



**NATIONAL UNIVERSITY OF SINGAPORE**  
**Department of Accounting**



**SSB2217: Singapore Taxation**

**Semester 1, 2014/2015**

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**Consultation Hrs:** By appointment through email

## **Course Objective**

This is an enrichment course designed to introduce students to basic concepts of taxation in Singapore, in particular, corporate and personal income tax and goods and services tax. The course will make students aware of pertinent tax issues as a future income tax payer.

## **Key Areas of the Syllabus**

Key topic areas are as follows:

- Explain and interpret the underlying purpose of fiscal policy in Singapore.
- Explanation as to who is a taxable entity.
- Explanation as to how income is to be measured and what income falls within the provisions of the Income Tax Act of Singapore.
- Explanation as to what are the allowable tax deductions and capital allowances.
- Explanation as to what are the reliefs available to the individuals and companies and how they can be used.
- Explanation on the scope of GST in Singapore.

## **Learning Outcome**

On completion of this module, students should be able to:

- Obtain a practical understanding of the taxation system in Singapore for both businesses and individuals.
- Prepare both basic corporate and individual tax computations.
- Explain and apply the provisions of the goods and services tax in Singapore.

## **Motivation**

With the globalization of business at a rapid pace, it is important to develop a general awareness of how the role of taxation impacts upon business and investment decisions and transactions undertaken by both companies and individuals. A good working knowledge of fundamental tax principles and an appreciation of how policy considerations drive changes in tax law and in wider contexts such as economic, social, and political and administration is necessary to ensure a more holistic and informed perspective when operating in an “open architecture” economy such as Singapore . This compact course will provide a broad coverage on these areas.

## Mode of Teaching

Students are expected to come to class well prepared and be ready to respond to questions as required. This means doing the required readings or problem assignments before each session.

All lecture notes, tutorial questions, reading materials and assignments are downloadable from the course website. Lectures may not necessarily relate directly to your readings and assignments.

Classes commence from Week 1 (week beginning 11 August 2014, i.e., 1<sup>st</sup> lesson on Thursday, 14 January 2014) from 2pm to 5pm at BIZ1-03-05.

## Pre-requisite

There are no pre-requisites for this course but basic knowledge in accounting would be very helpful.

## Preclusions

Students who have taken the following courses are specifically precluded from SSB2217.

- ACC3605
- LL4056A and LL4056B

The preclusion also extends to any existing or future courses that may have similar content or scope to SSB2217. In addition, BBA accountancy students cannot enroll for this module.

## Reference Texts

Textbook:

Taxation in Singapore 2013 Edition, Simon Poh, McGraw-Hill Singapore.

Reference guides:

- CCH Singapore Master Tax Guide Handbook 2012/2013, 31<sup>st</sup> Edition (or latest available edition).
- CCH Singapore Tax Workbook 2013/2014, 16<sup>th</sup> Edition (or latest available edition).

## Other References

Selected e-Tax Guides issued by the Inland Revenue Authority of Singapore (IRAS). These can be found at <http://www.iras.gov.sg/>

Keep abreast of changes to policy and regulation in Singapore, past Singapore Budgets and news about the Singapore Budget 2012 via the Ministry of Finance website i.e., <http://www.mof.gov.sg/>

## Tax Statutes

Income Tax Act, Cap 134

Goods and Services Tax Act, Cap 117A

Both statutes are available for on-line viewing at the Attorney-General Chambers' "Singapore Statutes Online" website: <http://statutes.agc.gov.sg>

## Assessment

This is a 100% CA course. The weight distributions for the different components are as follows:

<b>Group Assessment (Tentative)</b>	
Assignments	20%
Group Project	30%
<b>Individual Assessment (Tentative)</b>	
Class Participation	20%
Class Quiz	30%
<b>Total</b>	<b>100%</b>

## Assignments

Groups will be assigned to prepare written answers and make class presentations for each of the 8 assignments in this course. There would be approximately 4 students (maximum) in each group.

## Class Quiz

*(To be held after recess week, TBA)*

*Should* a class quiz be held, it will be 1 hour open-book quiz.

The quiz will cover chapters 1 to 5. It will be held during class hours.

Students are to make sure that they are available to sit for this class quiz.

## Group Project

More details will be released. For Group Project Assigned groups will also be expected to prepare a written report and make class presentations. The groups for the project will be the same as those for the assignments.

## Class Participation

Students are strongly encouraged to actively participate in class discussions. Students will be graded on an **individual** basis according to their contributions to the class discussions. In this respect, students should come well prepared for every session in this course.

## Other points to note

- **Attendance:** Since this is a 100% CA course consisting of a 20% Class Participation component for Individual Assessment, students must not miss more than 2 classes (not including absence due to medical (accompanied by medical certificates) or compassionate reasons). Violators will be heavily penalized or may even fail the entire module.
- **CA Attendance:** Students who miss any CA component will receive zero marks for that particular component. Absentees can submit their reason for absence from class due to medical reason by submission of medical certificate or in the case of compassionate reasons by way of written explanation.
- Students are encouraged to always feedback to the instructor comments and suggestions that may help the class to learn better.
- Students are to check the IVLE weekly for announcements.
- Please use NUS e-mail for e-mail communications.

## **DETAILED SYLLABUS (Tentative)**

### **1. Introduction to Singapore Tax System**

- Introduction & overview
- Legislative framework for taxation
- Structure of Income Tax Act
- Basic tax concepts
  - territorial basis
  - tax entities
  - year of assessment and basis period
  - tax residence

### **2. Tax Administration**

- Introduction
- Returns
- Assessments
- Collection, recovery and repayment of tax
- Objections and appeals
- Offences and Penalties
- Advance Ruling System

### **3. Concept of Income**

- Charging Provision: Section 10(1)
- Distinction between income and capital
- Trade, business, profession, vocation
- Employment income
- Dividends, interest or discount
- Pension, charge or annuity
- Rents, royalties, premiums, etc.
- Any other gain of an income nature
- Tax exempt income

### **4. Tax Deductions**

- Distinction between revenue and capital expenditure
- General deduction formula
- Allowable expenses
- Prohibited expenses
- Special, further and double deductions
- Donations
- Productivity and Innovation Credit (PIC)

### **5. Capital Allowances**

- Concept of capital allowances
- Plant & machinery allowances
- Deduction for Renovation or Refurbishment (R&R) works
- Writing Down Allowance (WDA)
- Industrial Building Allowance (IBA) / Land Intensification Allowance (LIA)

**6. Taxation of Businesses**

- Chargeable income and tax liability
- Relief for unabsorbed trade losses, capital allowances & donations
- Loss carry-back system
- Dividends & distributions of corporate profits
- One-tier corporate tax system
- Sample tax computation

**7. Taxation of Individuals**

- Basis of Assessment
- Tax residence
- Taxation of employment income
- Joint and separate assessments
- Personal reliefs and allowable deductions
- Exemptions and reliefs for non-resident

**8. Goods and Services Tax (GST)**

- Overview of GST and how it works
- Key concepts of GST
- Types of supplies
- Claiming input tax credits
- Exports and international services
- Registration & Record-keeping