg under Quick Links > Forms > Businesses > Corporate Tax Forms. The due date for submitting a paper return is **30 Nov 2017**.

Penalties may apply for failing to file a tax return on time. Please file your company's Income Tax Return by the due date.



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

- ✚ Form C-S is a shortened 3-page Income Tax Return for small companies
- ✚ Not required to submit financial accounts, tax computation and supporting schedules with Form C-S but still need to prepare and submit to IRAS upon request
- ✚ You can e-File Form C-S for YA 2017 via mytax.iras.gov.sg from 1 Jun 2017

For guidance, refer to IRAS' website at [iras.gov.sg](https://www.iras.gov.sg)

- Businesses > Companies > Filing Taxes (Form C-S/ C) > Guidance on Completing Form C-S/ C
- e-Services > Businesses > Companies > File Income Tax Return (Form C-S)



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 1:

Company spent \$10,000 in financial year ending 2016 (i.e. basis period for YA 2017) to purchase computers and also incurred \$1,000 on external training for employees, both of which qualify for enhanced allowances and deduction respectively under PIC.

Complete Part B, Fields 7, 12 and 13 of the e-Form C-S

7. Enhanced Deductions under Productivity and Innovation Credit (PIC)/ PIC+ Scheme
for training; leasing of PIC IT and automation equipment; in-licensing/registration of intellectual property rights; R&D; approved design projects ⓘ

3,000

$$\begin{aligned} \$1,000 \times 300\% \\ = \$3,000 \end{aligned}$$

12. Current Year Capital Allowances
excluding Enhanced Allowances under Productivity and Innovation Credit (PIC)/ PIC+ Scheme ⓘ

10,000

13. Enhanced Allowances under Productivity and Innovation Credit (PIC) Scheme ⓘ
for acquisition of PIC IT and automation equipment/ intellectual property rights

30,000

$$\begin{aligned} \$10,000 \times 300\% \\ = \$30,000 \end{aligned}$$



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 1 (cont'd): Complete Part C, Fields 33 and 35 of the e-Form C-S

Productivity and Innovation Credit (PIC)/ PIC+ Scheme ⓘ

(To be completed if the company has incurred PIC qualifying expenditure. Enter the total cost incurred for each of the following activities. Total cost is derived after excluding grant/subsidy from the Government/ Statutory Board and amount converted to Cash Payout)

33. PIC IT and Automation Equipment ⓘ	10,000
34. In-house Training <u>not</u> Certified by WDA or ITE (capped at \$10,000) ⓘ	0
35. External and Certified In-house Training ⓘ	1,000
36. Intellectual Property Rights (IPRs) Acquisition and In-Licensing ⓘ	0
37. Patents, Trademarks, Designs and Plant Varieties Registration ⓘ	0
38. Research and Development (R&D) Activities ⓘ	0
39. Approved Design Projects ⓘ	0



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 2:

Company received a Government grant of \$8,000 for the course fees of \$50,000 (fees before deducting Government grant) paid in financial year ending 2016 (i.e. basis period for YA 2017).

Complete Part B, Field 7 of the e-Form C-S

7. Enhanced Deductions under Productivity and Innovation Credit (PIC)/ PIC+ Scheme
for training; leasing of PIC IT and automation equipment; in-licensing/registration of intellectual property rights; R&D; approved design projects ⓘ

126,000

$$\begin{aligned} \$50,000 - \$8,000 &= \$42,000 \\ \$42,000 \times 300\% &= \$\underline{126,000} \end{aligned}$$



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 2 (cont'd): Complete Part C, Field 35 of the e-Form C-S

Productivity and Innovation Credit (PIC)/ PIC+ Scheme

(To be completed if the company has incurred PIC qualifying expenditure. Enter the total cost incurred for each of the following activities. Total cost is derived after excluding grant/subsidy from the Government/ Statutory Board and amount converted to Cash Payout)

33. PIC IT and Automation Equipment 

0

34. In-house Training not Certified by WDA or ITE (capped at \$10,000) 

0

35. External and Certified In-house Training 

42,000

36. Intellectual Property Rights (IPRs) Acquisition and In-Licensing 

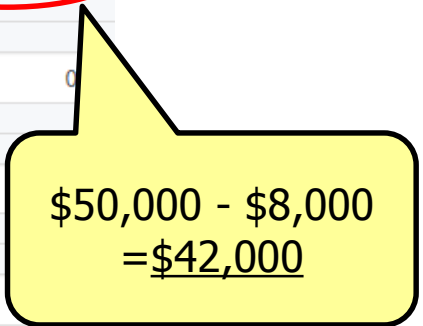
0

37. Patents, Trademarks, Designs and Plant Varieties Registration 

38. Research and Development (R&D) Activities 

39. Approved Design Projects 

0


$$\begin{aligned} &\$50,000 - \$8,000 \\ &= \underline{\$42,000} \end{aligned}$$



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 3:

My company incurred \$50,000 on external training course fees in financial year ending 2016 (i.e. basis period for YA 2017). It converted training fees of \$10,000 into cash payout.

Complete Part B, Fields 4 and 7 of the e-Form C-S

4. Add: Non-Tax Deductible Expenses ⓘ

10,000

7. Enhanced Deductions under Productivity and Innovation Credit (PIC)/ PIC+ Scheme
for training; leasing of PIC IT and automation equipment; in-licensing/registration of intellectual property rights; R&D; approved design projects ⓘ

120,000

$$\begin{aligned} \$50,000 - \$10,000 &= \$40,000 \\ \$40,000 \times 300\% &= \underline{\$120,000} \end{aligned}$$



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 3 (cont'd): Complete Part C, Field 35 of the e-Form C-S

Productivity and Innovation Credit (PIC)/ PIC+ Scheme ⓘ

(To be completed if the company has incurred PIC qualifying expenditure. Enter the total cost incurred for each of the following activities. Total cost is derived after excluding grant/subsidy from the Government/ Statutory Board and amount converted to Cash Payout)

33. PIC IT and Automation Equipment ⓘ	0
34. In-house Training <u>not</u> Certified by WDA or ITE (capped at \$10,000) ⓘ	0
35. External and Certified In-house Training ⓘ	40,000
36. Intellectual Property Rights (IPRs) Acquisition and In-Licensing ⓘ	
37. Patents, Trademarks, Designs and Plant Varieties Registration ⓘ	
38. Research and Development (R&D) Activities ⓘ	
39. Approved Design Projects ⓘ	0

$\$50,000 - \$10,000$
 $= \underline{\$40,000}$



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 4:

Company purchase computers under hire purchase and made principal repayment of \$50,000 in the financial year ending 2016 (i.e. basis period for YA 2017).

Complete Part B, Fields 12 and 13 of e-Form C-S

12.	Current Year Capital Allowances <i>excluding Enhanced Allowances under Productivity and Innovation Credit (PIC)/ PIC+ Scheme</i> ⓘ	50,000
13.	Enhanced Allowances under Productivity and Innovation Credit (PIC) Scheme ⓘ <i>for acquisition of PIC IT and automation equipment/ intellectual property rights</i>	150,000

$$\begin{aligned} \$50,000 \times 300\% \\ = \underline{\$150,000} \end{aligned}$$



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 4 (cont'd): Complete Part C, Field 33 of the e-Form C-S

Productivity and Innovation Credit (PIC)/ PIC+ Scheme ⓘ

(To be completed if the company has incurred PIC qualifying expenditure. Enter the total cost incurred for each of the following activities. Total cost is derived after excluding grant/subsidy from the Government/ Statutory Board and amount converted to Cash Payout)

33. PIC IT and Automation Equipment ⓘ	50,000
34. In-house Training <u>not</u> Certified by WDA or ITE (capped at \$10,000) ⓘ	0
35. External and Certified In-house Training ⓘ	0
36. Intellectual Property Rights (IPRs) Acquisition and In-Licensing ⓘ	0
37. Patents, Trademarks, Designs and Plant Varieties Registration ⓘ	0
38. Research and Development (R&D) Activities ⓘ	0
39. Approved Design Projects ⓘ	0



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 5:

Company spent \$300,000 in financial year ending 2016 (i.e. basis period for YA 2017) to purchase computers that qualify for enhanced allowances under PIC. It has opted to defer its claim for capital allowances on the computers.

Complete "0" on Part B, Fields 12 and 13 of e-Form C-S

12.	Current Year Capital Allowances <i>excluding Enhanced Allowances under Productivity and Innovation Credit (PIC)/ PIC+ Scheme</i> ⓘ	0
13.	Enhanced Allowances under Productivity and Innovation Credit (PIC) Scheme ⓘ <i>for acquisition of PIC IT and automation equipment/ intellectual property rights</i>	0

Input '0' in these fields as the company intends to defer the capital allowance claim.



How to Complete Form C-S for Qualifying Allowances and Deduction under PIC

Example 5 (cont'd): Complete Part C, Field 33 of the e-Form C-S

Productivity and Innovation Credit (PIC)/ PIC+ Scheme ⓘ

(To be completed if the company has incurred PIC qualifying expenditure. Enter the total cost incurred for each of the following activities. Total cost is derived after excluding grant/subsidy from the Government/ Statutory Board and amount converted to Cash Payout)

33. PIC IT and Automation Equipment ⓘ	300,000
34. In-house Training <u>not</u> Certified by WDA or ITE (capped at \$10,000) ⓘ	0
35. External and Certified In-house Training ⓘ	0
36. Intellectual Property Rights (IPRs) Acquisition and In-Licensing ⓘ	0
37. Patents, Trade Marks, Designs and Plant Varieties Registration ⓘ	0
38. Research and Development (R&D) Activities ⓘ	0
39. Approved Design Projects ⓘ	0



Form C e-Filing Notification Letter

E-FILE YOUR CORPORATE INCOME TAX RETURN (FORM C) FOR YEAR OF ASSESSMENT (YA) 2017

You are required to e-File your company's Income Tax Return (Form C) for YA 2017 by **15 Dec 2017***.

The e-Filing service is available from **01 Jun 2017** at mytax.iras.gov.sg. When you e-File, you can:

- get instant acknowledgement upon successful e-Filing
- get an estimate of the income tax payable
- easily access your company's tax records and information via mytax.iras.gov.sg

Please start e-Filing by following these steps:

Step 1: Authorise via EASY

- Log in to mytax.iras.gov.sg/EASY using the e-Services Authorisation System (EASY) Access Code
- Authorise yourself, your staff or third party for Corporate Tax Matters
- You need **not** perform Step 1 if it was previously done

Step 2: Log in to mytax.iras.gov.sg

- e-File your Form C under e-Services for Corporate Tax

Compulsory e-Filing

e-Filing of Corporate Tax Returns (ECI / Form C-S/ C) will be compulsory by YA 2020 according to this timeline:

YA 2018

Companies with revenue > \$10 million in YA 2017;

YA 2019

Companies with revenue > \$1 million in YA 2018; and

YA 2020

All companies

Help is available

[User Guides for EASY and e-Services for Corporate Tax](#)
www.iras.gov.sg

- > e-Services
- > Businesses
- > Companies

Penalties may apply for failing to file a tax return on time. Please file your company's Form C by the due date.

* If you submit a paper return, the due date for filing is **30 Nov 2017**.



e-Form C

Tax Filing for Companies



Filing of Form C

Companies that do not meet the conditions for filing Form C-S have to submit Form C

A complete set of Income Tax Return (Form C) consists of:

- + Form C
- + Form IRIN 301
(Additional Information on Income & Deductions)
- + Audited/ Unaudited financial statements
 - Not required to be submitted if full set of financial accounts has been filed with ACRA in XBRL format
- + Detailed profit and loss statement
- + Tax computation and supporting schedules
- + Relevant forms (e.g. group relief form, R&D claim form)



3 Modes of e-Filing of Form C

Implemented 3 modes of filing:

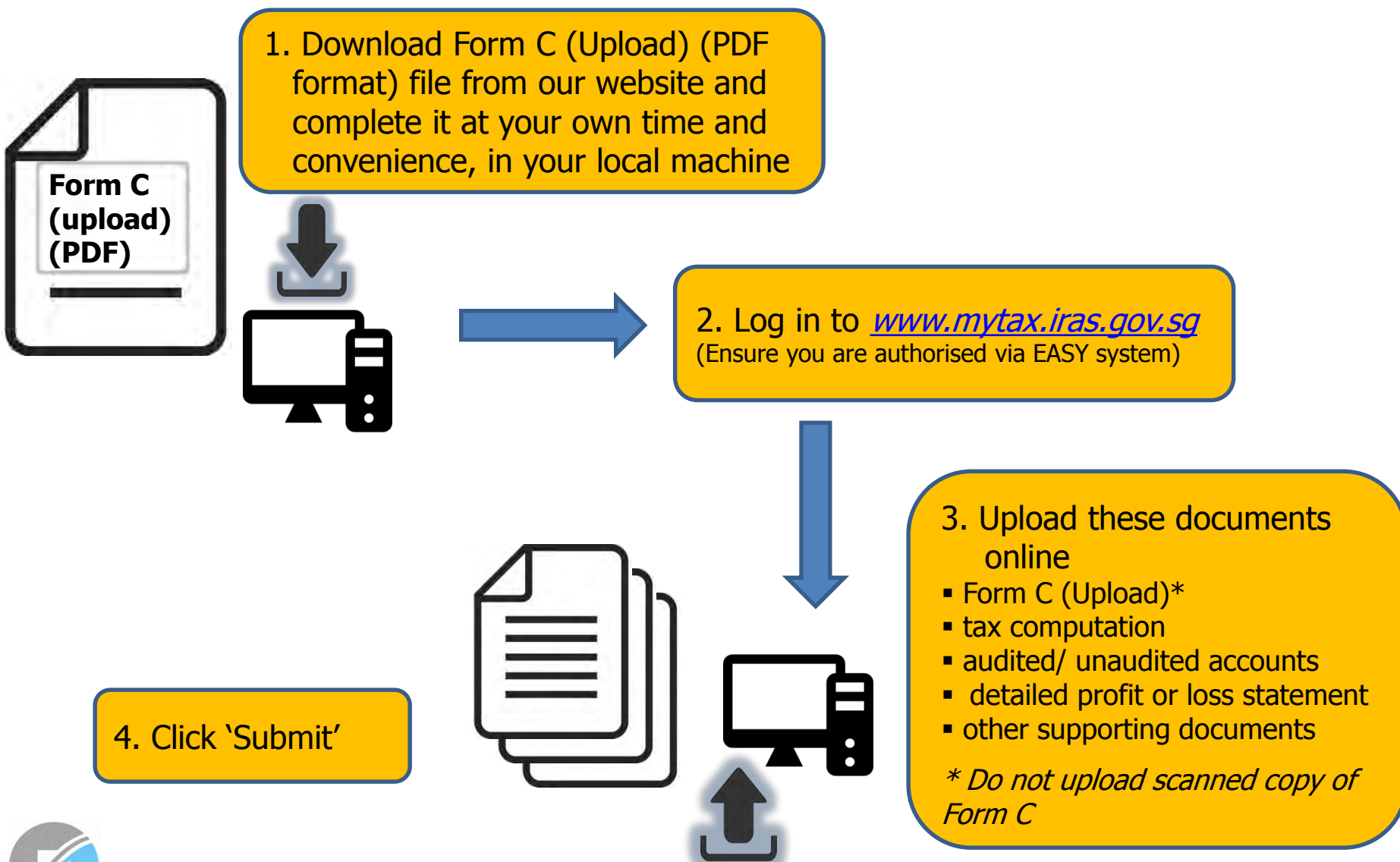
- ✚ Online Form C (similar to e-Form C-S)
 - Complete the Form C template online at mytax.iras.gov.sg
- ✚ Form C (Upload)
 - Download a softcopy of Form C (PDF version) onto your PC / laptop
 - Complete it at your convenience
 - Upload the completed Form C and relevant attachments at mytax.iras.gov.sg
- ✚ External Value Network
 - Bulk submission by tax agent through a dedicated platform, which bypasses EASY

For guidance, refer to IRAS' website at iras.gov.sg

- Businesses > Companies > Filing Taxes (Form C-S/ C) > Guidance on Completing Form C-S/ C
- e-Services > Businesses > Companies > File Income Tax Return (Form C)



Demo on e-Filing of Form C (Upload)



How to complete Form C for qualifying allowances under PIC

Example: Company spent \$300,000 to purchase computers that qualify for enhanced allowances under PIC in the financial year ending 2016 (i.e. basis period for YA 2017). It has opted to defer its claim for capital allowances on the computers.

1. Complete the declaration under General Info

1. Main Form
2. Confirmation
3. Submit Document
4. Acknowledgement

Form C

Click on the tabs to access the relevant pages in the Main Form.

Page
General Info
Assessment 1
Assessment 2
Additional Info
Group Relief

Important

The company must give a full and true account of the whole of the company's income for the preceding year.

There are penalties for failing to furnish a tax return or furnishing an incorrect tax return.

The company declares the following:

Did the auditors of the company make a qualification in the audited financial statements for the financial year?*

☐ Yes
☐ No
☐ NA

Is the company claiming enhanced deductions/ allowances and/ or cash payout under the Productivity and Innovation Credit (PIC) Scheme?*

☒ Yes
☐ No

Is the company claiming benefits under the PIC+ Scheme and met all the qualifying conditions under the Scheme?*

☐ Yes
☐ No



How to complete Form C for qualifying allowances under PIC

2. Complete Field 29a with “\$300,000” under Assessment 2

29. Capital Allowances/ Industrial Building Allowances (IBA)/ Land Intensification Allowances (LIA) on New Assets	Click to Hide ▲
29a. Qualifying cost of new assets acquired during the year for which Capital Allowances and/ or IBA are claimed/ deferred to be claimed in future YAs ⓘ	300,000
29b. Qualifying cost incurred during the year on the construction or renovation/ extension of approved building(s) or structure(s) for which LIA are claimed ⓘ	0



How to complete Form C for qualifying allowances under PIC

3. Complete Field 21 under Additional Info

Part E Productivity and Innovation Credit (PIC)/ PIC+ Scheme

21. PIC IT and automation equipment - Sections 14T, 19A(2B)

Total cost incurred ⓘ

300,000

Enhanced Deductions/ Allowances claimed/ to be claimed ⓘ

900,000



Common errors made in Form C



Assessment 1, Field 3:

Declaring 'Adjusted trade profit after CA after donation'

1. Income Accruing in/ Derived from Singapore (before Exempt Amount)	
1a. Trade/ Business Income/ Loss - Section 10(1)(a)	2,000
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)	1,000
1c. Trust Distribution (including REIT Distribution) - Section 10(1)(e) (Attach a list showing details of distributions received at Submit Document page.)	0
1d. Rent, Premiums and any other Profits arising from Property - Section 10(1)(f)	0
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) ⓘ [Excluding income exempted under the Foreign-Sourced Income Exemption (FSIE) Scheme] Declare if applicable ▼	
3. Total Income/ Loss	3,000

Declare
Adjusted trade
profit after CA
before
donation ✓

- Donation
deduction amount
will be auto
calculated by IRAS



Common errors made in Form C

✗ Assessment 1, Fields 8 and 10: Declaring the amount of 'Chargeable Income after exempt amount'

8. Chargeable Income after Unutilised Donations b/f and Current Year Approved Donations
(before Exempt Amount)

10,000

Declare Chargeable Income before exempt amount

- Exempt amount will be auto calculated by IRAS ✓

9. Loss Claimed from Transferor Company ⓘ

10. Chargeable Income after Group Relief (before Exempt Amount)

10,000

✗ Assessment 2, Field 26 : Declaring tax exempt dividends as 'receipts claimed as not taxable'

26. Receipts claimed as not taxable (including sale of real estate)

Declare if applicable ▼

Do not include tax exempt dividends ✓



Common errors made in Form C-S/ C

- ❌ **Declaring actual R&R costs incurred instead of expenditure cap of \$150,000 (prior to YA 2013) or \$300,000 (wef YA 2013)**

Form C-S (Part B, Field 6)

6. Less: Deduction for Renovation or Refurbishment Works under Section 14Q ⓘ

300,000

If actual R&R costs > expenditure cap of \$300,000, include only the expenditure cap amount as deduction for R&R Works under S14Q ✓

Form C (Assessment 2, Field 30)

30. Deduction Claimed under Section 14Q for Expenditure on Renovation or Refurbishment (R&R) Works ⓘ

Click to Hide ▲

30a. Qualifying R&R costs claimed during the year
(not exceeding S\$300,000 during the relevant 3 consecutive basis periods)

300,000

30b. Including the current YA, has the total claim on qualifying R&R costs during the relevant 3 consecutive basis periods exceeded S\$300,000?*

☐ Yes ☐ No

30c. Did the company cease the trade, profession or business for which a deduction of R&R costs was claimed during the current year?*

☐ Yes ☐ No



	Checklist	By
1	e-File ECI	3 months after financial year end
2	Prepare financial statements	
3	Prepare tax computation and supporting schedules	
4	e-File Form C-S/ C (for qualifying companies) Or e-File Form C (with accounts and tax computation and supporting schedules)	e-File to enjoy extended filing due date till 15 Dec [If unable to e-File, please submit paper Form C-S/ C by 30 Nov]



What Happens If You Don't Comply



Enforcement Actions for Non-filing of ECI / Income Tax Return

- ✚ Estimate the company's income and issue an assessment
 - Payment has to be made within one month from the date of Notice of Assessment
 - Any objection to the assessment will be reviewed only upon submission of the tax return
- ✚ Summons the company or director to court
 - Upon conviction, penalties up to \$1,000/return may be imposed; \$50/day for continuous offence; and even double the amount of tax that the Comptroller may, to the best of his judgment, assess to be payable



Refer to IRAS' website at iras.gov.sg
Businesses > Companies > Filing Taxes (Form C-S/ C) > Late Filing / Failure to File

Enforcement Actions for Non-payment of Tax

- ✚ **Tax must be paid within one month from the date of Notice of Assessment, even if you object to the assessment**

- ✚ **Failure to pay on time will attract:**
 - 5% late payment penalty;
 - 1% Additional penalty/month up to 12%;
 - Agency appointment;
 - Legal action to wind up the company.



Tax Filing Obligations

- Preparation of Financial Statements & Tax Computation**



Preparation of Financial Statements & Tax Computation

All companies are required to prepare the following:

- ✚ Audited/ Unaudited Financial Statements
- ✚ Detailed Profit and Loss Statement
- ✚ Tax Computation and Supporting Schedules

You may use the Basic Corporate Tax Calculator available on IRAS' website at iras.gov.sg

(Businesses > Companies > Working out Corporate Income Taxes > Basic Corporate Tax Calculator)

If you require assistance on preparation of financial statements, you may wish to attend courses offered by Institute of Singapore Chartered Accountants (ISCA) at <http://cpe.isca.org.sg/> under CPE Programmes



Type of Financial Statements to be Filed if Company Qualifies for Audit Exemption

Audit Exemption (for financial years beginning before 1 July 2015)

Under the Companies Act administered by the Accounting and Corporate Regulatory Authority (ACRA), the following are not required to have their financial statements audited:

- ✚ Dormant companies
- ✚ Exempt private companies (not more than 20 shareholders and none is a corporation) with an annual revenue of not more than \$5 million



Type of Financial Statements to be Filed if Company Qualifies for Audit Exemption

Audit Exemption (for financial years beginning on or after 1 July 2015)

Under the Companies Act administered by the Accounting and Corporate Regulatory Authority (ACRA), the following are not required to have their accounts audited:

- + Dormant companies
- + Small companies* which are
 - (a) private companies in the financial year in question; and
 - (b) meet at least 2 of 3 following criteria for immediate past two consecutive financial years:
 - (i) total annual revenue $\leq$ \$10m;
 - (ii) total assets $\leq$ \$10m;
 - (iii) no. of employees $\leq$ 50.

*For a company which is part of a group:

- (a) the company must qualify as a small company; and
- (b) entire group must be a “small group” to qualify to the audit exemption.

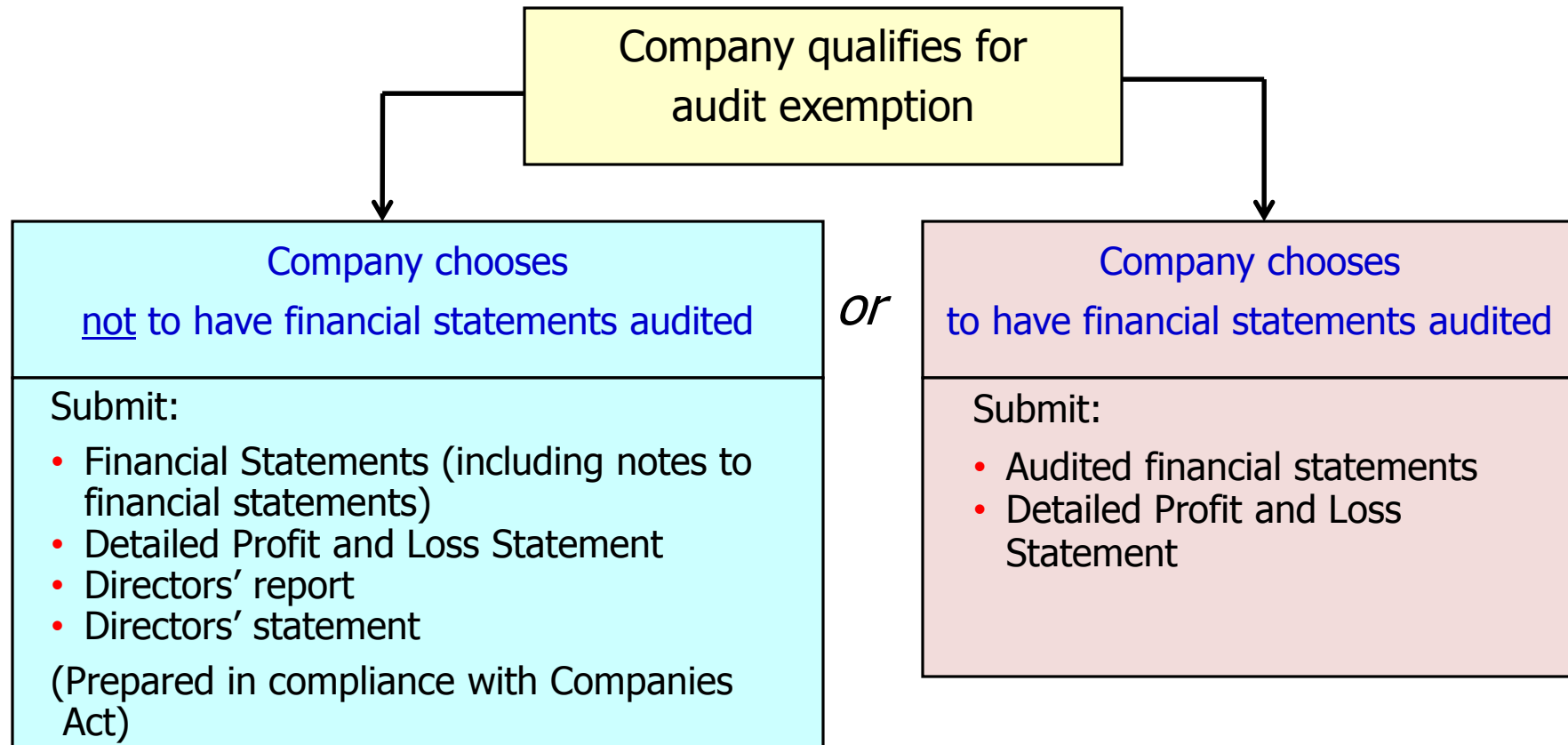
For a group to be a small group, it must meet at least 2 of the 3 quantitative criteria on a consolidated basis for the immediate past two consecutive financial years.



Refer to ACRA's website at acra.gov.sg

Legislation > Companies Act Reform > More Details on Small Company Concept for Audit Exemption

Type of Financial Statements to be Filed if Company Qualifies for Audit Exemption



Tax Filing Obligations - New Companies



Form C-S e-Filing notification letter will be issued to new companies 2 years after the year of incorporation

Example 1: Incorporation date is 2 July 2015

Financial period	Tax return YA 2016	Tax return YA 2017	Tax computation	ECI
2.7.15 to 31.12.15 (6 mths)	× Request	NA	1 set - YA 2016	YA 2016 (by 31.3.16)
2.7.15 to 31.3.16 (9 mths)	Not applicable	✓	1 set - YA 2017	YA 2017 (by 30.6.16)
2.7.15 to 30.9.16 (15 mths)	Not applicable	✓	2 Tax computations with tax return for YA 2017 YA 2016 (2.7.15 to 30.9.15) YA 2017 (1.10.15 to 30.9.16)	YA 2016 & YA 2017 (by 31.12.16)

IRAS will issue tax return
(You do not have to request)



Example 2:

Year of Incorporation	2016	2015
First financial period ends	In Year 2016 (for financial period less than or = 12 months)	In Year 2017 (for financial period exceeding 12 months)
First ECI	YA 2017 to be filed within 3 months after financial period ended 2016	YAs 2017 & 2018 to be filed within 3 months after financial period ended 2017
First Income Tax Return	YA 2017 to be filed by 30 Nov 2017/ 15 Dec 2017 (if e-File)	YA 2018 to be filed by 30 Nov 2018/ 15 Dec 2018 (if e-File) with tax computations for YA 2017 and YA 2018
How to obtain Income Tax Return from IRAS	Request for YA 2017 return by submitting ' <u>Request for Income Tax Return (Form C-S/ C) Filing Package and Notification of New Financial Year End</u> ' application (Quick Links > Forms > Businesses > Corporate Tax forms)	IRAS will automatically issue tax return for YA 2018 in year 2018

New Companies with Accounts Covering More Than 12 Months

e-Form C-S (two-column template for YA 2016 and YA 2017):

- + Not required to submit financial accounts, tax computations and supporting schedules

Assistance for New Companies

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



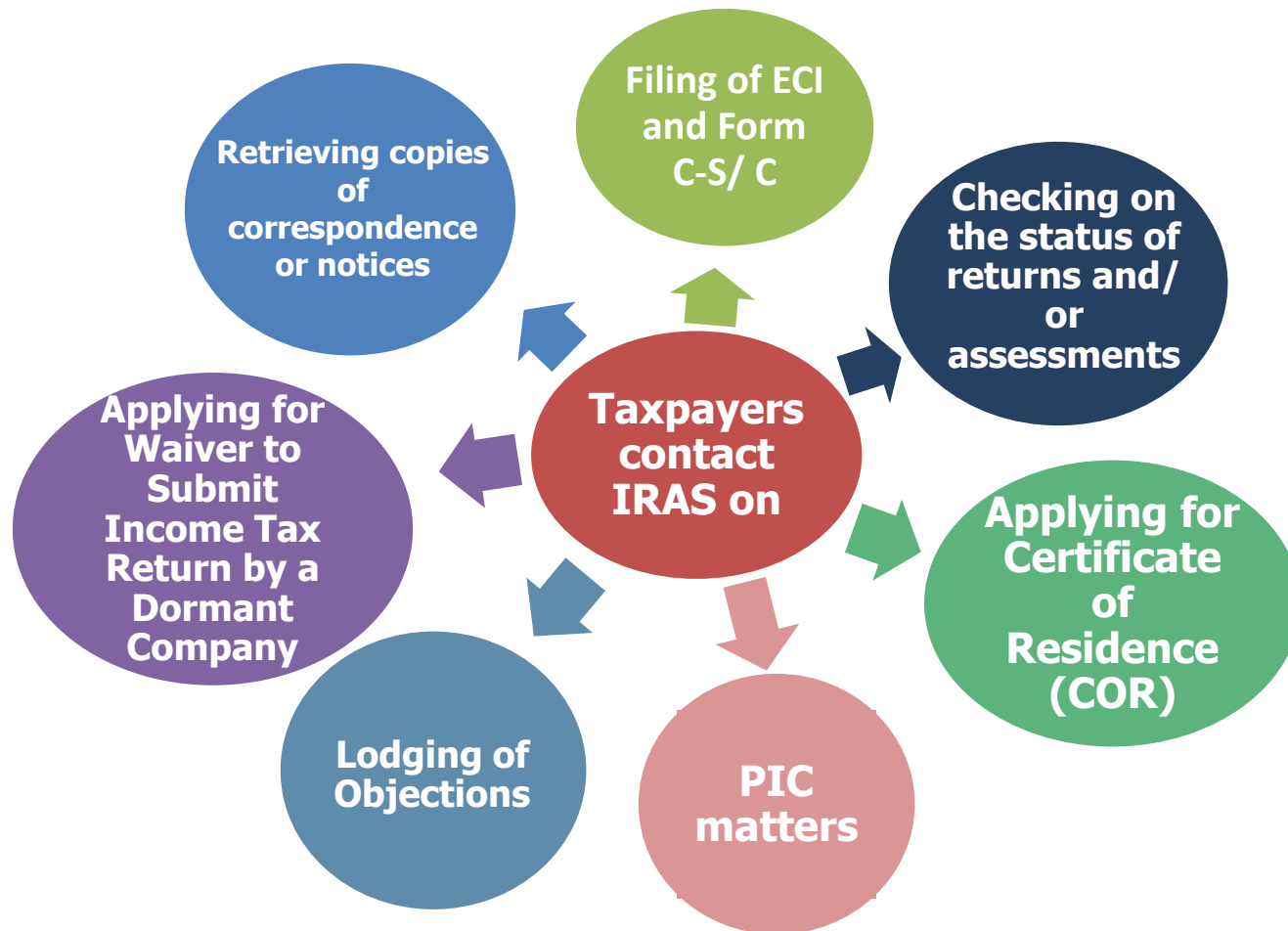
Refer to IRAS' website at iras.gov.sg
Businesses > Companies > Learning the basics of Corporate Income Tax > Basic Guide for New Companies

Tax Filing Obligations

- Using e-Services to Comply



Key Contact Points with IRAS



For the convenience of taxpayers and tax agents, IRAS has developed **a suite of e-Services** for their usage



Corporate Tax e-Services at mytax.iras.gov.sg

Type of e-services	
Filing e-Services	• File Estimated Chargeable Income (ECI) • File Income Tax Return (Form C-S/ C, Dormant Company) • Section 45 (Withholding Tax) e-Services
Object to/ Revise Assessment	• Lodge an objection to the Notice of Assessment or make amendments to the ECI and/ or Form C-S/ C filed
Application e-Services	• Apply for PIC Cash Payout • Apply for Certificate of Residence (COR) • Apply for Waiver to Submit Tax Return (Dormant Company)
Viewing Correspondences/ Status	• View Corporate Tax Notices • View Corporate Tax Filing Status • View PIC Cash Payout Application Status • View Donations • View Research & Development Allowance Account
Payment e-Services	• Payment via internet banking
Update Corporate Profile/ Contact Details	• Update company's particulars, contact details and financial year end
Tax Agent e-Services	• An overview of authorised clients' corporate tax matters, e.g., last completed YA, tax filing status, etc



Tax Agent e-Services

Exclusive for Tax Agents authorized to act on behalf of clients for Corporate Tax matters

- Summary listing on portfolio of clients
- Updates on filing/assessment status of Form C- S/ C, ECI and Last Completed YA
- Links to transactional e-Services
- Mails (i.e. Notices, Letters, myTax Mail)
- Company Dashboard *

* Available for company log-in too



Demo on Basic Tax Calculator (BTC)

BTC for YA 2017

- Form C
- Form C-S

Refer to IRAS' website at iras.gov.sg
Quick Links > Calculators > Corporate Tax



(B)How to Pay Your Tax

Instalment Scheme for Companies

- Under the law, income tax is due within one month after the service of the Notice of Assessment
- As a concession, companies can pay the estimated tax on their ECI by instalments
- A company must sign up for GIRO to enjoy paying its estimated tax by instalments
- More instalments granted if ECI return is submitted early and filed electronically

	Within 1 month from FYE	Within 2 months from FYE	Within 3 months from FYE
e-File	10	8	6
Paper File	5	4	3



FYE: Financial year end

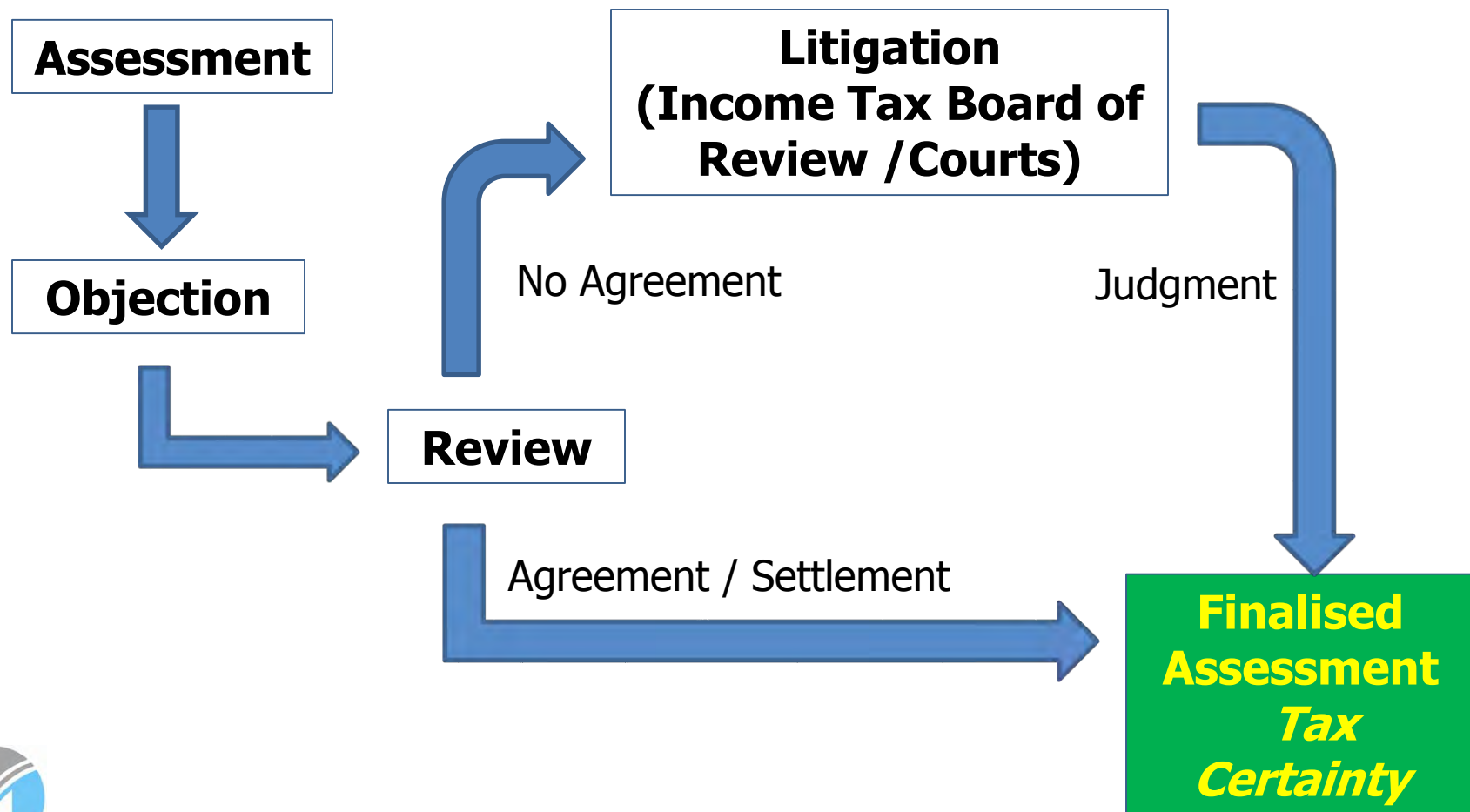
(C) How to Object to Your Notice of Assessment



Objection & Appeal (O&A) Process



Administrative Procedures to Objection & Appeal (O&A) Process



Administrative Procedures to Objection & Appeal (O&A) Process

Assessment

- Comptroller (CIT) issues a Notice of Assessment (NOA), usually accompanied by a tax computation or letter to explain tax adjustments made
- If taxpayer does not agree with NOA, file Objection
- Whether or not objecting to NOA, payment of tax must be made **within 1 month** from date of NOA

Objection

- Limitation of right to object to an Amended Assessment [section 76(2A) of Income Tax Act] to ensure finalisation of assessment
- File objection **within 2 months** from the date of NOA (administrative concession)



Administrative Procedures to Objection & Appeal (O&A) Process

Review

- CIT review and convey its decision on the tax issue under dispute **within 6 months** from the date of receipt of complete information from taxpayer
- Taxpayer has **3 months** from the date of CIT's letter to decide whether to accept CIT's position (re: decision on tax issue under dispute)
- If the dispute is not resolved, Notice of Refusal to Amend (IR 23) will be issued.
- Refer to Appendix to find out scenarios in which IR 23 will be issued

Litigation

- Once Notice of Refusal to Amend (IR 23) is issued, taxpayer has the option to:
 - Drop the objection
 - Pursue objection at Income Tax Board of Review (ITBR), High Court or Court of Appeal (in specified order)
- Should he wish to appeal to ITBR, taxpayer should lodge the Notice of Appeal **within 30 days** from the date of IR 23



Administrative Procedures to Objection & Appeal (O&A) Process

Finalisation

- Assessment is final and conclusive when:
 - Assessment has been made and agreed by taxpayer
 - No valid objection is filed within the statutory time limit or such extension of time allowed
 - No Notice of Appeal has been filed with Income Tax Board of Review or High Court, as the case may be, within the statutory time limit
 - An assessment has been determined on appeal



Administrative Procedures to Objection & Appeal (O&A) Process

Filing an Objection

An objection should provide the following details:

- + Year of Assessment
- + 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
- + Supporting documents

Note: CIT may request revised income tax computation as it will help expedite the review process



Administrative Procedures to Objection & Appeal (O&A) Process

Filing an Objection

Acknowledgement of an Objection via:

- ✚ e-Objection at mytax.iras.gov.sg **Recommended!** – Instant acknowledgement
- ✚ Objection Form – acknowledgement **within 14 days** from date of receipt of Objection Form
- ✚ Letter – no acknowledgement will be issued

Note:

Both e-objection & Objection Form include a list of questions which assists taxpayer to ascertain whether an objection filed is valid or otherwise. Taxpayers/ Tax agents are encouraged to file objections via e-Objection or Objection Form



Administrative Procedures to Objection & Appeal (O&A) Process

Key Points to Note

Extended Objection deadline	• 2 months from date of NOA
Acknowledgement	• Issued for objections filed via e-Objection or Objection Form
CIT's response	• Within 6 months from date of receipt of complete information (exception: complex cases)
Taxpayer's response	• Within 3 months from date of CIT's letter (re: decision on tax issue under dispute)
Notice of Refusal to Amend (IR 23)	• Issued under specific circumstances • CIT will send a final reminder to taxpayer before issuing Notice of Refusal to Amend



(D) What to do if you Discover Errors in Your Tax Declaration

- IRAS' Voluntary Disclosure Programme (VDP)



IRAS Voluntary Disclosure Programme (VDP)

Overview of VDP

- Aims to encourage taxpayers that have made errors in their tax returns to voluntarily come forward to correct their errors and set their tax matters right, in exchange for reduced penalties
- Applicable to
 - Individual Income Tax
 - Corporate Income Tax
 - Goods and Services Tax (GST)
 - Withholding Tax
 - Stamp Duty

Qualifying Conditions

- Voluntary disclosure must be timely, accurate, complete and self-initiated by taxpayer;
- Cooperate fully with IRAS to correct the errors made; and
- Pay or make arrangements with IRAS to pay additional taxes and penalties imposed (if any), and honour such arrangements till all payments are made.



IRAS Voluntary Disclosure Programme (VDP)

Reduced Penalties

Voluntary Disclosure Made

Within 1 year from statutory filing date

> 1 year from statutory filing date

Penalty Treatment

No penalty imposed

Reduced penalty of:

- 5% p.a. for Income Tax*
- Flat 5% for GST and Withholding Tax

* For Income Tax, reduced penalty is 5% of tax undercharged for each year that income was late in being brought to tax.

Stamp Duty: For a voluntary disclosure pertaining to late stamping or underpayment of Stamp Duty that meets the qualifying conditions under IRAS' Voluntary Disclosure Programme, the reduced penalty is 5% p.a. computed on a daily basis on the stamp duty payable. There is no grace period applicable to Stamp Duty.

Refer to IRAS website for more information on VDP:

[Home > Businesses > Companies > Getting it Right > Voluntary Disclosure of Errors for Reduced Penalties](#)

(E) Record Keeping Requirements

Benefits of Keeping Proper Records

1

- **Better internal control of your business**
 - Better financial management > Better business management
 - > Higher profitability

2

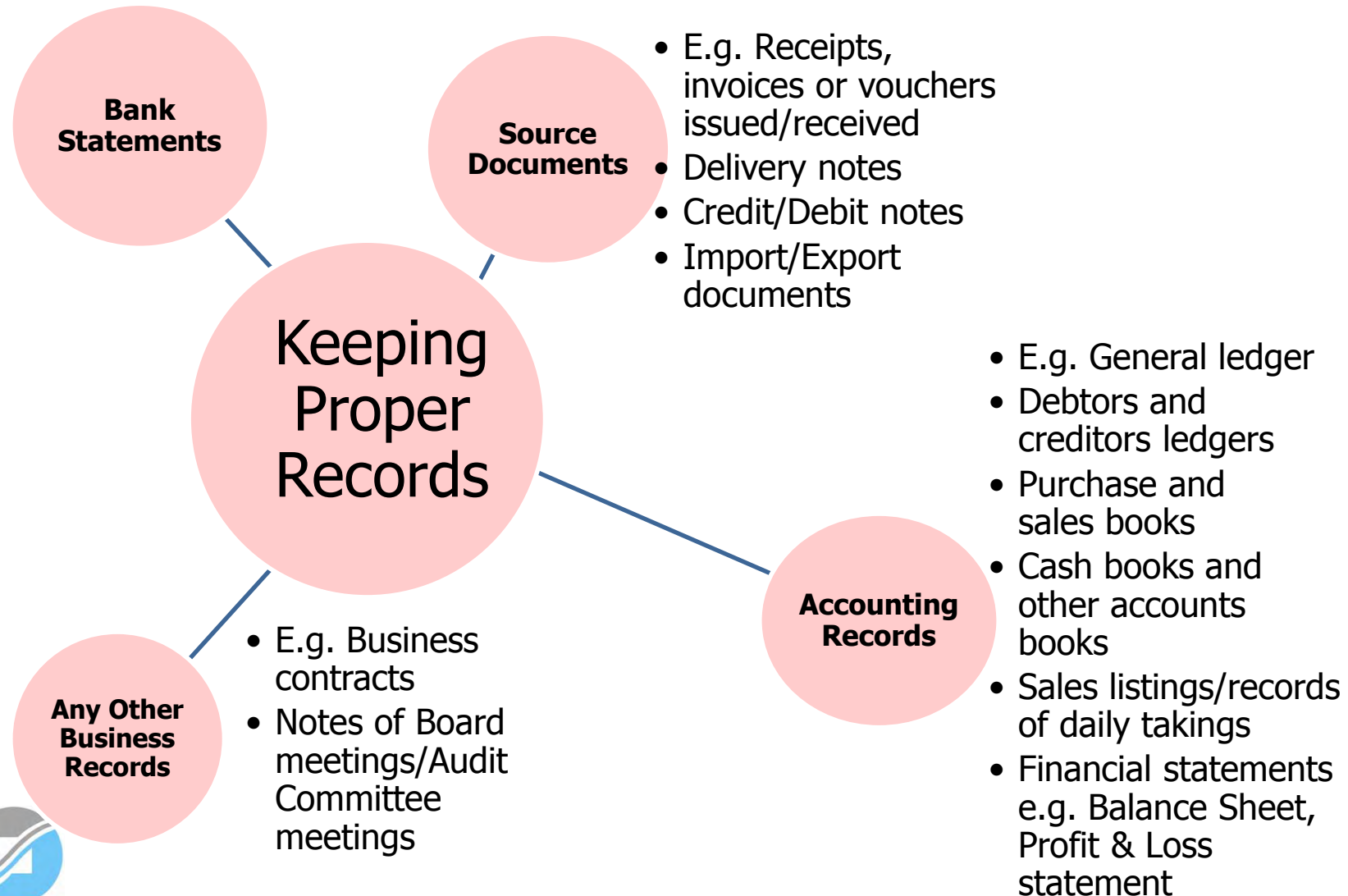
- **Better able to detect business losses, internal fraud and theft**

3

- **Easier and faster to file tax returns and deal with IRAS' queries, if required**



Keeping Proper Records



Keeping Proper Records

✚ **All business transactions must be supported by source documents**

Manual Records

Records of business transactions in physical form

Electronic Records

Records of business transactions using computer software (including accounting software)



Record Keeping requirements

Regardless of whether assessment is finalised, records have to be kept and retained for:

- At least 5 years for financial periods ending on or after 1 Jan 2007 e.g. Records for period 1 Jul 2015 to 30 Jun 2016 (YA 2017) should be kept up to 31 Dec 2021
- At least 7 years for financial periods ending before 1 Jan 2007

Records cannot be discarded even if Notice of Assessment is received

IRAS may request records for verification purposes



Record Keeping requirements

Estimates of income and expenses are not acceptable for tax purposes

Failure to keep proper records:

- Fined up to \$1,000 per Year of Assessment
- Imprisoned for up to 6 months



Record-Keeping Tips

From the start of your business, set up a good filing system for your paperwork

Obtain source documents at the point of transaction

Record business transactions accurately and regularly

Be sure to record business expenses separately from personal expenses

Make sure records can be understood by anyone



Need Help with Record Keeping?

Accounting Software Register **Recommended!**

- Companies are required to keep proper records and accounts of business transactions
- Using an accounting software can help businesses improve record-keeping, comply with tax obligations and the information captured in the software can improve business operations
- Register lists the accounting software that are able to meet IRAS' technical requirements
- Businesses considering to use an accounting software are encouraged to consider those on the Register

Record Keeping Self-Assessment Toolkit

- Easy-to-use toolkit to help you self-assess your record keeping standard
- Easy-to-understand tips for improvement

Refer to IRAS' website at iras.gov.sg

- [Businesses > Companies > Getting it right > IRAS Accounting Software Register](#)
- [Business > Learning the Basics of Corporate Income Tax > Business Records That Businesses Must Keep](#)



(F) Keeping Your Company's Particulars Up-To-Date

+ Particulars that must be kept up-to-date:

- ☐ Update Corporate Profile/ Contacts & Alerts
- ☐ Business activity (i.e. SSIC Code)
- ☐ Address of the Company's registered office
- ☐ Company's financial year end (FYE)

+ 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 Forms and Notices will be sent to the company's registered office
- ☐ 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

Update Corporate Profile/ Contacts & Alerts/ Financial Year End

- Company's staff or tax agent who have been authorised with an 'Approver' role can also update the company's:
 - contact details (i.e. name of contact person, telephone number and email address), and
 - financial year end
- The contact details and financial year end will be updated immediately upon successful submission
- View the companies' particulars and contact details (e.g. company's status, registered office address, financial year end and telephone number) at mytax.iras.gov.sg

For new companies

Update your financial year end if it is not 31 Dec



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:

- Inform ACRA via www.bizfile.gov.sg on the change of the company's particulars
- Email IRAS at ctmail@iras.gov.sg to inform us the company's new business activity and the effective date of change



Company's Registered Address

- ☑ View your address at the e-Service "**Update Corporate Profile/Contact Details**" at mytax.iras.gov.sg

If the address is not that of your company's registered office, you will need to:

- Inform ACRA via www.bizfile.gov.sg on the change of the company's particulars. There is no need to inform IRAS separately
- For urgent updating by IRAS, email us (**ctmail@iras.gov.sg**) the details:
 - ☐ Company's tax reference number;
 - ☐ Company's name; and
 - ☐ Company's new address that has been updated with ACRA



Others

A. Budget 2017 Highlights

B. Q & A



Key Tax Changes announced during Budget & COS 2017

Tax Changes	Summary
Enhancing and Extending the Corporate Income Tax ("CIT") Rebate	- CIT rebate cap will be raised from \$20,000 to \$25,000 for YA 2017, rebate rate unchanged at 50% of corporate tax payable - Extended to YA 2018, at a reduced rate of 20% of tax payable and capped at \$10,000
Withdrawing the Tax Deduction for Computer Donation Scheme	Scheme will be withdrawn after 20 Feb 2017.
Introducing a safe harbour rule for payments under Cost Sharing Agreements ("CSAs") for R&D projects	Companies can opt to claim tax deduction under Section 14D for 75% of the payments made under a CSA incurred for qualifying R&D projects instead of examining the cost breakdown of the expenditure covered by the CSA payments to exclude disallowable amounts
Increase in Revenue Threshold for Form C-S Filing and ECI Waiver	As announced by MOF on 7 Mar 2017, IRAS will increase the annual revenue threshold from the current \$1 million to \$5 million for: Form C-S (simplified tax return): - Effective YA 2017, companies with annual revenue of \$5 million and below may file Form C-S - All other conditions remain unchanged Waiver to file ECI criteria - Coy's FYE in or before Jun 2017 – Annual revenue $\leq$ \$1 million and ECI NIL - Coy's FYE in or after Jul 2017 – Annual revenue $\leq$ \$5 million and ECI NIL



Refer to IRAS' website at iras.gov.sg for the full list
 News & Events > Singapore Budget > Budget 2017 – Overview of Tax Changes

Assistance and Service Channels

Website iras.gov.sg

- Home > Businesses > Companies
- Home > News & Events > Budget 2017 – Overview of Tax Changes

Email

- ctmail@iras.gov.sg for general tax matters
- ctpayment@iras.gov.sg for payment matters
- picredit@iras.gov.sg for Productivity and Innovation Credit

Helpline

- For companies: 1800-356-8622
- For self-employed/partnership: (+65) 6351 3534
- 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



Facebook.com/irassg





Please complete our online Feedback Form here after the seminar:
<https://www.iras.gov.sg/irashome/Feedback/Feedback-Form-Company-s-Tax-Obligations-Seminar/>

Your feedback will assist us in planning and organising our future seminars.

This information aims to provide a better general understanding of IRAS' practices and is not intended to comprehensively address all possible tax issues that may arise. This information is correct as at June 2017. 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 our position accordingly.



Appendix



PIC IT and Automation Equipment



PIC IT and Automation Equipment

Current Automation Equipment in "PIC IT and Automation Equipment List" includes:

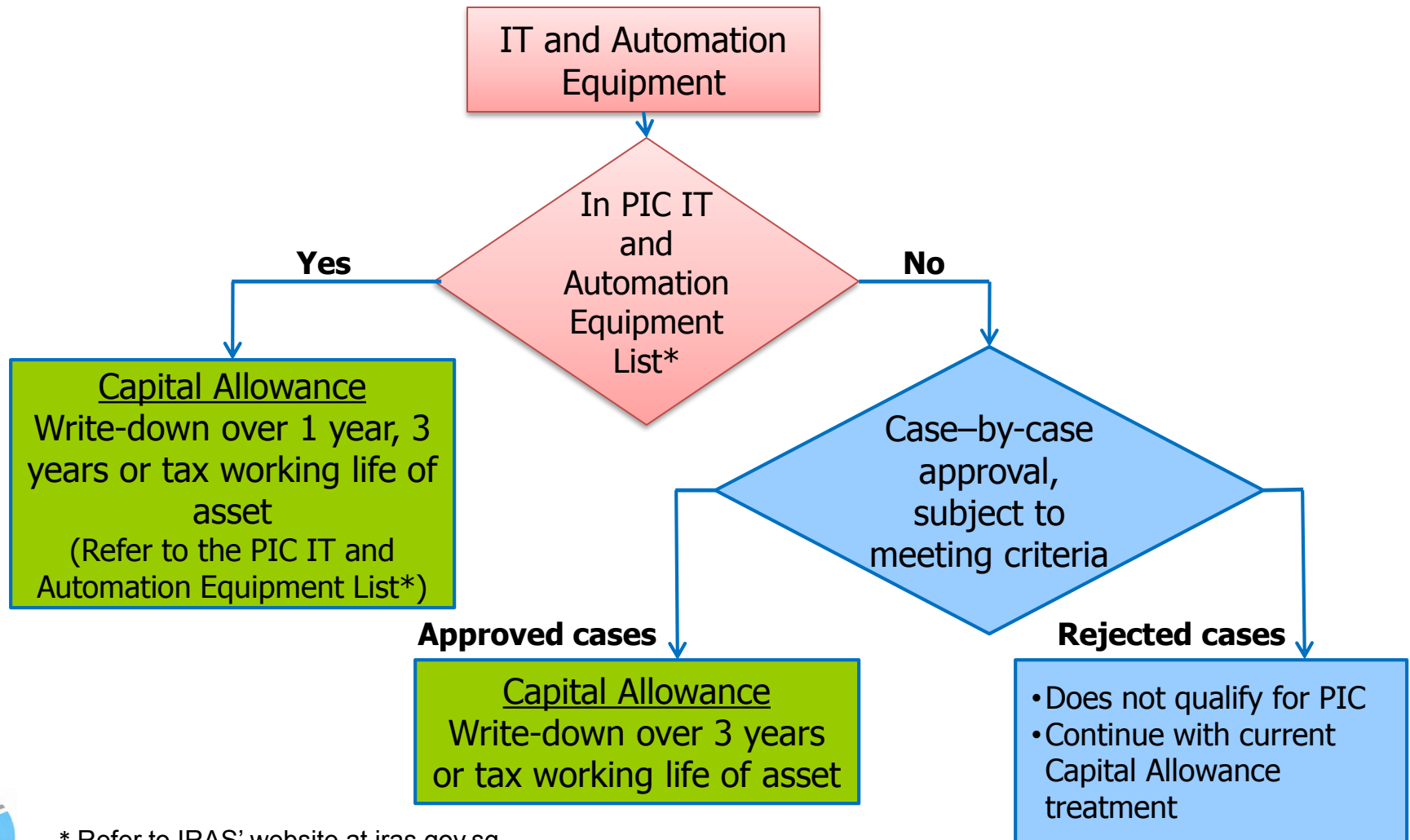
- Facsimile
- Optical character reader
- Laser printer
- Mainframe/Computers
- Milling machines
- Office system software
- Automatic storage and retrieval system of warehouses
- Injection mould machines
- Automotive navigation systems
- Automated kitchen equipment for the purpose of food processing (for F&B industry only)
- Interactive shopping carts
- Automated housekeeping equipment
- Automated seating systems for convention or exhibition centre
- Self-climbing scaffold system
- Concrete pumps

More examples are available at IRAS website

Use our **PIC IT and Automation Equipment Search** function to find out whether your equipment qualifies for PIC benefits. Simply open the file, key in your equipment in the box and hit "Enter" to find out if your equipment qualifies for PIC.

[Schemes>Businesses>Productivity and Innovation Credit Scheme> Acquisition and Leasing of PIC IT and Automation Equipment](#)

Flowchart on PIC IT and Automation Equipment



* Refer to IRAS' website at iras.gov.sg
<Schemes><Businesses><Productivity and Innovation Credit Scheme>

Case-by-case approval

For equipment not in the PIC IT and Automation Equipment List, you can apply to IRAS to have the equipment approved on a case-by-case basis

From Year of Assessment (YA) 2013, IRAS will grant approval of IT and Automation Equipment on a case-by-case basis if all the following criteria are met:

- a) The equipment automates or mechanises the business' work process(es) and
- b) The equipment enhances productivity of the business (e.g. reduced man-hours, more output or improved work processes)

You can submit the Application for Approval of Equipment for PIC Form to IRAS (available on IRAS website) two months before the return filing due date or earlier. It will be processed within 3 weeks of receipt of form, provided all information is submitted.



Cut-off Date for Submitting Case-by-case approval

As PIC scheme will expire after YA 2018, businesses which wish to apply for case-by-case approval **prior** to incurring the expenditure for greater certainty that the equipment qualifies for PIC benefits, need to submit applications by following cut-off dates:

Financial year-end	Last date of receipt of case-by-case application	Estimated date on outcome of application
31 Jul	3 Jul 2017	24 Jul 2017
30 Sep	31 Aug 2017	22 Sep 2017
31 Dec	1 Dec 2017	22 Dec 2017



Note: The acquired equipment must be delivered by the last day of the business's financial year for the expenditure to qualify for PIC cash payout benefits

Claiming Capital Allowance (CA) on PIC IT and Automation Equipment

The table below shows the period over which the base (100%) and enhanced (300%) CA can be written down:

Cost per item of equipment	Type of equipment		
	Items 1 to 29 of the List *	Items 30 to 40 of the List *	Approved for PIC on case-by-case basis (i.e. not in the List)
Cost \$5,000 # or less per item	Write down over: • One year; • Three years; or • Tax working life	Write down over: • One year • Three years; or • Tax working life	Write down over: • One year • Three years; or • Tax working life
Cost more than \$5,000 per item		Write-down over: • Three years; or • Tax working life	Write-down over: • Three years; or • Tax working life

* Refer to the PIC IT and Automation Equipment List on IRAS' website at www.iras.gov.sg:

[Schemes>Businesses>Productivity and Innovation Credit Scheme](#)

Low-value assets can be written off in one year subject to a maximum cap of \$30,000 per YA. For details on how to claim CA on low-value assets, please refer to [Home>Businesses>Companies>Working out Corporate Income Taxes>Claiming Allowances>Capital Allowance>100% Write-off in One Year \(Section 19A\)](#).

Objection & Appeal (O&A) Process



Administrative Procedures to Objection & Appeal (O&A) Process

Section 76(2A):

If the objection is made to any assessment, being one which:

(a) is made on or after the date the Income Tax (Amendment) Act 2011 is published in the Gazette; and

(b) amends a previous assessment in any particular,

then a person's right to object to the assessment is limited to a right to object against the assessment in respect of, or matters relating to, that particular.



Administrative Procedures to Objection & Appeal (O&A) Process

Review Stage

- ✚ To ensure closure of an objection, Notice of Refusal to Amend (IR 23) will be issued when:
 - Taxpayer does not reply to CIT's decision on the tax issue under dispute
 - Taxpayer's agreement to CIT's decision is qualified
 - Taxpayer does not provide information **after 2 years** from date of receipt of objection

Note: *CIT has adequate guidelines/ internal procedures to ensure Notice of Refusal to Amend are issued judiciously (eg. reminders will be sent to taxpayer before issuing the Notice of Refusal to Amend)*

