

# Singapore

Singapore has met all aspects of the terms of reference (OECD, 2017<sup>[3]</sup>) (ToR) for the calendar year 2019 (year in review) and no recommendations are made.

Singapore can legally issue five types of rulings within the scope of the transparency framework.

In practice, Singapore issued rulings within the scope of the transparency framework as follows:

- 1 008 past rulings;
- For the calendar year 2017: 85 future rulings;
- For the calendar year 2018: 222 future rulings; and
- For the year in review: 274 future rulings.

Peer input was received from five jurisdictions in respect of the exchanges of information on rulings received from Singapore. The input was positive, noting that information was complete, in a correct format and almost all received in a timely manner.

## A. The information gathering process

976. Singapore can legally issue the following five types of rulings within the scope of the transparency framework: (i) preferential regimes;<sup>1</sup> (ii) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (iii) rulings providing for unilateral downward adjustments; (iv) permanent establishment rulings; and (v) related party conduit rulings.

977. For Singapore, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2015 but before 1 April 2017; or (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as at 1 January 2015. Future rulings are any tax rulings within scope that are issued on or after 1 April 2017.

978. In the prior years' peer review reports, it was determined that Singapore's undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Singapore's review and supervision mechanism was sufficient to meet the minimum standard. Singapore's implementation remains unchanged, and therefore continues to meet the minimum standard.

979. Singapore has met all of the ToR for the information gathering process and no recommendations are made.

## B. The exchange of information

980. In the prior years' peer review reports, it was determined that Singapore's process for the completion and exchange of templates were sufficient to meet the minimum standard. With respect to past rulings, no further action was required. Singapore's implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

981. Singapore has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011<sup>[4]</sup>) ("the Convention"), and (ii) bilateral agreements in force with 82 jurisdictions.<sup>2</sup>

982. For the year in review, the timeliness of exchanges is as follows:

Future rulings in the scope of the transparency framework	Number of exchanges transmitted within three months of the information becoming available to the competent authority or immediately after legal impediments have been lifted	Delayed exchanges		
		Number of exchanges transmitted later than three months of the information on rulings becoming available to the competent authority	Reasons for the delays	Any other comments
	986	5	A minor delay of two months was experienced for five exchanges due to human error by new staff members.	This issue has been rectified through further training of the relevant personnel, and is not expected to recur.
<b>Total</b>	986	5		

Follow up requests received for exchange of the ruling	Number	Average time to provide response	Number of requests not answered
	3	57 days	0

983. Singapore has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Singapore has met all of the ToR for the exchange of information process and no recommendations are made.

## C. Statistics (ToR IV)

984. The statistics for the year in review are as follows:

Category of ruling	Number of exchanges	Jurisdictions exchanged with
Ruling/letters of awards related to a preferential regime	978	Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China (People's Republic of), Colombia, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Guernsey, Hong Kong (China), Hungary, India, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malaysia, Mauritius, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Saudi Arabia, Seychelles, Slovak Republic, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, Uruguay
Cross-border unilateral advance pricing agreements (APAs) and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles	13	China (People's Republic of), India, Japan, Korea, Malaysia, Netherlands, Sweden, Switzerland, Uruguay
Cross-border rulings providing for a unilateral downward adjustment to the taxpayer's taxable profits that is not directly reflected in the taxpayer's financial / commercial accounts	0	N/A
Permanent establishment rulings	0	N/A
Related party conduit rulings	0	N/A
<i>De minimis</i> rule	4	N/A
IP regimes: total exchanges on taxpayers benefitting from the third category of IP assets, new entrants benefitting from grandfathered IP regimes; and taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption	<i>De minimis</i> rule applies	N/A
<b>Total</b>	995	

## D. Matters related to intellectual property regimes (ToR I.4.1.3)

985. Singapore has two preferential regimes, which also offered benefits to income from intellectual property (IP regimes).<sup>3</sup> The IP parts of both regimes were abolished as of 30 June 2018 and are subject

to transparency requirements under the Action 5 Report (OECD, 2015<sup>[1]</sup>). It states that the identification of the benefitting taxpayers occurred as follows:

- **New entrants benefitting from the grandfathered IP regime:** Transparency obligations apply for the two IP regimes, because grandfathering is provided to entrants that entered the regime after the relevant date from which enhanced transparency obligations apply. New entrants include both (i) new taxpayers not previously benefitting from the regimes and (ii) new IP assets owned by taxpayers already benefitting from the regimes. Singapore's approach is described in detail in the prior year's report and which meets the ToR. Four exchanges occurred during the year in review, in addition to seven exchanges in the previous year. Singapore has now completed the identification and exchange of all new entrants to the grandfathered IP regimes.
- **Third category of IP assets:** not applicable as the IP regimes have been abolished.
- **Taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption:** not applicable as the IP regimes have been abolished.

986. Singapore offers an IP regime<sup>4</sup> which came into effect from 1 July 2018. It is noted that this regime is not subject to the transparency requirements under the Action 5 Report (OECD, 2015<sup>[1]</sup>), because:

- **New entrants benefitting from the grandfathered IP regime:** the regime is a new nexus-compliant regime and therefore there is no grandfathered IP regime for which enhanced transparency requirements will apply.
- **Third category of IP assets:** not applicable as the regime does not allow the third category of IP assets to qualify for the benefits.
- **Taxpayers making the use of the option to treat the nexus ratio as a rebuttable presumption:** not applicable as the regime does not allow the nexus ratio to be treated as a rebuttable presumption.

## Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

## References

- OECD (2017), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <http://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [3]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241190-en>. [1]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264115606-en>. [4]

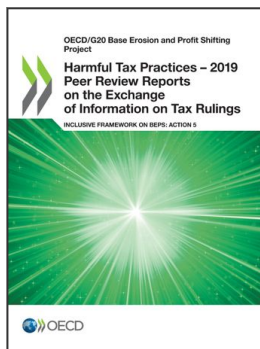
## Notes

<sup>1</sup> 1) Development and expansion incentive - services, 2) Pioneer service company, 3) Aircraft leasing scheme, 4) Finance and treasury centre, 5) Insurance business development, 6) Financial sector incentive, 7) Global trader programme.

<sup>2</sup> Parties to the Convention are available here: [www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm](http://www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm). Singapore also has bilateral agreements with Albania, Australia, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Brunei Darussalam, Bulgaria, Cambodia, Canada, China (People's Republic of), Cyprus, Czech Republic, Denmark, Ecuador, Egypt, Estonia, Ethiopia, Fiji, Finland, France, Georgia, Germany, Ghana, Guernsey, Hungary, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Kazakhstan, Korea, Kuwait, Lao People's Democratic Republic, Latvia, Libya, Lithuania, Luxembourg, Malaysia, Malta, Mauritius, Mexico, Mongolia, Morocco, Myanmar, Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Papua New Guinea, Philippines, Poland, Portugal, Qatar, Romania, Russia, Rwanda, San Marino, Saudi Arabia, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, Uruguay, Uzbekistan and Viet Nam.

<sup>3</sup> 1) Pioneer service company and 2) Development and expansion incentive – services.

<sup>4</sup> IP development incentive.



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