

# SINGAPORE

As per 1 January 2018

## EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

<b>Personal Income Tax Rates – Employment Income</b>	<p>Progressive resident tax rates: 0% to 22% (Income S\$20,000 and below will not be taxed) Non-residents are taxed at a flat rate of 15% or the progressive resident tax rates for employment income. For taxes on Director's fee and director's remuneration are taxed at 22% for non-residents. For the Year of Assessment 2019 (i.e. income earned in calendar year 2018), there will be a Personal Income Tax Rebate of 50% of tax payable granted to all tax resident individuals (capped at S\$200 per taxpayer).</p>
<b>Tax period</b>	Calendar year
<b>Tax residency / Domicile according to domestic law</b>	<p>A person will be treated as a Singapore tax resident if he/ she fulfills any of the following conditions:</p> <ul style="list-style-type: none"><li>• He/she is a Singapore Citizen or Singapore Permanent Resident who resides in Singapore except for temporary absences; or</li><li>• He/she is a foreigner who is physically present or who exercises an employment in Singapore (excludes director of a company) for 183 days or more during the year preceding the year of assessment.</li></ul>
<b>Tax registration</b>	Not required, although separate request for income tax return may be required.
<b>Employment income definition</b>	<p>All income derived by an employee from his employment which includes salaries, bonuses, allowances, pension/ provident fund contributions made by employer, director's fee, commission, benefits-in-kind, salary in-lieu of notice/ notice pay as compensation for early resignation or early termination of contract, tax paid by employer. Certain income may not be taxable, e.g. payments for restrictive covenants, compensation for loss of office and other benefits where are granted administrative concession.</p>
<b>Examples of tax exemption</b>	<p>Singapore operates on a territorial basis of taxation. That said, any income accrued in or derived from Singapore is subject to tax in Singapore. Foreign income received in Singapore in the hands of a tax resident individual is exempt from tax in Singapore. Some benefits-in-kind are exempt from tax under administrative concession (subject to certain conditions):</p> <ul style="list-style-type: none"><li>• Benefits that foster goodwill or promote wellbeing among staff;</li><li>• Benefits/ perquisites relating to employee's health etc.</li></ul>
<b>Specific expatriate concession</b>	<p>Tax concessions for expatriates are made under the Not Ordinarily Resident ("NOR") Scheme, Area Representative Scheme, etc. However, please note that the NOR Scheme will lapse after YA 2020 (i.e. the last NOR status will be granted for YA 2020 and expire in YA 2024).</p>
<b>Income of board members</b>	Generally, director's fee are sourced from the country where the company is resident.
<b>Tax returns</b>	Tax returns should be filed by 18 April (e-filing) or 15 April (paper filing) unless further extension has been granted by the Singapore tax authority. We will typically apply for the extension up till end of June upon request.
<b>Tax payments</b>	<p>Payment of taxes must be made within one month from the date of the Notice of Assessment, regardless if any objection is to be made. Payment modes include via GIRO, credit card, various electronic payment modes and telegraphic transfer.</p>

## TAX TREATIES

Employment income / income from board members	Art 15/16 Model OECD Tax treaties
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## INTERNATIONAL SOCIAL SECURITY

Cross border employments	Employer is required to make mandatory contribution to the Central Provident Fund (CPF) for Singapore citizen or Singapore Permanent Resident. When the Singapore citizen or Singapore Permanent Resident leaves Singapore for overseas employment, the employer does not need to make mandatory contribution to the CPF and the individual can make voluntarily CPF contribution up to a capping limit.
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Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Not applicable
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Social Security Cost as % from gross salary and absolute amounts	It is a percentage on the gross salary based on the age range for mandatory CPF contribution.
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## IMMIGRATION

Work permit	All foreigners who intend to work in Singapore must have a valid pass before they start work. There are various types of passes (employment pass, S-pass, etc) for different categories of non-residents which include professionals, skilled and semi-skilled workers, trainees and students and family members.
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Visa	Depending on the nationality, a visa may need to be applied. Depends on the purpose of staying/living in Singapore, different passes can be applied (such as dependent pass, long-term visit pass, student visa). Each pass has its own restricted activities conducted in Singapore. Depends on the passport holder, a visa to enter into Singapore may be required.
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Residency permits / registration certificate	See above
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Driving license	If you hold a driving licence that was issued outside of Singapore, you should check whether you need to convert your foreign driving licence to a Singapore driving licence before you begin driving in Singapore.
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STOCK OPTION PLAN	Specific tax rules on gains arising from Employee Share Options and other forms of Employee Share Ownership would be applied.
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## ARTICLE 15 OF THE OECD MODEL

183 days	Yes
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Notion of employer	More 'inclined' to take an economic employer interpretation approach.
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Existence of a permanent establishment	Depends on the employment relationship between the employer and employee for which the employee may create a permanent establishment for the employer in another jurisdiction based on the level of activities performed/conducted.
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