



Singapore Business Tax developments Committed to your success

Greetings from your Tax & Legal team at Deloitte Singapore. We hope that you and your loved ones are staying safe and healthy despite these challenging times. As we navigate ourselves through this trying period, we are committed to giving you the support you need.

We are pleased to share the following with you:

Ministry of Finance Public Consultation on Draft Income Tax (Amendment) Bill 2020

The Ministry of Finance (MOF) is conducting a public consultation from 20 July to 7 August 2020, on the draft Income Tax (Amendment) Bill 2020. The draft includes 38 proposed legislative amendments to the Income Tax Act (ITA) to (i) effect tax measures announced in Budgets 2020; (ii) enhance the Comptroller of Income Tax (Comptroller)'s powers to safeguard public monies; (iii) clarify the tax treatment of measures announced for COVID-19 support to businesses and households; and (iv) improve tax administration and the clarity of existing legislation. Some of the key proposed amendments include:

- (1) Changes announced in the Unity Budget on 18 February 2020, such as the corporate income tax (CIT) rebate, carry back of qualifying deductions, as well as enhancements to the Double tax deduction for internationalisation (DTD_i) scheme and the Merger & Acquisition (M&A) scheme. You can read more about these in our previous post [here](#).

- (2) Economy-wide and sector-specific tax proposals announced during the Resilience, Solidarity, and Fortitude Budgets. Briefly, these include: (a) exemption from income tax on the prescribed COVID-19 related payouts received by individuals and businesses, (b) exemption from income tax for Year of Assessment (YA) 2021 on certain benefits-in-kind (BIK) and cash allowances received by qualifying employees in 2020 for accommodation, food, transport, and other necessities, subject to conditions and caps, (c) lifting of the tax deduction cap for doubtful debts and debt securities for banks and qualifying finance companies for YAs 2021 and 2022, and (d) amending the secrecy provision to allow the disclosure and access to information for the Inland Revenue Authority of Singapore (IRAS) to administer public schemes. More information on part (a) and (b) could be found in our previous post [here](#).
- (3) Other proposed amendments relating to existing tax policies and administration, arising from the periodic review of Singapore's tax regime. Some of the proposed amendments include: (a) introducing a surcharge equal to 50% of the amount of additional income tax imposed by the Comptroller to further deter tax avoidance arrangements, and (b) mandating that refunds of CIT by the IRAS to companies will be made via electronic mode.

More information on the draft Income Tax (Amendment) Bill 2020 could be found on the [MOF's website](#). You could submit your feedback using the [prescribed template](#) via email to pc_itabill@mof.gov.sg by 7 August 2020.

Alternatively, you may email your feedback on the proposed amendments to any of the listed contacts below or your usual Deloitte contact, and it will be considered for inclusion in our overall submission to the IRAS.

Contacts

For more information on the above or any other matters, please contact either the listed contacts below, or any member of the [Singapore Tax & Legal team](#).

Low Hwee Chua
Tax & Legal Leader
Deloitte Singapore

+65 6216 3290
hwwlow@deloitte.com

Daniel Ho
Tax Partner
Deloitte Singapore

+65 6216 3189
danho@deloitte.com

Yap Hsien Yew
Tax Senior Manager
Deloitte Singapore

+65 6216 3323
hyyap@deloitte.com

Ong Zhong Teck
Tax Manager
Deloitte Singapore

+65 6800 1998
zong@deloitte.com



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