

**A) Course Aims/Description**

This course seeks to provide you with an insight into simple income tax planning opportunities from Singapore's perspective. You will identify the presence of such opportunities in the context of a partnership, a foreign employee on an international work assignment in Singapore, selected corporate tax incentives, corporate restructuring, and a resident company receiving foreign income in Singapore.

You will learn to apply selected core legislative extracts and (using the Singapore-Malaysia tax treaty as a reference) also treaty provisions to determine the Singapore tax treatment applicable to income derived from Singapore by a person who is resident in a treaty country.

**B) Intended Learning Outcomes (ILO)/Objectives**

By the end of this course, you will be able to:

1. Propose and justify simple tax-mitigation strategies for an individual in Singapore.
2. Propose and justify simple tax-mitigation strategies for a company in Singapore.
3. Determine the Singapore tax treatment that applies to income derived from Singapore by a non-resident person in a treaty-country scenario.
4. Analyse a tax judgment in order to extract the relevant tax principle(s).

**C) Course Content**

This course builds on AC2301 Principles of Taxation. The main focus continues to be on Singapore income tax. Some GST and stamp duty aspects will also be covered in the topic on corporate restructuring.

By the end of this course, you will be able to work out variously the income tax payable by an employee who qualifies for the AR or the NOR incentive, a partner's assessable income, the income tax position of a company that qualifies for certain tax incentives such as pioneer incentive or investment allowances, and the income tax/ GST/stamp duty implications to a company in a corporate restructuring scenario, including a corporate amalgamation that qualifies for the section 34C tax framework. You will be able to determine whether section 13(12) exemption applies to a resident company as another method of double taxation relief (beyond section 13(8) exemption covered in AC2301).

Using the Singapore-Malaysia tax treaty as a reference, you will also learn to interpret and apply all the other treaty articles (beyond those covered in AC2301) that are typically found in any Singapore tax treaty.

You will read core legislative extracts, selected tax judgments, and other materials such as the OECD Commentaries and IRAS e-Tax Guides.

**D) Assessment (includes both continuous and summative assessment)**

| Component                                      | Weightage | Team/ Individual |
|--|-----------|------------------|
| 1. Class Participation                         | 10%       | Individual       |
| 2. Group Presentations                         | 10%       | Group            |
| 3. Take-home group assignment and presentation | 20%       | Group            |
| 4. Open-book Exam (2.5 hours)                  | 60%       | Individual       |
| Total  | 100%      |                  |

**E) Weekly Schedule for BL9305**

| Teaching Weeks | Topics  |
|----------------|---|
| 1              | <p>Overview of BL9305</p> <p>Class activity – Revision of some key income tax concepts in AC2301</p> <p>Overview T1: Introduction - Legislative framework in Singapore</p> <p>Overview T2: Individuals on international assignments :</p> <ul style="list-style-type: none"> <li>• Determining tax residence status for individuals (Revision)</li> <li>• Taxation of employment income (Revision)</li> <li>• Area Representative (AR)</li> <li>• Not Ordinarily Resident (NOR)</li> </ul>  |
| 2              | <p>Presentations on T2 Q1 to Q3</p> <p>Overview T3: Taxation on Individuals – Some other aspects including taxation of director’s fees, partnership income and treaty applications</p> <p><u>Domestic aspects</u></p> <ul style="list-style-type: none"> <li>• Taxation of married couples</li> <li>• Personal reliefs</li> <li>• Director’s fees</li> <li>• Section 31 Settlements</li> <li>• Income tax implications of incorporation versus sole-proprietorship</li> <li>• Taxation of partnership income: <ul style="list-style-type: none"> <li>- Explain how a partnership is assessed for tax.</li> <li>- Compute the assessable profits for each partner following a change in the profit-sharing ratio</li> <li>- Compute the assessable profits for each partner following a change in the composition of partnership</li> <li>- Explain the capital allowances, IBA and trade loss relief restriction that applies to the partners of a limited liability partnership (LLP) and to the limited partner(s) of a limited partnership (LP)</li> </ul> </li> </ul> <p><u>Treaty applications</u></p> <p>OECD tax treaty articles on</p> <ul style="list-style-type: none"> <li>• “Residence”,</li> <li>• “Independent Personal Services”,</li> <li>• “Employment Income”,</li> <li>• And “Director’s Fees”.</li> </ul> |
| 3              | <p>Presentations on T3 Q1 to Q3</p> <p><b>Overview T4: Corporate Tax Incentives</b></p> <p>Start-up Tax Exemption</p> <p>Incentives under Economic Expansion Incentives Act (EEIA)</p> <ul style="list-style-type: none"> <li>• Pioneer companies</li> <li>• Pioneer service companies</li> </ul>   |

|    |   |
|----|---|
|    | <ul style="list-style-type: none"> <li>• Investment allowances</li> <li>• Approved foreign loan incentive</li> <li>• Approved royalty incentive</li> </ul> <p><b>Overview T5: Reading a Tax Case</b></p> <ul style="list-style-type: none"> <li>• Source</li> <li>• Residence</li> <li>• (If time permits) Other concepts</li> </ul>  |
| 4  | Presentations on T3 Q4, Q5<br>Presentations on T4 Q1 to Q4  |
| 5  | Presentations on T5 Q1 to Q2<br><p><b>Overview T6: Introduction to Tax Treaties</b></p> <ul style="list-style-type: none"> <li>• OECD and Other Model Tax Conventions – Structural and policy differences</li> <li>• Some aspects of treaty interpretation</li> <li>• Applications to simple scenarios</li> <li>• Interaction of treaty provisions with domestic tax laws</li> <li>• Singapore-Malaysia treaty (2004) <ul style="list-style-type: none"> <li>• Structure and overview of how the articles relate to one another</li> <li>• Application of selected articles (with commentary extracts)</li> </ul> </li> </ul> |
| 6  | Presentation to T6 Q1, Q2<br>Start Presentation on T6 Q3  |
| 7  | Complete Presentation on T6 Q3<br>Presentations on T6 Q4, Q5<br><p><b>Overview T8: Relief from Double Taxation</b></p> <ul style="list-style-type: none"> <li>• Methods of double taxation relief (Revision)</li> <li>• Section 13(12) exemption</li> <li>• “Fixed place of operation” concept</li> <li>• IRAS practices and concessions not covered in AC2301</li> </ul>   |
| 8  | <p><b>Topic 7 – Corporate Restructuring</b></p> <ul style="list-style-type: none"> <li>• Transfer of shares</li> <li>• Transfer of business</li> </ul>  |
| 9  | <ul style="list-style-type: none"> <li>• Section 34C new tax framework for corporate amalgamation</li> <li>• Income tax, GST and stamp duty aspects</li> </ul>  |
| 10 | Presentations on T8 Q1 to Q4  |
| 11 | <b>e-Learning Week</b>  |
| 12 | Presentations on Assignment   |
| 13 | Recent developments (Singapore’s position to 2017 OECD Model Tax Convention)<br>Feedback on Assignment<br>Exam guidelines   |