



## Singapore CA Qualification (Foundation) Examination

8 December 2023

### Singapore Taxation

#### INSTRUCTIONS TO CANDIDATES:

1. The time allowed for this examination paper is 3 hours 15 minutes.
2. This examination paper has **FOUR (4)** questions and comprises **TWENTY-FOUR (24)** pages (including this instruction sheet, Appendix A and Appendix B). Each question may have **MULTIPLE** parts and **ALL** questions are examinable.
3. This is a restricted open book examination. You are allowed to have only the following materials with you at your exam location:
  - One A4-sized double-sided cheat sheet
  - One A4-sized double-sided blank scratch paper
4. During the examination, you are allowed to use your laptop and any calculators that comply with the ACRA's regulations. Please note that smart watches, mobile phones, tablets, and all other electronic devices **MUST NOT** be used during the examination.
5. During the examination, videos of you and your computer screen will be recorded for the purpose of ensuring examination integrity and you have consented to these recordings.
6. This examination paper and all video recordings of this exam are the property of the Accounting and Corporate Regulatory Authority.

#### MODULE-SPECIFIC INSTRUCTIONS:

7. Assume that all dollar amounts are in Singapore dollar (S\$) unless otherwise stated.
8. All computations should be presented up to **TWO (2)** decimal places, unless otherwise stated.

#### IMPORTANT NOTICE:

**If you are not feeling well, please do not press "Start Assessment". If you have started and leave during the exam, you would be deemed to have attempted the paper.**

**\*\*VERY IMPORTANT NOTICE\*\***

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1. Your question paper is attached under the "**Resource**" tab found at the bottom right of **EACH** question.

**Other important information:**

2. You will **only be allowed** to access the Excel function from your computer.
3. You are **NOT ALLOWED** to access any websites or reference materials (except for your A4 sized double sided cheat sheet) during the exam.
4. You are **NOT ALLOWED** to print the question paper.
5. **Please take note that your screen will be monitored throughout the examination. If you are found to have accessed unauthorised materials or websites, or if you cheat or attempt to cheat, you will be liable to severe disciplinary action.**

Should you encounter any issues during the exam, please call the following number:

+65 6865 9365

6. **You do not need to fill in an answer for this question.**

### Question 1– (a) and (b)

Fragrance House Pte Ltd (“FHPL”) is in the business of manufacturing fragrances for industrial use. The company was incorporated in 1998 with 20% shareholdings held by Frank Nez and the remainder held by CK Fragrances Limited (“CKFL”), a company tax resident in Country X. All board meetings of FHPL are held in Singapore.

For the year ended 31 March 2022, FHPL made a net accounting profit before tax of \$5,100,000 on a turnover of \$35,000,000. The profit was arrived at after taking into consideration the following receipts and expenses:

Receipts	S\$
Interest income <u>accrued</u> for the year on fixed deposit placement with Community Bank which is tax resident in Country Y. The deposit placement commenced on 15 December 2020 and matured on 14 March 2022 whereupon interest income of \$131,250 was deposited into a bank account in Country Y. \$51,250 was used on 20 March 2022 to settle a debt owing to a supplier in Country Y for purchase of raw materials which were shipped into Singapore by 31 March 2022. The remaining interest of \$80,000 was rolled over with the principal on renewal of the fixed deposit placement for another 12-month period commencing on 1 April 2022. There is no interest withholding tax in Country Y which has a headline tax rate of 18%.	105,000
Dividend income from FHPL’s 10% shareholdings in Oud, a company tax resident in Country A which has a headline tax rate of 10%. There is no dividend withholding tax in Country A and the dividend was paid out of after-tax profits. FHPL used \$74,000 to pay a dividend to CKFL while the balance was left in a bank account in Country A.	154,000
Profit from sale of motor car. The car was purchased at the cost of \$30,000 in financial year 2018 and sold for \$20,000 during the current financial year. The car had been used in Country B by the manager of FHPL’s liaison office in Country B. The liaison office provides product information to potential customers in Country B. Any sales enquiry will be passed on to and followed up by FHPL in Singapore.	5,000

The liaison office also provides market and customer intelligence to FHPL Singapore. It does not conduct any marketing, trading or business activities in Country B.	
Write-back of provision for doubtful debts in respect of: <ul style="list-style-type: none"> <li>• Loan owing by associated company - \$28,000</li> <li>• Accounts receivable - \$69,500</li> </ul>	97,500

<b>Expenses</b>	<b>S\$</b>
Depreciation for the year.	3,200,000
Staff costs comprising: <ul style="list-style-type: none"> <li>• Staff salaries, bonuses and employer's statutory CPF contribution</li> <li>• Travelling and entertainment allowances given to staff</li> <li>• Directors' fees</li> <li>• Staff medical and hospitalisation insurance premium</li> </ul> FHPL has implemented portable or transferable medical plans.	10,400,000 800,000 65,000 295,000
Travelling and transportation expenses include: <ul style="list-style-type: none"> <li>• Lease of motor car in Country B for use by liaison office manager after disposal of car.</li> <li>• Lease of motor car in Singapore for use by Singapore sales director under the terms of employment contract.</li> </ul>	5,400 34,800
Legal and professional fees including: <ul style="list-style-type: none"> <li>• Application for LIA in respect of new extension to existing factory building. (Approval was granted during the year)</li> <li>• Advice on transitional GST rules and review of accounting system for GST compliance purposes.</li> </ul>	17,800 36,000
Foreign exchange differences include (gain)/loss arising from: <ul style="list-style-type: none"> <li>• Exchange gain from purchase of manufacturing equipment.</li> <li>• Loss from settlement of liaison office recurring operating expenses.</li> </ul>	(8,600) 25,400
Royalty paid to CKFL for the use of CKFL's proprietary information relating to the manufacture of various fragrances. FHPL is not allowed to modify or adapt the formulation provided by CKFL.	580,000

Replacement of sanitary fittings and tiles in staff accommodation (the original items did not qualify as plant and machinery for capital allowances claim). The replacement items were similar to the original fixtures.	35,600
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### **Note 1**

All relevant allowances and deductions on qualifying capital expenditures incurred in financial year 2021 and before have been fully claimed except for amounts (capitalised to the Balance Sheet) incurred in the following financial years:

<b>Item</b>	<b>Financial year</b>	<b>S\$</b>
Existing factory building which qualifies for industrial building allowance with area occupied (%) for the following usages: - Factory floor: 83% - Washrooms: 5% - Office: 9% - Showroom and adjoining meeting rooms: 3%	2000	5,400,000
Second-hand lorry acquired from a wholly owned Singapore subsidiary. Both companies elected the provisions of Section 24 when the lorry was taken over in financial year 2021. The subsidiary acquired the lorry in financial year 2020 at the cost of \$54,900 and accelerated allowances over 3 years were claimed.	2021	36,000
Manufacturing equipment (it does not qualify as automated equipment for 1-year write-off basis)	2022	833,600
Approval from the Commissioner of Building Control was <b>not</b> required on non-structural renovation works carried out on the existing factory building which comprise: <ul style="list-style-type: none"><li>• Interior designer fees</li><li>• Hacking and debris removal, general electrical wiring, plumbing and tiling works</li></ul>	2022 2022	25,000 180,000

<ul style="list-style-type: none"> <li>Flooring and fixed partition works</li> </ul> <p>Section 14N compliant costs were previously incurred in YA 2017 (\$450,000) and YA 2021 (\$31,500). There were no such costs incurred prior to YA 2017. The company did not opt for accelerated deduction over 1 year in YA 2021.</p>	2022	96,000
<p>Costs incurred on structural works in respect of new extension to existing factory building are as follows:</p> <ul style="list-style-type: none"> <li>Building survey and architectural fees</li> <li>First progress payment to main contractor for construction of factory extension which is expected to be completed by 31 March 2023.</li> </ul>	2022	87,000 205,000

FHPL will continue to claim maximum accelerated capital allowances in the current YA, where applicable.

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**Question 1 required:**

**2**

**(a)** Calculate the minimum **net** chargeable income (**after** exempt income) of FHPL for YA 2023. Show all relevant workings/information in relation to the following:

- Medical expense adjustment;
- Special deductions under Section 14N of the Singapore Income Tax Act; and
- Capital allowances.

**(20 marks)**

**3**

**(b)** Explain if the royalty paid to CKFL will be subject to Singapore withholding tax. There is no tax treaty between Singapore and Country X. If withholding tax is applicable, address the administrative requirements in your answer.

**(5 marks)**

**(Total: 25 marks)**

## Question 2 – (a)

Ken Owens (“Ken”), who is 56 years old and a citizen of Country P, arrived in Singapore with his wife on 25 June 2022 to commence employment as the Chief Executive Officer of Goldmine Family Office Pte Ltd (“GFOPL”) on 1 July 2022. He was previously heading the Wealth Management unit of an international bank in Country P. The tenure of his employment in Singapore was intended to be 2 years but was prematurely terminated by Ken due to family issues in Country P. His last day of work was 30 November 2022 and he left Singapore on 10 December 2022. For the period from 1 July to 30 November 2022, he was provided with the following benefits/remuneration:

- Salary of \$525,000.
- An upfront bonus of \$210,000 paid on 1 July 2022. He had to return \$120,000 when he prematurely terminated his employment. He did not seek employment in Singapore in year 2023.
- For the month of July, Ken and his family stayed in a hotel at the cost of \$24,800 with GFOPL bearing 75% of the cost.
- Ken and his family moved into company-owned accommodation, where Ken paid a monthly rent of \$5,000 to GFOPL, effective 1 August. It is a fully furnished house and the annual value of the property is assessed at \$200,000. The property was previously tenanted out by GFOPL at a monthly rent of \$20,000. There were 122 days in the period from 1 August to 30 November 2022.
- A company car purchased by GFOPL at a cost of \$285,000 was provided for Ken’s use from 1 July to 30 November. The PARF rebate on the car is \$75,000. The **annual** maintenance expenses (i.e. road tax, insurance, etc) incurred by GFOPL on the car is \$10,900. Ken is responsible for the daily running costs (i.e. petrol, ERP and parking). There are 153 days in the period from 1 July to 30 November 2022.
- A driver was hired at the cost of \$25,000 during Ken’s tenure with GFOPL. The total mileage travelled during the period was 10,000 km with 60% attributed to employment-related trips.
- An entertainment allowance of \$10,000.



During the same period, he incurred the following expenses:

- Car expenses of \$6,500 of which \$2,500 is attributed to employment-related trips.
- Business entertainment expenses of \$8,500 including \$1,200 for a dinner with staff to thank them for their work and support during his tenure.
- Chauffeured private hire car expenses of \$500 for employment-related travels when his personal driver was not available.

**Additional information:**

(i) Ken worked in Singapore previously as an investment banker in 2007. During the earlier stint in Singapore, he invested in an apartment which he still owns. The property has always been rented out and the gross rental income derived during the year 2022 is \$60,000. Ken incurred the following costs on his investment property in 2022:

- Annual property tax of \$5,700.
- Property maintenance charges of \$15,000.
- Fire insurance premium of \$2,300.
- Replacement of existing non-inverter air-conditioners with energy saving inverter models costing \$6,300 as agreed with new tenant.
- Replacement of spoilt washing machine with a similar model costing \$1,300.
- Replacement of locks costing \$800.
- Accounting and tax filing fees of \$2,000.

He has fully repaid the housing loan in previous years and would like to claim deduction of expenses based on the actual amounts incurred.

(ii) Ken is a sleeping partner in a general partnership that is in the business of providing investment advisory services. Ken's share of divisible profits is \$25,000 and his share of interest income from staff loans is \$2,500.

(iii) Ken is supporting his aged parents who live in Country P. He gives each parent a monthly allowance of \$3,000 besides paying for their medical and utility expenses. Both parents do not derive any income.

- (iv) Ken has two children. The elder child is 24 years old and pursuing higher education at a tertiary institution in Country P. His younger child is 20 years old and taking a gap year in 2022 before heading back to full-time studies. The younger child is travelling around the world in year 2022 pursuing his interest in photography. Both children's living expenses are provided by Ken and they did not derive any income.
- (v) Ken's wife is a homemaker. She derived a dividend income of \$3,800 from her investment portfolio and gains of \$45,000 from the sale of shares during the year 2022.

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**4**

**Question 2 required:**

- (a) Compute Ken's income tax liability for the Year of Assessment 2023 for each of his Singapore income sources. For his employment income, please prepare your computation showing clearly the application of Section 40B provisions.

**(25 marks)**

**(Total: 25 marks)**

### Question 3 – (a) and (b)

Clean Living Pte Ltd (“CLPL”) is in the business of selling health supplements and home cleaning products. Its products are imported from Japan and Korea and are sold directly to consumers through its retail outlets in Singapore as well as through distributors in Singapore and Malaysia. CLPL is a Goods and Services Tax (“GST”) - registered company that is currently entitled to a full input tax credit. It has also opted to apply a reverse charge on all its imported services.

The following transactions were conducted in the quarter ended 31 July 2023. **Unless otherwise stated**, all purchases made in Singapore were from GST-registered companies, and all purchase, sales and income values stated are exclusive of GST. Assume that all input GST that is refundable is duly claimed.

- (i) Sales worth \$200,000 through its retail outlets to customers who were not GST-registered.
- (ii) Sales worth \$120,000, which were delivered to customers in Country X from stocks warehoused in Country X.
- (iii) Volume rebate of \$13,000 given to an independent distributor who made a large purchase from CLPL in the previous quarter ended 30 April 2023.
- (iv) Bad debt recovered of \$150,000 (actual cash received) from:
  - (1) Singapore distributors (\$90,000); and
  - (2) Malaysian distributors (\$60,000). The goods were delivered to Malaysian distributors from Singapore.

Bad debt relief, where applicable, was claimed in quarter ended 31 July 2022 and agreed with Comptroller of Goods and Services Tax.

- (v) Interest income of \$3,000 from staff loans.
- (vi) Dividend income of \$125,000 from its share investment in SK Ltd, a company tax resident in Country K.

- (vii)** Imported a new line of cleaning products from Japan at a cost of \$60,000, excluding freight and insurance of \$5,000.
- (viii)** The imported products in (vii) were packed into sachets marked “Sample only. Not for Sale.” Total samples worth \$45,000 were given away to potential customers in Singapore during the quarter.
- (ix)** As part of its employee welfare programme, health supplements worth \$2,000 were given to staff free of charge. The value of the health supplements given to each staff is worth at least \$250. These supplements were imported from Japan in quarter ended 30 April 2023.
- (x)** Training fees of \$22,000 was paid to a company in Country Y which conducted customer service training for CLPL’s staff via Zoom.
- (xi)** CLPL bought a new point of sale system worth \$30,000 from MegaPos Pte Ltd, a non-GST registered company. It paid \$25,000 after trading in its existing equipment for \$5,000.
- (xii)** The company spent \$15,000 on its annual staff appreciation dinner, which was held at Bayfront Hotel.
- (xiii)** Reimbursed \$1,070 (actual cash paid) to accounting staff who incurred taxi fares for overtime work. The fares were settled by staff in cash.

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**Question 3 required:**

**(a)** For each of the above transactions referred to by the Roman numeral code, and with reference only to the quarter ended 31 July 2023, provide your answer in the following format:

	Others, state if OS or NS	Value of supply made			Output GST	Value of taxable purchase	Input GST
		SR	ZR	EX			
(i-1)							

**Note: You may copy above table into Excel to prepare your answers.**

Where there is no taxable (i.e. standard-rated “SR” or zero-rated “ZR”) or exempt (i.e. EX) supply made or there is no input GST to be claimed, please state why under column marked “Others”, using the following abbreviations:

**OS** – Out-of-Scope

**NS** – No Supply

**BL** – Blocked

**ZR** – Purchase that is a zero-rated supply

**EX** – Purchase that is an exempt supply

**EXS** – Incurred in the making of exempt supply

Using the abbreviations indicated in the legend and the following example transaction as a guide, this is how you should present your answer:

Transaction: **(xi-1)** Purchase from a non-GST registered supplier  
- \$300

	Others	Value of supply made			Output GST	Value of taxable purchase	Input GST
		SR	ZR	EX			
(xi-1)	OS					\$0	\$0

Legend for the example answer:

(xi-1) – Is the unique line number identifying the transaction in the case;

OS (out-of-scope) is the reason why there is no taxable purchase and input tax.

**(20 marks)**

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- (b)** CLPL is contemplating divesting its investment in SK Ltd, currently worth \$800,000, and using the funds realised to partially finance the acquisition of a shop unit in Singapore. The share investment was largely funded from an interest-free shareholders' loan as well as reinvestment of dividends paid by SK Ltd over the years. The dividends were paid out of profits which had been subject to tax at the headline tax rate of 20% in Country K. Explain if the proceeds from the sale of the shares will be subject to Singapore tax upon remittance to Singapore.

**(5 marks)**

**(Total: 25 marks)**

#### Question 4 – (a) and (b)

Georgie Tham, a 49 years old Singaporean, and Faux Teak Pte Ltd are partners in Gorgeous Teak General Partnership (“GTGP”), which is in the business of designing and manufacturing bespoke furniture for sale to business partners (architects and interior designers) and homeowners. Georgie is a respected interior designer and Faux Teak Pte Ltd deals with engineered and natural wood products. They have agreed to share the partnership profits and losses equally.

For the year ended 31 October 2022, GTGP has ascertained that the **divisible trade profits** allocable to the respective partners is \$62,000 after taking into consideration the following receipts and expenses:

#### Receipts

- Interest income on loan to business associate: \$8,200.

#### Expenses

- Reimbursement of the car running expenses of \$10,400 incurred by Georgie on her motor car, SNA 235, which was used for business (\$7,800) and private purposes (\$2,600).
- Reimbursement of business entertainment expenses of \$1,800 incurred by Georgie.
- Georgie was paid an annual salary of \$120,000.
- Staff salary and employer’s statutory CPF contribution of \$350,000 which includes salary of \$18,000 paid to Georgie’s son who worked as an intern for 6 months. The market rate salary payable to interns with similar experience and work duties was \$15,000.
- Staff medical expenses of \$28,000 included Georgie’s medical and hospitalisation insurance premium of \$12,500.
- Depreciation of office equipment of \$65,000.
- Interest payable on capital contribution by partners – \$14,800 to Georgie and \$17,400 to Faux Teak Pte Ltd.
- Cash donation of \$4,000 to an institution of public character.

**Question 4 required:**

- (a) Compute the chargeable income for Georgie Tham showing clearly the net taxable income from each source, for YA 2023, taking into account the following information:
- (i) Georgie Tham has unabsorbed capital allowances of \$15,000 and trade losses of \$20,000 from GTGP, both brought forward from YA 2020.
  - (ii) Georgie's share of capital allowances for YA 2023 from GTGP is \$14,000.
  - (iii) Dividend income of \$20,000 from Tham Pte Ltd ("Tham"), a Singapore tax resident company, the shares of which are wholly owned by Georgie. Tham has unabsorbed trade losses of \$14,000 from YA 2023.
  - (iv) Georgie is a working director at Tham and she drew a nominal salary of \$48,000 for the year 2022 and a discretionary bonus of \$55,000 which was paid on 15 May 2022.
  - (v) Georgie did not make any compulsory contributions to her Medisave account during the year 2022 as required of self-employed persons.
  - (vi) CPF contributions on her salary from Tham were made within statutory limits by both employer and employee. However, both made CPF contributions at the rate of 20% on her total bonus of \$55,000.
  - (vii) Georgie's parents live with her. In 2022, her father made betting gains of \$30,000 while her mother had interest income of \$3,500.
  - (viii) In 2022, Georgie made a cash top-up of \$5,000 into her CPF retirement account and \$3,000 each into her parents' CPF retirement accounts.



**(ix)** She paid registration fees of \$4,800 in 2022 for a part-time landscape architecture degree offered by a local university.

**(21 marks)**

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**(b)** Georgie has been offered the opportunity to acquire a significant stake in Bella Listello Singapore Pte Ltd (“Bella”), the Singapore distributor of high-quality Italian and Spanish tiles. The founding shareholders of Bella intend to exit the industry as they seek retirement. Bella is highly profitable and will remain so as they have secured major contracts with builders of high-end residential and commercial properties. Explain if Georgie should take up the shareholdings directly or through Tham which is expected to incur losses in the next 2 years due to the loss of a major customer. Both Tham and Bella share the same accounting year-end of 30 September.

**(4 marks)**

**(Total: 25 marks)**

**END OF PAPER**

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2023

### Goods and Services Tax

Standard rate 8% (1 January 2023 to 31 December 2023)

Compulsory Registration threshold

- taxable supplies exceeding \$1 million (either under the retrospective or prospective basis)
- imported services, within the scope of reverse charge, in excess of S\$1 million in a 12-month period (either under the retrospective or prospective basis) and importer of service is not entitled to full input tax credit when GST-registered.

### Corporate Income Tax Rate

Year of Assessment 2023 17%

### Computation of exempt income under Partial/Start-up Tax Exemption Scheme

Effective Year of Assessment 2020:

<u>Partial Tax Exemption</u>	\$
First \$10,000 of chargeable income is 75% exempt	7,500
Next \$190,000 of chargeable income is 50% exempt	<u>95,000</u>
Total	<u>102,500</u>

#### Start-up Tax Exemption

First \$100,000 of chargeable income is 75% exempt	75,000
Next \$100,000 of chargeable income is 50% exempt	<u>50,000</u>
Total	<u>125,000</u>

There are no corporate tax rebates available for YA 2021, 2022 and 2023.

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2023

### Personal Income Tax effective from Year of Assessment 2017 (Resident)

Chargeable Income	Rate (%)	Gross Tax Payable (\$)
First \$20,000	0	0
Next \$10,000	2.0	200
First \$30,000	-	200
Next \$10,000	3.5	350
First \$40,000	-	550
Next \$40,000	7.0	2,800
First \$80,000	-	3,350
Next \$40,000	11.5	4,600
First \$120,000	-	7,950
Next \$40,000	15.0	6,000
First \$160,000	-	13,950
Next \$40,000	18.0	7,200
First \$200,000	-	21,150
Next \$40,000	19.0	7,600
First \$240,000	-	28,750
Next \$40,000	19.5	7,800
First \$280,000	-	36,550
Next \$40,000	20.0	8,000
First \$320,000	-	44,550
Above \$320,000	22.0	

### Personal Income Tax (Non-resident)

General Rate: 22%

#### Section 40B Relief for Non-resident Employees

Tax payable on the Singapore employment income of a non-resident individual is calculated at a flat rate of 15% or on a resident basis, whichever results in a higher tax amount.

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2023

### Central Provident Fund (CPF)

Contributions for individuals of ages 55 years and below and earning at least \$750 per month.

Rates of CPF contributions (effective from 1 January 2016 onwards)

Employee	20%
Employer	17%

Maximum monthly ordinary wages (OW) attracting CPF	\$6,000
Maximum annual ordinary wages (OW) attracting CPF	\$72,000
Maximum annual additional wages (AW) attracting CPF	\$102,000 less OW subject to CPF

### Ad hoc Contribution to Medisave

Cap on deductible ad hoc contribution by employers to employees' Medisave accounts

- Effective from 1 January 2018, \$2,730 per employee per year.

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2023

### Personal Income Tax Reliefs

With effect from YA 2018, the overall personal income tax relief available to resident individuals, as detailed below, will be capped at \$80,000.

#### Earned income

Age	Normal (able-bodied) maximum	Handicapped maximum
Below 55 years	\$1,000	\$4,000
55 to 59 years	\$6,000	\$10,000
60 years and above	\$8,000	\$12,000

#### Other reliefs

Type of relief	Amount of relief
Spouse relief	\$2,000
Handicapped spouse relief	\$5,500
Qualifying child relief (per child) (QCR)	\$4,000
Handicapped child relief (per child) (HCR)	\$7,500
Handicapped sibling relief (per sibling)	\$5,500
Parent relief	
- Staying with dependant	\$9,000
- Not staying with dependant	\$5,500
Handicapped parent relief	
- Staying with dependant	\$14,000
- Not staying with dependant	\$10,000
Working mother's child relief (WMCR)	% of mother's earned income
- First child	15%
- Second child	20%
- Third and subsequent child	25%
- Maximum cumulative WMCR	100%
Maximum relief per child (comprising QCR or HCR and WMCR)	\$50,000
Grandparent caregiver relief	\$3,000
Life insurance relief	\$5,000 (max)

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2023

Type of relief	Amount of relief
CPF relief for self-employed	Tax relief will be capped at the lower of: <ul style="list-style-type: none"> <li>• 37% of net trade income assessed; or</li> <li>• CPF relief cap of \$37,740; or</li> <li>• Actual amount contributed in basis period.</li> </ul>
Course fee relief	\$5,500 (max)
Foreign domestic worker levy relief	\$7,200 (max)
Supplementary Retirement Scheme	
- Singapore citizens and PRs	\$15,300 (max)
- Foreign citizens	\$35,700 (max)
CPF cash top-up relief	
- Self	\$8,000 (max)
- Qualifying family members	\$8,000 (max)

### National Service Man (NSman) relief

	Normal Appointment	Key Appointment Holder
Active NSman	\$3,000	\$5,000
Nan-active NSman	\$1,500	\$3,500
Wife/widow/parent of NSman	\$750	\$750

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2023

### Withholding tax rates

<b>Nature of income</b>	<b>% rates payable</b>
Interest and other payments in connection with loan or indebtedness	15%
Royalty or other lump sum payments for the use of, or the right to use movable properties	10%
Payment for the use of, or the right to use, scientific, technical, industrial, or commercial knowledge or information	10%
Technical assistance and service fees	Prevailing Corporate Tax Rate
Management fees	Prevailing Corporate Tax Rate
Rent or other payments for the use of movable properties	15%
Director's remuneration	22%
Non-resident professional	15% of gross or 22% of net

## Appendix B - Common verbs used by the Examiners

Verb	Description
<b>Calculate / Compute</b>	Do the number crunching and derive the correct answer. Make sure that you write down your workings and crosscheck your numbers.
<b>Explain</b>	<b>Explain</b> requires you to write at least several sentences conveying how you have <b>analysed</b> the information in a way that a layperson can easily understand the concept or grasp the technical issue at hand.
<b>Prepare</b>	<b>Prepare</b> requires you to produce your answer using a specific format. For instance, " <b>Prepare</b> the Statement of Cash Flows for ..." or " <b>Prepare</b> all the relevant journal entries for ...". Remember, a journal entry is only complete if it shows the date of the entry, the correct accounts, the correct amounts, and has a description (narration) – easy marks are often thrown away through carelessness. <b>Record</b> and <b>Prepare</b> have similarities.
<b>Propose/ Provide</b>	Put forward (for example, a point of view, idea, argument, alternatives, etc.) for consideration or action. For instance, "Based on the facts of the case, <b>propose</b> the most tax-effective entity type ...", or " <b>Propose</b> audit adjusting entries to correct ...".
<b>State</b>	<b>State</b> is similar to <b>list</b> , but the items require your professional judgement. For instance, " <b>State</b> any restrictions that apply". One of the easiest ways to make sure that you state comprehensively is to think, " <b>list and justify</b> ".
<b>With reference to</b>	This instruction requires you to relate your answer back to a specific document/s or set of facts. For instance, " <b>With reference to</b> relevant Singapore Financial Reporting Standards, <b>explain</b> the risk of material misstatements relating to ...". In this example, relevant <u>Singapore Financial Reporting Standards</u> acts as a qualifier ( <b>with reference to</b> 'what'). Failure to make specific mention of the document/s or facts in your answer will result in a substantial loss of marks.