

Tax Services

We offer a broad range of services to assist corporations, clubs, societies & associations, partnerships and individuals with their tax and tax related concerns. Specifically we can offer assistance with:-

1. Corporate and personal tax compliance works;
2. Representing clients in back taxes, objections and appeals to the Tax Authorities;
3. Planning tax efficient remuneration packages for company directors ;
4. Analysis of opportunities for tax savings arising from changes to tax and other legislations;
5. GST planning and compliance;

Over the years, we have successfully assisted in planning and implementing tax strategies that work best within our clients' organizations, include the use of offshore based companies and trusts.

The Singapore Tax Regime

Singapore uses a territorial basis to tax income. Tax is imposed on income derived from, accrued or received (under certain conditions) in Singapore. Income tax is imposed on a preceding year basis. Currently, Singapore imposes no capital gains tax.

The tax administration system is regulated by the Inland Revenue Authority of Singapore (IRAS) which assesses, collects and enforces various taxes, duties and levies.

Corporate income tax

The Corporate income tax rate is 17%, effective for the Year of Assessment 2010 onwards until further announcement by IRAS and is applicable to income derived accrued or received by resident, non-resident companies and branches of foreign companies. However, receipt of foreign sourced dividends, branch profits and service income on or after 1 June 2003 is tax exempt, provided:-

- a. the income was remitted from country with headline tax rate of at least 15%
- b. the income was subject to tax in the foreign country from which they were received.

The one-tier corporate taxation system replaced the outgoing full imputation system effective 1 January 2003. Under the new system, tax at the corporate level is final and dividends received in the hands of shareholders are tax exempt.

Individual income tax

Individuals tax residents are taxed on their incomes on a sliding scale from 0% (for the first \$20,000 chargeable income) to 20% (for chargeable income above \$320,000).

Effective 1 January 2004, all foreign sourced personal income received in Singapore by Singapore tax residents are exempt from income tax. There are no conditions attached except that taxpayers are required to keep evidence/documents in support of their claims for tax exemption in the event they are called upon by the Tax Authorities to submit same.

The above exemption is not applicable if received through a partnership in Singapore.

Withholding taxes

Interest, commissions, fees and other payments in connection with loans or indebtedness, royalties, rentals from movable property, and management and technical fees paid to non-tax residents are generally subject to withholding tax in Singapore. These withholding taxes ranges between 10% to 20%. Singapore has to-date concluded tax relief agreements (DTA) with some 50 countries for avoidance of double taxation and in certain instances, full exemption of income tax payable on qualifying services rendered.

There is no withholding tax on the payment of dividends to non-tax residents of both DTA and non-DTA countries.

Goods and Services Tax (GST)

A 7% Goods and Services Tax (GST) is imposed on domestic consumption. The GST is levied on the sale of goods and services in Singapore by GST-registered traders, and on goods imported into Singapore. The export of goods and international services is not subject to GST. The GST covers almost all goods and services, except for the rental and sale of residential land and buildings in Singapore, and the provision of certain financial services. Businesses whose turnover exceeds S\$1 million are required by law to register for GST.

Striking Off

It is our standard practice to advise client, who wish to dissolve companies, that they should always explore if they can proceed to apply for their companies to be struck off from the Register, pursuant to Section 344 of the Singapore Companies Act, in lieu of liquidation. Striking off is speedier, simpler, no newspaper publicity and less costly.

The main conditions required are that the Company is no longer in business, has no assets or liabilities and no outstanding obligations to the Accounting and Corporate Regulatory Authority.

We will undertake to verify that your Company “qualifies” to be struck off, prepare all the necessary documents to be signed by the directors and shareholders, and prepare and submit the official application to the Registrar pursuant to Section 344 of the Singapore Companies Act.

Members Voluntary Winding Up

Two main conditions must be satisfied before a Company can be dissolved by way of Members’ Voluntary Winding Up pursuant to Section 290 of the Singapore Companies:

- The Company must be solvent, i.e. it has more assets than liabilities
- At least 75% of the shareholders consent to this mode of dissolution.

We will undertake to appoint a Liquidator and carry out all the necessary duties from pre-liquidation to final dissolution of the Company.

If there are significant or substantial assets to be realised or distributed, or liabilities to be settled, time costs in addition to our fixed fee as quoted will be charged.

Creditors Voluntary Winding Up

If a company is insolvent i.e. there are insufficient assets to settle all the creditors, it can be dissolved by way of Creditors’ Voluntary Winding Up pursuant to Section 290 of the Singapore Companies Act, provided at least 75% of the shareholders consent to this mode of dissolution.

We will undertake to appoint an approved and qualified Liquidator and carry out all the necessary duties from pre-liquidation to final dissolution of the Company.

Compulsory Winding Up

Section 253 of the Singapore Companies Act provides that a company may be wound up on the petition of any of, inter alia, the following persons:

- The company itself;
- Any creditor including a contingent or prospective creditor of the company

We will arrange to appoint an approved and qualified Liquidator and carry out all the necessary duties prior to presentation of the petition for the winding up to the final dissolution of the Company.

Receivership

A Receiver is appointed to safeguard the interests of debenture holders in the enforcement of the security for their loan. The terms of the average debenture, equitable mortgage, or other loan document given by a borrowing company allow the lender in the event of default to appoint a Receiver.

We will arrange to appoint an approved Receiver and, if necessary, Manager on behalf of the debenture holder.

De-registration of Foreign Companies

Section 377 of the Singapore Companies Act requires that if a foreign company ceases to carry on business in Singapore, it shall within 7 days lodge the required notice with the Registrar of Companies.

We will undertake to ascertain whether outstanding statutory obligations of the foreign company have been complied with before we lodge the required notice with the Registrar of Companies.

Accounting & Bookkeeping

Our accounting and bookkeeping is targeted at Small and Medium Enterprises (SMEs) and new start-ups as they may not have their own Accounts department or staff. We will provide analysis of the company's performance and also advise clients on proper accounting procedures and compliant issues.

For new start-up companies, we will assist to set up accounting systems, procedures and policies according to company's environment.

By following a systematic and cost effective process in completing the accounts, we will plan and schedule to work towards meeting deadlines.

Details of our accounting services are:

- Set up proper accounting systems, procedures and policies
- Prepare payment vouchers, provision of cheque signatory, banking of cheques
- Prepare financial reports & schedules:-
 - Monthly financial statement inclusive of:-
 - Balance Sheet
 - Profit & Loss Statement
 - Trial Balance
 - Bank Reconciliation
 - Fixed Assets schedule
 - Debtor Ageing List
 - Creditor Ageing List

Financial Statements Compilation Services

We provide financial statements compilation services (i.e compilation reports) for those companies that are exempted from audit.

Financial statements are prepared using the Management Accounts/ bookkeeping records of the company. Based on these Management Accounts/ bookkeeping records, we prepare financial statements to satisfy compliance requirements under the relevant sections of the Singapore Companies Act and Singapore Financial Reporting Standards.

Uses of financial statements:

Every company is required to prepare financial statements. Financial statements need to be presented at your company's Annual General Meeting (AGM) which is an annual meeting of shareholders that every company is required to hold by law. You also need your financial statements to prepare your corporate income tax returns.

XBRL Financial Statements

XBRL stands for eXtensible Business Reporting Language, and it is a language for the electronic communication of business and financial data worldwide. As one of the family of "XML" languages, it is becoming a standard means of communicating information between businesses and on the internet.

From 1 November 2007 onwards, Singapore incorporated companies that are not private exempt are required by ACRA to file their financial statements in XBRL format.

Under this service, we will:

- prepare a set of financial statements in XBRL format specified by ACRA's Bizfinx, and
- file the XBRL financial statements to ACRA.

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