

Singapore | Global Employer Services (GES) | 12 August 2020



# **GES NewsFlash**

Proactive perspective—It's what's needed most.

Greetings from your Tax & Legal team at Deloitte Singapore. We hope that you and your loved ones are staying safe and healthy despite these challenging times. As we navigate ourselves through this trying period, we are committed to giving you the support you need.

We are pleased to update you on the following:

# Working remotely from Singapore due to COVID-19

In view of the COVID-19 situation, the Inland Revenue Authority of Singapore (IRAS) announced on 6 April 2020 that Singapore citizens and Singapore permanent resident (SPR) employees who work for overseas employers outside of Singapore, but who are working remotely from Singapore due to COVID-19, will not be treated as exercising employment in Singapore. As such, they will not be subject to income taxes in Singapore in respect of employment income derived from their date of return to Singapore to 30 September 2020.

We released a NewsFlash dated 21 April 2020 with this information. <u>Click here</u> to view the NewsFlash.

## What is the change?

The IRAS announced on 28 July 2020 that the abovementioned date of 30 September 2020 will be extended to 31 December 2020. This date remains subject to review as the COVID-19 situation evolves.

The following conditions announced by the IRAS on 6 April 2020 remain valid and must be met by Singapore citizens and SPR employees who return to Singapore to work remotely during the COVID-19 situation:

- There is no change in the contractual terms governing the overseas employment of the individuals before or after their return to Singapore; and
- ii. This is a temporary work arrangement due to COVID-19.

Where both conditions are met, the employment income of such individuals will not be taxable in Singapore from the date of return to 31 December 2020. However, the general taxation rules for income earned in Singapore will apply where either or both conditions are not met.

#### **Deloitte Singapore's views**

In these unprecedented times, these are welcomed measures by the IRAS to manage the additional tax responsibilities of employers and employees who have been affected by the COVID-19 pandemic.

#### **Contacts**

Should you have any comments or questions arising from this newsletter, please contact anyone listed below or any member of the <a href="Singapore Tax & Legal team">Singapore Tax & Legal team</a>.

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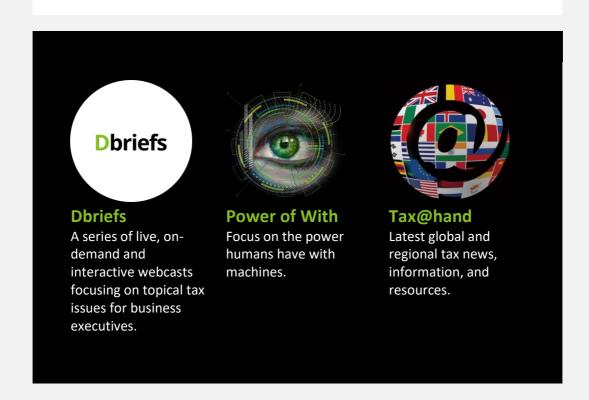
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