

## Reforms Implemented

1. Goods and Services Tax (GST) implemented in 1994 at 3%. Rate was increased to 4% and 5% on 1 January 2003 and 1 January 2004, respectively. With effect from 1 July 2007, the rate was increased to 7%.
2. Implemented advance income tax rulings system.
3. Introduced several tax changes for businesses in recent years:
  - group relief system from year of assessment 2003, that allows companies within a group to transfer current year losses and capital allowances (other than those relating to its foreign branches) to another company within the same group for income tax purposes;
  - one-tier corporate taxation system from 1 January 2003 where tax paid on corporate profits is final and all dividends are exempt from tax, replacing the imputation system;
  - carry-back of current year unutilized losses and current year unutilized capital allowances of up to S\$100,000 to set off against income of a prior year for businesses from year of assessment 2006.
  - Issued transfer pricing guidance in 2006.

## Reforms Being Undertaken

Record-keeping requirements for income tax and GST reduced from seven to five years, along with reductions in record-keeping periods in other major statutes, such as the Companies Act.

“No Return No Filing” initiative under which submission of tax returns (i.e., filing) is not required for certain groups of taxpayers. The 2 groups of taxpayers involved in the pilot phase included those who received dividend income of \$20,000 or less, and taxpayers who only received employment and dividend income, and whose claims for personal relief had remained unchanged. Notices of Assessment were issued to these taxpayers based on income information transmitted electronically from employers, etc.

## Reforms to be Introduced

No major reform to be introduced at this time.

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