



Taxation of international executives: Singapore



February 2023

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01

Overview and Introduction

1 Overview and Introduction

Singapore income tax is imposed on a territorial basis whereby the individual is generally taxed on all income accruing in or derived from Singapore. Foreign-sourced income received in Singapore by resident individuals is exempt from tax unless the income is received through a partnership in Singapore.

The tax assessment year is the calendar year and the tax charged for each year of assessment is based on the income accrued/derived in the calendar year preceding the year of assessment.

The official currency of Singapore is the Singapore Dollar (SGD).

Herein, the host country/jurisdiction refers to the country/jurisdiction to which the employee is assigned. The home country/jurisdiction refers to the country/jurisdiction where the assigned lives when they are not on assignment.

02

Income tax

2 Income Tax

All income tax information is based on the Singapore Income Tax Act (chapter 134) and the prevailing practices of the Inland Revenue Authority of Singapore.

2.1 Tax returns and compliance

When are tax returns due? That is, what is the tax return due date?

15 April for paper filing or 18 April for electronic filing.

What is the tax year-end?

31 December. The Singapore tax year runs from 1 January to 31 December annually. The tax charged for a particular Year of Assessment (“YA”) is based on income accrued / derived in the calendar year preceding that YA.

What are the compliance requirements for tax returns in Singapore?

Individuals will receive a letter, tax return (Form B/B1/M) or text message from the Inland Revenue Authority of Singapore (IRAS) in February/March of each year, requesting them to file their tax returns (see tax return due date above).

Employment income details are generally submitted to the IRAS by employers electronically, so individuals who receive only employment income may also receive a letter or text message from the IRAS informing them that they have been selected for No Filing Service, whereupon they need not file a tax return unless they were in receipt of other income derived from Singapore in the relevant tax year or there are changes to their personal relief claims.

Taxpayers are notified of tax payments by way of notices of assessment. The tax is normally due for payment within 1 month from the date of issue of the notice of assessment.

2.2 Tax rates

What are the current income tax rates for residents and Nonresidents in Singapore?

Residents

Income tax is calculated by applying a progressive tax rate schedule to chargeable income as follows.

Income tax rate table from the YA 2017 to YA 2023, in Singapore dollars (SGD)

Chargeable Income	Income Tax Rate (%)	Gross Tax Payable (SGD)
First 20,000	0	0
Next 10,000	2	200
First 30,000	-	200
Next 10,000	3.50	350
First 40,000	-	550
Next 40,000	7	2,800

Chargeable Income	Income Tax Rate (%)	Gross Tax Payable (SGD)
First 80,000	-	3,350
Next 40,000	11.5	4,600
First 120,000	-	7,950
Next 40,000	15	6,000
First 160,000	-	13,950
Next 40,000	18	7,200
First 200,000	-	21,150
Next 40,000	19	7,600
First 240,000	-	28,750
Next 40,000	19.5	7,800
First 280,000	-	36,550
Next 40,000	20	8,000
First 320,000	-	44,550
In excess of 320,000	22	

Income tax rate table from the YA 2024 onwards, in Singapore dollars (SGD)

Chargeable Income	Income Tax Rate (%)	Gross Tax Payable (SGD)
First 20,000	0	0
Next 10,000	2	200
First 30,000	-	200
Next 10,000	3.50	350
First 40,000	-	550
Next 40,000	7	2,800
First 80,000	-	3,350
Next 40,000	11.5	4,600
First 120,000	-	7,950
Next 40,000	15	6,000
First 160,000	-	13,950
Next 40,000	18	7,200

Chargeable Income	Income Tax Rate (%)	Gross Tax Payable (SGD)
First 200,000	-	21,150
Next 40,000	19	7,600
First 240,000	-	28,750
Next 40,000	19.5	7,800
First 280,000	-	36,550
Next 40,000	20	8,000
First 320,000	-	44,550
Next 180,000	22	39,600
First 500,000	-	84,150
Next 500,000	23	115,000
First 1,000,000	-	199,150
In excess of 1,000,000	24	

Nonresidents

A Nonresident individual is generally subject to tax at flat rates, depending on the type of income. For employment income, tax is charged at a flat rate of 15 percent or at the resident rates, whichever yields a higher tax payable. Other income of a Nonresident individual is generally taxed at 22 percent unless specifically exempt or subject to a reduced rate (such as, tax treaty).

2.3 Residence rules

For the purposes of taxation, how is an individual defined as a resident of Singapore?

An individual is regarded as resident in Singapore for a YA if, in the year preceding that YA, they reside in Singapore, is physically present or exercises an employment (other than as a director of a company) in Singapore for 183 days or more.

Under the 3-year administrative concession, an individual will be considered a resident from the year of arrival in Singapore if their stay straddles 3 consecutive years or more, notwithstanding that the 183 days test may not have been met either in the first or final year of employment.

Under the 2-year administrative concession, a foreign employee who exercises employment in Singapore for a continuous period of at least 183 days straddling 2 years would be treated as a resident for tax purposes for both years.

Is there a de minimus number of days rule when it comes to residency start and end date? For example, a taxpayer can't come back to the host country/jurisdiction for more than 10 days after their assignment is over, and they repatriate.

No. The individual would be regarded as a resident for the entire year and there is no de minimus number of days that will exempt the individual from tax for that year.

If the individual is a Nonresident in the year concerned and they exercise an employment (other than as a company director) in Singapore for not more than 60 days in a calendar year, they are exempt from tax on income arising from that short-term employment.

What if the assignee enters the country/jurisdiction before their assignment begins?

An assignee may arrive in Singapore before the start of their assignment for several reasons such as searching for accommodation, making personal arrangements, and so on. Whether they will be treated as a resident of Singapore will generally depend on the number of days, they are physically present or exercising employment in Singapore.

However, it is important to note that they are not permitted to engage in any form of business, profession, occupation or paid employment during this interim period, if they have not obtained a valid employment pass.

2.4 Termination of residence

Are there any tax compliance requirements when leaving Singapore?

An employer is required to seek tax clearance by notifying the IRAS if a non-citizen employee (including a Singapore Permanent Resident who is leaving Singapore permanently) leaves Singapore for a continuous period exceeding 3 months, ceases or is about to cease employment in Singapore. In addition, the employer is required to withhold all monies due to the employee for clearance of the employee's outstanding tax liability. The notification must be lodged no later than 1 month before the employee's cessation of the employment or date of departure from Singapore, whichever is earlier. The employer can only release the monies withheld to the employee upon receiving permission from the IRAS or until 30 days after notification of the employment cessation was received by the IRAS, whichever is earlier.

Under the deemed exercise rule, the non-citizen employee is deemed to have derived a final gain in respect of unexercised stock options and/or unvested/restricted employee stock ownership plan shares when tax clearance is sought. An exception would be if the employer is on tracking option, where the employer will track the income realization event to report to the IRAS.

As an administrative concession, an individual may apply for a reassessment of the tax liability within 4 years from the YA following the year in which the deemed exercise rule applies, if the actual gain at date of exercise / vesting is lower than the deemed taxable gain.

What if the assignee comes back for a trip after residency has terminated?

If the assignee comes back for business purposes, any income attributable to their business presence may be subject to tax in Singapore, depending on their tax residency and the period of employment exercised. In determining the tax residency and period of employment exercised, the time spent in Singapore throughout the calendar year would be considered.

2.4.1 Communication between immigration and taxation authorities

Do the immigration authorities in Singapore provide information to the local taxation authorities regarding when a person enters or leaves Singapore?

Yes. In general, the immigration authorities would share information relating to the application / cancellation of work passes with the IRAS.

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?

Generally, non-citizen employees who have completed their tax clearance process with the filing of Form IR21 will not have a filing requirement in Singapore after they repatriate.

However, if they subsequently receive income that is related to their former Singapore assignment (such as, bonus that is paid after their departure) and not previously reported to the tax authorities, additional tax clearance is required.

2.5 Economic employer approach

Do the taxation authorities in Singapore adopt the economic employer approach to interpreting Article 15 of the Organization for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Singapore considering the adoption of this interpretation of economic employer in the future?¹

Based on the IRAS's current practice, the economic employer approach has not been adopted as of yet. There is no indication as to whether the IRAS would adopt this approach in the future.

Are there a de minimus number of days before the local taxation authorities will apply the economic employer approach? If yes, what is the de minimus number of days?

Not applicable. The IRAS has not adopted the economic employer approach.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

Employment income or profits for employment services rendered in Singapore are taxable regardless of whom or where the employer may be or, to whom (or where) the employment income may be paid.

Typical items of an expatriate compensation package, such as the following, are taxable unless otherwise indicated.

- Salary, wages, bonuses and allowances.
- Benefits-in-kind such as housing/hotel accommodation, home leave passages, motor car benefit, insurance premiums for personal insurance and certain group insurance policies, certain interest-free loans etc.
- If the employer bears the tax liability for the employee, this is regarded as a taxable benefit and is computed on a tax-on-tax basis.
- Any gain or profit derived (directly or indirectly) by any person by the exercise, assignment, release, or acquisition of a right or benefit to acquire shares in a company is income if the right or benefit is obtained by them by reason of their office or employment in Singapore.
- Contributions made by the employer to overseas pension and provident funds in connection with the employee's employment in Singapore are generally deemed taxable income of the employee, unless certain conditions are satisfied.
- As a concession, medical expenses paid on behalf of an employee, their spouse, and children are generally not taxable if the benefit is available to all staff.

2.6.1 Intra-group statutory directors

Will a Nonresident of Singapore who, as part of their employment within a group company, is also appointed as a statutory director (i.e. member of the Board of Directors in a group company situated in Singapore) trigger a personal tax liability in Singapore, even though no separate director's fee/remuneration is paid for their duties as a board member?

1 Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Singapore?

Generally, director's fees are sourced in the country/jurisdiction where the company is resident. Where director's fees are paid by a Singapore resident company, the board member will be liable to tax in

Singapore, even though they may not be physically present at the board meetings in Singapore. Where there are no director's fees / remuneration paid for the duties as a board member, there will be no taxation triggered.

2 Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Singapore (i.e. as a general management fee where the duties rendered as a board member is included)?

No.

3 In the case that a tax liability is triggered, how will the taxable income be determined?

The taxable income is generally the amount of remuneration due to the non-resident director.

2.7 Tax-exempt income

Are there any areas of income that are exempt from taxation in Singapore? If so, please provide a general definition of these areas.

Exemption of interest income

Interest income derived by any individual from deposits with an approved bank or a finance company licensed under the Finance Companies Act in Singapore, is exempt from tax.

The above includes interest from debt securities and income from certain annuities, life insurance policies, distributions from certain collective investment schemes, fee or compensatory payments from securities lending or repurchase arrangements, derived from Singapore.

However, if the interest income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession, such income is taxable.

Remittances of offshore funds

All overseas income remitted by individuals resident in Singapore is not taxable. However, this exemption does not apply if the foreign-sourced income was received through a partnership in Singapore.

Double taxation agreement

An Avoidance of Double Taxation Agreement (DTA) between Singapore and another country/jurisdiction serves to prevent double taxation of income earned in one country/jurisdiction by a resident of the other country/jurisdiction.

Capital gains tax

There is no capital gains tax in Singapore.

2.8 Expatriate concessions

Are there any concessions made for expatriates in Singapore?

Concessions are available under the Not Ordinarily Resident (NOR) Taxpayer Scheme. This scheme, however, has been abolished since 2020. Residents who have been granted the NOR status prior to year 2020 will not be affected provided they continue to meet the qualifying conditions.

2.9 Salary earned from working abroad.

Is salary earned from working abroad taxed in Singapore? If so, how?

In Singapore, tax is payable on an individual's remuneration that is derived from Singapore employment irrespective of where the contract is made, or the remuneration is paid. The term Singapore employment includes not only the exercise of employment in Singapore but also the exercise of employment outside Singapore where the services performed outside Singapore is considered an extension of the duties and responsibilities of their employment in Singapore.

On the other hand, where the individual is employed to perform services entirely outside Singapore (e.g. they are sent on an overseas assignment), the remuneration is not subject to Singapore income tax.

2.10 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Singapore? If so, how?

Dividends, interest, and rental income

Any interest income derived by any individual from the deposit of monies with an approved bank or a licensed finance company would be tax exempt. Any interest by any individual from debt securities derived is also exempt from tax.

Dividends paid by Singapore-resident companies would be taxed under the one-tier corporate taxation system and are exempt from tax in the hands of the shareholders.

The one-tier system is not applicable to co-operatives.

Rental income derived in respect of property located in Singapore is taxable.

Capital gains and losses

There is no capital gains tax in Singapore. Accordingly, any gains derived from the sale of investments are generally capital in nature, and hence not taxable unless the individual buys and sells shares / properties so frequently that he is viewed to be dealing or trading in shares / properties. On the other hand, capital losses are generally not deductible.

Foreign exchange gains and losses

Foreign exchange gains and losses are neither taxable nor deductible.

Principal residence gains and losses

Principal residence gains and losses are generally capital in nature and are neither taxable nor deductible respectively.

Personal use items

Any capital gains or losses from the sale of personal use items are not taxable/deductible.

Gifts

There are no gift taxes in Singapore.

However, gifts (cash and non-cash) from employers are taxable benefits-in-kind. Under the administrative concession granted by the IRAS, gifts given on festive and special occasions which are not substantial in value (SGD200 or less per occasion) and generally available to all staff are not taxable.

2.11 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Singapore? If so, please discuss?

Capital gains are not taxable in Singapore unless the individual is regarded as a dealer or trader.

Are there capital gains tax exceptions in Singapore? If so, please discuss?

Capital gains are not taxable in Singapore unless the individual is regarded as a dealer or trader.

Pre-CGT assets

Capital gains are not taxable in Singapore unless the individual is regarded as a dealer or trader.

Deemed disposal and acquisition

Capital gains are not taxable in Singapore unless the individual is regarded as a dealer or trader.

2.12 General deductions from income

What are the general deductions from income allowed in Singapore?

Expenses are tax deductible only if they are wholly and exclusively incurred in the production of the income, are not capital in nature and their deduction is not prohibited by statute. In general, there are very few deductions that can be claimed against employment income.

Personal reliefs, given as deductions against income, are available to a resident individual depending on their personal circumstances in the year preceding the YA.

The total amount of personal income tax reliefs which can be allowed is subject to a cap of SGD80,000 per YA.

Some of the personal reliefs applicable for the YA 2023 are summarized as follows.

	SGD
Earned income relief	
Under the age of 55	Up to 1,000
55 to age 59	Up to 6,000
Age 60 and above	Up to 8,000
Spouse relief	
Spouse living with or maintained by taxpayer and spouse's annual income is not more than SGD4,000	2,000
Child relief	
Child below 16 years old or studying full-time and does not have annual income of more than SGD4,000	4,000
Parent relief*	
Living with taxpayer in the same household (each parent)	9,000
Not living with taxpayer in the same household (each parent)	5,500
Supplementary retirement Scheme	Capped at 35,700 for foreigners

* Parent relief may be shared with other claimants provided no one else is claiming any other relief (except Grandparent Caregiver Relief) on the same dependent.

A Nonresident individual is not entitled to personal reliefs.

2.13 Tax reimbursement methods

What are the tax reimbursement methods generally used by employers in Singapore?

The common methods of recognizing tax reimbursements paid by the employer:

- Current year full gross-up.
- Current year partial gross-up.
- One-year rollover.

2.14 Calculation of estimates/prepayments/withholding

How are estimates/prepayments/withholding of tax handled in Singapore? For example, Pay- As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

An expatriate employee's remuneration from Singapore employment is generally not subject to income tax withholding.

Pay-as-you-go (PAYG) withholding

Not applicable.

PAYG installments

Not applicable.

When are estimates/prepayments/withholding of tax due in Singapore? For example: monthly, annually, both, and so on.

Not applicable.

2.15 Relief for foreign taxes

Is there any Relief for Foreign Taxes in Singapore? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

Where an employee suffered taxes in Singapore and in the foreign jurisdiction for the income received in respect of their services physically rendered in that jurisdiction, foreign tax credit (Double Tax Relief (for countries/jurisdictions which have concluded Double Taxation Agreements (DTAs) with Singapore) or Unilateral Tax Credit (for countries/jurisdictions that do not have DTAs with Singapore) may be granted, provided certain conditions are met.

2.16 General tax credits

What are the general tax credits that may be claimed in Singapore? Please list below.

See above.

2.17 Sample tax calculation

This calculation assumes a married taxpayer resident in Singapore with two children whose

3-year assignment begins 1 January 2020 and ends 31 December 2022. The taxpayer's base salary is 100,000 US dollars (USD) and the calculation covers 3 years.

	2020 USD	2021 USD	2022 USD
Salary	100,000	100,000	100,000
Bonus	20,000	20,000	20,000
Cost-of-living allowance	10,000	10,000	10,000
Housing allowance	12,000	12,000	12,000
Company car	See other assumptions	See other assumptions	See other assumptions
Moving expense reimbursement	20,000	0	20,000
Home leave	5,000	5,000	5,000
Education allowance	3,000	3,000	3,000
Interest income from non-local sources	6,000	6,000	6,000

Exchange rate used for calculation: USD1.00 = SGD1.37.

2.17.1 Other assumptions

- All earned income is attributable to local sources.
- Bonuses are paid at the end of each tax year and accrue evenly throughout the year.
- The company car is used for business and private purposes and originally costs SGD90,000.

Years ended 2020, 2021, 2022

- 1 PARF value= SGD18,000;
 - 2 actual running expense (e.g. petrol/maintenance/car park/ERP) incurred by company = SGD25,000.
- The employee is deemed resident throughout the assignment.
 - Tax treaties and totalization agreements are ignored for the purpose of this calculation.

Calculation of taxable income²

Year-ended	2020 SGD	2021 SGD	2022 SGD
Days in Singapore during year	365	365	366
Earned income subject to income tax			
Salary	137,000	137,000	137,000
Bonus	27,400	27,400	27,400
Cost-of-living allowance	13,700	13,700	13,700
Housing allowance	16,440	16,440	16,440
Company car	13,800*	13,800*	13,800*
Moving expense reimbursement	0	0	0
Home leave (100%)	6,850	6,850	6,850
Education allowance	4,110	4,110	4,110
Total earned income	219,300	219,300	219,300
Other income	0	0	0
Total income	219,300	219,300	219,300
Deductions	11,000	11,000	11,000
Total taxable income	208,300	208,300	208,300

*Car benefit calculation:

Taxable benefit = $3/7 \times [(90,000 - 18,000)/10 + 25,000] = \text{SGD}13,800$

Calculation of tax liability

	2020 SGD	2021 SGD	2022 SGD
Taxable income as above	208,300	208,300	208,300
Singapore tax thereon	22,727	22,727	22,727

Footnotes:

¹ Certain tax authorities adopt an "economic employer" approach to interpreting Article 15 of the OECD model treaty which deals with the Dependent Services Article. In summary, this means that if an employee is assigned to work for an entity in the host country/jurisdiction for a period of less than 183 days in the fiscal year (or a calendar year of a 12-month period), the employee remains employed by the home country/jurisdiction employer but the employee's salary and costs are recharged to the host entity, then the host country/jurisdiction tax authority will treat the host entity as being the "economic employer" and therefore the employer for the purposes of interpreting Article 15. In this case, Article 15 relief would be denied, and the employee would be subject to tax in the host country/jurisdiction.

² Sample calculation generated by KPMG Services Pte Ltd and based on the Singapore Income Tax Act (chapter 134) and the prevailing practices of the Inland Revenue Authority of Singapore

03

**Special considerations
for short term
assignments**

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

3.1 Residency rules

Are there special residency considerations for short-term assignments?

A Nonresident individual, other than a director, exercising an employment in Singapore for not more than 60 days in a calendar year is exempt from tax on income arising from that short-term employment. If possible, it may be beneficial to structure short-term assignment such that the 60-day exemption applies.

Singapore currently has tax treaties with several countries/jurisdictions that may provide exemption for dependent services for short-term employment, subject to conditions.

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

Tax treaty exemption would generally require that the payroll costs must not be borne by a permanent establishment in Singapore.

3.3 Taxable income

What income will be taxed during short-term assignments?

An employee who exercises employment in Singapore will be liable to Singapore income tax on the remuneration (including all benefits, whether in money or otherwise, unless they are specifically exempted from income tax or are covered by an existing administrative concession) payable to them for their services rendered in Singapore even though the remuneration may be paid outside Singapore.

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in Singapore?

Where for certain reasons (e.g. length of assignment, cost-charging arrangements etc.) tax treaty exemption of the employment income in Singapore is not possible, careful planning of the short-term assignment start and end dates may result in tax savings.

Separately, there may be filing requirements to be fulfilled by the employer / employee pursuant to the short-term assignment, notwithstanding that tax-exemption may apply in accordance to the local tax laws or the double-taxation agreement.

04

Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Singapore? If so, what are the rates for employers and employees?

Social security or Central Provident Fund (CPF) contributions are mandatory for Singapore citizens and Singapore permanent residents (“SPRs”) who are employed in Singapore.

Foreign individuals working in Singapore are not eligible to participate in the CPF scheme.

Under the Scheme, the employer and employee are required to make monthly contributions at the prevailing contribution rates which are contingent upon the wage and age group of the employee.

In general, the employer and employee are required to make CPF contribution on the employee’s Ordinary Wage and Additional Wage subject to an Annual Wage Ceiling.

The current wage cap for the Ordinary Wage is SGD6,000 per month while the Annual Wage Ceiling is SGD102,000.

Additional Wage is limited to the difference between the prevailing Annual Wage Ceiling (SGD102,000) and the Ordinary Wage that has been subject to CPF.

The contribution rates with effect from 1 January 2022 for different age groups and SPR status are as shown in the table below. The CPF contribution rates for 3rd year SPR and Citizens have been changed with effect from 1 January 2023. The changes are shown in the table below for both the employer and employee aged above 55 to 70 years old.

CPF Rates		1 st Year SPR	2 nd Year SPR	3 rd Year SPR + Citizens
55 years and below	Employee	5.0%	15.0%	20.0%
	Employer	4.0%	9.0%	17.0%
	Total	9.0%	24.0%	37.0%
Above 55 to 60 years	Employee	5.0%	12.5%	14.0% (+1%)
	Employer	4.0%	6.0%	14.0% (+0.5%)
	Total	9.0%	18.5%	28.0% (+1.5%)
Above 60 to 65 years	Employee	5.0%	7.5%	8.5% (+1%)
	Employer	3.5%	3.5%	10.0% (+1%)

CPF Rates		1 st Year SPR	2 nd Year SPR	3 rd Year SPR + Citizens
	Total	8.5%	11.0%	18.5% (+2%)
Above 65 to 70 years	Employee	5.0%	5.0%	6% (+1%)
	Employer	3.5%	3.5%	8.0% (+0.5%)
	Total	8.5%	8.5%	14.0% (1.5%)
Above 70 years	Employee	5.0%	5.0%	5.0%
	Employer	3.5%	3.5%	7.5%
	Total	8.5%	8.5%	12.5%

Under the law, it is the obligation of the employer to remit any mandatory CPF contributions to the CPF Board.

4.2 Gift, wealth, estate, and/or inheritance tax

Are there any gift, wealth, estate, and/or inheritance taxes in Singapore?

No.

4.3 Real estate tax

Are there real estate taxes in Singapore?

All property owners are liable to pay Property Tax which is a tax on immovable properties (that is, land and buildings). The tax payable is calculated based on a percentage (tax rate) of the annual value.

Annual Value is the estimated annual rent of the property assuming it is let out.

4.4 Sales/VAT tax

Are there sales and/or value-added taxes in Singapore?

Yes, the prevailing Goods and Services Tax (GST) is 8 percent on domestic consumption.

4.5 Unemployment tax

Are there unemployment taxes in Singapore?

No.

4.6 Other taxes

Are there additional taxes in Singapore that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

Stamp duty is payable on certain documents relating to properties and shares.

Employers are required to contribute Skills Development Levy (SDL) for each employee at the rate of 0.25 percent up to the first SGD4,500 of gross monthly remuneration of the employee. The SDL is set at a minimum of SGD2 and capped at SGD11.25 for an employee per month.

4.7 Withholding tax

A Nonresident is liable to pay income tax on Singapore-sourced income. Under the law, the payors have a legal obligation to withhold a percentage of the payment, when they make payments of a specified nature under the Singapore Income Tax Act, to a Nonresident.

The following payments are subject to withholding tax:

- interest
- royalties
- management fees and service fees
- Nonresident director's remuneration
- professional service fees for Nonresident professionals.

This list is meant for illustrative purposes only and is by no means exhaustive.

4.8 Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g. foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

Financial institutions in Singapore are required to report accounts of tax residents from countries/jurisdictions that have signed a Competent Authority Agreement ("CAA") with Singapore to the IRAS, and such information will be exchanged with other tax authorities in accordance with the terms of the CAAs. The information reported will be details of accounts and products the individual has with the financial institution.

05

Immigration

5 Immigration

Following is an overview of the concept of Singapore's immigration system

(Following is an overview of the concept of Singapore's immigration system for skilled labor.

E.g. which steps are required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft flow chart illustrating the process)

This summary provides basic information regarding business visits to, and work authorization for, Singapore. The information is of a general nature and should not be relied upon as legal advice.

5.1 Singapore Immigration Terminology

Employment Pass (EP): Main employment visa for skilled workers in Singapore

S Pass: Employment category for mid-skilled workers in Singapore

Dependent Pass (DP): Category for spouses and children to accompany / join the EP / S Pass holder in Singapore (restrictions apply)

In-Principle Approval (IPA) letter: The document issued by the Ministry of Manpower (MOM) to confirm the approval of an application

Long Term Visit Pass (LTVP): Category for common law spouses, and parents to join the EP holder in Singapore (restrictions apply)

Short Term Visit Pass (STVP): For short term visits in Singapore, such as for business meetings and tourism purposes

Notification Letter: The letter, which is provided to confirm issuance of the pass, allowing employment to commence

To enter into Singapore, short term visit passes ("STVP") will be granted by the Immigration & Checkpoints Authority ("ICA") officers to foreigners for a limited period of time (typically 30 to 90 days) at the point of entry.

Entry visas will be required for nationals from the following countries/jurisdictions:

Armenia, Afghanistan, Azerbaijan, Algeria, Belarus, Bangladesh, Democratic People's Republic of Korea, Georgia, Hong Kong Special Administrative Region (Document of Identity), Egypt, India, Iran, Kazakhstan, Iraq, Kyrgyzstan, Jordan, Kosovo, Lebanon, Macao Special Administrative Region (Travel Permit), Moldova, Lebanon, Libya, Mali, Morocco, Pakistan, Nigeria, Saudi Arabia, Russia, Somalia, People's Republic of China, Sudan, Tajikistan, Syria, Turkmenistan, Tunisia, Ukraine, Uzbekistan and Yemen.

Nationals of the Commonwealth of Independent States, Georgia, India, People's Republic of China, Turkmenistan and Ukraine may be eligible for the Visa-Free Transit Facility (VFTF). For more information on the VFTF, click [here](#).

Possession of a visa alone does not guarantee a foreigner's entry into Singapore. The grant of an immigration pass to a foreign visitor is determined by the ICA officers at the point of entry at Singapore checkpoints and each case is considered on its own merits.

5.2 International Business Travel/Short-Term Assignments

Describe (a) which nationalities may enter Singapore as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

Countries/jurisdictions which are not listed on the visa-required list to Singapore are classified as non-visa nationals: https://www.ica.gov.sg/visitor/visitor_entryvisa

A foreigner who travels to Singapore for business visits is allowed to participate in activities limited to business meetings, site visits, negotiations, and attending seminars until the validity of the STVP granted at the point of entry to Singapore. The foreigner does not need a work pass to participate in such activities. The activities should not involve a contract of service or a contract for service with an employer in Singapore, otherwise, generally a Work Pass will be required when the foreigner enters Singapore for business.

The foreigner can perform certain work pass exempt activities in Singapore for short durations without a Work Pass. The individual can only perform these activities after an e-notification is submitted to the MOM. Such work pass exempt activities can be performed for any number of visits, but up to a total of 90 days in a calendar year (e.g. 3 stints of 30 days under Work Pass Exempt activities). If the period of the activity exceeds 90 days, the individual will need to obtain a Work Pass.

The work pass exempt activities are limited to:

- The organization or conduct of any seminar, conference, workshop, gathering or talk
- Providing expertise or specialized skills in commissioning, auditing, repairing, or maintaining of plants, equipment, processes or machinery not available in Singapore
- Other work pass exempt activities: Performances; Journalism; Sports; Location Filming & Fashion Shows; Exhibitions; Providing Arbitration or Mediation Services; Junket Activities in a Casino; Tour Facilitation

If a foreigner participates in any gainful employment activities that do not fall into the category of work pass exempt activities, irrespective of the duration of the activities, the foreigner will need to apply for a Work Pass.

Describe (a) the regulatory framework for business travelers being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

Visa nationals are required to obtain an entry visa to enter Singapore. They are allowed to enter Singapore as either tourists or business visitors using their passports and copy of a valid entry visa. A STVP of 30 days to 90 days will be granted at the point of their entry in Singapore.

Visa nationals can perform the same aforementioned activities (these include business meetings, site visits, negotiations, attending seminars, and performing work pass exempt activities) as non-visa nationals, during the length of stay as granted at the point of entry to Singapore.

Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

Entry visa can be applied by an authorized visa agent or local Singapore contact at a Singapore Embassy, Singapore Overseas Mission, or via the Immigration & Checkpoints Authority (ICA) online facility. Applications submitted through a Singapore embassy or mission could require an in-person interview in certain cases.

Apply for an entry visa within 30 days prior to arrival in Singapore. Processing time may take 1 to 3 days or longer during peak periods once application is submitted.

Documents required for an Entry visa application may include:

- an invitation letter from the host entity stating the purpose of travel
- a printed business profile of the Singapore-registered business entity that the applicant will be visiting (showing the names of all directors and shareholders). The business profile must have been printed from the Accounting and Corporate Regulatory Authority's Instant Information Service within the last 3 months.

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

There are no visa waiver programs or specific visa categories for technical support staff on short-term assignments.

5.3 Long-Term Assignments

What are the main work permit categories for long-term assignments to Singapore? In this context please outline whether a local employment contract is required for the specific permit type.

Employment Pass (employment or assignment contract is required)

The Employment Pass ("EP") is a work pass for foreign professionals working in managerial, executive or specialized jobs. The employer may also be required to comply with regulations stipulated under the Fair Consideration Framework unless it meets the conditions for exemption. This is discussed in further detail below.

S Pass (employment or assignment contract is required)

The S Pass category typically caters to mid-level skilled foreigners, such as professionals, specialists or technician level jobs. The applicant should possess an acceptable degree, diploma, technical or specialist certificate. Certifications should be obtained from at least 1 year of full-time study. Another consideration is the years of relevant job experience. Foreign professionals in managerial, executive or specialised jobs who are not qualified for EP may get an S Pass depending on the candidate's profile and the assignment details provided.

Work Permit (employment contract is required)

The Work Permit ("WP") is generally issued to foreign unskilled and semi-skilled workers who wish to work in Singapore in the Construction, Manufacturing, Marine and Shipyard, Process, or Services sectors and who originate from an approved source country/jurisdiction. The approved originating source would depend on the industry or sector in which the prospective employer carries out its business activity which is determined strictly by MOM. In this regard and similar to the S Pass application, employers who are making first-time applications, i.e. never applied for WP or S Pass before, are required to make a declaration of their business activity to the MOM prior to the application.

An application must be made to the Controller of Work Passes for a WP by the prospective employer before employing the foreign worker. The WP is normally granted for 2 years and is subject to the validity of the worker's passport, the security bond and the worker's employment period, whichever is shorter.

Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validity of the permit).

Case Processing

Step 1: Pre-Arrival – In Principle Approval (IPA)

- Employer advertises the role in MyCareersFuture (MCF) for at least 14 days. See section below entitled “Job advertising requirement”.
- Document gathering (1-2 weeks)
- Assist with translation of documents, if required (4 to 5 working days)
- File application with the MOM to obtain a work pass (in principle approval takes 2 to 3 weeks or longer if vetting is required)

Step 2: Post Arrival Process

Note: The employee will need to be physically in Singapore at the time we issue the work pass □ the employee is only able to start work once the work pass has been issued

- Issuance of work pass upon assignee’s arrival to Singapore, hence generating a notification letter and schedule an appointment to complete the formalities at the MOM - Please note that a medical exam in Singapore may be required prior to issuance of the work pass (1 day; arrive 1 week before employment start date if medical exam is required)
- The employee (foreign national) completes the biometric registration process on the appointed date/time, for self and/or dependents (1-2 days)
- EP or S Pass couriered to the office (around 7 days after completing the formalities at the MOM, subject to MOM card processing timelines which can vary). In general, the total process can take about 5-7 weeks, from the initiation to obtaining of the pass card.
- Medical examination: Usually required for S Pass and sometimes EP holders. Applicable to both new and renewal applications. Family members (dependents) may also need to attend. Should be completed in Singapore.
- Biometric appointment: Required for all applications (including renewals) where biometric data has not been provided in the preceding 5 years. The appointment lasts for about 10-15 minutes and takes place at the Employment Pass Services Centre near Singapore Clarke Quay. A digital photograph and fingerprints are taken. Children aged 5 or below need to attend the appointment but no fingerprints are taken.

Generally, the EP or S Pass may be issued by MOM for a period of up to 2 years, and is renewable for up to 3 years at a time.

The WP is normally granted for 2 years and is subject to the validity of the worker's passport, the security bond and the worker's employment period, whichever is shorter.

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?

Employment Pass

To qualify for an Employment Pass, the applicant must earn a fixed monthly salary of at least SGD 5,000 (at least SGD 5,500 for applicants in the financial services sector), inclusive of monthly fixed allowances. This salary threshold will be also applicable for renewal of passes from 1 September 2023. Older and more experienced candidates in their 40s are expected to earn around double the minimum qualifying salary for the youngest applicants.

The Complementarity Assessment (COMPASS) Framework will apply to new EP applications from 1 September 2023, and EP renewals from 1 September 2024. To qualify, EP candidates must meet the qualifying salary, and score at least 40 points under COMPASS.

S Pass

To qualify for an S Pass, the applicant must earn a minimum fixed monthly salary of SGD 3,000 (at least SGD 3,500 for applicants in the financial services sector). This salary threshold will also be applicable for renewals of passes from 1 September 2023. However, new applications from 1 September 2023 must follow the minimum qualifying salary of SGD 3,150 (at least SGD 3,650 for applicants in the financial services sector).

Differences between EP and S Pass

EP:

- EP minimum fixed monthly salary: SGD 5,000 (SGD 5,500 for financial services).
- EP applications are not subject to any levy.
- EP applications do not have a quota system.
- EP applications will be processed under the Complementarity Assessment Framework (COMPASS), a new points-based assessment framework with criteria assigned for the individual candidate and the sponsoring employer alike.

S Pass:

- S Pass minimum fixed monthly salary: SGD 3,000 (SGD 3,500 for financial services)
- S Pass requires the company to pay a levy for each S Pass holder.
- The employer must have medical insurance.
- The employer must have sufficient quota

Similarities:

Able to apply for Dependent Passes only if the fixed monthly salary is at least SGD6,000.

Jobs must be advertised in MyCareersFuture if they will be used to support either an EP or an S Pass application. Previously, the advertising requirement applied to EP only. The minimum job posting duration is 14 days for both EP and S Pass and employers must consider all candidates fairly.

Previously, EP dependents had the option to keep their DP and secure an additional authorization, called a Letter of Consent (LOC), in order to work. However, currently, DP holders generally need to obtain their own work passes — such as an EP, S Pass, or Work Permit — and meet the applicable quota, levy, and eligibility requirements. DP holders who seek to start a new business and meet the qualifying criteria can apply for an LOC.

Work Permit

There is no minimum salary requirement to apply for WP. However, applicants would need to earn higher salaries commensurate with their work experience.

Is there a fast-track process which could expedite the visa/ work permit?

Currently, there is no fast-track option.

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

The employee is permitted to start work once the work pass is issued.

Can a short-term permit/ business visa be transferred to a long-term permit in Singapore?

No, this is not applicable for Singapore.

Is there a quota or system or a labor market test in place?

Job advertising requirement

To strengthen the Singaporean core in the workforce and promote fair recruitment and employment practices, Singaporean companies must comply with the Fair Consideration Framework (“FCF”) and the Tripartite Guidelines on Fair Employment Practices (“TGFEF”).

For the purpose of applying for an EP or S Pass, an employer may be required to advertise a job vacancy for 14 days in a prescribed way under the official jobs bank, MyCareersFuture. Current exemptions to advertising a role include:

- where the company has 10 or fewer employees
- the job position is paying a fixed monthly salary of SGD 20,000 and above. This will be increased to SGD 22,500 with the introduction of the Complementary Assessment Framework (COMPASS) effective 1 September 2023.
- the job is to be filled by an intra-corporate transferee (“ICT”). Under the World Trade Organisation’s General Agreement on Trade in Services (WTO GATS), ICTs refer to those holding senior positions in the organization or have an advanced level of expertise.
- the job is necessary for short-term contingencies (i.e. period of employment in Singapore for not more than 1 month)

Even where an exemption applies, however, companies are encouraged to advertise job vacancies in accordance with the FCF and the TGFEF.

Recruitment – Placing advertisements on MyCareersFuture: When posting a job advertisement, the employer should avoid stating a preference for nationality, age, race, religion, language, gender, marital status, or family responsibilities.

S Pass and WP foreign worker quota

The “local qualifying salary” (LQS) determines the number of local employees that can be used to calculate an employer’s S Pass and WP quota entitlement. An employee who is a Singapore citizen or permanent resident is counted as one local employee if they earn the LQS of at least SGD 1,400 per month. The maximum number of S Pass and WP holders that a company is allowed to hire is limited by the foreign worker quota set by the MOM known as the Dependency Ratio Ceiling (“DRC”).

Sector	Current	Changes
DRC		
Services	35%	No change
Construction	87.5%	No change
Marine Shipyard	77.8%	No change

Process	87.5%	No change
Manufacturing	60%	No change
S Pass sub-DRC		
Services	10%	No change
Construction	18%	To decrease to 15% from 1 January 2023
Marine Shipyard	18%	To decrease to 15% from 1 January 2023
Process	18%	To decrease to 15% from 1 January 2023
Manufacturing	20%	No change

Foreign Worker Levy for S Pass holders

A monthly S Pass levy would be payable by the employer for each S Pass employee holder. The levy rates vary from one industry sector to another, and the rates are tiered so that those who hire close to the maximum quota will pay a higher levy. In general, the more foreign workers the company hires, the higher the foreign workers' levy rate and levy bill.

Foreign Worker Levy for WP holders

A monthly WP levy would be payable by the employer for each WP employee holder. The levy rates are determined by the industry sector, worker's qualification, and Dependency Ratio Ceiling and Man-Year Entitlement qualifications. The rates are tiered and generally, the more foreign workers the company hires, the higher the foreign workers' levy rate and levy bill.

5.4 General Immigration Related Questions

Would it be possible to bring family members to Singapore?

EP and S Pass holders with a fixed monthly salary of at least SGD6,000 may apply for Dependent's Passes for their:

- Spouses (legally married)
- Unmarried or legally adopted children under 21 years of age

In addition, EP holders with a fixed monthly salary of at least SGD6,000 may apply for Long Term Visit Pass for their:

- Common-law spouse
- Unmarried handicapped children above 21 years old
- Unmarried stepchildren under 21 years old
- Parents (only for EP holders earning at least SGD12,000 and above)

The DPs and LTVPs will need to be sponsored by the employers of the EP and S Pass holders. Based on the above criteria, WP holders will not be eligible for DP sponsorship.

Is it possible to obtain a permanent residence permit?

All EP and S Pass holders are eligible to submit an application for Singapore Permanent Residence (“PR”) to the ICA of Singapore. An applicant for Singapore PR may include their spouse and children in the application.

A foreigner holding Singapore PR can work without obtaining a separate work pass or authorization from the MOM.

The MOM is tightening the framework and eligibility criteria for Singapore PR applications. Thus, the authorities are significantly more stringent in the granting of PR status and an outcome, positive or negative, could take approximately 6-12 months of processing from the date of submission.

What if circumstances change after the Work and Residence application process?

Changes in the terms of employment or personal situation, including job title, job role or salary, may require an update to the MOM by submitting a notification.

How long can a permit holder leave Singapore without their permit becoming invalid?

Generally, EP or S Pass holders can leave Singapore for up to 6 months. However, if it is more than 6 months, employers may have to cancel the passes.

WP holders cannot leave Singapore for a long period of time. If required, the employer will need to request an approval from the MOM to waive the levy for the duration.

Must immigration permits be cancelled by the end of the assignment/employment?

The work pass and related passes must be cancelled within 1 week after the last day of notice upon completion of assignment, cessation or termination of employment.

Upon cancellation of the pass, an STVP will be issued to allow the employee to remain in Singapore for 30 or 90 days and also serve as the embarkation form when departing Singapore.

A STVP holder should not engage in any form of paid employment or in any business, profession, or occupation in Singapore.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

- A foreign individual can only work for the company after the Work Pass is issued on the start date of employment.
- A foreign individual can only work with the sponsoring entity of the Work Pass.

If found to be in violation of the above, both the employee and employer may be fined by the MOM and in some serious cases, a jail term may apply.

5.5 Other Important Items

List any other important items to note, or common obstacles faced, in Singapore when it comes to the immigration processes.

Education verification

In line with the implementation of COMPASS, educational qualifications declared in EP applications from 1 September 2023, and in EP renewals from 1 September 2024, have to be supported by verification proof issued by one of the background screening companies approved by MOM.

Mandatory COVID-19 Vaccination for Work Pass Holders and Dependents

All foreigners aged 13 and above who are applying for new passes must be fully vaccinated with World Health Organization Emergency Use Listing (WHO EUL) vaccines (including booster, if required).

Pass holders vaccinated overseas will need to update their vaccination records in the National Immunisation Registry. They must do so within 30 days of arrival in Singapore by taking a serology test or getting their digitally verifiable vaccination certificates verified at a local Singapore clinic.

The “Triple Weak” firm concept

Companies who are assessed as “Triple Weak”, i.e. have a weak Singapore Core, weak commitment to develop the Singapore Core and weak economic link and social impact to Singapore will be placed on a watch list and may have their work pass privileges curtailed.

If corrective actions are not taken, work pass privileges may be suspended. Renewal of existing employment passes, and processing of new employment pass applications may also be affected.

On the other hand, “Triple Strong” companies who are regarded as critical to Singapore’s future development, including those related to the Smart Nation program, advanced manufacturing and future services, will receive more support e.g. new Human Capital Partnership (“HCP”), which is aimed at nurturing promising local talents into regional and even global talents.

Intra-corporate transferees (ICT)

EP applications via the ICT route are exempt from the job advertising requirement. However, since November 2020, ICT candidates are no longer eligible for Dependent Passes or Long-Term Visit Passes, except where specifically covered by an applicable Free Trade Agreement (FTA) and meet the criteria therein. Moreover, their period of stay in Singapore is strictly limited to the provision under the applicable FTA. They are also generally not eligible for future employment in Singapore upon the expiry or termination of their EP, or for permanent residency.

Tech.Pass and Tech@SG

In January 2021, the Economic Development Board (EDB) launched Tech.Pass, a new work pass category with 500 places available upon launch. The pass is intended to attract highly accomplished technology entrepreneurs, leaders, and experts to start and operate more than one company, as well as pursue other permissible roles such as being an investor, mentor or consultant for Singapore start-ups.

The Tech.Pass is an extension of the Tech@SG programme which was launched in January 2020. Tech@SG allows high-potential technology companies to receive up to ten EPs over two years for foreign employees who will be hired as part of the company’s core team in Singapore.

Both Tech.Pass and Tech@SG facilitate entry and support for fast-growing technology companies and world-class talent to develop Singapore’s tech ecosystem.

Overseas Network and Expertise Pass (ONE Pass)

The Overseas Networks & Expertise Pass is a personalised pass for top talents across all sectors, including in business, arts and culture, sports, as well as academia and research. It allows eligible applicants to concurrently start, operate and work for multiple companies in Singapore at any one time. This pass type was formally introduced in January 2023.

ONE Pass applications are assessed on a case-by-case basis. Existing EP holders and overseas candidates who have been working for an established company for at least 1 year can apply if they either

earn a fixed monthly salary of at least SGD30,000 or its equivalent foreign currency, or if they will earn at least SGD30,000 with their prospective employer in Singapore.

The ONE Pass is issued for 5 years at a time and is renewable for 5 years each time. The benefits of ONE Pass includes a greater employment flexibility as a personalised pass. The pass allows the foreign national to concurrently start, operate and work for multiple companies at any one time without the need to reapply for new passes. Spouses of ONE Pass holders are also eligible to work on a Letter of Consent.

Common Red Flags

- Employee has previously been a Singapore Citizen or Permanent Resident
- Longer processing times or rejections for certain nationalities
- Incomplete education documents
- Additional documentation requirements for those graduating from universities in India and China
- Same-sex partners cannot receive dependent passes or long-term visit passes
- Companies: when the company sets up a new entity which has not previously sponsored foreign workers
- Missing / inaccurate jobs bank information Insufficient quota for S pass applications

Hitherto, there is a growing trend towards stricter immigration requirements.

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