

# Singapore

Singapore has met all aspects of the terms of reference (OECD, 2021<sup>[3]</sup>) (ToR) for the calendar year 2020 (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:

Type of ruling	Number of rulings
Past rulings	1 008
Future rulings in the calendar year 2017	85
Future rulings in the calendar year 2018	222
Future rulings in the calendar year 2019	274
Future rulings in the year in review	211

Peer input was received from six jurisdictions in respect of the exchanges of information on rulings received from Singapore. The input was generally positive, noting that overall information was complete, in a correct format and almost all received in a timely manner. Two peers noted that exchanges on rulings were not timely, which is reflected in the report.

## A. The information gathering process (ToR I.A)

1011. 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.

1012. 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.

1013. 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.

1014. Singapore has met all of the ToR for the information gathering process and no recommendations are made.

## B. The exchange of information (ToR II.B)

1015. 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.

1016. Singapore has international agreements permitting spontaneous exchange of information, including being a party to (i) the *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 84 jurisdictions.<sup>2</sup>

1017. For the year in review, the timeliness of exchanges is as follows:

Future rulings within 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
	504	91	See below	N/A

Follow up requests received for exchange of the ruling	Number	Average time to provide response	Number of requests not answered
	1	37 days	0

1018. Singapore explained that most of the delays for the exchanges were due to a system error, as some files were not processed by the system. This error was discovered when the system reports showed that there were delayed exchanges. The delayed exchanges have been completed in the year in review,

with an average delay of 49 days. The system issue has also been resolved. In addition, there were two delayed exchanges arising from the need to seek clarification with regard to the legal basis for spontaneous exchange of information under one of the new bilateral agreements that entered into force in the year in review. Once the clarification was obtained, Singapore completed the exchanges and these two exchanges were delayed by seven days. As the majority of Singapore's exchanges were conducted within FHTP timelines, and the delays were due to issues that are not anticipated to be recurring issues and were already solved during the year in review, no recommendation is made.

1019. 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)

1020. 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	585	Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China (People's Republic of), Colombia, Denmark, France, Germany, Hong Kong (China), Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Jersey, Korea, Luxembourg, Malaysia, Malta, Mauritius, Mexico, Netherlands, New Zealand, Norway, Panama, Poland, Russia, Saudi Arabia, Seychelles, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States
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	10	Australia, France, Hong Kong (China), Japan, Korea, Malaysia, Netherlands
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
<b>Total</b>	<b>595</b>	

## D. Matters related to intellectual property regimes (ToR I.A.1.3)

1021. 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, and Singapore has completed the exchanges during the prior years in review.
- **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.

1022. 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 (2021), *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 (ed.) (2017b), *Harmful Tax Practices - 2017 Progress Report on Preferential Regimes*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264283954-en>. [2]
- 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]

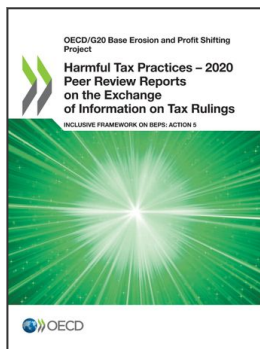
## Notes

<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> Participating jurisdictions 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, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, United States, 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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