

Singapore Corporate Tax



SINGAPORE CORPORATE TAX



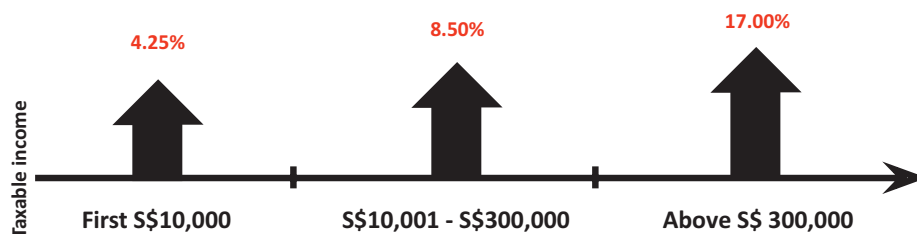
New Startup Companies* for First 3 Years of Assessment



* Qualifying conditions:

- No more than 20 individual shareholders throughout basis period for that YA
- All of whom are individuals beneficially and directly holding the shares in their names; OR
- Where there are non-individual shareholders, at least 1 shareholder is an individual holding at least 10% of the shares.

For All Other Companies - Partial Tax Exemption



“Companies that do not meet the qualifying conditions would still be eligible for partial tax exemption.”

TAX-FREE DIVIDEND

Tax paid by a company on its chargeable income is the final tax and all dividends paid to its shareholders are exempt from further taxation.

0%

NEW STARTUP COMPANIES FOR FIRST THREE YEARS OF ASSESSMENT

| Chargeable Income (\$) | Estimated Tax (S\$) | Effective tax rate |
|------------------------|---------------------|--------------------|
| 100,000 | 0 | 0% |
| 200,000 | 8,500 | 4.25% |
| 300,000 | 17,000 | 5.67% |
| 400,000 | 34,000 | 8.50% |
| 500,000 | 51,000 | 10.20% |
| 600,000 | 68,000 | 11.33% |
| 700,000 | 85,000 | 12.14% |
| 800,000 | 102,000 | 12.75% |
| 900,000 | 119,000 | 13.22% |
| 1,000,000 | 136,000 | 13.60% |
| 5,000,000 | 816,000 | 16.32% |
| 10,000,000 | 1,666,000 | 16.66% |

ALL OTHER COMPANIES PARTIAL TAX EXEMPTION

| Chargeable Income (\$) | Estimated Tax (S\$) | Effective tax rate |
|------------------------|---------------------|--------------------|
| 100,000 | 8,075 | 8.08% |
| 200,000 | 16,575 | 8.29% |
| 300,000 | 25,075 | 8.36% |
| 400,000 | 42,075 | 10.52% |
| 500,000 | 59,075 | 11.82% |
| 600,000 | 76,075 | 12.68% |
| 700,000 | 93,075 | 13.30% |
| 800,000 | 110,075 | 13.76% |
| 900,000 | 127,075 | 14.12% |
| 1,000,000 | 144,075 | 14.41% |
| 5,000,000 | 824,075 | 16.48% |
| 10,000,000 | 1,674,075 | 16.74% |

CAPITAL GAINS TAX

Gains that are of a capital nature are not taxed in Singapore. However, where there is a series of transactions or where the holding period of an asset is relatively short, IRAS may take the view that a business is being carried on and attempt to assess the gains as trading profits of the company.

WITHHOLDING TAX ON PAYMENTS TO NON-RESIDENTS

Since a non-resident is liable to pay income tax on Singapore-sourced income, any person making payment of a specified nature to a non-resident has to withhold a certain percentage of that payment as “Withholding taxes”.

| Dividends | Exempt |
|---------------------------------------|---------------|
| Interest | 15% |
| Royalties | 10% |
| Company director’s remuneration | 20% |
| Technical assistance and service fees | 17% |
| Rent on moveable property | 15% |
| Management fees | 17% |
| Charter fees for ship or aircraft | 0 - 2% |

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