



## **Singapore Transfer Pricing developments**

Singapore signs the Multilateral Competent Authority Agreement on the exchange of CbC Reports

### **Overview**

On 21 June 2017, Singapore signed the Multilateral Competent Authority Agreement on the exchange of Country-by-Country Reports (MCAA CbCR).

This comes after the release of guidelines on Country-by-Country Reporting (CbCR) by the Inland Revenue Authority of Singapore (IRAS) last year (please see our previous news alert on CbCR [here](#)).

The signing of the MCAA CbCR will allow Singapore to efficiently establish a wide network of exchange relationships for the automatic exchange of Country-by-Country (CbC) Reports.

### **Key takeaways**

The IRAS has provided additional clarification on the significance of the signing of the MCAA CbCR in a list of FAQs on its website, which is summarised below:

- The MCAA CbCR is a multilateral framework agreement that provides a standardised and efficient mechanism to facilitate the automatic exchange of CbC Reports. It circumvents the need for tax administrations to negotiate and conclude several bilateral agreements.
- The signing of the MCAA CbCR reaffirms Singapore's commitment to the international standards on tax cooperation. The MCAA CbCR has gained recognition internationally as a multilateral framework agreement for bilateral cooperation on Automatic Exchange of Information (AEOI) of CbC Reports. There are 64 signatories, including Singapore, as at 22 June 2017.
- The signing of the MCAA CbCR does not mean Singapore will automatically exchange CbC Reports with all the signatories. Under the MCAA CbCR, signatories to the MCAA will automatically exchange CbC Reports with one another on a bilateral basis if both parties mutually agree.
- Singapore will establish bilateral AEOI relationships with fellow signatories that can meet the following principles:
  - The AEOI partner has the safeguards needed to ensure the confidentiality of information exchanged and prevent its unauthorised use; and
  - There is full reciprocity with the AEOI partner in terms of information exchanged.

Taxpayers can find out which jurisdictions have an effective exchange relationship with Singapore under the MCAA CbCR from the OECD and the IRAS website, where the list of exchange relationships will be updated when ready.

### **Deloitte's view**

The IRAS has previously indicated that it will enter into agreements with jurisdictions for the exchange of CbC Reports, only after establishing that the jurisdictions have a strong rule of law and are able to ensure confidentiality of information exchange and prevention of its unauthorised use.

By entering into the MCAA, it highlights Singapore's ability to exchange CbC Reports with a number of jurisdictions in a short span of time. However, the MCAA has certain safeguards to ensure each signatory has ultimate control over exactly which exchange relationships it enters into, and that each signatory's standards on confidentiality, data protection, and appropriate use of information will always apply. Hence, this would allow

Singapore to be comfortable with the safeguards that the other country has in place before the exchange of information takes place.

### Find out more

Please contact the following persons if you require any clarification or assistance in relation to this newsletter.

Name	Contact Number	Email
See Jee Chang	+65 6216 3181	<a href="mailto:jcsee@deloitte.com">jcsee@deloitte.com</a>
Lee Siew Ying	+65 6216 3120	<a href="mailto:sylee@deloitte.com">sylee@deloitte.com</a>

Mr See Jee Chang is a Tax Partner at Deloitte Singapore and leads the transfer pricing practice. He was vitally involved in developing the 2006 Transfer Pricing Guidelines in his former role as the Tax Director of the Tax Policy and International Tax Division of the IRAS. During his time at the IRAS, Jee Chang also served as the Competent Authority of Singapore, responsible for transfer pricing and bilateral Advance Pricing Arrangement (APA) negotiations.

Ms Lee Siew Ying is a Senior Manager at Deloitte Singapore's transfer pricing practice. She has extensive experience on projects relating to the preparation of master file documentation for group companies, review of intra-group services, including assisting companies with the implementation of the recommended methodology, as well as advising on transfer pricing policies and planning strategies. Siew Ying has also assisted clients to successfully negotiate for APAs with tax offices, and supported clients in their transfer pricing audit defence.

#### Deloitte Singapore | Add Deloitte as safe sender

Deloitte Touche Tohmatsu Limited  
6 Shenton Way, OUE Downtown 2, #33-00,  
Singapore 068809

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/sg/about](http://www.deloitte.com/sg/about) to learn more about our global network of member firms.

Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 245,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

**About Deloitte Southeast Asia**

Deloitte Southeast Asia Ltd – a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam – was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising 290 partners and over 7,400 professionals in 25 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

**About Deloitte Singapore**

In Singapore, services are provided by Deloitte & Touche LLP and its subsidiaries and affiliates.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

Deloitte & Touche LLP (Unique entity number: T08LL0721A) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

© 2017 Deloitte & Touche LLP

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.