



FY2026 SEA TP Guide: Singapore

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Recent developments**A. Overview of recent major changes to the transfer pricing regime**

The Inland Revenue Authority of Singapore (IRAS) released an e-Tax Guide titled “Transfer Pricing Guidelines (8th Edition)” on 19 November 2025. These updated guidelines replace the transfer pricing (TP) guidelines issued in 2021, along with the five supplementary guidelines and circulars issued in 2015, 2016, 2017, 2018 and 2024.

Broadly speaking, the revised 8th edition of the guidelines provides improved guidance to ease the TP compliance burden for taxpayers in Singapore; a simplified and streamlined approach to the application of the arm’s length principle; and clarifications on certain existing practices. The key updates are as follows:

- Related party domestic loans not subject to TP adjustment under Section 34D of the Income Tax Act 1947 (ITA);
- Implementation of a simplified and streamlined approach for baseline marketing and distribution activities;
- Further clarifications in relation to:
 - Section 6 - preparation of simplified TP documentation; and review of related party loan transactions;
 - Section 8 - enhanced example on when IRAS will disregard an actual related party transaction; TP documentation for capital transactions; and the recourse available to taxpayers in a situation where they disagree with TP adjustments made by IRAS;
 - Section 9 - surcharge for non-compliance with the arm’s length principle;
 - Sections 10 and 11 - Mutual Agreement Procedure application and process;
 - Section 14 - strict pass-through costs;
 - Section 15 - intra-group financial transactions;
 - Section 16 - attribution of profits to permanent establishments and related tax filing obligations.

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General information**B. Tax authority and law**

The IRAS is the tax authority in Singapore.

Sections 34D, 34E, and 34F of the Singapore Income Tax Act (SITA) contain transfer pricing provisions. Section 34D provides the IRAS with the legal authority to enforce the arm’s length principle and make adjustments if related party transactions are not carried out on an arm’s length basis. Section 34E introduces a 5% surcharge on any transfer pricing adjustments made. The surcharge applies irrespective of whether any additional tax is payable arising from the adjustments. Section 34F mandates that taxpayers that meet certain conditions are required to prepare and maintain contemporaneous transfer pricing documentation. Failure to prepare the documentation constitutes an offense, for which the taxpayer is liable to a penalty of up to SGD 10,000 per offense.

C. Relevant transfer pricing regulations, rulings, and/or guidelines and the effective date of applicability

The Income Tax (Transfer Pricing Documentation) Rules 2018, which came into force on 23 February 2018; and the Transfer Pricing Guidelines (8th Edition), released on 19 November 2025, which provide relevant guidance on the application of these rules. Additionally, the IRAS has published supplementary TP guidelines on commodity marketing and trading activities, and centralized activities in multinational enterprise groups.

D. Nature/extent of relationship between parties to a transaction required for transfer pricing rules to apply

Persons are considered related parties when one person, directly or indirectly, has the ability to control the other, or when both, directly or indirectly, are under the control of a common person. Related parties include associated enterprises and separately taxable entities of an enterprise, such as permanent establishments of the enterprise.

E. Is transfer pricing enforced only by the national government tax authority? Or can state and local government tax authorities also propose transfer pricing adjustments?

Singapore is a city, a nation, and a state. The IRAS is the main tax administrator to the government.

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OECD guidelines

All references are to the 2022 Organisation for Economic Co-operation and Development (OECD) transfer pricing guidelines, unless otherwise stated)

A. Extent of reliance on OECD transfer pricing guidelines, UN tax manual, or EU Joint Transfer Pricing Forum

Singapore's transfer pricing guidelines largely follow the principles laid down in the OECD transfer pricing guidelines.

B. Is your jurisdiction part of the OECD/G20 Inclusive Framework on BEPS?

Yes.

C. Adoption of authorized OECD approach (AOA) to permanent establishments

Although Singapore has not formally adopted the AOA, Singapore's transfer pricing guidelines permit the use of transfer pricing analyses to compute profits attributable to a permanent establishment or branch.

D. Has the AOA been incorporated into all of your jurisdiction's tax treaties, or does it only apply to certain treaties?

Not applicable.

E. Are there low value-adding intragroup rules in place?

Yes. The Singapore transfer pricing guidelines provide a safe harbor, where the use of a 5% mark up for routine support services is stipulated (as defined under annex C of the guidelines). Taxpayers providing routine support services that do not fall within annex C may still consider applying the 5% profit markup under the OECD simplified approach for low value-adding intragroup services, when the following conditions are satisfied:

- The routine support services meet the definition of low value-adding intragroup services for the OECD simplified approach;
- The routine support services are not specifically excluded as low value-adding intragroup services for the OECD simplified approach;
- The tax authority of the relevant jurisdiction for the other party to the routine support services has similarly adopted the OECD simplified approach;
- The service provider does not offer the same routine support services to an unrelated party; and
- All costs including direct, indirect, and operating costs relating to the routine support services performed are taken into account before applying the 5% profit mark-up.
- Taxpayers are not exempt from transfer pricing documentation requirements and must prepare simplified documentation in accordance with the OECD transfer pricing guidelines when relying on this guidance.

F. Have there been any formal announcements in your jurisdiction regarding adoption of Pillar One and/or Pillar Two measures, and if so, what are the relevant effective dates?

Pillar Two is in effect from the financial year beginning 1 January 2025 (i.e., year of assessment 2026).

4 Methods and comparables

- A. Do your jurisdiction's transfer pricing laws describe transfer pricing methods that are not included in the OECD transfer pricing guidelines?**
No.
- B. Are there any transfer pricing methods described in the OECD transfer pricing guidelines that your jurisdiction's tax authority will not accept?**
No.
- C. Does your jurisdiction follow the "most appropriate method" standard in the OECD transfer pricing guidelines? If not, please describe the differences.**
Yes.
- D. What is the availability of benchmarking/comparative data?**
Several business databases are available to identify comparable companies. Financial data from published accounts is available from the Accounting and Corporate Regulatory Authority (ACRA).
- E. Are foreign comparables acceptable to the local tax authority?**
Singapore's transfer pricing guidelines provide clear guidance on the selection of comparables. First, the guidelines indicate a preference for listed companies over unlisted companies as comparables, on the basis and belief that the former has more publicly available information.

Second, the guidelines state an explicit preference for local companies as comparables. A taxpayer may use suitable regional comparables,

only if an attempt has been made to identify local comparables and an insufficient number of such comparables is available.

Lastly, the guidelines provide guidance on the admission and rejection of loss-making comparables. Generally, a comparable with a weighted average loss for the tested period or that has incurred a loss for the majority of the tested period is considered unreliable as a benchmark.
- F. Must comparables be refreshed or a new search performed each year?**
A fresh search is required at least once every 3 years. For the two intervening years, a financial update of the benchmark should be conducted annually.
- G. Are comparability adjustments allowed in your jurisdiction?**
Yes. When difference(s) in factors or matters that would have a material impact on the comparison can be identified, and the impact of the identified difference(s) can be quantified with reasonable accuracy and reliability, comparability adjustments can be made.
- H. Can foreign associate enterprises be selected as the tested party?**
Yes. Generally, the guidelines for the selection of the tested party state that the tested party is the one where a transfer pricing method can be applied in the most reliable manner and the most reliable comparables can be found. The party with the smaller scope of functions and less complex operations should be selected as the tested party.

5 Transfer pricing documentation requirements

A. Is documentation mandatory for penalty protection? Do transfer pricing provisions apply to domestic related party transactions? Are there any exemptions, and if so, what are the thresholds/criteria? Do transfer pricing regulations apply to domestic controlled transactions?

Contemporaneous documentation is required under Singapore's transfer pricing guidelines, as part of the record-keeping requirements for tax. Taxpayers who meet either of the following conditions must prepare transfer pricing documentation for their related party transactions undertaken in a financial year, or potentially face penalties:

- Gross revenue derived from trade or business exceeds SGD 10 million for that basis period; or
- Transfer pricing documentation is required to be prepared for the previous basis period.

An exemption from transfer pricing documentation for specified transactions may apply, as follows:

- Related party domestic transaction subject to the same tax rate: Transactions between related parties in Singapore (excluding related party loans) where both parties are subject to the same Singapore tax rate or exempt from Singapore tax;
- Related party domestic loan entered into prior to 1 January 2025: A related party domestic loan provided between related parties prior to 1 January 2025 in Singapore where the lender is not in the business of borrowing and lending money;
- Related party domestic loan entered into on or after 1 January 2025: A related party loan of any amount is provided between the taxpayer and a related party in Singapore on or after 1 January 2025 where neither the lender nor the borrower is in the business of borrowing and lending money and the indicative margin is applied.
- Related party loan on which the indicative margin is applied: The related party loan does not exceed SGD 15 million where the safe harbor interest margin is applied;
- Provision of support services, qualifying as "routine" services listed under annex C of Singapore's transfer pricing guidelines on which a 5% markup on cost is applied;
- Related party transaction covered by an advance pricing arrangement (APA); and
- Related party transactions not exceeding the following:
 - SGD 15 million for the purchase or sale of goods, or a loan to or from related parties;
 - SGD 1 million for other transactions for YA 2025 and before; and
 - SGD 2 million for other transactions for YA 2026 and onwards.

B. Has your jurisdiction adopted or implemented BEPS action 13 for transfer pricing documentation in local regulations?

Singapore-headquartered multinational enterprises (MNEs) meeting certain conditions are required to prepare and file Country- by-Country (CbC) reports with the IRAS for financial years beginning on or after 1 January 2017. However, the Singapore transfer pricing guidelines do not require or advocate that documentation be prepared in a master file and local file format.

C. What is the acceptable language for documentation?

Transfer pricing documentation must be in English or, if not in English, be translated into English at the request of the IRAS.

D. Are the documentation requirements annual requirements? If so, what do they involve each year?

The Singapore transfer pricing guidelines state that taxpayers should review and refresh their transfer pricing documentation annually. However, to reduce the compliance burden, the IRAS allows taxpayers to use transfer pricing documentation they have previously prepared that fulfills the criteria for "qualifying past transfer pricing documentation" (QTPD).

QTPD is a transfer pricing documentation prepared in one of the two preceding years, provided also that there are no material changes to the taxpayer's business and related party transactions. To adopt past transfer pricing documentation as QTPD, taxpayers are required to prepare a "simplified transfer pricing documentation" comprising the following:

- A declaration, confirming that the conditions and circumstances met those stated above; and
- The past transfer pricing documentation as an attachment.

The guidelines do not prescribe a fixed format for the declaration. From YA 2025 onwards, there is a requirement to date the declaration to ensure that this declaration is prepared on a contemporaneous basis.

The guidelines also contain an expanded list of required information, particularly pertaining to information at the group level, which will require more time and effort by the taxpayers to document. There is a CbC reporting requirement for MNE groups, whose ultimate parent entity is a tax resident of Singapore, although no master file or local file is needed.

6 Tax return filings

A. Does your jurisdiction allow transfer pricing adjustments to be made before year-end?

The Singapore transfer pricing guidelines state that taxpayers should test their related party transactions annually against the arm's length results and make appropriate year-end adjustments at the year-end closing of accounts.

As the purpose of the year-end adjustments is to ensure that taxpayers' tax results are consistent with the arm's length prices stated in their transfer pricing analyses and policies, the IRAS will accept the year-end adjustments, i.e., adjustments following the financial year-end of the Singapore taxpayer, when the following conditions are met:

- Taxpayers must have in place transfer pricing analyses and contemporaneous transfer pricing documentation to establish the arm's length prices;
- Taxpayers must make the year-end adjustments symmetrically in the accounts of the affected related parties. This is to avoid double taxation or double nontaxation;
- Taxpayers must make the adjustments before filing their tax returns; and
- Care should be taken that such adjustments are aligned with accounting requirements and other tax and customs issues.

B. Must the transfer prices reflected in an income tax return be the same as those reflected in financial statements? In other words, are book/tax differences allowed?

Broadly speaking, the transfer prices reflected on an income tax return and financial statements should be the same, because taxpayers must make the adjustments before filing their tax returns.

7 Transfer pricing documentation and disclosure timelines

A. By when must transfer pricing documentation be prepared?

The Singapore transfer pricing guidelines indicate that transfer pricing documentation should be prepared no later than the tax return filing date for the financial year in which the transaction takes place. For example, transfer pricing documentation for transactions undertaken during the financial year ending 31 December 2024 should be prepared no later than 30 November 2025.

B. What is the deadline to submit the transfer pricing documentation and the local file?

The IRAS does not require taxpayers to submit transfer pricing documentation when they file their tax returns. Taxpayers must keep their transfer pricing documentation and submit it to the IRAS within 30 days upon request.

C. What is the deadline for CbC report preparation, submission, and notification?

The CbC report should be submitted to the IRAS within 12 months from the end of the ultimate parent entity's financial year. There is no notification requirement in Singapore.

D. Is your jurisdiction a signatory to the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (MCAA)?

Yes.

E. What is the deadline to file an income tax return?

The deadline is 30 November of each year following the taxpayer's financial year-end. For example, for the year of assessment 2025, the income tax return deadline is 30 November 2025 for companies with financial years ending 31 March 2024, 30 June 2024, 30 September 2024, or 31 December 2024, etc.

F. What is the deadline to file master file documentation?

Singapore has not yet formally adopted master file requirements.

G. What is the deadline to file transfer pricing disclosures and returns?

A form for reporting related party transactions should be filed as part of the tax return process, if the value of the company's related party transactions disclosed in the financial statements for the financial period exceeds SGD 15 million.

H. What is the deadline to file any other statutory forms?

The form for reporting of related party transactions should be filed as part of the tax return process, by 30 November as described in point E above.

I. Does preparation of transfer pricing documentation before the deadline protect the taxpayer from a penalty perspective?

Taxpayers may be subjected to a fine of up to SGD 10,000 for the following:

- Not preparing transfer pricing documentation by the time of filing the tax return;
- Not preparing transfer pricing documentation in the prescribed format and with the required content, as specified under the transfer pricing documentation rules;
- Not retaining the transfer pricing documentation for a period of at least 5 years from the end of the basis period in which the transaction took place;
- Not submitting the transfer pricing documentation within 30 days starting from the date of the written notice served by the Comptroller of Income Tax requiring the taxpayer to submit the documentation; or
- Providing any documentation that the taxpayer knows to be false or misleading.

Additionally, if a transfer pricing adjustment is made by the IRAS for noncompliance with the arm's length principle, then the adjustment can be subject to a surcharge of 5% regardless of whether there is tax payable on the adjustment.

Preparation of transfer pricing documentation before the deadline does not guarantee protection against this surcharge.

J. Are there additional requirements under local tax law that must be satisfied to obtain penalty protection?

See 7I, above.

8 Tax authority audit adjustments and amended returns

A. What are the limitations on assessment for transfer pricing adjustments imposed by statute?

For transfer pricing, the limitation period is 4 years from the end of the year of assessment to which the income or expense relates. In cases of tax evasion, the period is unlimited.

B. May a taxpayer file an amended tax return to report transfer pricing adjustments to increase and decrease income? Are there any special procedures that need to be followed?

Taxpayers may make the following adjustments in their tax returns or after the filing of their tax returns:

- Year-end adjustments at year-end closing of accounts. Adjustments may be made for tax purposes, to ensure that the actual results align with the outcomes determined in the transfer pricing study, before or during year-end closing. For downward adjustments to be allowed, they must be made before the tax return is filed, they must be made symmetrically in the accounts of the affected related parties, and the taxpayer must have transfer pricing analyses and contemporaneous documentation in place;
- Compensating adjustments. These are permitted only when required to align with the terms of an APA. The taxpayer must make compensating adjustments in accordance with the APA to arrive at the agreed arm's length prices, and report those arm's length results for tax purposes even if they differ from the actual results;
- Self-initiated retroactive adjustments. Taxpayers may undertake upward adjustments of income in prior year income tax returns. However, the IRAS will not allow any self-initiated retroactive downward adjustments unless the adjustments are due to an error or mistake under specific circumstances and supported by contemporaneous transfer pricing documentation. Self-initiated retroactive adjustments may not be allowed where the IRAS has already initiated an audit or other query. Such adjustments must be made within 2 years from the relevant tax return filing due date to avoid any penalties; or
- Corresponding adjustments arising from transfer pricing adjustments by other tax authorities. These are permitted only when required to align with the outcome of a mutual agreement procedure, as provided in a tax treaty.

C. Are taxpayer setoffs for other related party transactions allowed?

Generally, taxpayer setoffs are not permitted.

D. Does the tax authority use the information gathered through exchange of information during audits?

Yes.

H. What is the deadline to file any other statutory forms?

The form for reporting of related party transactions should be filed as part of the tax return process, by 30 November as described in point E above.

I. Does preparation of transfer pricing documentation before the deadline protect the taxpayer from a penalty perspective?

Taxpayers may be subjected to a fine of up to SGD 10,000 for the following:

- Not preparing transfer pricing documentation by the time of filing the tax return;
- Not preparing transfer pricing documentation in the prescribed format and with the required content, as specified under the transfer pricing documentation rules;
- Not retaining the transfer pricing documentation for a period of at least 5 years from the end of the basis period in which the transaction took place;
- Not submitting the transfer pricing documentation within 30 days starting from the date of the written notice served by the Comptroller of Income Tax requiring the taxpayer to submit the documentation; or
- Providing any documentation that the taxpayer knows to be false or misleading.

Additionally, if a transfer pricing adjustment is made by the IRAS for noncompliance with the arm's length principle, then the adjustment can be subject to a surcharge of 5% regardless of whether there is tax payable on the adjustment.

Preparation of transfer pricing documentation before the deadline does not guarantee protection against this surcharge.

J. Are there additional requirements under local tax law that must be satisfied to obtain penalty protection?

See 7I, above.

9 Intangibles

A. Is there a specific legislation or guidance regarding the pricing of controlled transactions involving intangibles?

The Singapore transfer pricing guidelines also apply to intragroup transactions involving intangibles.

B. How often does the tax authority make an intangible adjustment?

As a preferred regional or global headquarter location, Singapore has frequent transactions involving intellectual property (IP) transfers and license fees. The IRAS routinely audits transactions involving IP.

C. Will the tax authority respect an intercompany agreement providing for a rate royalty?

Yes, provided that the agreement and pricing are aligned with the Singapore transfer pricing guidelines.

D. Does the tax authority follow the OECD hard-to-value intangible guidance? If not, does the jurisdiction have transfer pricing rules that have a similar effect?

Singapore follows the OECD standards, and the IRAS is likely to follow the guidance on hard-to-value intangibles involving Singapore taxpayers.

10 Intragroup services (IGS)

A. Does the local jurisdiction follow the intercompany service transactions guidance described in the OECD transfer pricing guidelines? Are there any material differences?

Singapore's transfer pricing guidelines are broadly aligned with the OECD transfer pricing guidelines in relation to intercompany service transactions.

B. Does the need and benefit test need to be satisfied for any IGS payment?

Singapore's transfer pricing guidelines require that the "benefits test" is applied to determine whether related party services have been provided. After establishing that a related party service has been provided, taxpayers should determine the appropriate charge for the service, based on the arm's length principle.

C. What is the extent of the required documentary evidence?

The Singapore transfer pricing guidelines set out clear transfer pricing documentation requirements, which apply equally to all international related party transactions including intercompany service transactions.

11 Financing transactions

A. List any relevant regulations, rulings, and guidelines with respect to thin capitalization or debt capacity in your jurisdiction.

The Singapore transfer pricing guidelines provide the main body of rules in relation to related party financial transactions involving Singapore entities. Singapore's guidelines are largely aligned with, and refer to, Chapter X of the OECD transfer pricing guidelines.

Singapore's transfer pricing guidelines provide a basic explanation of the application of the arm's length principle to related party financial transactions involving cash pooling, hedging, financial guarantees, and captive insurance arrangements, together with a more detailed explanation of the application of the arm's length principle to related party loans. The first requirement is to establish that a purported related party loan is to be regarded as a loan, before applying the arm's length principle to price that loan. Application of the arm's length principle to the loan is largely aligned with Chapter X of the OECD transfer pricing guidelines.

The IRAS also has put in place an indicative margin that taxpayers can apply on their related party loans obtained or provided from 1 January 2017. The indicative margin is published on the IRAS' website and is updated at the beginning of each year. It is not mandatory; taxpayers may adopt a margin that is different from the indicative margin, provided it is consistent with the Singapore transfer pricing guidelines.

12 Financing transactions

A. What is the deadline for additional assessment payments?

The statute of limitations is 4 years from the end of the year of assessment to which the income or expense relates. In cases of tax evasion, the period is unlimited.

B. What is the penalty on transfer pricing assessments?

If a transfer pricing adjustment is made by the IRAS for noncompliance with the arm's length principle, the adjustment may be subject to a surcharge of 5%, regardless of whether there is a tax payable on the adjustment.

Taxpayers may be subjected to a fine of up to SGD 10,000 for failure to complete a contemporaneous transfer pricing documentation or for any other listed offense (see 5 above).

C. Are there any penalties resulting from failure to submit, late submissions, or wrong disclosures?

Taxpayers must keep their transfer pricing documentation and submit it to the IRAS within 30 days upon request. Taxpayers may be subjected to a fine of up to SGD 10,000 for failure to comply with such a request.

D. Is interest charged on penalties?

No additional interest is charged on penalties.

E. Is interest payable when a refund is due to the taxpayer?

No.

F. Has there been a reduction in transfer pricing penalties?

- The Comptroller of Income Tax may, for good cause, remit any surcharge wholly or in part. The IRAS will only consider partial or full remission of the surcharge for taxpayers that are cooperative during the transfer pricing audit or review and have a good compliance record, which requires meeting the following conditions:
- They have been cooperative and have provided responses and required documentation within the timeline set by the IRAS;
- They have maintained proper transfer pricing documentation in accordance with Section 34F of the SITA and the transfer pricing documentation rules
- They have a strong compliance record including prompt submission of tax returns and payment of tax by the due dates for the current year of assessment and the two immediately preceding years; and
- They have no history of surcharges and penalties being imposed or remitted/compounded.

G. Are there any secondary adjustment provisions?

Singapore does not have a secondary adjustment regime. However, Singapore's transfer pricing guidelines specifically provide that accounts receivable of the Singapore taxpayer are to be treated as loans where these are outstanding beyond an arm's length credit period, and interest income may be imputed in such cases.

13 Interest and penalties

A. Do the local transfer pricing rules or tax authority allow the use of transfer pricing analyses to calculate profits attributable to a permanent establishment or branch?

Yes. If the following conditions are met, then there will be no further attribution of profits to the permanent establishment in Singapore:

- The taxpayer receives an arm's length remuneration from a foreign related party that is commensurate with the functions performed, assets used, and risks assumed by the taxpayer;
- The remuneration paid by the foreign related party to the taxpayer is supported by adequate transfer pricing documentation to demonstrate compliance with the arm's length principle; and
- The foreign related party does not perform any functions, use any assets, or assume any risks in Singapore, other than those arising from the activities carried out by the taxpayer.

B. Is there a formal "exit tax" regime or similar provisions in law?

No.

C. List any recent court decisions.

Not applicable.

14 Advance pricing agreements (APAs)

A. Are APAs available?

Yes.

B. What kind of APAs are available?

Unilateral, bilateral, and multilateral.

C. Is rollback available? If so, what is the period covered?

Generally, APA requests covering 3 to 5 years forward are acceptable. Rollbacks may also be allowed subject to certain conditions, with rollbacks generally not exceeding 2 years immediately prior to the covered period. No rollbacks are allowed for unilateral APAs.

D. What is the APA filing fee?

There is no fee, with the exception that a fee may be imposed for a unilateral APA where Singapore does not have a bilateral tax treaty with the foreign jurisdiction.

E. When is the deadline for submitting an APA request?

The taxpayer must submit all pre-filing materials at least 10 months, and initiate the pre-filing meeting with the IRAS at least 9 months, before the first day of the APA covered period. The IRAS indicates at least 4 months before the first day of the APA covered period if the application can be submitted. The taxpayer must submit the application within 3 months of the IRAS confirming that the application can be submitted.

15 Mutual agreement procedure (MAP)

A. Has there been any MAP-related guidance?

Yes, a comprehensive MAP guidance is included in the Singapore transfer pricing guidelines. This includes guidance in relation to a taxpayer request to resolve the dispute via arbitration if the relevant tax treaty provides for such recourse.

B. Does your jurisdiction provide a period within which a MAP application can be filed by the taxpayer?

Taxpayers may apply for the MAP to resolve double taxation issues that recur over multiple tax years, subject to the time limits provided in the relevant tax treaties. Taxpayers should only initiate the MAP when double taxation has occurred, is certain, or is highly probable. Double taxation should not be just a possibility, such as the mere potential occurrence of an audit or examination.

The MAP should be initiated within the time limit specified in the MAP article of the relevant tax treaty (typically 3 years). Failure to do so may result in the competent authorities rejecting the MAP request. Depending on the relevant provision in the MAP article, the time limit is determined with reference to the date of the notice of assessment issued to the taxpayer.

C. Does requesting the MAP suspend tax collections?

No.

D. Are there requirements under local law that can negatively affect a taxpayer's ability to request access to the MAP or to implement a MAP settlement?

No.

E. Does your jurisdiction stipulate the time to resolve the MAP?

No. While the IRAS endeavors to achieve timely resolution of a MAP or APA case, the complexity of the specific issues involved will determine the actual time needed to resolve the case.

F. When may taxpayers submit tax adjustments to the competent authority (CA)?

The MAP and APA negotiation is between the CAs. Taxpayers do not participate in or attend as observers at the negotiations unless they are called upon to make any clarifications. Taxpayers are not obliged to accept the outcome agreed between the CAs. They may withdraw the application, terminate the process, or reject the agreed outcome.

The taxpayer can submit tax adjustments through the normal returns process. They can outline their position in the pre-filing meeting and submission of the MAP application.

G. Can the CA develop new settlement positions?

Yes, although taxpayers are not obliged to accept the outcome agreed between the CAs.

H. Can taxpayers go to the CA before paying tax?

Yes, although taxpayers should only initiate a MAP when double taxation has occurred, is certain, or is highly probable.

15 Other noteworthy information

A. Does the local tax authority follow the OECD COVID-19 guidance?

The IRAS has issued guidance on transfer pricing implications arising from COVID-19, which broadly aligns with the OECD COVID-19 guidance.

B. Are management fees deductible?

Yes, management fees are deductible if they are wholly and exclusively incurred in the production of assessable income by the taxpayer, are not referable to a stewardship function, and the quantum satisfies the arm's length standard. For reimbursements/cost allocations, the expense must not be specifically prohibited under the SITA.

Prohibited expenses include personal expenses such as travel or entertainment expenses unrelated to the running of the business, as well as capital expenses such as expenses incurred to incorporate a company and the purchase of fixed assets.

C. Are intercompany services transactions that satisfy the requirements of the OECD transfer pricing guidelines subject to audit adjustments under other provisions of the local tax laws?

Yes, in certain circumstances. Section 19B of the SITA, which pertains to writing-down allowances on capital expenditure incurred to acquire IP rights, provides that to be eligible for the allowances, the transferee (i.e., the company that acquires the IP rights) must meet certain conditions.

D. Are management fees subject to withholding?

Withholding tax does not apply to management fees for services rendered by nonresidents entirely outside Singapore, subject to certain conditions.

E. May stock option costs be included in the cost base for intercompany service charges?

Yes, if the costs are considered part of the fully absorbed cost required to provide the service, they should be included in the determination of the arm's length service fee.

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