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Greetings from your Tax & Legal team at Deloitte Singapore.

We are pleased to update you on the following:

Inland Revenue Authority of Singapore's new notification requirement for Country-by-Country Reports (CbCR) *(Effective for CbCR relevant to financial year beginning on or after 1 Jan 2022)*

The Inland Revenue Authority of Singapore (IRAS) has informed that a new notification requirement for CbCR will be implemented and it would take effect for CbCR with financial year (FY) beginning on or after 1 January 2022. The amendments to the legislation [i.e., Income Tax (International Tax Compliance Agreements) (Country-By-Country Reporting) Regulations 2018] has been gazetted and published on 11 August 2022.

Changes to CbCR notification requirement

Based on current practice, the IRAS would identify Groups with CbCR filing requirements and issue letters to Qualifying Taxpayers notifying them of their obligation to file a CbCR with the IRAS within the statutory timeline (i.e., within 12 months from the end of the FY for which CbCR is required to be filed).

As per the existing regulations, a Qualifying Taxpayer required to file a CbCR is the ultimate parent entity (UPE) of a Singapore headquartered multinational enterprise (MNE) group where:

- a) The UPE of the MNE group is tax resident in Singapore;
- b) The consolidated group revenue for the MNE group in the preceding FY is at least S\$1,125 million; and
- c) The MNE group has subsidiaries or operations in at least one foreign jurisdiction outside of Singapore.

There are currently no supplementary filing or notification requirements in Singapore for Singapore tax resident constituent entities (e.g., subsidiary companies) of both Singapore-headquartered MNE groups and foreign-headquartered MNE groups.

With the implementation of the new notification requirement for CbCR relevant to FY beginning on or after 1 January 2022, the IRAS will no longer be issuing letters to Qualifying Taxpayers notifying them of their obligation to file CbCR in Singapore. Instead, the onus is now on a company to first self-assess whether it is a Qualifying Taxpayer, and if so, it is now required to notify the IRAS of its obligation to file CbCR (for FY beginning on or after 1 January 2022) *no later than three months after its financial year end*. The actual CbCR will then be required to be filed within 12 months from the end of the financial year as usual.

Take for example, a Qualifying Taxpayer who is required to file CbCR in Singapore for FY ending 31 December 2022, is now required to notify the IRAS by 31 March 2023 of its obligation to file CbCR in Singapore and then file the actual CbCR with the IRAS by 31 December 2023. Notification by a taxpayer is an annual requirement for each year that the taxpayer is considered a Qualifying Taxpayer.

The IRAS may impose penalties on Qualifying Taxpayers for their failure to notify the IRAS within the stipulated three months period. Penalties may be imposed under Section 105M(1A) of the *Singapore Income Tax Act 1947* whereby any person convicted of the offence shall be liable to a fine not exceeding S\$5,000 and in default of payment to imprisonment not exceeding six months; in the case of a continuing offence, to a further fine not exceeding S\$100 per day.

Updated CbCR Notification content and mode

Qualifying Taxpayers, in their notification to the IRAS, should provide the following information via **FormSG** (link to the FormSG will be provided on the IRAS' CbCR webpage):

- a) Name and UEN of the UPE;
- b) FY period of the UPE;
- c) Full name, designation and contact information of an individual authorised by the UPE as the point of contact;
- d) Declaration that all the requirements to submit the CbCR have been met; and
- e) Full name, designation and contact information of an individual authorised by the UPE to submit the notification form.

Only person(s) who are authorised by the Responsible Party (including tax agents) should submit the notification form.

Deloitte Singapore's view

The above changes will be updated on the IRAS' CbCR webpage and in the CbCR e-Tax Guide in due course. Based on the new CbCR notification requirement, the IRAS will therefore no longer issue letters to Qualifying Taxpayers to inform them of their obligation to file a CbCR with the IRAS.

You should hence assess if CbCR filing requirements are applicable to your group, and if so, file the notification with the IRAS on a timely basis to avoid penalties.

Contacts

Should you have any comments or questions arising from this newsletter, please contact anyone listed below or any member of the [Singapore Tax & Legal team](#).

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