

Singapore

Income Tax Rate	0% - 20%
Corporate Tax Rate	17%
Sales Tax / Service Rate	7%

Personal Income Tax

Income occurred and received in Singapore are subject to personal income tax at progressive rates up to 20%, based on the following progressive rates.

Taxable Income (SGD)	Tax rate
SGD 0 – 20,000	0%
SGD 20,000 – 30,000	3.5%
SGD 30,000 – 40,000	5.5%
SGD 40,000 – 80,000	8.5%
SGD 80,000 – 160,000	14%
SGD 160,000 – 320,000	17%
SGD 320,000 and above	20%

A non-resident individual (other than a director and actor) who exercises a short term employment in Singapore for not more than 60 days shall be exempt for tax in Singapore. However, individual resided in Singapore for not more than 60-183 days shall be taxed at a 15% tax rate.

Corporate Tax Rate

The standard corporate tax rate in Singapore is 17%. A partial tax exemption is eligible for first SGD 300,000 of chargeable income. Under this condition, 75% of the first SGD 10,000 of chargeable income is tax exempt and 50% of the next SGD 290,000 of chargeable income is tax exempt.

Chargeable Income	Exemption	Exempt amount
First SGD 10,000	75%	SGD 7,500
Next SGD 290,000	50%	SGD 145,000
Total SGD 300,000		SGD 152,500

Value Added Tax/ Service Rate

The value added tax system in Singapore is called Goods and Services Tax: GST. The standard GST rate in Singapore is 7%. GST aims at taxing the final consumer goods and services made in Singapore, and importation of goods into Singapore. However, where the goods are dutiable, specific tax rates shall be applied. GST rates for dutiable goods is calculated based on Cost, Insurance and Freight (CIF) or the value of the last selling price (LSP), if there has been more than one sale, plus all duties and other charges. In the case of non-dutiable goods, Singaporean government shall impose the exemption upon some goods and services, such as financial services fee.

Withholding Tax

Types of taxable income	Tax rate (For non-resident)
Interest	15%
Royalty	10%
Technical fee	17%

Singapore does not levy withholding tax on dividend and there is no Capital Gains Tax.

Tax Incentives for SMEs

Partial Tax exemption

From 2008, partial tax exemption for SMEs is provided up to SGD 300,000.

Full Tax exemption

The full tax exemption for newly established companies was introduced in 2005 to widen SMEs every opportunity to thrive and succeed. Under this condition, new start-up companies are granted tax exemption on the first SGD 100,000 of their chargeable income derived in each of their first three years of operation that fall within 2005 to 2009.

The 2009 expiry date was removed in the recent 2007 Budget to enable all new companies to apply a full three years of tax exemption. In addition, effective from 2008, a further 50% exemption will be given on the next SGD200,000 of chargeable income derived by new companies.

Carry – back relief system

The carry-back relief system was implemented in 2006 as a means to provide more timely relief for SMEs to be able to cope with cash-flow problems, especially in a cyclical downturn. With this scheme, loss making companies shall be able to claim back some of the taxes paid in the preceding year if losses are incurred in the current year.