
Singapore

International Estate Planning Guide Individual Tax and Private Client Committee

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I. Wills and disability planning documents

A. *Will formalities and enforceability of foreign wills*

1. FORMAL REQUIREMENTS

A will is properly executed according to Singapore law if:

- it is in writing;
- signed at the foot by the testator as his or her will in the presence of two or more witnesses present at the same time; and
- those witnesses add their signatures to the will in the presence of the testator.

According to the Wills Act, an attestation clause is not necessary. In practice, a will ought to carry an attestation clause so as to avoid having to obtain affidavits from the witnesses to prove that the will had been properly executed.

Beware that gifts to an attesting witness or his or her spouse will be null and void.

Singapore law also recognises a will to be properly executed if it was executed in accordance with the internal law in force:

- in the territory where it was executed;
- in the territory where the testator was domiciled at the time the will was executed or at his or her passing;
- in the territory where the testator was habitually resident when the will was executed or at his or her passing; or
- in the state of which the testator was a national at the time the will was executed or at his or her passing.

A will is revoked in the following circumstances:

- by marriage, unless it is made in contemplation of marriage;
- by a subsequent will or codicil;
- by some writing declaring an intention to revoke it, and executed in the manner in which a will is required to be properly executed; or
- by burning, tearing or otherwise destroying the will by the testator, or by some person in the testator's presence and by his or her direction, with the intention of revoking it.

2. TESTAMENTARY CAPACITY

The statutory age of testamentary capacity is 21 years.

The Singapore High Court has adopted the English requirements of testamentary capacity as follows:

- the testator understands the nature of the act and what its consequences are;
- the testator knows the extent of his or her property of which he or she is disposing;
- the testator knows who his or her beneficiaries are and can appreciate their claims to his or her property; and

- the testator is free from an abnormal state of mind that might distort feelings or judgments relevant to making the will.

In other words, for a will to be valid, the testator must be aged 21 years and above, and have the mental capacity to make a will, have knowledge and approval of the contents of the will, and be free from undue influence or the effects of fraud.

3. PROBATE OF FOREIGN WILLS

A will has a foreign connection if it does not have Singapore as its governing law and was made outside Singapore by a person who was not domiciled or habitually resident in Singapore.

It is possible for a foreign will to be subject to an application for a grant of probate in Singapore. An affidavit of any person who practises, or has practised, as a barrister or advocate in that country and who is conversant with its law will have to be provided. The affidavit should state:

- who is entrusted with the administration of the estate by the court having jurisdiction at the place where the deceased died domiciled or who is entitled to administer the estate by the law of the place where the deceased died domiciled; and
- whether the will was properly executed in accordance with the relevant law.

B. *Will substitutes*

There are other ways in which property can pass from one to another apart from by operation of a will. These mechanisms may be used to help bypass the probate process, thereby ensuring a smoother transition or succession of assets.

1. JOINT TENANCY/JOINT BANK ACCOUNTS

Immovable property held under joint tenancy is subject to the rule of survivorship, whereby the deceased joint tenant's interest is extinguished by operation of law, and the property remains in the hands of the surviving joint tenant or joint tenants. This is notwithstanding any provisions in the will.

There is a rebuttable presumption as to the rule of survivorship in the context of joint bank accounts in Singapore. While bank account opening documents would usually assume the applicability of the rule of survivorship, it may be defeated if it is proven that this is not what the parties intended.

A presumption of resulting trust may arise where parties have made unequal contributions to the joint account, in that it could be inferred from the facts that the deceased provider of the funds did not intend to benefit the surviving account holder. This means that the assets and monies in the joint account belong to the estate, and the surviving account holder holds those assets and monies on resulting trust for the estate.

The presumption of advancement can displace the presumption of resulting trust, although this will only operate where there is no direct evidence that may reveal the parties' intentions. The Singapore courts have accepted that the presumption of advancement typically arises as a consequence of a pre-existing relationship between the parties, where the contributor (or deceased) is regarded as morally obliged to provide for the person benefiting (or surviving account holder). If the presumption of advancement applies, legal and beneficial ownership of the assets and monies in the joint account will devolve to the surviving account holder. Some examples of such relationships include spousal relationships and parent-child relationships.

2. *INTER VIVOS TRUSTS*

Trusts are discussed below under the heading 'III. Trusts, foundations and other planning structures'.

C. Powers of attorney, directives and similar disability documents

There is no statute or enacted law in Singapore that fixes the age of majority across the board. The age of majority under common law is 21 years. However, several statutes fix a lower age of legal capacity (eg, under the Civil Law Act, a minor who has reached 18 years can enter into certain contracts and bring or defend a legal action in his or her own name, as if he or she were of full age). Other statutes mirror the common law position (eg, under the Wills Act, no will made by any person under the age of 21 years is valid).

Under the Mental Capacity Act (Chapter 177A), a person is regarded as lacking capacity in relation to a matter if he or she is unable to make a decision for him or herself in relation to the matter because of an impairment of, or a disturbance in the functioning of, the mind or brain. A person is unable to make a decision for him or herself at the material time if he or she is unable to understand the information relevant to the decision, to retain that information, to use or weigh that information as part of the decision-making process or to communicate his or her decision (whether by talking, using sign language or any other means).

1. LASTING POWER OF ATTORNEY

An adult can draw up a Lasting Power of Attorney (LPA) while he or she has mental capacity. The LPA has to be registered with the Office of the Public Guardian in order to be valid. Only LPAs registered in Singapore will be recognised for Singapore purposes.

Under an LPA, the person (ie, donor) can appoint donees to have the power to make decisions on his or her behalf in relation to his or her personal welfare and/or his or her property and affairs in the event the donor loses mental capacity. Professional donees can also be appointed. Some examples of personal welfare powers include deciding where the donor should live, day-to-day care decisions, healthcare and medical treatment decisions, whereas some examples of property and affairs powers include operating the donor's bank accounts, dealing with the donor's interest in any immovable property and paying household expenses.

2. ADVANCE MEDICAL DIRECTIVE

A person can draw up an Advance Medical Directive (AMD) to govern his or her end-of-life decisions. An AMD is a legal document that a person signs in advance to inform the doctor treating him or her (in the event that he or she becomes terminally ill and unconscious) that he or she does not want any extraordinary life-sustaining treatment to be used to prolong his or her life. The AMD has to be registered with the Registrar of AMDs in order to be valid. The decision has to be made in advance by that person himself or herself via the AMD; the person's LPA donee or court-appointed deputy will not be able to make this decision.

3. COURT-APPOINTED DEPUTYSHIP

In the case of an adult who loses capacity, an application in court can be made for a deputy or deputies to be appointed in relation to the matter because of an impairment of, or a disturbance in the functioning of, the mind or brain. Professional deputies can also be appointed.

II. Estate administration

A. Overview of administration procedures

The responsibility for administering a deceased person's estate rests with the deceased's personal representatives; that is, the executor(s) appointed under the will or, in the case of intestacy, the administrator(s).

Applications for grants of representation – grant of probate of a will or, in the case of intestacy, grant of letters of administration – are made to the Family Justice Courts. These are the Family Division of the High Court, and the Family Courts. The latter has probate jurisdiction for estates up to SGD 5m. Estates worth in excess of SGD 5m fall within the jurisdiction of the Family Division of the High Court.

Alternatively, grants of representation from the Commonwealth country and Hong Kong may be re-sealed in the Family Division of the High Court.

Executors are not required to provide security for the administration of the estate, but applicants for letters of administration must file an Administration Bond and, as a rule, find two other persons to stand surety for an amount up to the value of the estate where:

- the estate exceeds SGD 5m (ie, the application is to the Family Division of the High Court);
- there are minor beneficiaries (ie, beneficiaries under the age of 21 years);
- there are life interests in the estate;
- there are beneficiaries who lack mental capacity;
- the grantee is a creditor; or
- the court thinks fit.

B. *Intestate succession and forced heirship*

1. TESTATE SUCCESSION

A testator has full testamentary freedom, needing only to appreciate who might expect to inherit. He or she may deliberately disappoint those expectations. Generally, it is not possible for disappointed beneficiaries to challenge the adequacy of their inheritance.

That said, if the deceased was domiciled in Singapore, the Inheritance (Family Provision) Act allows certain family members – namely, a spouse, unmarried daughter, minor son, or child not able to maintain himself or herself owing to a disability – to apply to court for reasonable provision for his or her maintenance to be made out of the estate. Such provision will generally be in the form of periodical payments that, taken together, are not greater than the income of the estate. Factors determining whether or not and, if warranted, the amount of provision include:

- whether the deceased made adequate provision for the family member during his or her lifetime;
- whether, prior to his or her passing, the deceased was making a substantial contribution to the applicant (other than payment for work or services rendered);
- whether there are any other sources of capital or income for the applicant;
- the conduct of the applicant to the deceased and vice versa; and
- other circumstances relevant or material in relation to the applicant and the persons interested in the estate.

2. INTESTATE SUCCESSION

Intestate succession is governed by the Intestate Succession Act (ISA). The ISA provides that inheritance of movable property is governed by the law of the country in which the deceased was domiciled at the time of his or her passing. Inheritance of immovable property in Singapore is governed by the ISA, irrespective of the deceased's domicile.

Under the ISA, the distribution rules for a non-Muslim person domiciled in Singapore are as follows: where a person passes away leaving a spouse and children, the spouse will be entitled to a half share and the children the remaining half. The ISA has thus far not been interpreted to recognise 'spouse' as including partners in civil partnerships or same-sex marriages. 'Child' is defined to mean a legitimate child.

The Inheritance (Family Provision) Act mentioned above applies in intestacy as it does in testate succession.

3. FORCED HEIRSHIP

Singapore has specific legislation recognising Islamic law (Sharia law) in the form of the Administration of Muslim Law Act. Islamic law is also expressly recognised in respect of inheritance matters by the Probate and Administration Act. In the case of any Muslim person domiciled, resident or a citizen in Singapore dying intestate, the estate and effects shall be distributed according to Muslim law. Even when a Muslim person has made a will, his or her estate will have to devolve in accordance with Muslim law, and cannot be entirely freely disposed of by his or her will. However, properties gifted into a trust during the donor's lifetime are generally not treated as part of the donor's estate. The Sharia court determines issues arising in respect of Muslim law and has the power to make pronouncements on Islamic law in the form of binding rulings (*Fatwa*). An application to the court for letters of representation may need to be accompanied by an inheritance certificate issued by the President of the Sharia court, which will set out the manner and order of inheritance. The person applying for the ruling will also have to state the school of Muslim law which the deceased belonged to, as this affects the manner and order in the distribution of a Muslim person's estate.

In *Shafeeg v Fatimah* [2010] SGCA 2011, the deceased had, during his lifetime, purchased a property and registered it in his name and that of his wife as joint tenants under the Land Titles Act. They were both Muslims. The administrators applied for a declaration that the estate was entitled to a half share of the property. The Court of Appeal (the highest court in Singapore) refused the application, holding that the property was not part of the estate and, as such, not subject to Muslim inheritance law. By making his wife a joint tenant of the property, the husband had given his wife an immediate interest in the entire property in his lifetime. Upon his death, there was, in law, no interest capable of transmission; rather the husband's interest as joint tenant was extinguished on his death and the widow became the sole absolute owner according to the right of survivorship.

Even if the statutory right of survivorship in a joint tenancy of registered land was contrary to Muslim law, the statute prevailed. There was no room in the legislative intention to derogate from the secular written law governing the rights and interests in immovable property to accommodate the deceased's personal law.

C. Marital property

There is no concept of community property in Singapore. In the context of divorce proceedings, matrimonial assets are defined under the Women's Charter as:

1. any asset acquired before the marriage by one party or both parties to the marriage:
 - (i) ordinarily used or enjoyed by both parties or one or more of their children while the parties are residing together for shelter or transportation or for household, education, recreational, social or aesthetic purposes; or
 - (ii) which has been substantially improved during the marriage by the other party or by both parties to the marriage; and
2. any other asset of any nature acquired during the marriage by one party or both parties to the marriage,

but does not include any asset (not being a matrimonial home) that has been acquired by one party at any time by gift or inheritance and that has not been substantially improved during the marriage by the other party or by both parties to the marriage.

The Singapore courts have the power to order the division or sale of any matrimonial assets, with the sale proceeds divided between the parties, in such proportions as it thinks just and equitable. Some factors the court will take into account include:

- the extent of the contributions made by each party in money, property or work towards acquiring, improving or maintaining the matrimonial assets;
- any debt owing or obligation incurred or undertaken by either party for their joint benefit or for the benefit of any child of the marriage;
- the needs of the children (if any) of the marriage;
- the extent of the contributions made by each party to the welfare of the family, including looking after the home or caring for the family or any aged or infirm relative or dependant of either party;
- any agreement between the parties with respect to the ownership and division of the matrimonial assets made in contemplation of divorce;
- any period of rent-free occupation or other benefit enjoyed by one party in the matrimonial home to the exclusion of the other party;
- the giving of assistance or support by one party to the other party (whether or not of a material kind), including the giving of assistance or support which aids the other party in the carrying on of his or her occupation or business; and
- any other relevant factors.

D. *Tenancies, survivorship accounts and payable on death accounts*

This principles in relation to joint tenancies and survivorship are discussed under the heading 'B. Will substitutes'. There is no concept of 'payable on death accounts' in Singapore.

III. Trusts, foundations and other planning structures

A. *Common techniques*

The law of trusts in Singapore has the same roots as and fundamentally still follows the law of trusts in England. The Application of English Law Act (Cap 7A), enacted in 1993, explicitly stipulates that: 'the common law of England (including the principles and rules of equity) so far as it was part of the law of Singapore immediately before 12 November 1993, shall continue to be part of the law of Singapore'. The Application of English Law Act may be the final one of its kind but Singapore has had a long history of formally receiving English laws because of the country's colonial origin. Over and above the formalities of statute and the doctrine of precedent, English case law is for practical purposes highly persuasive because of the enduring effect of the historical association.

Other relevant statutes concerning trustees and trusts in the private client context are:

1. Trustees Act (Chapter 337) (TA), which concerns the general power of investment, statutory duty of care and other duties and powers of the trustees (including personal representatives where the context permits); and

2. Trust Companies Act (Chapter 336), which concerns the trust business licensing regime regulated by the Monetary Authority of Singapore. The Trust Companies Act and its subsidiary legislation regulate the following business activities:

- the provision of services for the creation of express trusts;
- acting as trustee in relation to express trusts;
- arranging for any person to act as trustee in relation to an express trust; and
- the provision of trust administration services in relation to express trusts.

There are basically three main types of trusts:

1. fixed trusts;
2. discretionary trusts; and
3. unit trusts.

The formalities for the declaration of a trust must be complied with in order for it to be valid and enforceable. Therefore, the trust must be properly constituted and the trust property must be properly vested in the trustee. There must also be certainty of intention to create a trust, certainty of subject matter and certainty as to objects of the trust. The terms of the trust must also not infringe the rules against perpetuity and inalienability unless it is a charitable trust. The statutory perpetuity period of a trust is 100 years or such shorter period as is stipulated in the trust instrument.

Settlor reserved power trusts are formally recognised – the TA provides that no trust or settlement of any property on trust shall be invalid by reason only of the person creating the trust or making the settlement reserving to himself any or all powers of investment or asset management functions under the trust or settlement.

A common structure used for family estate planning includes an *inter vivos* trust being set up to hold assets either directly or through an asset-holding company. The beneficiaries typically include the settlor and his or her family members. It is also common for investment management functions to be reserved to the settlor and/or his or her family members. If the assets are held by an underlying company, the settlor or family members are usually the directors of that company, that is, the level at which investment management decisions are made. If a trust is a qualifying foreign trust, its income may be tax exempt if it falls under the specified list of designated income. If a trust is a qualifying locally administered trust, its income may be tax exempt if it falls under the list of relevant income.

If the assets being managed are substantial, some high-net worth individuals or families may consider applying for a fund tax exemption from the Monetary Authority of Singapore and setting up a family office to manage the assets. Income that falls within the specified list of designated income is tax exempt – this list is much broader than the relevant income list for a qualifying locally administered trust.

B. *Fiduciary duties (trustee, board members, directors, etc)*

1. TRUSTEES' FIDUCIARY DUTIES

Broadly, a trustee owes the beneficiaries:

- a duty of loyalty – to act in their best interests with honesty and diligence, and cannot deviate from the terms of the trust; and

- a duty not to put himself or herself in a position of interests – to put the beneficiaries' interests above his or hers, and not to engage in self-dealing without the beneficiaries' informed consent.

Under the TA, a trustee must exercise such care and skill as is reasonable in the circumstances, having regard in particular:

- to any special knowledge or experience that he or she has or holds himself or herself out as having; and
- if he or she acts as trustee in the course of a business or profession, to any special knowledge or experience that may reasonably be expected of a person acting in the course of that kind of business or profession.

The statutory standard of care applies to a trustee when exercising his or her powers in relation to:

- investment;
- acquisition of land;
- agents, nominees and custodians;
- compounding of liabilities;
- insurance; and
- reversionary interests, valuation and audit.

2. COMPANY DIRECTORS' DUTIES

Likewise, a director has to adhere to the general standards of loyalty, good faith and avoidance of conflict of duty and self-interest. Broadly, a director has the following duties:

- to act bona fide in the company's interests;
- to avoid conflicts of interests, or a duty to disclose if his or her personal interests may conflict with that of the company;
- to use the company's assets properly for the purposes for which they were intended; and
- not to bind or fetter his or her discretion to act in a particular matter.

Under the Companies Act (Chapter 50), a director must always act honestly and use reasonable diligence in the discharge of his or her duties.

C. Treatment of foreign trusts and foundations

Singapore is not a signatory to the Hague Convention on the Law Applicable to Trusts and on their Recognition.

IV. Taxation

A. Domicile and residency

1. INDIVIDUALS

The residency of an individual is relevant in determining his or her income tax liability. There is a qualitative and quantitative test used to determine whether an individual is resident in Singapore:

- *Qualitative test:* whether a person can be said to reside in Singapore except for such temporary absences as may be reasonable and are not inconsistent with this conclusion. Under case law, the word 'reside' may be taken as meaning 'to dwell permanently or for a considerable time, to have one's settled or usual abode, to live in or at a particular place'.
- *Quantitative test:* an individual who is physically present or who exercises an employment (other than as a director of a company) in Singapore for 183 days or more during the calendar year preceding the year of assessment is deemed to be resident in Singapore. The Inland Revenue Authority of Singapore (IRAS) also has various administrative concessions that can apply if an individual fails to meet the quantitative test for residency. For example, an individual who stays or works in Singapore continuously for three years, but does not satisfy the quantitative test for the first and/or third year, may be treated as resident in Singapore for all three years.

2. COMPANIES

The residency of a company is relevant in determining its income tax liability. Under section 2 of the ITA, a company is a resident of Singapore for tax purposes if its business is controlled and managed in Singapore. The Singapore courts have held that the geographical location of the control and management of a company is the place where the directors come together to make decisions regarding the management of the company.

3. TAXATION ON EXIT

There are no exit taxes in Singapore.

B. Gift, estate and inheritance taxes

1. ESTATE AND INHERITANCE TAXES

There are no estate or inheritance taxes in Singapore.

2. GIFT TAX

There is effectively gift tax in Singapore in the form of stamp duty. Stamp duties are payable on two classes of assets; namely, stocks and shares, and immovable property. Voluntary conveyances *inter vivos* of stocks and shares of Singapore companies, and immovable property in Singapore are subject to stamp duty as if they were conveyances on sale. This applies to absolute gifts, as well as to settlements on trust.

On the other hand, the passing of these assets by will or intestate succession is outside the scope of stamp duty. As already mentioned above, there are no estate or inheritance taxes in Singapore.

The rate of stamp duty on stocks and shares of Singapore companies is 0.2 per cent of their value. Stocks and shares held in the Central Depository System are excluded. Thus, stamp duty does not apply to gifts of publicly listed stocks and shares (since, as a rule, these are held in the Central Depository); but only to stocks and shares that are in certificated form (effectively, unlisted stocks and shares).

Stamp duties on gifts of immovable property in Singapore (whether absolutely or on trust) are complex. In brief, they are as follows:

1. There is buyer's (or transferee's) stamp duty (BSD) at the following rates:

<i>Value of the property (SGD)</i>	<i>BSD rate for residential properties (%)</i>	<i>BSD rate for non-residential properties (%)</i>
First \$180,000	1	1

Next \$180,000	2	2
Next \$640,000	3	3
Value above \$1m	4	3

- (i) There is additional buyer's (or transferee's) stamp duty (ABSD) on residential property, depending on the transferee's nationality and/or number of residential properties already owned by the transferee:

<i>Buyer's profile</i>	<i>ABSD rate for residential property (%)</i>
<i>Singapore citizens:</i>	
First residential property	Not applicable
Second residential property	12
Third and subsequent residential properties	15
<i>Singapore permanent residents:</i>	
First residential property	5
Second and subsequent residential properties	15
<i>Foreigners:*</i>	
Any residential property	20
<i>Entities:</i>	
Any residential property	25

* Under the respective free trade agreements, the following categories of individual will be accorded the same stamp duty treatment as Singapore Citizens:

- nationals and permanent residents of Iceland, Liechtenstein, Norway or Switzerland; and
- nationals of the United States.

- (ii) Seller's (or transferor's) stamp duty (SSD) may apply depending on how long the transferor has owned the property:

<i>Holding period</i>	<i>SSD rate for sale of residential properties (%)</i>	<i>SSD rate for sale of industrial properties (%)</i>
If transferred within 1 year	12	15
If transferred after 1 year but within 2 years	8	10

If transferred after 2 years but within 3 years	4	5
If transferred after 3 years	No SSD payable	No SSD payable

- (iii) Over and above the usual 0.2 per cent share transfer stamp duty, additional conveyance duties (ACD) apply to gifts of shares in property-holding companies whose primary tangible assets are Singapore residential properties.

The transferee of the shares is subject to ACD of one per cent to four per cent BSD (see subparagraph (i) above) plus 30 per cent ABSD on the value of the shares.

If shares are gifted within three years of acquisition, the transferor of the shares is subject to 12 per cent SSD on the value of the shares.

Therefore, indirect gifts are more expensive than direct gifts of Singapore residential property in terms of stamp duties.

C. *Taxes on income and capital*

1. Taxation of income in Singapore is governed by the provisions of the Income Tax Act (ITA). The Singapore taxation system is semi-territorial in nature. Tax is payable on:

- (i) income accruing in or derived from Singapore (ie, Singapore-sourced income); and
- (ii) income received in Singapore from outside Singapore (ie, foreign-sourced income when and if it is remitted to Singapore).

2. For individual taxpayers, a very significant aspect of the tax regime is that:

- (i) non-resident individuals are exempt from tax on foreign-sourced income remitted to Singapore; and
- (ii) resident individuals are exempt from tax on foreign-sourced income remitted to Singapore save for foreign-sourced income received through a partnership in Singapore.

3. Income tax does not apply to gains of a capital nature. Therefore, there is no capital gains tax as such in Singapore. The corollary is that whether profits and gains from the sale of assets are (non-taxable) capital or (taxable) income is, in principle, a question of all the facts in any particular case according to the 'badges of trade' enunciated by the Royal Commission on the Taxation of Profits and Income in the UK in 1955. The relevant considerations include, but are not limited to:

- (i) length of ownership;
- (ii) frequency of similar transactions by the taxpayer;
- (iii) circumstances around the sale; and
- (iv) whether the taxpayer had a profit-seeking motive.

4. The tax rates for resident individuals are as follows:

<i>Chargeable income</i> (SGD)	<i>Marginal rate</i> (%)	<i>Tax payable</i> (SGD)	<i>Effective rate</i> (%)
On the first \$20,000	0	0	

On the next \$10,000	2	\$200	
On the first \$30,000		\$200	0.7
On the next \$10,000	3.5	\$350	
On the first \$40,000		\$550	1.4
On the next \$40,000	7	\$2,800	
On the first \$80,000		\$3,350	4.2
On the next \$40,000	11.5	\$4,600	
On the first \$120,000		\$7,950	6.6
On the next \$40,000	15	\$6,000	
On the first \$160,000		\$13,950	8.7
On the next \$40,000	18	\$7,200	
On the first \$200,000		\$21,150	10.6
On the next \$40,000	19	\$7,600	
On the first \$240,000		\$28,750	12.0
On the next \$40,000	19.5	\$7,800	
On the first \$280,000		\$36,550	13.1
On the next \$40,000	20	\$8,000	
On the first \$320,000		\$44,550	13.9
In excess of \$320,000	22		

5. The tax rates for non-resident individuals are as follows:

<i>Taxpayer</i>	<i>Tax rate</i>
Employees	The higher of 15% (with no personal reliefs) or resident's rates
Partners, directors and sole proprietors	22%
Professionals	15% on gross income (with no personal reliefs) or 22% on net income
Property traders	15% on gross income
Public entertainers and sports people	10% on gross income (excluding airfares and accommodation; with no personal reliefs) until 31 March 2022 after which the normal rate of 15% should apply

6. The corporate income tax rate is 17 per cent. Three-quarters of the first \$10,000 and one-half of the next \$190,000 of a company's chargeable income is exempt; so the 17 per cent rate is only payable on the \$97,500 of the first \$200,000 chargeable income. This is effectively a starting corporate income tax rate of 8.3 per cent.

7. The trustee's tax rate is 17 per cent. The tax payable by a trustee is a final tax; beneficiaries are not taxable on distributions. Having said that, income to which a resident beneficiary is entitled under the terms of the trust, and income which is not accumulated but distributed to a resident beneficiary is treated as the income of the beneficiary, rather than the trustee. An individual enjoys a wider range of exemptions from tax than a trustee (eg, see C.2 above).

8. Alternatively, a trust which is administered either by a licensed trustee company (eg, a professional trustee company) or an exempt trustee company (eg, a private trust company) in Singapore and the underlying holding company of the trust are afforded many of the exemptions as individual taxpayers.