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Singapore Corporate Tax Rate

To encourage local entrepreneurship, Singapore Government has declared a tax exemption for newly incorporated companies.

1. Corporate Income Tax Rate

The corporate income tax rate is 17% for both Singapore tax resident and non-Singapore tax resident companies.

(1) New Start-up Company

For a new start-up company, 75% tax exemption on the first \$100,000 of the normal chargeable income is given for the first 3 consecutive years of assessment from year of assessment 2020 onwards. Hence, the exemptions and resultant assessable amounts will be as follows:

Table 1: New Start-up Company Tax Exemption Amount

Chargeable Income	SGD	% Exempted	Exempted Amount	Amount Assessable
For the first	100,000	75%	75,000	25,000
For the next	100,000	50%	50,000	50,000
	200,000		125,000	75,000

The qualifying conditions for the above tax exemption for a start-up company are:

- (a) The company is incorporated in Singapore;
- (b) The company is tax resident in Singapore for that year of assessment;
- (c) Throughout the basis period, there are 20 or less shareholders where -
 - (i) all of the shareholders are individuals beneficially holding the shares in their own name; or
 - (ii) at least one individual shareholder holds at least 10% of the issued ordinary shares;

The above exemption is however, not available to investment holding companies and property development companies with effect from 26 February 2013.

(2) All Existing Company

The following partial tax exemption is given to existing companies for year of assessment 2020 onwards and the resultant assessable amounts are as follows:

Table 2: All Existing Company Partial Tax Exemption Amount

Chargeable Income	SGD	% Exempted	Exempted Amount	Amount Assessable
For the first	10,000	75%	7,500	2,500
For the next	190,000	50%	95,000	95,000
	290,000		102,500	97,500

Companies are also given a 20% corporate tax rebate (capped at S\$10,000) for YA 2019 and 25% corporate tax rebate (capped at S\$15,000) for YA 2020.

2. Stamp Duty

(1) Buyer's stamp duty

(a) Commercial property

Table 3: Stamp duty on commercial property

Purchase Price (SGD)	Rate (%)
First 180,000	1%
Next 180,000	2%
Above 360,000	3%

In short, if you purchase a commercial property for a price higher than SGD\$360,000, the stamp duty payable is 3% of the purchase price minus SGD5,400

(b) Residential property

Prior to the implementation of the new measures on 20th February 2018, the stamp duty on the purchase of residential property was the same as the stamp duty on the purchase of commercial property, but with effect from 20th February 2018, the new tax rate is shown in the following table:

Table 4: Stamp duty on residential property

Purchase Price (SGD)	Rate (%)
First 180,000	1%
Next 180,000	2%
Next 640,000	3%
Remaining balance	4%

(2) Additional Buyer's Stamp Duty

For Singapore citizens, if the property they purchase is a second or above property, they are required to pay buyer's additional stamp duty. For Singapore permanent residents and foreigners, they are still required to pay buyer's additional stamp duty even if the property they purchase is the first property they purchase in Singapore.

Table 5: Stamp duty on additional buyer's stamp duty from 6th July 2018 onwards

Additional Buyer's Stamp Duty	Singapore Citizen	Singapore Permanent Resident	Foreigner	Company
First Property	0%	5%	20%	25%
Second Property	12%	15%	20%	25%
Third Property	15%	15%	20%	25%

(3) Seller's Stamp Duty

Seller's stamp duty is applicable to both residential and industrial properties. If property owner sells the property within three years after purchased the property, seller's stamp duty is payable.

Table 6: Seller's stamp duty on residential property

Selling Period	Rate (on actual price or market price, whichever is higher)
Within one year	12%
Within two years	8%
Within three years	4%
After three years	0%

Table 7: Seller's stamp duty on industrial property

Selling Period	Rate (on actual price or market price, whichever is higher)
Within one year	15%
Within two years	10%
Within three years	5%
After three years	0%

3. Tax incentive

To encourage foreign capital inflow into Singapore, there are tax incentives provided to various industries namely in the form of reduced corporate tax rates

Table 8: Relevant Tax Rate for Tax Incentive Scheme

Tax Incentives	Rate (%)
Pioneer Tax Incentive	Exemption for 5-10 years
Development and Expansion	5%
Investment allowance	Exemption up to 5 years
Intellectual Property Development Incentive (IDI)	5%/10%
Finance & Treasury Centre Co.	8%
Insurance Business Development (IBD) scheme	10%
Real Estate Investment Trusts (REITs)	10%
International Shipping Profit	Exempt
Venture company	Exempt
Headquarters schemes	Exempt/10%
Global Trader Programme (GTP)	5%/10%
Not-For-Profit Organisation	8%
Shipping Company	Exempt
International Freight and Logistics Operators	10%
Ship Investment	10%
Container Investment	5%/10%

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

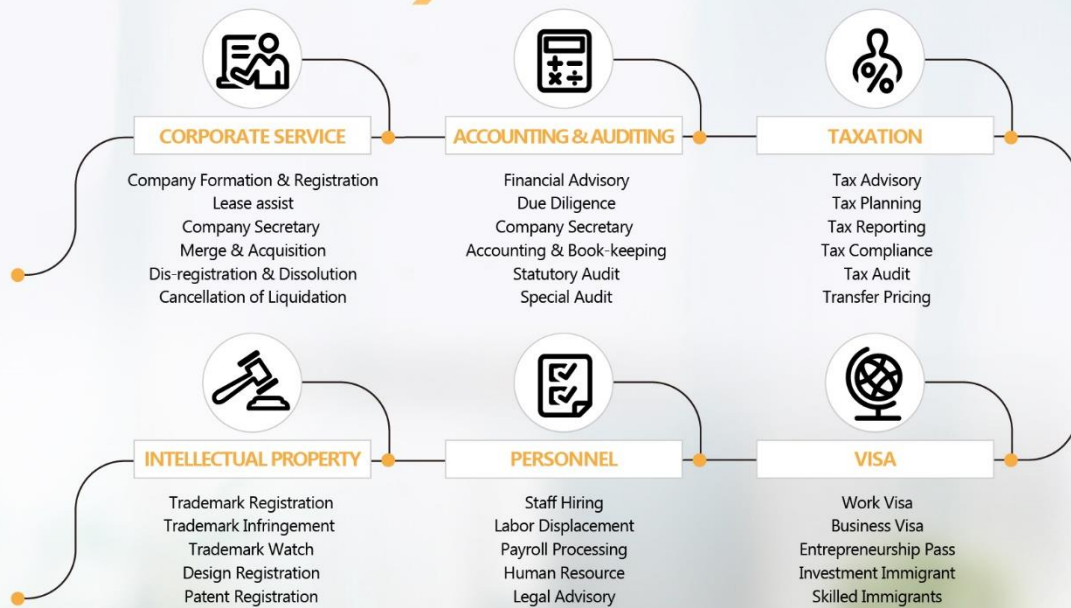
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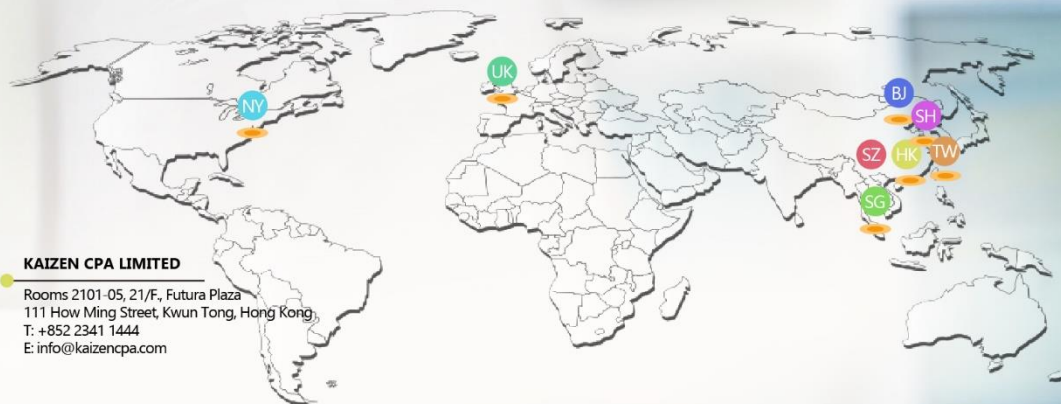
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