The outlook for business taxation

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“To keep pace with rapid advancements in technology and respond to escalating regulatory demands around the globe, tax practitioners can no longer afford to do more of the same.”
The drivers of change in tax transparency, tax risk and controversy, and tax competitiveness are interacting and evolving at unprecedented speeds in the new world of taxation.

To keep pace with rapid advancements in technology and respond to escalating regulatory demands around the globe, tax practitioners can no longer afford to do more of the same. Countries need to reinvent themselves so as to remain competitive in the pursuit of investment dollars.

Tax leaders are holding a broad and global view of the changes encompassing tax reforms, the rise of digital and e-commerce, and shifts in transfer pricing and indirect tax administration. As tax operating models contend with macro trends challenging proven strategies, tax functions must also transform to create sustainable solutions to better manage tax risks, identify opportunities and be more efficient and effective through automation and technology.

Tax administrations are also facing new challenges and opportunities for change. For example, nearer to home, the question of how Southeast Asia can further harmonise its tax system to better capitalise on the potential of the region takes on renewed interest with Singapore helming the ASEAN chairmanship this year.

We share insights into this topic, as well as other contemporaneous concerns in this issue:

The outlook for business taxation
With a rapidly changing tax environment and ongoing debate around digital taxation, tax harmonisation and desire for tax certainty, organisations must adopt a broad, global view through a multilateral lens in order to stay ahead.

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Global tax reforms and policy changes are impacting the tax controversy landscape, rendering companies more vulnerable to tax disputes and controversy. How can tax practitioners manage risks and keep pace?

As I leave you with these articles for your reading pleasure, I would also like to take the opportunity to introduce Ms. Soh Pui Ming, who will be succeeding me as Head of Tax for EY member firm in Singapore from July 2018.

I have since assumed a new role as EY Asia-Pacific Tax Policy and Controversy Leader. It has been a rewarding journey for me as Head of Tax and this would not have been possible without the wonderful support of our leaders and teams at EY, and of course, our clients who have placed their trust in our services.

Thank you very much for your kind and continued support.
You and the Taxman

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In conversation with
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The outlook for business taxation

Tax reform, digital taxation and Base Erosion and Profit Shifting (BEPS) initiatives will continue to drive challenges - and opportunities - for organisations through the remainder of 2018 and beyond. Chung-Sim Siew Moon and Russell Aubrey elaborate.
Tax policy reforms and changes are not expected to abate in the year ahead, judging from the pace and intensity of changes happening on the tax and wider economic fronts around the world.

On the contrary, the numerous international tax policy changes in 2018 are providing a catalyst for countries to pursue tax competitiveness in new and innovative ways, according to the EY report The outlook for global tax policy in 2018, which combines insights and forecasts from EY tax policy professionals in 41 jurisdictions worldwide.

A clear and present trend is that tax competition is on the rise, notwithstanding the constraints of the BEPS project. The long-term trend for countries to stimulate economic activity and attract foreign direct investment by pursuing a low-rate, broad-base business tax strategy is likely to continue this year.

The “low-rate, broad-base” trend of the last few years, however, is perceived to be experiencing a change of sorts, with 11 jurisdictions forecasting a lower overall corporate income tax (CIT) burden in 2018 (vs. 20% in 2017) whilst seven forecast a higher overall CIT burden in 2018 (vs. 22% in 2017).

Those looking at tapping R&D and other business incentives are set to benefit from governments’ drive to remain competitive, with 14 of 41 countries (34%) forecasting greater support for businesses in 2018. Six jurisdictions (China, Denmark, Germany, Hong Kong, Italy and Singapore) are enhancing both R&D and other business incentives (such as depreciation or capital allowances) in 2018.

These trends have the potential to change many aspects of how domestic and cross-border activity is taxed going forward, with many countries looking intensely at both the US and their own regimes and considering whether to put tax reform on the agenda.

Key drivers of change

**Tax reform**

2018 is already marked by a number of countries carrying out comprehensive tax reform. Amongst others, Argentina, Belgium, Poland, South Korea and Turkey all fall under this banner, with many reform programmes being largely BEPS-focused. Of course, these are arguably dwarfed by the widely discussed US tax reform, which garnered the most limelight by virtue of the plunge in corporate tax rate from 35% to 21%.

US tax reform will likely have knock-on effects on other areas of reforms elsewhere. Already, it is clear that it will have a significant impact on businesses that have US operations or non-US operations that are held under the US. Moreover, with additional guidance and clarifying bills expected in the coming months, the dust may still take some time to settle.

Likewise, there is every possibility of a compelling policy response from governments elsewhere, but that too may take some time to play out. Policy changes, in effect, follow the money and jobs, so governments with strong capital flows between themselves and the US will be looking to see whether and how businesses will change their behaviours.

**Digital taxation and indirect taxes**

The taxation of digitalised business is now receiving far more attention than in 2013, when the BEPS Action Plan (incorporating Action 1 on digital) was being developed. At the heart of the matter is a growing sentiment among some but not all jurisdictions that the earlier notion that there is no such thing as a separate digital economy and the way companies are now participating in the digitalised economy is not sustainable. This has promoted a closer focus on the division of taxing rights that needs to occur sooner than later. In this regard, recent European proposals have increased pressure on the Organisation of Economic Co-operation and Development to move things more quickly and resolutely.
Further, as technology in the form of digitalisation and automation make the taxation of consumption more prevalent, it will also impact the administration of indirect taxes, an increasingly popular form of taxation with policy-makers.

**Transfer pricing**

Given the importance of Actions 8-10 of the BEPS project, it is not surprising that transfer pricing (TP) represents the leading case of wide-ranging burden increases going forward, with almost half of the responding jurisdictions in the EY report saying that they expect an increased tax burden in this area.

TP enforcement has been a key risk identified in separate EY Tax risk and controversy surveys for more than a decade. Many expect that TP will be the leading trigger of tax audits in 2018, with related party transactions, business restructuring, inter-company interest payments and management fees emerging as specific issues that countries have singled out for scrutiny.

**What next?**

The rapidly changing tax environment is no doubt creating higher risks, higher compliance burdens and higher levels of overall uncertainty for businesses. The ongoing debate around digital taxation, tax harmonisation and the desire for tax certainty will increasingly drive companies to need to view the world through a multilateral lens.

As the tax landscape braces itself for somewhat tumultuous times ahead, businesses must act swiftly to respond to trends and anticipate changes in policy, legislation and enforcement so that they can be proactive with their tax planning and risk management. Beyond that, using technology to up their game, and utilising innovation and R&D incentives to reap competitive advantage will open doors to untapped opportunities that lie ahead.

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You and the Taxman
Establishing the ASEAN Economic Community (AEC) after years in the making was a significant milestone for the regional economic integration agenda. The AEC was designed to eventually create a single regional market and production base by facilitating a freer flow of goods, services, investment, capital and skilled labour amongst member nations.

The reduction in trade costs through the simplification of cross-border trading processes, including customs procedures and harmonisation of technical regulations, has been an important achievement that reflects the promise of the AEC.

In the next phase of ASEAN economic integration from 2016 to 2025, the regional grouping, in its AEC Blueprint 2025, has proposed greater taxation cooperation amongst member states so as to underpin the competitiveness of the region.

The committed measures seek to improve the network of bilateral tax agreements and enhance withholding tax structures where possible, so as to promote the broadening of investor base in ASEAN debt issuance; address base erosion and profit shifting (BEPS); and explore the possibility of a global taxpayers’ identification number.

One aspect that was notably excluded in the blueprint is income tax harmonisation. In the strictest sense, tax harmonisation encompasses making tax rules and rates more uniform across the region and prevents competition amongst nations through taxation.

However, given that ASEAN is such a diverse group with economies at varying stages of development, it begs the question of whether this “strong” form of harmonisation would be possible to achieve.

ASEAN is not alone in this challenge. In the European Union (EU), attempts to harmonise the corporate tax base has faced strong headwinds, with some quarters arguing that such moves could damage competition in the single market.

However, the push for harmonisation is not without merits. Proponents argue that such a move would significantly reduce tax compliance costs and the complexities in understanding different taxation rules, and eliminate unintended tax obstacles to cross-border business growth.
A “middle-ground” approach

It would be beneficial to then land on a "middle-ground" approach, where cross-border business in ASEAN is not hindered by diverse income tax policies, and foreign investors would be encouraged to view ASEAN as a single large growth market, rather than a collection of individual countries.

Perhaps even having a "soft" approach to harmonisation of income taxation in ASEAN might work towards this end.

For a start, the ASEAN Forum on Taxation Working Group has, amongst its initiatives, a strategic action plan to proceed with the harmonisation of withholding tax rates amongst ASEAN member states, and the exchange of information and training programmes for tax policy and administration in the region.

This is a good step forward in the desired direction. This is also in line with the work carried out by the Study Group on Asia Tax Administration and Research, of which most of the ASEAN countries are members and where Singapore was a recent chair too.

Apart from harmonising withholding tax rates, adopting and applying a consistent interpretation of certain tax terms and concepts, and implementing some form of common standards for tax administration is also needed to encourage foreign investment.

Consider this example, where a lack of consistency can lead to double taxation: A Singapore tax resident company receiving a software payment from another Asean tax treaty country, where it is viewed as a royalty payment and would attract withholding tax. However, Singapore may, under an interpretation based on the Organisation for Economic Co-operation and Development, not view the payment as a royalty and deny the granting of foreign tax credit for the withholding tax.

Consistency is also needed in the application of permanent establishment (PE) rules. Currently, there are varying definitions of PE in tax treaties and how different tax authorities interpret the PE concept, creating yet again another potential pitfall.

Another area of divergence is the views of tax authorities on the concept of beneficial ownership. This will affect how treaty relief, in the case of dividends, interest or royalty income, is obtained.

Varying standards

From an administrative standpoint, there are also varying standards applied by different tax authorities for the purpose of applying reduced or zero withholding tax rates specified in tax treaties. Certain countries require taxpayers to furnish only a certificate of residence (COR), whilst others require taxpayers to demonstrate beneficial ownership through a list of questions before granting the treaty reliefs.
With the increased focus on BEPS, many companies today face transfer pricing disputes in more countries than one. Thus having a uniform set of transfer pricing rules, such as a safe harbour mark-up for routine services, approaches or methodologies to determine arm's length price, transfer pricing documentation requirements and timelines to submit master files and country-by-country reports, will be useful.

Further, in view of the digital economy where more income is expected to be derived through e-commerce, there is a pressing need for ASEAN tax authorities to establish a common set of rules to tax e-commerce transactions.

Getting different countries with varying approaches and standards on taxation to agree on a consistent set of rules will be a gargantuan task. Notwithstanding, steps – no matter how small – can be taken towards the end goal of harmonising certain tax treatments within the ASEAN countries.

Recently, Singapore said that the country will pursue an ASEAN e-commerce agreement and an innovation network to help businesses expand and leverage the e-commerce market potential in Southeast Asia. This will help to grow the intra-ASEAN market and position ASEAN as an integrated community for foreign trade and investments.

It is opportune for Singapore, as current chair of ASEAN and being known for its quality, reliability and pro-business stance, to take the lead in pushing for tax harmonisation as a means of realising the goals of economic integration.
Transfer pricing updates: a Southeast Asia perspective

Southeast Asia is becoming more connected and disrupted, with tax policies being constantly updated to serve current developments. Organisations operating in the region must align their transfer pricing (TP) processes with their business plans in order to navigate issues arising from tax risks and controversy. Luis Coronado elaborates.

Southeast Asia is a diverse region with a global merchandise share of US$2.2t, of which the largest contributor is intra-Southeast Asia trade, at around 24%.

The establishing of the ASEAN Economic Community (AEC) on 31 December 2015 after years in the making was a significant milestone for the regional economic integration agenda. The AEC, by design, seeks to create a single regional market and production base amongst member nations.

The foreign direct investments (FDI) from and into ASEAN have been ever increasing and multinational enterprises (MNE) have been expanding their operational base across Southeast Asia. Similarly, Southeast Asia-headquartered companies have also been acquiring assets overseas and are expanding to capture the market potential.

Increasing merchandise trade and FDIs have collectively propelled greater internationalisation and intra-MNE dealings. There is also greater cross-border flow of talent across jurisdictions in the region.

More recently, several MNEs are being disrupted in several areas and innovation has been the key to sustainability and expansion. The fourth industrial revolution and rapid adoption of technology have brought new areas of focus for several MNEs and provided opportunities for them to rethink their existing business and operational models.

Furthermore, tax authorities are increasingly focused on what their fair share of tax is. Amidst all these, TP emerges as a common and important theme.

Most of the Southeast Asia countries have been early adopters of TP rules except a few that recently came onboard. With increasing internalisation and new business models, several Southeast Asia countries have started building their transfer pricing audit capabilities by hiring more tax officers and training them at international bodies such as the Organisation of Economic Co-operation and Development (OECD).

Amongst the jurisdictions in Southeast Asia, Indonesia, as a G20 member, has participated in the OECD’s Base Erosion and Profit Shifting (BEPS) project since its inception.

1 https://www.aseanstats.org/publication/asean-merchandise-trade-in-50-years/?portfolioCats=64
Brunei, Malaysia, Singapore, Thailand and Vietnam have also become members of the inclusive framework of BEPS project. These countries have either implemented or are in the process of implementing changes in their respective domestic legislations in relation to Actions 5 on countering harmful tax practices, Action 6 on preventing treaty abuse, Action 13 on transfer pricing documentation and Action 14 on enhancing dispute resolution.

Recent regulatory changes
Subsequent to the release of Action 13 final report in October 2015, several jurisdictions in Southeast Asia have adopted the framework. Singapore first released an e-tax guide on Country-by-Country Reporting (CbCR) framework for Singapore-headquartered multinationals in October 2016. Indonesia released the Ministry of Finance regulation PMK 213 in December 2016, giving an extremely tight deadline for taxpayers to comply with such new regulations. Malaysia and Vietnam soon released their own guidelines in the first half of 2017. Cambodia introduced its TP rules in October 2017. More recently in January 2018, the Thai Cabinet approved the draft transfer pricing act that will add specific TP provisions to the Revenue Code, which will become effective for accounting years beginning on or after 1 January 2017. With some legislative changes enacted in February 2018, Singapore is now fully subscribed to Action 13 and has issued updated TP guidelines, fully adopting Actions 8 to 10 on aligning TP outcomes with value creation.

The other jurisdictions in Southeast Asia are expected to come fully onboard sooner or later.

Transfer pricing audits
The extent and intensity of TP audits vary across the region. Indonesia, Vietnam, Malaysia and Thailand are some of the jurisdictions that are known for their intense TP audit regimes. Suffice to say, TP is not an exact science and there is always room for interpretations and differences in opinion amongst parties.

The tax authorities across Southeast Asia are reviewing their current rules and audit frameworks to consider and implement concepts around “substance” and “value creation”, in line with the guidance contained in Actions 8 to 10 of the BEPS project. What this means for taxpayers is that they need to assess and evaluate whether their current structures and TP policies are able to withstand scrutiny in future.

The diversity of the region brings together an array of TP issues into perspective. Some countries are resource-rich and others are manufacturing hubs whilst a location like Singapore predominantly acts as a regional headquarters or principal location.

With the increased focus on BEPS, many companies today face TP disputes in more countries than one. With the outcome of Actions 8 to 10 and Action 13, some tax authorities are using the BEPS guidance on a selective basis to support their TP adjustments in the TP audits.

Arguments around “attributing residual profits to mine owners or plantation companies as they perform the most important aspect in a value chain” and “marketing intangibles” are quite common in Indonesian and Malaysian TP audits. Inbound service charges and royalty payments are almost always questioned and often involves justification with time-consuming evidentiary information around the benefits received by the taxpayers by making such payments. Most of the disputes in the region typically involve these types of transactions.

The post-BEPS era has seen a lot of scrutiny around the Intangible Property (IP) arrangements given that there is enhanced guidance. Singapore has seen much audit activities around substance of intra-group service charges, commercial rationale of certain arrangements and intra-group financing transactions. Taxpayers have been responding to multiple audits across several jurisdictions and in countries like Indonesia that have disputed audit outcomes. The treaty-based exchange of information has also increased among the Southeast Asian countries.

Future outlook
The first exchange of CbCR reports is due this year for FY 2016 filings. What this means is that the governments will have a big-picture view around an MNE’s global and local footprint and potentially use it as a tool to design their audit processes. Taxpayers are facing an ever-increasing compliance burden and encouraged to evaluate how technology could be used as an enabler to help them in complying with requirements in multiple countries.

Southeast Asia has been one of the active digital economy participants. With access to key markets, MNEs operating in this space will have more income expected to be generated through e-commerce. There is a pressing need for tax authorities in the region to establish a common set of TP rules and provide more guidance for taxpayers operating in this space.
On 7 June 2017, over 70 ministers and other high-level representatives participated in the signing ceremony of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). MLI will enter into force from July 2018. Being a BEPS associate, Singapore, Indonesia and Malaysia have signed the MLI. Amongst others, Singapore has opted for mandatory binding arbitration. It remains to be seen whether Singapore could potentially emerge as Southeast Asia’s arbitration hub for TP disputes.

Whilst several jurisdictions within Southeast Asia have adopted the BEPS measures on a unilateral basis, enhanced coordination amongst tax authorities is not seen despite the AEC being already set up. Having a uniform set of TP rules, such as a wider recognition of the OECD’s safe harbour mark-up for routine services, approaches or methodologies to determine arm’s length pricing, TP documentation requirements and timelines to submit master or local files and CbCRs, will be useful in future.

Mutual Agreement Procedures (MAP) statistics published by the OECD reveal that countries like Indonesia and Singapore have seen increasing numbers of TP cases. With the increase in audit activities, these are only bound to increase.

As such, a system that truly adopts Advance Pricing Agreements as an alternative to protracted audit discussions will be welcomed. Even the adoption of a mechanism that allows for simultaneous or joint audits will be seen as a means to share technical knowledge and bring audit processes to a coordinated timeline as opposed to natural delay caused by a one-sided audit whereby the double tax result is brought for MAP and one government needs to play catch up.

With regards to MAP, which will continue to prevail, it would be beneficial for countries to adhere to the timelines as provided by the BEPS-related commitments (minimum standards) at least with participating countries of the OECD Inclusive Framework and in absence of an amicable resolution, adopt the binding arbitration alternative. A recent EY global survey had 82% respondents stating that TP will be the leading issue driving demand for MAP cases in the coming three years.

As the regional economy develops in response to wider economic influences and disruptions, the landscape for tax policies including TP invariably becomes more complex. It is therefore imperative that businesses proactively build, manage, document, review and defend their TP policies and processes, and align them with their business strategy so as to mitigate any potential tax risks.

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The global asset management industry has experienced high growth in assets under management (AUM) over the past decade. Singapore has thrived as a leading Asian fund management hub, with AUM growing by 15% compounded annual growth rate over the past five years up till 2016 and by 7% in 2016 to S$2.7t\(^1\). A conducive business environment, underpinned by a robust regulatory and tax framework, has played an important role in contributing to Singapore’s success.

Why S-VACC?

Whilst Singapore’s dominance in Asia as a fund management hub is clear, many funds distributed and managed from Singapore are domiciled in Luxembourg, the Cayman Islands and Ireland. This is because Singapore’s legal and tax framework for fund vehicles only allows a Singapore fund to be set up as a company, a limited partnership or a unit trust.

The current legal requirements and tax rules for each of these vehicles have certain drawbacks such as the need for publicly accessible shareholder and financial information, administrative difficulties in repatriation of capital and declaration of dividend, and the inability to ring fence or segregate assets and liabilities. As well, Singapore limited partnerships and unit trusts may not be able to access the country’s extensive tax treaty network. Such limitations have played a part in restricting the number of funds that could have been set up in Singapore.

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1 2016 Singapore asset management survey conducted by the MAS.
The introduction of the S-VACC\(^2\), a company vehicle dedicated to funds provides the wealth and asset management industry with a legal entity that is tailor-made to address such current limitations. The Monetary Authority of Singapore (MAS) has drafted the S-VACC Act based on international best practices established by these jurisdictions. The key features include the creation of sub-funds or “cells” with segregated assets and liabilities, redemption of shares and payment of dividend out of capital, and making the public disclosure of the register of shareholders non-mandatory.

Variable capital corporate form funds have been successfully legislated by several countries such as Luxembourg, Ireland, the Cayman Islands and the UK. Hong Kong and Australia have also issued consultation papers on a proposed open-ended fund company in Hong Kong and a corporate collective investment vehicle in Australia respectively.

Who can use S-VACC?

The MAS has proposed for the S-VACC to be used as a vehicle for collective investment schemes (CIS) only, and not for operating any other business. The S-VACC is required to appoint a Permissible Fund Manager to manage their assets, who can be a holder of the capital markets services license for fund management under the Securities and Futures Act or certain managers that are exempted from holding such license.

The concept of the S-VACC has been received positively by the traditional as well as alternative asset management industry. Single family offices and more so, multi-family offices, may also consider the use of S-VACC.

Clarity and certainty of tax treatments

Whilst Singapore is looking to provide its fund industry with a shot in the arm, the tax treatment accorded to the S-VACC will play an important role in determining the success of the S-VACC. To that end, the tax treatment must support the MAS’s intentions for introducing the vehicle.

It is expected that the MAS will release a detailed tax framework to complement the S-VACC regulatory framework by October 2018. At Budget 2018, the MAS has already announced these key features of the S-VACC:

- Firstly, the S-VACC is to be treated as a company and a single entity for tax purposes. For compliance ease, only one set of tax return is required to be filed with the Inland Revenue Authority of Singapore (IRAS). This is a welcomed development as it allows the S-VACC to demonstrate that it is a tax resident of Singapore and to obtain a certificate of residence from the IRAS, which is required in order to access Singapore’s tax treaties network. Further, dividends declared by the S-VACC should be regarded as exempt from Singapore tax for recipients under Singapore’s one-tier corporate tax system.

- Secondly, the S-VACC is eligible to apply for tax exemption under sections 13R\(^3\) and 13X\(^4\) of the Singapore Income Tax Act (ITA) and therefore also eligible to claim the existing Goods and Services Tax (GST) remission for funds. Tax exemptions under sections 13R and 13X of the ITA also provide adequate certainty on tax neutrality of the S-VACC, subject to it meeting required conditions. The confirmation on the applicability of sections 13R and 13X tax incentive schemes as well as the GST remission scheme to the S-VACC is a positive message.

- Thirdly, a 10% concessionary tax rate under the Financial Sector Incentive-Fund Management (FSI-FM) scheme will be extended to approved fund managers managing an incentivised S-VACC. This extension will help to promote the attractiveness of S-VACCs to Singapore fund managers.

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\(^{1}\) On 23 March 2017, the MAS issued a consultation paper on the proposed framework for S-VACC and a draft S-VACC Act.

\(^{2}\) Exemption of income of a Singapore fund from funds managed by a Singapore fund manager.

\(^{3}\) Exemption of income arising from funds managed by a Singapore fund manager.
To provide both simplicity and certainty, as well as to adhere to international tax practices, we hope the following areas can be addressed in the tax framework for S-VACC to be released by October 2018:

▸ Can an existing Singapore company convert to or amalgamate with an S-VACC? If so, can this be achieved in a tax-neutral manner?

▸ Where the S-VACC is incentivised under either section 13R or 13X of the tax incentive scheme, will the WHT exemption pursuant to section 13(4) of the ITA and the Income Tax (Exemption of Interest and Other Payments For Economic and Technological Development) (No.2) Notification 2012 be available to the S-VACC?

▸ Where an S-VACC has sub-funds, should the relevant conditions under sections 13R and 13X of the ITA apply to each sub-fund independently or to the S-VACC as a whole? Will the tax liability of each sub-fund be ring-fenced from the S-VACC and from every other sub-fund? As each sub-fund within an S-VACC is not proposed to be a distinct person, will transactions between two or more sub-funds within an S-VACC need to adhere to the arm's length principle and transfer pricing documentation requirements under the ITA?

The S-VACC, as proposed, is indeed an exciting addition to Singapore's fund ecosystem. It is expected to be game changer for Singapore's fund and fund management industry, as the country seeks to cement its longstanding reputation as a wealth management hub.
The quest for innovation continues

The Singapore government has relentlessly encouraged companies to take bold steps in innovation and optimise R&D tax incentives to futureproof their businesses. Tan Bin Eng and Mark Thompson take stock of the developments in the country’s R&D tax landscape and innovation journey thus far.

The quest for Singapore to be an innovation-driven economy has been a relentless one since the last decade. This focus was intensified with the announcement of a five-year Research, Innovation and Enterprise (RIE) 2020 Plan in 2016. The stimulus was a record S$19b commitment to support Singapore’s R&D efforts in the years from 2016 to 2020.

Now midway into the RIE 2020 Plan, the Singapore government appears determined to accelerate the pace of innovation growth and has proposed to increase the enhanced tax deduction from 150% to 250% for staff costs and consumables incurred on qualifying R&D projects performed in Singapore with effect from 2018.

With the expiry of the enhanced R&D tax deduction under the Productivity and Innovation Credit scheme (PIC) (post-financial year 2017), the increase in R&D tax deductions, which is proposed to take effect from financial years 2018 to 2024, comes as a relief for businesses seeking to plan and build their competitive advantage.

Unlike the PIC, the proposed 250% R&D tax deduction is not subject to any expenditure cap, thereby allowing Singapore businesses with more substantive R&D activities to enjoy greater benefits.

Based on the current corporate tax rate of 17%, the proposed 250% R&D tax deduction equates to an after-tax benefit of 42.5 cents for every qualifying dollar of R&D expenditure. This benefit is globally competitive against more matured R&D jurisdictions such as Australia (43.5 cents per dollar for SMEs and 38.5 cents per dollar for large companies), the UK (43.7 cents for SMEs and 8.91 cents for large companies) and Hong Kong (49.5 cents on the first HK$2m per year and 33 cents per dollar thereafter).

With intense global competition for R&D dollars, the enhancement in Singapore is certainly a welcomed signal to large companies deciding on where to place their precious R&D dollars.
Notwithstanding the benefits, the enhancement in itself is insufficient to significantly elevate Singapore's global competitiveness for R&D activities from an incentive perspective. This is primarily because the current administration of the incentive as well as eligibility conditions remain unchanged.

The strict interpretation of the eligibility criteria and onerous process including protracted queries have traditionally led many taxpayers to question the value of this incentive. In some instances, companies claiming the incentive have eventually dropped and forgone the entitled deductions given the associated high compliance costs. This has been a longstanding bone of contention on the enhanced tax deduction. It remains an issue, unless there is a mindset shift on how the enhancement is executed.

Unlike the Australian, Ireland or UK jurisdictions, the proposed changes to the Singapore R&D tax incentive still do not provide an option for companies in a tax loss position to cash out their R&D deductions. This has a potential impact on the uptake of the incentive by start-ups and SMEs that rely heavily on cash to finance ongoing R&D activities.

Having said that, there are other R&D grants that cater to cash-reliant entities. These grants include the Research Incentive Scheme for Companies, which awards a company between 30% and 50% of qualifying R&D costs on a prospective basis for up to three years on approved R&D projects; and the Capability Development Grant, which supports up to 70% of qualifying costs for new product development, process enhancements as well as other development areas.

These grants are only for an approved project life and are most effective for cash-strapped companies with one-off projects or are at the early stages of setting up R&D activities. They do little, however, to serve the purpose of sustaining ongoing R&D activities in Singapore.

Notwithstanding, with a record funding amount now allocated under the RIE 2020 Plan, Singapore has been accumulating world-class R&D projects and R&D talent over four prioritised domains:

**Advanced manufacturing and engineering**

Along with the RIE 2020 support, businesses in this sector have also taken advantage of other schemes, such as the Technology for Enterprise Capability Upgrading (T-UP) scheme, to access talent pools from the Agency for Science, Technology and Research and help capitalise on in-house R&D manufacturing technologies. Going forward, leveraging robotics automation will be key to further stimulate advanced manufacturing initiatives as companies continue to automate new ways of manufacturing to lower costs and increase productivity.

**Services and digital economy**

Today, Singapore is fast-tracking to become one of Asia's digital capitals. We see a number of digital technologies transforming the way businesses create value as they become more and more connected through platform technologies, digital deliverable services, artificial intelligence (AI), machine learning, robotics, big data and blockchain technology. However, much like advanced manufacturing, the digital R&D transformation comes with societal concerns regarding job anxiety. In response, more companies have been leveraging subsidies to lower the cost of skills upgrading and employment training.

**Health and biomedical sciences**

The biomedical sciences sector has collided with digital and engineering to develop early detection and improved treatment medical technologies centred on big data and AI. These developments are key for Singapore to take the lead on the global biomedical technology front.
Urban solutions and sustainability

Collaborative efforts between cleantech companies and institutes, such as the Solar Energy Research Institute of Singapore, have supported new solar sustainability initiatives with potential for immediate commercialisation and export of technology from Singapore. Other local sustainability initiatives include the development of the world’s largest floating solar testbed, with a vision to create “energy islands” of the future for industrial and nearby residential zones. These developments will continue to strengthen Singapore as a cleantech hub.

Clearly, the efforts put in by the Singapore government to promote pervasive innovation within the economy is extensive and starting to see pockets of industries bearing fruit.

We are optimistic that with the recent changes to the R&D tax incentive and continued engagement with taxpayers, Singapore policy-makers will take a proactive and pragmatic approach to further fine-tune the implementation of the R&D tax incentive.

The rapidly disrupted and evolving global environment will require companies to constantly challenge the status quo and consider how they can transform themselves. Given the pressure on investments, the returns on these investments will be critical. Businesses must proactively consider the benefits of the various R&D incentives, whether tax or cash grants, to ensure they are taking full advantage of the fiscal support provided in order to propel themselves forward - or risk crashing out of the race.
You and the Taxman
What does it take to attract, develop and reward the next generation of family business leaders? Goh Siow Hui, Samir Bedi and Koh Chin Chin discuss.

Disruption is changing the way the world works with technology being one of the primary drivers. Many businesses scramble to keep pace with change and uncertainty, yet family businesses seem to have been able to keep it together.

The EY global family business survey 2018 revealed that large family businesses thrive by creating cultures that are agile, foster innovation and reward fresh thinking. In other words, they develop cultures with great capacity to harness disruption from one generation to the next.

The study also found that family businesses view disruption as both a threat and an opportunity, with 53% of the respondents identifying human capital as one of the top areas for investment over the next three years. Many also recognise the role that the next generation can play in identifying disruptive threats and trends that could reshape the marketplace.

Having said that, the respondents also conceded that more can be done when it comes to harnessing the talent of their next-generation or younger family members. Based on our experience working with business families in recent years, there are several areas that family businesses can focus on.

Prioritise succession planning

With such a potentially important role that the next generation can play in countering or capitalising on disruption, family business leaders are beginning to place a higher priority on succession planning.

In many families, we see the lead generation engaging on issues relating to succession with urgency and being more willing to involve the next generation in such discussions. This means making plans together, working together to determine how and when the next generation will take over.
For many next-generation members, working and leading the family’s business is no longer the only option available to them. Just like how they would manage external talents, family businesses too, have to develop and nurture their next generation in order to retain them in the long-term.

Recognise the talents of the next generation

The next generation represents the first truly digital generation. Their comfort in an ever-changing digital climate could be a huge asset as family businesses explore how they can create and embrace long-term digital strategies and enhance their innovation agenda. Engaging the next generation early in the family business can help to maintain continuity and increase family cohesion for superior operational performance.

Have a clear development framework

As competition for talent intensifies, family business leaders intending to eventually find a suitable successor amongst family members will need to ensure that their succession planning includes putting in place a framework to adequately nurture and reward next-gen family members.

One aspect of the framework could involve developing policies for young family members to enter the family business as well as putting in place structured training or education programmes to nurture and develop them into high-performers who will live the core values of the family and the business.

Establish a sound reward strategy

It is important to develop and implement strategies to reward family members based on their roles in the family business and their contributions to performance. Such reward strategies have to be consistent and sustainable as well as provide an appropriate degree of differentiation between family members and non-family management.

Having a shared dialogue brings comfort and confidence to the family, as family members are no longer kept in the dark about what comes next. In these sessions where the fear of losing (or losing out) is no longer an overriding factor, family members are more willing to participate and put forth creative solutions.

Through this participative approach, some families have come up with funds that encourage entrepreneurship and the creation of new business lines within the family, as well as family trusts that not only look after basic health and housing for family members, but also provides for family retreats and holidays where there were none previously.

Woo the next generation proactively

Family business should not assume that the next generation will be willing to succeed the business, given that interests of a family member may not always be aligned with the interest of the family business. When next-generation family members are not keen to join the family business, it greatly increases the difficulty of finding capable family successors.

In a global study by EY in 2015, Coming home or breaking free, the succession intentions of next-generation members of family businesses were found to be low and even in decline. Only 3.5% of the students surveyed, whose parents have a family business, intend to become a successor directly after graduation, whilst 4.9% intend to take over five years after graduation. This could be attributed to a variety of factors, including the availability of more attractive career options elsewhere.

It is important to develop and implement strategies to reward family members based on their roles in the family business and their contributions to performance. Such reward strategies have to be consistent and sustainable as well as provide an appropriate degree of differentiation between family members and non-family management.
The rewards strategy should consider how it will co-support the family business’ strategy and business unit strategy, and whether it is relevant and resonates with the family members. As well, the overarching objective, key performance measures and governance, review and management of the reward programme must be clearly articulated. It is also important to consider how professionals playing the same roles will be paid.

Keeping it in the family

“30:10:3” is a commonly quoted family business survival ratio, whereby 30% of firms survive into the second generation, 10% last into the third generation and only 3% survive beyond that point.

Family businesses must continue to adapt and innovate to survive in an ever-changing business landscape – and the talents of next-generation leaders may well hold the key to unlock the many challenges that the disruptive future presents.

As summed up by Georges Bougaud, President of Recamier and one of the winners of the EY 2016-2017 Family Business Award of Excellence: “It is so important to pass on the culture of the family business to the next generation. You have to create a commitment to the family to continue this incredible journey.”

Family businesses must continue to adapt and innovate to survive in an ever-changing business landscape – and the talents of next-generation leaders may well hold the key to unlock the many challenges that the disruptive future presents.
EY: Tax risk management has always been a mainstay for tax functions. How has this intensified in recent times?

**CSSM:** The intersection of many different drivers of change is making the whole of tax risk greater than the sum of its parts.

With the proliferation of digital, technological advancements and automation, tax administrations worldwide have become more interconnected in working with one another to capture their fair share of tax and are more proficient in using tools to tighten their scrutiny and audit.

Base Erosion and Profit Sharing measures such as country-by-country reporting are driving disclosures and tax transparency requirements at new levels – and this is especially pertinent for companies with wide geographic business and tax footprints. Even markets that local companies are arguably more familiar with, like the US and UK, are undergoing watershed changes with the US tax reform and Brexit, which have notable knock-on effects on taxation.

Meanwhile, a new breed of tax activism has also emerged - the public, media and non-government organisations now want to know how much tax companies are paying, and should pay. All these are coming together to create a web of tax complexities that is putting heightened financial, resource and reputation strains on companies as they strive to navigate the uncertainties and stay compliant as competently as possible.

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**The rise of tax controversy: keep up or lose out**

With increasing global connectivity, companies are becoming more vulnerable to tax disputes and controversy. How can tax executives manage the risks and keep up? Chung-Sim Siew Moon shares her insights.
In conversation with

EY: Taking a closer look, how are tax administrations more empowered today?

CSSM: Tax administrations around the world have become more focused and effective with taxpayer information now being readily available at a rapid pace. They are developing more sophisticated capabilities to amass and analyse large volumes of data, and have made great strides to share information on a more routine basis.

Tax authorities are now also more able than before to boost tax collections and target compliance initiatives with the use of data analytics to select audit targets and raise audit issues. This means more real-time auditing, more demands for information from taxpayers and less time for taxpayers to respond to these demands.

Enhanced tools are allowing tax authorities to develop a more comprehensive global picture of companies’ operations, employees, sales, intangibles and tax transactions. Having a granular view is one thing; increased information sharing among authorities adds another layer of pressure. The interconnectivity among tax authorities means that tax controversy in one country can now quickly spread and intensify as tax authorities collaborate across borders.

All of these challenge the conventional annual cycle that once framed the work of the tax function. Whilst companies still file an annual tax return that is still viewed and evaluated only by a tax authority, the traditional tax return one day could give way to real-time reporting.

EY: How have global tax reforms and policy changes impacted the tax controversy landscape?

CSSM: Tax policy and legislative changes in one jurisdiction can trigger changes across the globe and give rise to a dramatic effect on business models as countries seek to remain competitive and protect their tax base. For example, Brexit and the US tax reform have dramatically changed investment behaviours, trade flows and financing structures.

As businesses shift their strategies and priorities, they must be ready to deal with issues related to global compliance and reporting, cash flow and repatriation, tax audit and refocus their approach on global tax controversy management.

Tax controversy can cover the whole spectrum of taxes and an upward trend may become more apparent over time with more aggressive audits and demands for transparency. Failure to address tax controversy effectively can result in unbudgeted costs, increased compliance and resourcing burden, potential penalties, reputational risks, negative media coverage, and arising external stakeholder concerns.

Conversely, if managed soundly, companies can expect payoffs such as certainty, release of cash from the tax provision, more timely resolution of issues, reduction of tax compliance costs, freeing up talent from the management of tax controversies and litigation cases, and increased prospects of a lighter tax audit focus in the future.
EY: The speed of change has been daunting. Instead of trying to do everything at once, what steps can companies take to keep tax controversy at bay?

CSSM: It is easy to jump to the conclusion that businesses must get up to speed with their technology – but adoption should not be just for the sake of technology.

Digitalisation and the digital mindset must be embedded into organisation and the tax function’s people and processes for the purposes of raising strategic agility and operational efficacy. For example, how can technology be harnessed to prepare organisations to be audit-ready always? Can your existing systems provide a complete picture of tax compliance risks and controversies in all jurisdictions in which you operate?

Executives must also take a keener interest in ensuring compliance with tax filing and reporting obligations, underpinned by sound corporate governance such that the tax strategy is part of the overall business strategy - and not an afterthought.

Executives are increasingly aware of the importance of taking a proactive interest and stance on tax, but more can be done. EY’s global 2017 Tax Risk and Controversy Survey, which covered 69 jurisdictions across more than 17 industries, found that 46% of the respondents had no visibility over active tax disputes, which should not have been the case.

Executives should strive for a centralised strategy for managing tax controversy that includes a top-down, end-to-end global approach with policies and procedures that facilitate oversight and early identification of global tax controversies.

Lastly, businesses must stay abreast of global legislative, regulatory and tax administration changes. This, in today’s operating environment, is a “hygiene” requirement that cannot be overstated.

“…The intersection of many different drivers of change is making the whole of tax risk greater than the sum of its parts. …”

Chung-Sim Siew Moon
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Tax Policy and Controversy Leader and Partner
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## What's new

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<tr>
<td>22 May 2018</td>
<td>GST: guide on exemption of investment precious metals (IPM) (seventh edition)</td>
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<td>2 April 2018</td>
<td>GST: assisted compliance assurance programme (ACAP) (ninth edition)</td>
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<td>19 March 2018</td>
<td>GST: guide for property developer (third edition)</td>
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<td>13 March 2018</td>
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<td>GST: transfer of business as a going concern and other excluded transactions (second edition)</td>
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<td>GST: general guide for businesses (seventh edition)</td>
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<td>GST: guide on reimbursement and disbursement of expenses (second edition)</td>
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<td>GST guide on purchase of land for residential development (second edition)</td>
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<td>GST: real estate agency industry (second edition)</td>
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<td>GST: self-accounting of GST by listed REITS and their SPVs for property purchases (third edition)</td>
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<td>GST: guide for property developer (second edition)</td>
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### Agreements for Avoidance of Double Taxation (DTAs) signed or ratified from 1 January 2018 to 31 May 2018

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### Monetary Authority of Singapore (MAS) circulars issued from 1 January 2018 to 31 May 2018

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<td>Extension of tax concessions for promoting the debt market</td>
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<td>31 May 2018</td>
<td>Extension and enhancement of the financial sector incentive scheme (FSI Scheme)</td>
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<td>Extension and rationalisation of the tax incentive schemes for insurance broking business</td>
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<td>31 May 2018</td>
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<td>Tax exemption/waiver of withholding tax on qualifying payments made by qualifying financial institutions</td>
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<td>4 May 2018</td>
<td>Clarification on the definition of “issued securities” under section 13CA fund tax incentive scheme</td>
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<td>Tax transparency treatment for exchange-traded funds investing in real estate investment trusts</td>
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<td>11 April 2018</td>
<td>Extension of the tax incentive scheme for approved special purpose vehicle (ASPV) engaged in asset securitisation transactions (ASPV Scheme)</td>
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<td>10 April 2018</td>
<td>Expansion of the enhanced-tier fund tax incentive scheme</td>
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### Property tax

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<tbody>
<tr>
<td>2 January 2018</td>
<td>Property tax: guide for hotel owners and operators (second edition)</td>
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### Stamp duty

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<tr>
<td>19 Feb 2018</td>
<td>Stamp duty: buyer’s stamp duty on residential and non-residential properties</td>
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</table>
Our tax professionals in Singapore provide you with deep technical knowledge, both globally and locally, combined with practical, commercial and industry experience. We draw on our global insights and perspectives to build proactive, truly integrated direct and indirect tax strategies that help you build sustainable growth, in Singapore and wherever else you are in the world.

**Business Tax Services**

**Tax Policy and Controversy Services**

Our global EY network of tax policy advisors have extensive experience helping develop policy initiatives, both as external advisors to governments and companies and as advisors inside government. Our dedicated tax policy professionals and business modelers can help address your specific business environment and improve the chance of a successful outcome.

Our EY network of tax controversy advisors will help you address your global tax controversy, enforcement and disclosure needs. In addition, support for pre-filing controversy management can help you properly and consistently file returns and prepare relevant backup documentation. Our professionals leverage the network’s collective knowledge of how tax authorities operate and increasingly work together to help resolve controversy and pre-filing controversy issues.

**Quantitative Services**

EY’s Quantitative Services network offers a scalable set of services to assist clients with analysing tax opportunities, typically related to large data sets, systematically and efficiently. This helps clients identify multi-country tax regulations and the benefits that can be attained. Our services can include assistance with:

- Accounting methods and inventory – advising on the application of tax rules and regulations related to income and expense recognition
- Research incentives – identifying tax incentives associated with a company’s qualifying research investments
- Flow through – tax planning and advice related to partnerships, joint ventures and other tax flow-through legal entities
- Capital assets and incentives – our technological capabilities help streamline fixed asset analysis and identify tax deductions

These approaches can help clients improve cash flow, plan for cash tax and effective tax rates in upcoming years, and create refund opportunities. Our process improvements can help streamline tax compliance.

**Private Client Services**

EY’s Private Client Services offers tax-related domestic and cross-border planning and compliance assistance to business-connected individuals and their associated entities. In addition, in today’s global environment, cross-border services can help meet the ever-growing needs of internationally positioned clients. Our dedicated resources in major markets around the world serve individual clients needing a wide range of tax services, including tax compliance, tax planning and tax advice relating to their business interests, investments and other financial-related assets.

We have experience working with individuals and companies of all sizes across many aspects of the tax life cycle – planning, provision, compliance and controversy.

**Business Tax Advisory Services**

EY Business Tax Advisory practice combines technical skills with practical, commercial and industry knowledge to give you advice tailored to your business needs. Our tax professionals bring you their deep understanding of tax issues.

We can help you reduce inefficiencies, mitigate risk and make the most of opportunities, building sustainable tax strategies that can help your business succeed.

**Tax Technology and Transformation Services**

Our Tax Technology and Transformation Services can help your business meet today’s complex regulatory, technology and globalisation challenges by maximising the effectiveness of your tax function with the implementation of efficient tax processes and software tools.

With dedicated resources in major markets around the world, our talented people, proven methodologies and in-depth knowledge of tax technologies can help you build strong compliance and reporting foundations, effective risk management protocols and a high performing, more efficient, effective and sustainable tax function.

Our holistic approach allows us to speak the same language as your tax, finance, information technology and business professionals, which is necessary to drive enhanced tax function performance across the enterprise.

**Global Compliance and Reporting**

Our Global Compliance and Reporting (GCR) can help you meet your reporting requirements wherever you do business. GCR comprises the key elements of a company’s finance and tax processes used to prepare statutory financial and tax filings in countries around the world. These include:

- Statutory accounting and reporting
- Book-keeping and accounting support
- Corporate secretarial
- Tax accounting and provisions
- Tax compliance filing

Our talented people, consistent global methodologies and tools, and unwavering commitment to quality service can help you build strong compliance and reporting foundations, sustainable organisational strategies and effective risk management protocols to help your business succeed.

**Corporate Services**

Our Corporate Services team supports your business in the following areas: entity formation and company secretarial matters, the preparation of management and statutory financial statements, monthly book-keeping and payroll outsourcing. We work with all stakeholders to help you meet deadlines and comply with statutory requirements.

**Company secretarial:** We help our clients and their officers comply with the Singapore Companies Act requirements principally and other relevant regulations from a company secretarial perspective. In addition to compliance matters, we are often involved in corporate structuring work such as share capital reduction and share buy-back initiatives.

**Accounting:** From day-to-day to complex transactions, our accounting professionals assist to facilitate that the transactions are recorded accurately, timely and in accordance with applicable accounting standards. We are also familiar with all aspects of the accounting function like management reporting, debtors/creditors control and XBRL conversion.

**Payroll:** We provide broad payroll outsourcing services. We assist to facilitate that your employee payrolls are computed in accordance with the Singapore Employment Act and with the Ministry of Manpower regulations.
**Financial Services Tax**

Our Financial Services Tax team is dedicated to providing value to our clients in the financial services industry who are facing a constantly evolving tax landscape. Whether you are in Banking and Capital Markets, Asset Management, or the insurance sector, we will be able to assist you in issues including managing your direct and indirect tax obligations and tax risks, navigating the complex tax rules across jurisdictions, pursuing tax incentives or concessions, dealing with transfer pricing issues, handling tax authority queries, assessing your tax provisions, and analysing your uncertain tax positions.

We can also advise you on the tax implications of new financial products or transactions, and assist in applying for Revenue rulings where applicable. We can advise on the structuring of your new businesses and new funds, or on the review of such structures in an internal reorganisation or in the event of mergers or acquisitions, from the tax perspective.

**Indirect Tax Services**

Global Trade

In today's global economy, moving goods across borders can be complex and costly. More than ever before, effective management of customs and international trade issues is crucial to maintaining a competitive advantage.

EY's customs and international trade professionals can help you manage costs and reduce the risk of penalties and significant supply chain disruption. Our core offerings include strategic planning to manage customs and excise duties, trade compliance reviews for imports and exports, internal controls and process improvement, and participation in customs supply chain security programs.

We develop proactive, pragmatic and integrated strategies that can help you address the challenges of doing business in today's global environment and help your business succeed.

**GST Services**

Our network of dedicated Indirect Tax professionals can advise on the GST treatment of transactions and supplies and help resolve classification or other disputes and issues with the authorities. We provide assistance in identifying risk areas and sustainable planning opportunities for indirect taxes throughout the tax lifecycle, helping you meet your compliance obligations and your business goals around the world.

We provide you with effective processes to help improve your day-to-day reporting for indirect tax, reducing attribution errors, reducing costs and ensuring indirect taxes are handled correctly. We can support full or partial GST compliance outsourcing, identify the right partial exemption method and review accounting systems.

**International Tax Services**

International Tax Services

Executives are constantly looking to align their global tax position with their overall business strategy. We can help you manage your tax responsibilities by leveraging the global EY network of dedicated international tax professionals – working together to help you manage global tax risks, meet cross-border reporting obligations and deal with transfer pricing issues.

EY's multidisciplinary teams can help you assess your strategies, assisting with international tax issues, from forward planning through reporting, to maintaining effective relationships with the tax authorities. We can help you build proactive and integrated global tax strategies that address the tax risks of today's businesses and achieve sustainable growth.

Global Tax Desk

Our market-leading Global Tax Desk network – a co-located team of highly experienced professionals from multiple countries – is located strategically in major business centers so that our desks can respond to your challenges immediately and cost-effectively, avoiding time zone barriers and the high price of international travel.

The desks work as a team – tackling the same problem from all sides – thoughtfully identifying considerations with your cross-border transaction. We work with you to help you manage global operational changes and transactions, capitalisation and repatriation issues, transfer pricing and your supply chain – from forward planning, through reporting, to maintaining effective relationships with tax authorities.

**Transfer Pricing**

Our Transfer Pricing professionals help you build, manage, document, review and defend your transfer pricing policies and processes – aligning them with your business strategy.

Here's how we can help you:

- Strategy and policy development
- Governance optimisation and decision making process to help:
  - Reduce impact of year-end adjustments
  - Monitor transfer pricing footprints
- Coordinate across organisation
- Global or regional assistance to support transitions to new documentation requirements
- Controversy risk assessment, remediation or mitigation as a result of documentation requirements
- Global transfer pricing controversy and risk management

**Operating Model Effectiveness**

Our multi-disciplinary Operating Model Effectiveness teams work with you on operating model design, business restructuring, systems implications, transfer pricing, direct and indirect tax, custom, human resources, finance and accounting. We can help you build and develop the structure that makes sense for your business, improve your processes and manage the cost of trade.

**People Advisory Services**

As the world continues to be impacted by globalisation, demographics, technology, innovation and regulation, organisations are under pressure to adapt quickly and build agile people cultures that respond to these disruptive forces. EY People Advisory Services believes a better working world is helping our clients harness their people agenda – the right people, with the right capabilities, in the right place, for the right cost, doing the right things.

We work globally and collaborate to bring you professional teams to address complex issues relating to organisation transformation, end-to-end employee lifecycles, effective talent deployment and mobility, gaining value from evolving and virtual workforces, and the changing role of HR in support of business strategy. Our EY professionals ask better questions and work with clients to create holistic, innovative answers that deliver quality results.

**Transaction Tax Services**

Every transaction has tax implications, whether it's an acquisition, disposal, refinancing, restructuring or initial public offering. Understanding these implications can mitigate transaction risk, enhance opportunity and provide crucial negotiation insights. Transaction Tax Services comprises a worldwide network of professional advisors who can help you navigate the tax implications of your transaction.

We mobilise wherever needed, assembling personalised, highly integrated global team, to work with you throughout the transaction lifecycle, from initial due diligence through post-deal implementation. And we can suggest structuring alternatives to balance investor sensitivities, promote exit readiness and raise opportunities for improved returns.
If you would like to know more about our services or the issues discussed, please contact:

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