



## Singapore updates

### Changes to the Singapore fund tax incentive schemes

On 1 October 2024, the Monetary Authority of Singapore issued a circular (FDD Cir 10/2024) titled 'Tax Incentive Schemes for Funds' providing details of the extension and revisions to the fund tax incentive schemes provided under sections 13D, 13O and 13U of the Income Tax Act 1947 (ITA) and details of the new fund tax incentive scheme for Singapore limited partnership funds under section 13OA of the ITA.

[Click here](#) for details.

### The Income Tax (Amendment) Act 2024 – Important changes and implications for businesses

The [Income Tax \(Amendment\) Act 2024](#) (ITAA) was enacted on 27 November 2024. The ITAA legislates measures announced in the 2024 Budget Statement, such as the Refundable Investment Credit scheme and introduction of the tonnage tax regime and new tiered rates to certain tax incentives, as well as changes arising from the Ministry of Finance's (MOF's) periodic review of Singapore's income tax regime.

The [Multinational Enterprise \(Minimum Tax\) Act 2024](#) (MMTA) was also enacted on 27 November 2024. The provisions of the MMTA will come into operation on dates specified by Ministerial orders to be published in the Gazette. The MMTA will implement the Global Anti-Base Erosion Model Rules of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, comprising the Income Inclusion Rule, and the Domestic Top-Up Tax regimes. It also includes consequential amendments to the ITA.

[Click here](#) for PwC's Tax Bulletin where we shared some of our observations and comments on the Income Tax (Amendment) Bill 2024.

### Economic Expansion Incentives (Relief from Income Tax) (Amendment) Bill 2024

The Economic Expansion Incentives (Relief from Income Tax) (Amendment) Bill 2024 (the Bill) was published and introduced in Parliament on 15 October 2024. The following significant changes are proposed:

- Introduction of an additional concessionary tax rate of 15% for the development and expansion incentive (DEI).
- Extension of the tax relief periods under the DEI to be granted up to 31 December 2028.

- Provide powers to the Minister to exclude certain activities from the scope of qualifying activities of a relevant development and expansion company.
- Enhance the investment allowance scheme by providing upfront certainty where the nature of qualifying projects and qualifying fixed capital expenditure can now be prescribed by regulations.
- Regulations may be made to prescribe the treatment of existing incentive recipients when any service or activity which was previously approved as a qualifying activity for the purposes of the DEI or IA is removed.

The Bill has not yet been legislated and does not have the force of law. However, businesses should start to consider the implications of the proposed changes.

[Click here](#) for details.

### **IRAS media release: Singapore Enhances International Tax Cooperation through Automatic Exchange of Information on Crypto-Assets**

The Inland Revenue Authority of Singapore (IRAS) announced that Singapore has committed to the implementation of the Crypto-Asset Reporting Framework (CARF) with the signing of the Multilateral Competent Authority Agreement on Automatic Exchange of Information pursuant to the Crypto-Asset Reporting Framework (CARF MCAA) and the Addendum to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the Addendum to the CRS MCAA). Exchanges under the CARF are expected to commence by 2027 or 2028 at the latest. The IRAS will work with the industry to help affected entities meet their reporting obligations.

[Click here](#) for details.

### **IRAS e-Tax Guide: Incorporation of Companies by Medical Professionals and Relevant Tax Implications**

The IRAS published an e-Tax Guide on 'Incorporation of Companies by Medical Professionals and Relevant Tax Implications' on 9 September 2024 which replaces the edition issued in November 2019 (which was last edited 1 March 2024).

[Click here](#) for details.

### **IRAS consultation on draft Multinational Enterprise (Minimum Tax) Regulations**

The IRAS held a public consultation exercise from 4 to 18 October 2024 to seek feedback on the draft Multinational Enterprise (Minimum Tax) Regulations – GloBE Safe Harbours and Transition Rules.

[Click here](#) for details.

### **High Court case on whether airport runways, taxiways and aprons are 'plant' for capital allowance purposes**

In the High Court case of *Changi Airport Group (Singapore) Pte Ltd v Comptroller of Income Tax* [2024] SGHC 281, the Court dealt with the issue of whether airport runways, taxiways and aprons are 'plant' which should qualify for capital allowances under section 19A of the Income Tax Act (Cap 134, 2008 Rev Ed). The judge affirmed the finding of the Board of Review that the assets under dispute were not 'plant' and dismissed the taxpayer's appeal.

[Click here](#) for details.

## Goods and Services Tax

- On 12 June 2024, the IRAS published a draft e-tax guide regarding the GST InvoiceNow Requirement to provide more clarity for businesses adopting e-invoicing using InvoiceNow. It sought feedback by 25 July 2024.

On 18 November 2024, the IRAS published a summary of its responses to the feedback and comments received.

[Click here](#) for details.

- The IRAS issued a revised circular 'GST: Construction Industry (Fourth Edition)' on 12 September 2024 to make certain editorial amendments.

[Click here](#) for details.

- On 15 October 2024, the IRAS issued the following revised circulars to remove bank cheques as a refund option:
  - [GST: For Retailers participating in Tourist Refund Scheme \(Refund claims made on or after 4 April 2019\) \(Sixth Edition\)](#)
  - [GST Guide for Visitors on Tourist Refund Scheme \(Refund claims made on or after 4 Apr 2019\) \(Fourth edition\)](#)
  - [GST: The Electronic Tourist Refund Scheme \(eTRS\) \(Refund claims made on or after 4 Apr 2019\) \(Ninth edition\)](#)

## Tax treaties

### Kenya

Singapore and Kenya signed a new tax treaty on 23 September 2024 which replaces the earlier agreement signed on 12 June 2018.

The new treaty clarifies the taxing rights of both countries on all forms of income flows arising from cross-border business activities, and addresses the double taxation of such income.

[Click here](#) for details.

### Rwanda

Singapore and Rwanda have signed a Protocol which amends the preamble of the Rwanda-Singapore treaty and which introduces a new Article 26A (Entitlement to Benefits).

[Click here](#) for details.

## International tax news

### OECD: Nine countries sign Subject to Tax Rule MLI

The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting convened a signing ceremony for the Multilateral Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule (STTR MLI).

On 19 September 2024, nine jurisdictions signed the STTR MLI and another ten jurisdictions expressed their intent to sign. The OECD press release noted that 38 additional jurisdictions 'participated' in the signing ceremony - but without making specific commitments.

[Click here](#) for details.

### **OECD: OECD report proposes measures for international tax transparency on real estate**

The OECD published a new report, Strengthening International Tax Transparency on Real Estate - From Concept to Reality, on 25 July 2024. This report proposes measures for international exchange of information and due diligence regarding foreign-owned real estate, noting the current state of play and potential challenges for enhancing international tax cooperation in this area. The proposals aim to build a framework for improving international collaboration and reliable data sharing among tax administrations with respect to cross-border real estate (beneficial) ownership.

[Click here](#) for details.

### **OECD: OECD publishes report Pricing Greenhouse Gas Emissions 2024**

The OECD recently published a new report, Pricing Greenhouse Gas Emissions 2024: Gearing Up to Bring Emissions Down. The Report provides a comprehensive analysis of carbon pricing and energy taxation trends from 2021 to 2023 across 79 countries, covering 82% of global Greenhouse Gas emissions.

[Click here](#) for details.

### **EU: European Commission puts forward proposal (DAC9) to simplify Pillar Two implementation**

The European Commission has proposed amendments to the EU Directive on administrative cooperation in taxation (DAC9). These changes aim to facilitate the exchange of top-up tax information between Member States and allow multinational enterprises (MNEs) to switch from local to central filing. If adopted by the Council of the EU, the rules would enable MNE groups and large domestic groups to file a single Top-up tax information return in one EU Member State instead of multiple filings across different Member States.

[Click here](#) for details.

### **EU: ECOFIN approves VAT in the Digital Age package**

On 5 November 2024, the EU Finance Ministers at ECOFIN approved the latest version of the VAT in the Digital Age (ViDA) package released on 30 October 2024. This is positive news given that Estonia had earlier raised concerns in relation to the platform rules, a matter which was the subject of compromise discussions throughout 2024.

[Click here](#) for details.

### **EU: Council of the EU approves changes to the EU list of non-cooperative tax jurisdictions**

The EU General Affairs Council (acting as the Council of the EU) has approved the recommendations of the EU Code of Conduct Group in relation to the updated list of non-cooperative tax jurisdictions. The Council removed Antigua and Barbuda from the list of non-cooperative jurisdictions for tax purposes. With these updates, the EU Annex I list of non-cooperative jurisdictions for tax purposes now consists of 11 jurisdictions.

[Click here](#) for details.

## **WTO: Global digital trade rules: Proposal negotiated at WTO**

The World Trade Organization (WTO) circulated draft text of the E-commerce Agreement under the Joint Statement Initiative (JSI) on Electronic Commerce on 26 July 2024. From a tax perspective, the JSI is important for two main reasons - it provides a commitment to prohibit imposing customs duties on electronic transmissions and it supports measures to promote e-invoicing. More broadly, the JSI outlines a comprehensive framework for digital trade covering matters such as: paperless trading and data exchanges to facilitate digital trade; consumer protection (designed to enhance consumer confidence and trust in e-commerce); personal data protection; cybersecurity; and e-payments.

[Click here](#) for details.

## **Hong Kong: Consultation outcome on implementation of global minimum tax and Hong Kong minimum top-up tax released**

Further to the consultation paper published in December 2023 on the implementation of the global minimum tax and the Hong Kong minimum top-up tax (HKMTT) (Consultation Paper), the Government released the consultation outcome on 30 October 2024, summarising stakeholders' feedback and the Government's follow-up (Consultation Outcome).

[Click here](#) for details.

## **Hong Kong: Court of Appeal refines source rules and suggests possibility of apportionment of royalty income**

On 17 October 2024, the Court of Appeal (CoA) handed down its judgment in *Patrick Cox Asia Limited (Taxpayer) v Commissioner of Inland Revenue (Commissioner)* [2024] HKCA 944. The taxpayer contended that royalties from sub-licensing trademarks to Japanese sub-licensees were offshore sourced. Under the arrangements, the taxpayer entered into a cooperation agreement with a Japanese company, which was obliged to procure Japanese sub-licensees for the taxpayer and act on its behalf in managing the taxpayer's sub-licensing business in Japan. The taxpayer received an upfront fee from the Japanese company upon signing of the cooperation agreement, as well as an annual royalty from the sub-licensees, which was split between the taxpayer and the Japanese company. The CoA held that the upfront fee was sourced in Hong Kong and revenue in nature, but the annual royalty was derived from different profit-producing activities which required a determination of where the activities were undertaken.

[Click here](#) for details.

## **Hong Kong: Court of First Instance denies tax deduction for management fees paid to overseas associate**

In the recent decision of *Chapman Development Limited v. Commissioner of Inland Revenue*, the Court of First Instance (CFI) denied the Taxpayer's claim for tax deductions on management fees paid to its overseas associate. A key element of the case was that the amounts claimed for deduction were not fully calculated in accordance with the written provisions of the agreement between the Taxpayer and the overseas associate.

[Click here](#) for details.

## **Hong Kong: Bill gazetted to introduce lease reinstatement cost deduction and remove time limit for CBA/IBA claims**

Further to the paper submitted by the Financial Services and the Treasury Bureau to the Legislative Council (LegCo) in May 2024 (Administration's Paper), the Inland Revenue (Amendment) Tax Deductions for Leased Premises Reinstatement and

Allowances for Buildings and Structures) Bill 2024 (Bill) was gazetted on 18 October 2024 to provide for the following two enhancement measures:

- a new profits tax deduction for reinstatement costs for leased premises; and
- removal of the time limit for claiming annual allowances for a commercial/industrial building or structure.

[Click here](#) for details.

### **Malaysia: Budget 2025**

Budget 2025 was tabled in Parliament on 18 October 2024 with the theme of 'Reinvigorating The Economy, Driving Reforms, And Prospering The Rakyat'.

[Click here](#) and [here](#) for details.

### **Malaysia: Capital gains tax (CGT) exemption for disposal of shares related to restructuring of companies scheme and initial public offering (IPO)**

The Gazette Orders relating to the Budget 2024 proposal on exemption from CGT on gains from disposals of shares related to approved IPO and restructuring of companies within the same group were gazetted on 8 October 2024.

[Click here](#) for details.

### **Malaysia: Tax Incentives for Forest City Special Financial Zone**

On 20 September 2024, the second Finance Minister introduced the tax incentives for the Forest City Special Financial Zone ('Forest City SFZ').

[Click here](#) for details.

### **Taiwan: Taiwan Tax Update**

The Ministry of Finance announced draft amendments to profit-seeking enterprise alternative minimum tax rate to align with the OECD's Global Minimum Tax framework.

[Click here](#) for details.

### **Thailand: Thailand to sign on to the Pillar Two Subject to Tax Rule**

On 27 August 2024, the Thai Cabinet approved in principle the implementation of the Pillar Two Subject to Tax Rule for Thailand and granted the Revenue Department the authority to undertake further action as considered necessary regarding its adoption.

[Click here](#) for details.

### **Vietnam: Draft regulation released on global minimum tax in Vietnam**

Vietnam is aligning with international efforts to create a fairer taxation system and tackle issues like base erosion and profit shifting, and the long-awaited draft decree on global minimum tax has now been published for comments. The draft decree is, in principle, aligned with the OECD Pillar 2 model rules and commentary, with the objective of meeting the conditions for a Qualified Domestic Minimum Top-up Tax and a Qualified Income Inclusion Rule.

[Click here](#) for details.

## **International tax news - Analysis of tax developments worldwide**

PwC's International Tax News is designed to help multinational organisations keep up with the constant flow of tax developments.

Among the developments featured in the October 2024 edition are:

- France - Exceptional contribution on the profits of large companies
- Brazil - Partial adoption of Pillar Two (QDMTT)
- Netherlands - Tax Plan 2025 Measures
- India - US LLCs eligible for tax treaty benefits

[Click here](#) for details.

Among the developments featured in the September 2024 edition are:

- Switzerland introduces IIR effective 1 January 2025
- Finland draft proposal would amend existing Pillar Two legislation
- US requests consultations on Canada's Digital Services Tax under USMCA

[Click here](#) for details.

Among the topics featured in the August 2024 edition are:

- Luxembourg Minister of Finance has submitted a bill to Parliament on various tax amendments, including a reduction of the corporate income tax rate by 1%
- India Budget 2024: Impact on foreign investors and multinationals
- The Canadian Department of Finance recently released draft legislation to implement the UTPR into the Global minimum Tax Act
- Israel's Minister of Finance announced its decision to adopt a qualified domestic minimum top-up tax in Israel beginning in 2026

[Click here](#) for details.

## **Transfer Pricing Q3 Briefing**

PwC's quarterly transfer pricing briefing helps multinational organizations keep up with the continuous flow of relevant tax and transfer pricing developments. Set out below is a summary of Tax Insights and News Alerts published by individual members of the PwC network covering 1 July through 30 September 2024.

The featured topics in this quarter's edition include:

- Brazil opens public consultation on Normative Instructions regulating intra-group services and unilateral APAs
- US: Potential tax implications of the US Supreme Court overruling the Chevron doctrine
- US requests consultations on Canada's DST under USMCA
- Singapore issues its 7th Edition Transfer Pricing Guidelines
- UK: HMRC issues Guidelines for Compliance on transfer pricing
- Sweden: Pillar Two – Proposal to the Council on Legislation
- Nine countries sign Subject to Tax Rule MLI
- Global digital trade rules: Proposal negotiated at WTO

[Click here](#) for details.

## **Asia Pacific Financial Services Tax Highlights**

The August - October 2024 edition of Asia Pacific Financial Services Tax Highlights, which draws your attention to the latest developments and hottest issues facing the industry in the region.

[Click here](#) for details.

## **Trade Intelligence Asia Pacific**

The July / August 2024 issue of Trade Intelligence includes the following highlights:

- Featured Article: Most Favoured no more? What the Joint Statement Initiative on e-commerce says about one of the WTO's most basic principles
- Key takeaways from the 56th ASEAN Economic Ministers' Meeting
- ASEAN AEO MRA takes effect in Singapore, Malaysia and Brunei
- Changes to Australia's export control framework came into effect
- Key customs proposals and amendments in the 2024 India Union Budget
- Voluntary disclosures of under-declarations in Japan
- Public consultation in Philippines on pre-shipment inspections and e-invoicing
- Public consultation on changes to the Singapore Customs Act
- Singapore-Malaysia AEO MRA takes effect
- Thai Customs' implements a temporary measure to collect import VAT on low value goods
- Tighter scrutiny for past and future customs declarations and applications in Vietnam

[Click here](#) for details.



## Other resources for international tax updates



### **Global VAT Online – a summary of updates**

PwC's Global VAT Online provides up-to-date business critical information on VAT/ GST rates, rules and requirements around the world to help you maintain control, mitigate risk and improve the overall effectiveness of your VAT/ GST function. It is a subscription service for all your indirect tax needs in a digital world.

[Click here](#) for details.

### **Green Taxes and Incentives Tracker**

PwC's Green Taxes and Incentives Tracker helps you discover details about climate and carbon-related tax matters where your company operates; it covers more than 800 taxes and 600 green incentives in 88 countries and regions around the world that can affect critical business strategies and operations.

[Click here](#) for details.

### **Tax Policy Bulletin**

Drawing on our experience of tax policy issues and insight from relationships with organisations such as the OECD, we have put together a series of Tax policy bulletins. With analysis and insight on policy changes around the world, these bulletins are designed to help you stay up-to-date with the latest developments and explain what these changes mean for you and your business.

[Click here](#) for details.

### **Understanding Base Erosion and Profit Shifting – a two-pillar solution**

Understanding Base Erosion and Profit Shifting – a two-pillar solution reveals the latest tax developments evolving around a two-pillar solution and the key building blocks that are foundational to building up your readiness.

[Click here](#) for details.

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