

Personal Tax 2018

At a Glance

Singapore has a progressive tax system and has a territorial policy meaning that individuals are taxed on income generated in Singapore and foreign sourced income which is remitted into Singapore. Singapore has, however, gradually made the jurisdiction more attractive by providing a number of exemptions to encourage repatriation of income earned abroad. Foreign individuals who are not resident in Singapore for the purpose of taxation can remit funds into Singapore without creating a tax liability.

Tax resident or non-resident?

You will be treated as a tax resident for a particular Year of Assessment (YA) if you are a:

- Singaporean who normally resides in Singapore except for temporary absences; or
- Singapore Permanent Resident (SPR) who has established your permanent home in Singapore; or
- Foreigner who has stayed / worked in Singapore for 183 days or more in the year*.

*temporary absences may be included in the day count.

As a resident:

- You will be taxed on all income earned in Singapore;
- Your income, after deduction of tax reliefs, will be taxed at progressive resident rates;
- Your foreign-sourced income (unless received through partnerships in Singapore) brought into Singapore on or after 1 Jan 2004 is tax exempt;
- You are required to file an Income Tax Return for Residents Form.

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Resident Individuals

Under Singapore's tax residency rules, you will be regarded as a tax resident for the calendar year(s) concerned if you stay or work in Singapore:

- for at least 183 days in a calendar year; or
- for at least 183 days for a continuous period over two years (applies to foreign employees only who have entered Singapore from 1 Jan 2007 but excludes directors of a company, public entertainers or professionals), you will be considered resident for two calendar years; or
- for at least 183 days continuously for three consecutive years even if you are not present in Singapore for 183 days in the first and third year, (applies to foreign employees only), you will be considered resident for three calendar years.

The number of days in Singapore includes weekends and public holidays. Any absences from Singapore that are temporary (e.g. vacation) or incidental to your Singapore employment (e.g. business trips) are still regarded as employment exercised in Singapore for the purpose of determining your tax residency. As a tax resident you will be taxed at progressive resident rates (see below).

What is Chargeable and what is not Chargeable?

Taxable	Not Taxable
<ul style="list-style-type: none"> • Employment income, including salary, bonus, director fees, commission, employer pension contribution outside Singapore (concession available), benefits in kind (concessions available) including the provision of accommodation, waiver of loans, car related benefits, profits arising from the exercise of shares under ESOP, profits arising from the vesting of other ESOW, retirement benefits and overseas employment which is incidental to your Singapore employment. • Income from overseas received through partnerships in Singapore, trade/business income overseas which is incidental to your Singapore trade, service income from overseas which is not exempt (generally in dealings with a low tax jurisdiction). • Income received as a self-employed person. • Interest from non-approved banks, loans to companies. • Rent from property in Singapore. • Annuities received from the following sources: <ul style="list-style-type: none"> - from carrying on a trade, business or profession or through a partnership in Singapore - Supplementary Retirement Scheme (SRS) - Annuity policy bought by your employer, in place of a pension or other employment benefits which are payable to you during employment or upon retirement. • Estate/trust income. • Royalties earned in Singapore (paid by a person resident in, or a permanent establishment in Singapore). • SRS withdrawal. 	<ul style="list-style-type: none"> • Payments connected with employment including compulsory CPF contributions, group medical insurance policy premiums, retrenchment payments, reimbursements for medical and dental care (subject to conditions), most overseas employment income. • Most income received from overseas and not listed as Singapore taxable (left). • Dividends (Singapore operates a one tier tax system). • Gains from the sale of property, shares and financial instruments (unless carrying on a trade). • Interest from approved banks. • Government pensions. • Annuities received in Singapore not listed as taxable (left). • Alimony and maintenance payments received from your ex-spouse. • Maintenance payments received by a child or parent. • National Service Recognition Award. • Winnings from betting.

Non-Resident Individuals

You will be taxed on all income earned in Singapore and will not be entitled to reliefs.

Employment income

Your employment income is taxed at 15% or resident rate, whichever gives rise to a higher tax amount.

Director's fees, consultancy fees & all other income

The director's fees, consultancy fees and all other income that you received will be taxed at a headline rate of 22% from YA 2017 by way of a withholding tax.

Resident Status	Tax Implications
Non-resident if you are employed for 60 days or less in a year	<ul style="list-style-type: none">Your short-term employment income is exempt from tax.This rule does not apply if you are a director of a company, a public entertainer or a professional in Singapore.Tax exemption does not apply if your absences from Singapore are incidental to your Singapore employment. In this case, your total income (including income for services rendered outside Singapore) is taxable in full in Singapore.No entitlement to reliefs.
Non-resident if you are in Singapore for 61 to 182 days in a year	<ul style="list-style-type: none">Employment income is taxed at 15% or progressive resident rates, whichever results in a higher tax amount.Director's fees and other income are taxed at the prevailing rate of 22%.No entitlement to reliefs.

Not Ordinarily Resident (NOR) Scheme

The NOR scheme is available for qualifying individuals for a period of five consecutive years. A NOR taxpayer enjoys the benefit of time apportionment of employment income in which you pay income tax on only that part of your employment income that corresponds with the number of days you spend in Singapore. In addition, as a NOR taxpayer, you enjoy tax exemption on contributions made by the employer to an overseas pension fund which would otherwise be taxable in your hands. To qualify you must be a non-resident in the past three years of assessment and in that YA in which you first qualify for the NOR status, you must be Singapore resident. You must spend at least 90 days outside Singapore for business reasons and your employment income must be at least \$160,000.

Non-Resident Public Entertainers (NRPEs)

Public entertainers include:

- Stage, radio or television artistes (e.g. singers, dancers, actors) and musicians.
- Athletes (all sportsmen in any sporting events or tournaments e.g. golfers, tennis players, horse jockeys, racing drivers, runners).

Note: A public entertainer performing in Singapore can be exercising a profession, vocation or employment. Those who work behind the scenes such as crew do not fall to be public entertainers.

Tax implications:

- Payments to NRPEs are subject to a withholding tax at 10% if the income is due and payable to the NRPE during the period from 22 Feb 2010 to 31 Mar 2020. This is reduced from a 15% standard rate.
- No tax bill (Notice of Assessment) will be issued to the NRPE as the payer has accounted for the withholding tax.
- Tax exemption for short-term employment of 60 days or less in a calendar year does not apply.

The payer must:

- Withhold tax from services performed in Singapore;
- File Form IR37D; and
- Pay the withholding tax by the 15th of the second month from the date of payment to you.

Personal Tax Rates from YA 2017

Chargeable Income (\$)	Rate (%)	Gross Tax Payable (\$)
On the first 20,000	0	0
On the next 10,000	2	200
On the first 30,000	-	200
On the next 10,000	3.50	350
On the first 40,000	-	550
On the next 40,000	7	2,800
On the first 80,000	-	3,350
On the next 40,000	11.5	4,600
On the first 120,000	-	7,950
On the next 40,000	15	6,000
On the first 160,000	-	13,950
On the next 40,000	18	7,200
On the first 200,000	-	21,150
On the next 40,000	19	7,600
On the first 240,000	-	28,750
On the next 40,000	19.5	7,800
On the first 280,000	-	36,550
On the next 40,000	20	8,000
On the first 320,000	-	44,550
In excess of 320,000	22	

Our Team



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Rawlinson & Hunter's Singapore office is headed by our resident Director Peter Milnes. He has over ten years of international experience focused in Asia and the Middle East. Peter has extensive experience in statutory accounting in Singapore, Thailand, Indonesia, UK, US, and France, as well as a depth of knowledge of trust accounting and structuring in various jurisdictions.

Familiar with management reporting in both large MNC's and smaller organisations, Peter has a unique skill base and understanding of the accounting and structuring requirements of large organisations and boutique enterprises & family offices.

Peter is a Fellow Management Accountant (FCMA/CGMA) and a Chartered Accountant of Singapore, with degrees in Economics and Economic History, and has wide-ranging experience working for family offices and major financial institutions.



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Katharine joined the Singapore office in January 2018 having transferred from Rawlinson & Hunter in the UK where she was based in the London office. Katharine was part of the managerial team of the business tax department in London and joins us as Tax Manager.

She has over ten years' experience covering private client tax, all aspects of the taxation of companies and accounting and compliance for corporates with a UK presence. She has experience in providing a full client service addressing both advisory and compliance aspects and delivering a tailored service to clients often with complex interests in the UK, Singapore and overseas jurisdictions.

She holds a Bachelor of Science degree from the University of Leeds (UK) and holds designations including ACA (Institute of Chartered Accountants in England and Wales) and CTA (Chartered Institute of Taxation).

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