

# SINGAPORE TAXATION

## CPA PROGRAM SUBJECT OUTLINE

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CPA Australia and the Tax Academy of Singapore have agreed to jointly develop the Singapore Taxation subject, under the CPA Program. This subject enables candidates to acquire leading-edge specialised training in the area of Singapore taxation.

The Tax Academy of Singapore is a collaboration between the Inland Revenue Authority of Singapore, the international accounting firms comprising Deloitte & Touche, Ernst & Young, KPMG and PwC, the Institute of Singapore Chartered Accountants and the Law Society of Singapore. It is established as a non-profit institution to raise the professional competency of the tax community and to develop Singapore into a regional tax knowledge hub.

Singapore Taxation is open to all CPA Program candidates. However, individuals must be able to sit the exam in Singapore. Additionally, valuable face-to-face tutorials which support this subject are also held in Singapore, these tutorials are highly recommended but are not compulsory to attend.

### EXAM STRUCTURE

The Singapore Taxation exam consists of 100 per cent written response questions. The exam for the Singapore Taxation subject is closed book. Individuals can only bring the approved tax acts recommended in the study guide into the exam.

The Singapore Taxation exam is only held in Singapore on one [fixed date](#). Candidates must be available to attend an exam on the fixed date. Please ensure you read the related rules and regulations before you enrol in this subject.

### SUBJECT AIMS

The aims of this subject are:

- to provide individuals with an overview of the Singapore tax system, a sound foundation on the principles of taxation of income and a good appreciation of how these principles and the provisions of the Income Tax Act are applied in the taxation of individuals, unincorporated businesses and corporations
- to provide a good understanding of the Singapore Goods and Services Tax

## GENERAL OBJECTIVES

On completion of this subject, you should be able to:

- apply the principles and concepts of taxation and the relevant provisions of the tax legislation to situations encountered
- correctly compute the assessable income/tax payable in certain factual situations

## SUBJECT CONTENT

This subject comprises of eight modules.

The 'proportion of study time' column is a guide for you to allocate your study time for each module.

**Table 1: Module weightings and study time**

<b>Module</b>	<b>Recommended proportion of study time (%)</b>
1. Overview of the Singapore Tax Regime	3
2. General Knowledge of Income Tax	18
3. Income Tax (Corporate)	22
4. Income Tax (Business)	12
5. Income Tax (Individual)	12
6. Income Tax (Others)	3
7. Withholding Tax	10
8. Goods and Services Tax	20

A brief outline of each module is provided below.

## Module 1: Overview of the Singapore Tax Regime

Module 1 provides an overview of the Singapore tax system and the international aspects of income taxation.

Contents:

- Taxation and public finance
- Singapore's fiscal policy
- Taxation in Singapore: History and policy
- Introduction to various taxes in Singapore
- International aspects of income taxation
- Sources of authority and information
- Appeals process

## Module 2: General Knowledge of Income Tax

Module 2 explains the scope of tax, basis of taxation, and the general principles governing the deductibility of expenses. It also provides an overview of four specific regimes of deductions and allowances, namely, capital allowances, industrial building allowances and deduction in respect of trade losses and donations. The tax treatment for the unabsorbed deductions and allowances will also be discussed. The final part of the module covers the aspect of tax administration.

Contents:

- Scope of taxation
- General principles of deduction of expenses
- Capital allowances for machinery and plant
- Industrial building allowances
- Land intensification allowance (LIA)
- Donations
- Unabsorbed current year capital allowances, trade losses and donations
- Tax administration

## Module 3: Income Tax (Corporate)

Module 3 focuses on the parts of the Income Tax Act that apply to companies. The first two parts introduce the attributes of a company and the scope of Singapore taxation that a company is subject to. Parts three to twelve focus on the topics covered in Module 2 in their application to a company. Parts thirteen to seventeen cover the other types of schemes available to a company. The remaining parts provide examples of tax computations and a discussion of some business activities that are subject to specific provisions and regulations, and the obligations of a company in relation to its tax affairs.

## Contents:

- Attribute of a company
- Taxation of companies
- Income chargeable to tax in Singapore
- Exemptions from income tax
- Expenses
- Capital allowances
- Industrial building and land intensification allowances
- Financial Reporting Standard (“FRS”) / Singapore Financial Reporting Standards (International) (“SFRS(I)”)
- Statutory income
- Assessable income
- Unabsorbed trade losses
- Donations
- Group relief
- Carry-back relief system
- Mergers and Acquisitions (“M&A”) Allowance
- Tax reliefs
- Tax computation
- Businesses subject to specific tax treatment
- Filing obligations of a company

## Module 4: Income Tax (Business)

Module 2, General Knowledge of Income Tax, outlined the basis of assessment, the charging sections, badges of trade, outgoings and deductions that form assessable income.

Module 4 elaborates the tax treatment and rules that are specific to both sole-proprietorship or self-employed and partnership. It also discusses the features and tax treatment of limited liability partnership (LLP) and limited partnerships (LP).

## Contents:

- Who is a sole-proprietor/self-employed person
- Deductibility/Non-deductibility of expenses
- Medisave/CPF contributions
- Treatment of unabsorbed trade losses and capital allowances (“CA”)
- Carry-back relief system
- Filing of returns and accounts
- Partnership
- Limited liability partnerships (LLPs)
- Limited partnerships (LP)

## Module 5: Income Tax (Individual)

Module 5 elaborates on the tax treatment of income derived by individuals from income other than the carrying on of a trade, business, professions or vocation. In particular, it focuses on employment income and tax exemption/concessions given to individuals for other types of income such as Singapore-sourced investment income and royalty. It also discusses the conditions for claiming personal reliefs/rebates. The module also includes the preparation of tax computation for an individual by applying the knowledge put together in the module.

Contents:

- General
- Employment income
- Taxation of other types of non-trade income applicable to individuals
- Personal reliefs
- Tax rates and tax computation
- Requirement to file an income tax return

## Module 6: Income Tax (Others)

Module 6 examines how clubs or similar institutions, trade associations, management corporations, town councils, trust and charities are dealt with under the *Income Tax Act*.

Contents:

- Principle of mutuality
- Clubs or similar institutions
- Trade associations
- Management corporations
- Town councils
- Trusts
- Filing obligations
- Charities

## Module 7: Withholding Tax

Module 7 provides an overview of the deeming provisions of the *Income Tax Act* and the general rules relating to withholding tax.

Contents:

- Deeming provisions – section 12
- Withholding tax rules – section 45
- Appointment of agents

## Module 8: Goods and Services Tax

Module 8 gives an overview of the major provisions of the GST Act and Regulations which deal with the conceptual components that make up the GST system in Singapore, the various Schemes granting GST relief to import and export of certain goods and services, as well as the important GST administrative requirements.

### Contents:

- Scope of tax, supplies, place of supply and imports
- Time of supply
- Value of tax
- Exempt supplies
- Input tax
- Imports of goods
- Import GST suspension schemes
- Zero-rating: Exports and international services
- Imported services
- Other GST schemes
- Registration and de-registration
- Records, tax invoices and receipts and comptroller's power
- Returns, payment and assessment
- Objection and appeals, offences and penalties