

SINGAPORE CORPORATE TAX

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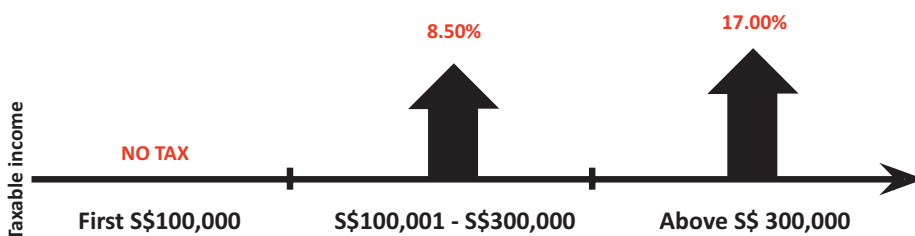


SINGAPORE CORPORATE TAX



Singapore's tax regime recognizes the importance of easing cashflow for startup companies in their initial years of operation. Therefore, Singapore extends support in the form of sizeable exemptions.

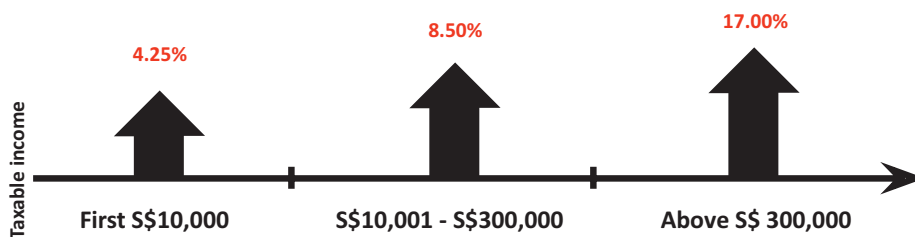
New Startup Companies* for First 3 Years of Assessment



* 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%

Due to tax exemption schemes, the effective tax rates in Singapore are one of the lowest worldwide and unlike any other jurisdictions, Singapore is widely respected and well-recognized for its rule of law, transparency and world-class standards.

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%

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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” being deemed as Singapore-sourced income.

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%

Online Resources

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