Singapore

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1. Types of tax

Singapore generally does not impose inheritance tax, estate tax, transfer duty or wealth taxes. However, there are tax implications for certain residential property sales, transfers not made in accordance with the will or law, gifts, and estates that continue to generate income after death and trusts.

Estate tax on the deemed value of an estate at death has been removed for deaths on and after 15 February 2008. For deaths prior to this date, estate tax was payable on the principal value of all property that passed or was deemed to pass to the beneficiaries, subject to exemptions of SGD9 million for residential properties and SGD600,000 for nonresidential assets.

1.1 Inheritance tax — stamp duty

As of 19 February 2011, fixed duty for most instruments upon the distribution of property to a beneficiary of a deceased's estate has been abolished. However, if the document was executed before 19 February 2011, a nominal fixed duty remains payable. The fixed duty is payable if the properties are distributed in accordance with the individual's will or the Intestate Succession Act or the Muslim Law of Inheritance; in these cases, only a fixed stamp duty of SGD10 applies.

If the distributions are not in accordance with the above, then the documents are regarded as a transfer by way of gift (see Section 1.2). In such cases, full duty will be charged on the excess entitlement acquired by the beneficiary.

For example, under the Intestate Succession Act, if a widower died without leaving a will and was survived by four children, these children would be entitled to equal shares of the estate. If the distribution was made in line with this, then there would either be no fixed duty payable (post-19 February 2011) or SGD10 (pre-19 February 2011). However, if the whole property is transferred to only one child, then the excess transfer (75%) will be subject to full duty.

Documents are required to be stamped within:
- 14 days after the document has been first executed in Singapore
- 30 days after it has been first received in Singapore if the document was first executed overseas

A penalty of up to four times the duty payable may be imposed if the documents are unstamped, stamped late or stamped insufficiently.

1.2 Gift tax — stamp duty

For any conveyance or transfer operating as a gift, the documents shall be chargeable with ad valorem stamp duty (i.e., Buyer's Stamp Duty (BSD), Additional Buyer's Stamp Duty (ABSD), Seller's Stamp Duty (SSD)) as if it were a conveyance or transfer on sale of any immovable properties. In such instances, for transfers involving immovable properties and shares, the stamp duty will be computed based on the purchase price/selling price or market value of the property/shares, whichever is higher.

Buyer's Stamp Duty

Prior to 20 February 2018, the BSD rate was up to 3%. With effect from 20 February 2018, there are differentiated BSD rates between residential and nonresidential properties. The BSD rate for acquisition of residential properties from 20 February 2018 to 14 February 2023 is up to 4%. From 15 February 2023, the top marginal rate for residential properties is 6% and the top marginal rate for nonresidential properties is 5%.

Effective from 15 February 2023, the BSD rates for transfer of residential and nonresidential properties are as follows:

Purchase price or market value of the property (SGD)	BSD rates for residential properties	BSD rates for nonresidential properties
First 180,000	1%	1%
Next 180,000	2%	2%
Next 640,000	3%	3%
Next 500,000	4%	4%
Next 1,500,000	5%	5%
Remaining amount	6%	

Different BSD rates may apply to the period prior to 15 February 2023. This should be checked separately if applicable.

Additional Buyer's Stamp Duty

There could be an ABSD with rates ranging from 0% to 65%,[1] depending on the profile of the buyer and the type of immovable properties, regardless whether the properties are owned wholly, partially or jointly with others.

[1] Effective from 27 April 2023. Different ABSD may apply to the period prior to 27 April 2023. This should be checked separately if applicable.

Effective from 27 April 2023, the ABSD rates for purchase or acquisition of residential properties are as follows:

<table>
<tr><th>Residential property</th><th>Singapore citizen</th><th>Singapore permanent resident</th><th>Foreigners</th><th>Entities (including living trust)</th><th>Housing developers</th><th>Trustee</th></tr>
<tr><td>First</td><td>Not applicable</td><td>5%</td><td rowspan="3">60%</td><td rowspan="2">65%</td><td rowspan="3">35% and additional non-remittable 5%[2]</td><td rowspan="3">65%</td></tr>
<tr><td>Second</td><td>20%</td><td>30%</td></tr>
<tr><td>Third</td><td>30%</td><td>35%</td><td></td></tr>
</table>

Different ABSD rates may apply to the period prior to 27 April 2023. This should be checked separately if applicable.

Remission of ABSD

Nationals and permanent residents of Iceland, Liechtenstein, Norway and Switzerland and nationals of the United States of America are accorded similar stamp duty treatment as Singapore Citizens in the purchase of residential properties in Singapore under the respective Free Trade Agreements.

Seller's Stamp Duty

More details in Section 1.3, Real estate transfer tax.

Additional Conveyance Duties (ACD)

For transfers involving shares in a Singapore entity that owns prescribed immovable properties in Singapore, if the entity has at least 50% of its total tangible assets comprising immovable properties in Singapore, it will be considered a property-holding entity (PHE).

Where shares in a PHE are transferred, in addition to the usual stamp duty payable upon the transfer of shares in an entity (currently taxed at 0.2%), additional conveyance duty (ACD) of 30% is applied to the entire market value of the underlying residential property owned by the PHE, as well as the existing buyer stamp duty applicable for the transfers of residential properties (as per the rates above). For the disposal of shares of a PHE that primarily owns residential properties in Singapore, an ACD of 12% is applied on the entire market value of the underlying residential property owned by the PHE.

If the entity has less than 50% of its total tangible assets comprising immovable residential properties in Singapore, it will not be considered a PHE. Any transfer of shares in such an entity will be subject to the usual stamp duty rate, which is 0.2% on the purchase price or the value of the shares, whichever is higher.

A document can be presented for stamping at any time before the document is signed. However, once a chargeable document is signed, duty must be paid within:
- 14 days from the date the document is signed (which is the date of the document)
- 30 days from the date of receipt in Singapore if the document is signed overseas

A penalty of up to four times the duty payable may be imposed if the documents are unstamped, stamped late or insufficiently.

No stamp duties including ACD will apply if the transfer of equity interest in a PHE is pursuant to a will or by way of assent.

[2] This 5% will not be remitted and is to be paid up front upon purchase of residential property.

1.3 Real estate transfer tax

For residential properties acquired on or after 20 February 2010, there may be the SSD payable upon the sale of a property that was transferred to a beneficiary at death. SSD is also due for any other form of sale or transfer of residential property outside of that transferred via inheritance.

For residential property transferred because of inheritance or right of survivorship in joint tenancy, the SSD will be payable if the property is disposed of within three years of the property being acquired by the deceased if acquired on or after 11 March 2017.

Effective from 11 March 2017, the SSD rates applied to the market value of the residential property are as follows:

Period of disposal	SSD rate (on the higher of actual price or market value)
Within one year	12%
After one year of ownership but not exceeding two years	8%
After two years of ownership but not exceeding three years	4%
After three years	No SSD payable

Different SSD rates may apply to the period prior to 11 March 2017. This should be checked separately if applicable.

On 11 January 2013, the government announced that SSD will be imposed on industrial properties that are bought or acquired on and after 12 January 2013 and sold or disposed of within three years.

Effective from 12 January 2013, the SSD rates applied to the market value of the industrial properties are as follows:

Period of disposal	SSD rate (on the higher of actual price or market value)
Within one year	15%
After one year of ownership but not exceeding two years	10%
After two years of ownership but not exceeding three years	5%
After three years	No SSD payable

For industrial properties acquired prior to 12 January 2013, no SSD will be levied.

There are various exemptions/reliefs that may be available in certain scenarios.

The SSD is generally payable within 14 days of signing the sales agreement, or when it is executed overseas, SSD must be paid within 30 days of the receipt of the contract or agreement in Singapore.

Penalties of up to 400% may be imposed if underreporting is discovered.

1.4 Endowment tax

There is no endowment tax in Singapore.

1.5 Transfer duty

There is no transfer duty in Singapore. Transfers of particular types of property (e.g., real estate, shares) are subject to stamp duty (see paragraph 1.2 above).

1.6 Net wealth tax

There is no net wealth tax in Singapore.

1.7 Estate income

The assets left behind by the deceased may continue to produce income after his or her death. Income derived during the period from one day after death until the end of the administration period (for deaths on or after 15 February 2008, the period of administration is taken as one day after the date of death to 31 December of the year in which the Grant of Probate is issued by the courts) is termed estate income.

When an estate is no longer under administration and there are more investments and assets left in the estate, these will be held in trust for the beneficiaries. Income derived from assets belonging to the trust is termed trust income (more details are covered in Section 7).

Examples of estate and trust income are:
- Rental income
- Interest income
- Share of profit from partnership (tax at trustee level is final)
- Profit from sole-proprietorship business (tax at trustee level is final)
- Dividends from shares declared after death (excluding foreign-sourced dividends, which are tax exempt or Singapore one-tier dividends)
- Director's fee and non-contractual bonuses declared after death
- Income distributions from unit trusts (UTs) and real estate investment trusts (REITs)
- Gains from share options exercised after death
- Royalties
- Other gains or profits of an income nature
- Gains from the sale or disposal of foreign assets received in Singapore (more details in Section 1.8)

For joint bank accounts, upon the death of a joint account holder, the balance in the account will go to the surviving joint account holder(s), as the account lapses to the survivor(s). In this case, any interest income earned after the date of death is not the income of the estate and hence shall not be taxable under this provision.

In the case of properties held under joint tenancy, the surviving owner is required to declare the full share of income for the period after the death of the first owner from such properties in his or her personal income tax return. For properties held under tenancy-in-common, the deceased's share of income should be declared in the estate's return.

Beneficiaries who are residents of Singapore and entitled to trust income are accorded concessions, exemptions and foreign tax credits as if the beneficiaries had received the trust income directly. In other words, it is deemed to have retained the nature of the underlying trust income. No tax will be imposed at the trustee level, except in the case of income from a trade or business, in which case it is subject to a final tax at the trustee level and distributions are then considered non-taxable capital.

<table>
<tr><th></th><th colspan="3">Trustee derives income other than trade or business income</th></tr>
<tr><th rowspan="2">Trustee derives trade or business income</th><th colspan="2">Beneficiaries are entitled to trust income</th><th rowspan="2">Beneficiaries are not entitled to trust income</th></tr>
<tr><th>Resident beneficiaries</th><th>Nonresident beneficiaries</th></tr>
<tr><td>No tax transparency.
Tax at the trustee level is final.
Trustee is to be treated as a body of persons for purposes of tax and claims for relief, concessions and exemptions.
Distributions received by beneficiaries are capital.</td><td>Tax transparency will be accorded. Hence, tax will not be applied at trustee level. Beneficiaries are entitled to trust income. Hence, distributions are deemed to have retained the nature of the underlying trust income for the purpose of claiming concessions, exemptions and foreign tax credits.</td><td colspan="2">Tax transparency will not be accorded.
Tax at trustee level is final.
Trustee is to be treated as a body of persons for purposes of tax and claims for relief, concessions and exemptions.
Distributions received by beneficiaries are capital.</td></tr>
</table>

To the extent that tax is due at the trust/estate level, the statutory income of a legal personal representative (LPR) (administrator or executor) is subject to income tax at the rate of 17%.

Example: resident beneficiary who is entitled to trust/estate income, which is derived from income other than trade or business

Estate income in 2022	SGD5,000
Distributions to Singapore tax-resident beneficiaries in 2023	SGD4,000
Chargeable income to LPR	SGD1,000
Tax at estate level: SGD1,000 at 17%	SGD170.00

The beneficiaries will be assessed on the income distributed to them (SGD4,000) at their respective personal tax rates in year of assessment (YA) 2024.

The estate/trust income tax (Form T) is meant for the administrator, executor or trustee to declare the income that accrues from:
- Assets left behind by a deceased person, beginning one day after the date of death
- Assets held under a private trust or settlement

All income accruing should be reported in Form T regardless of whether it has been distributed to beneficiaries. The following persons (including nonresidents) should submit Form T:
- LPRs (i.e., administrator or executor) of an estate of a deceased or trustee of an estate held in trust
- Trustee of a private trust or settlement

Form T is required to be completed each year until the income derived by the executor or trustee has ceased.

Beneficiaries also need to declare their share of the income in their annual tax returns (Form B/B1) under other income.

1.8 Taxation of gains from sale of foreign assets received in Singapore

On 3 October 2023, the Singapore Parliament passed legislative amendments introducing a new Section 10L to the Singapore Income Tax Act 1947 (SITA). The approved legislation was then published in the government gazette on 30 October 2023. With effect from 1 January 2024, Section 10L has been effective.

Section 10L will apply to gains derived from the sale or disposal of any movable or immovable property situated outside Singapore at the time of such sale or disposal or any rights or interest thereof (foreign asset) under the either of following circumstances:
- The gains are (1) received in Singapore from outside Singapore on or after 1 January 2024 by an entity of a relevant group (Seller Entity) where such gain is not chargeable to tax as income under Section 10(1) of the ITA in Singapore or the gain is exempt from tax under the IT and (2) derived by an entity without adequate economic substance in Singapore
- The gains are from the disposal of foreign Intellectual Property Rights (IPRs)

An entity[3] is a member of a group of entities if its assets, liabilities, income, expenses and cash flows are either:
- Included in the consolidated financial statements[4] of the parent entity of the group
- Excluded from the consolidated financial statements of the parent entity of the group solely on size or materiality grounds or on the grounds that the entity is held for sale

A group is a relevant group if either:
- The entities of the group are not all incorporated, registered or established in a single jurisdiction
- Any entity of the group has a place of business outside Singapore

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[3] "Entity" means –
(a) Any legal person (including a limited liability partnership) but not an individual
(b) A general partnership or limited partnership
(c) A trust

[4] "Consolidated financial statements" mean financial statements prepared by an entity in accordance with generally accepted accounting standards, in which the assets, liabilities, income, expenses and cash flows of the entity, and the entities in which it has a "controlling interest," are presented as those of a single economic unit.
"Controlling interest," in relation to an entity, means an equity interest in the entity such that the holder of the interest –
(a) Is required to consolidate in its financial statements the assets, liabilities, income, expenses and cash flow of the entity on a line-by-line basis in accordance with generally accepted accounting standards
(b) Would be required to do so if it prepares consolidated financial statements

Section 10L of the SITA will not apply to gains from the sale or disposal of a foreign asset (not being a foreign IPR) when it is:
a) Carried out as part of, or incidental to, the business activities of a financial institution
b) Carried out as part of, or incidental to, the business activities or operations of an entity whose income is exempt from tax, or is taxed at a concessionary tax rate, under certain specific tax incentives schemes in Singapore
c) Carried out by an excluded entity (i.e., entity that meets certain economic substance requirement — refer to table below)

Economic Substance Requirement

Pure equity-holding entity (PEHE)[5]	(i) The entity submits to a public authority any return, statement or account required under the written law under which it is incorporated or registered, being a return, statement or account that it is required by law to submit to that authority on a regular basis. (ii) The operations of the entity are managed and performed in Singapore (whether by its employees or by other persons where the activities performed by other persons are subject to the direct and effective control of the entity). (iii) The entity has adequate human resources and premises in Singapore to carry out the operations of the entity.
Non-PEHE	(i) Operations of the entity are managed and performed in Singapore (whether by its employees or by other persons where the activities performed by other persons are subject to the direct and effective control of the entity). (ii) The entity has adequate economic substance in Singapore, taking into account the following considerations: a) The number of full-time employees of the entity (or other persons managing or performing the entity's operations) in Singapore b) The qualifications and experience of the employees or other persons c) The amount of business expenditure incurred by the entity in respect of its operations in Singapore d) Whether the key business decisions of the entity are made by persons in Singapore

Businesses may submit advance ruling applications to the Inland Revenue Authority of Singapore (IRAS) to seek upfront certainty on the adequacy of economic substance when a proposed sale or disposal of foreign assets is expected to take place within a year from the date of the application. The advance ruling, if issued, is valid for up to five YAs, including the YA in which the proposed sale or disposal of foreign assets is expected to take place.

2. Who is liable?

2.1 Residency

Residency does not impact stamp duty or SSD. As outlined above, in the case of estate/trust income, the following applies:
- Nonresident beneficiaries:
  - Tax on nonresident beneficiaries' income distribution will be paid by the personal representative of the estate at the trustee's flat tax rates.
  - Resident beneficiaries:

[5] "Pure equity-holding entity" means an entity –
(a) That functions to hold shares or equity interests in any other entity
(b) That has no income other than –
(i) Dividends or similar payments from the shares or equity interests
(ii) Gains on the sale or disposal of the shares or equity interests
(iii) Income incidental to its activities of holding shares or equity interests in any other entity

- In certain circumstances, income received by the beneficiary may be subject to his or her personal tax rates. Income distributions are taxable on the beneficiary in the year he or she receives it and not the year the income is accrued to the personal representative.

2.2 Domicile

This is not applicable in Singapore.

3. Rates

Rates vary depending on whether the tax is levied at the individual level or trustee or estate level. The specific rates are detailed under each relevant section accordingly.

In cases where tax is levied on the individual beneficiary, the current personal income tax rates for YA 2024 are as follows:

Resident

Singapore income tax rates for individual tax residents YA 2024 (calendar year 2023)			
	Chargeable income (SGD)	**Tax rate (%)**	**Tax payable (SGD)**
On the first On the next	20,000 10,000	0 2	0 200
On the first On the next	30,000 10,000	- 3.5	200 350
On the first On the next	40,000 40,000	- 7	550 2,800
On the first On the next	80,000 40,000	- 11.5	3,350 4,600
On the first On the next	120,000 40,000	- 15	7,950 6,000
On the first On the next	160,000 40,000	- 18	13,950 7,200
On the first On the next	200,000 40,000	- 19	21,150 7,600
On the first On the next	240,000 40,000	- 19.5	28,750 7,800
On the first On the next	280,000 40,000	- 20	36,550 8,000
On the first On the next	320,000 180,000	- 22	44,550 39,600
On the first On the next	500,000 500,000	- 23	84,150 115,000
On the first In excess of	1,000,000 1,000,000	- 24	199,150

In addition, resident individuals may be eligible to claim certain personal reliefs (e.g., spouse relief, qualifying child relief).

Nonresident

- Employment income of nonresidents is taxed at the flat rate of 15% or the progressive resident tax rates (see table above), whichever is the higher tax amount.
- Director's fee, consultation fees and all other income of nonresident individuals is currently taxed at 24%. It applies to all income including rental income from properties, pension and director's fees, except employment income and certain income taxable at reduced withholding rates.
- No personal tax relief is available.

4. Exemptions and reliefs

Except as mentioned above in Sections 1.3 and 3, this is not applicable in Singapore.

5. Filing procedures

This is outlined in each of the respective sections.

6. Assessments and valuations

This is outlined in each of the respective sections.

7. Trusts, foundations and private purpose funds

Trust income is taxed in the same way as estate income as outlined above. If final tax is payable at the trustee level, the rate is 17%.

However, as outlined above, when a beneficiary is a resident of Singapore and entitled to certain trust income, he or she may be taxed on this income at his or her personal tax rates instead. The income will also be treated as if he or she had received it directly (i.e., rather than being regarded as trust income, it will now be considered to have arisen from the same income source as the underlying trust income). He or she is also given the same tax exemptions and concessions as accorded to individual resident taxpayers.

It is important to note that this treatment does not apply to trade or business income carried on by the trustees, and this income is subject to final tax at the trustee level. Distributions then made from this income are considered capital in nature and will not be subject to any further tax in the hands of the beneficiaries. The same treatment also applies to beneficiaries who are not entitled to the trust income and to which nonresident beneficiaries are entitled.

Refer to Section 1.7 for further details on the Form T filing requirements.

8. Grants

This is not applicable in Singapore.

9. Life insurance

Personal life insurance payouts are not taxable as estate tax has been abolished in 2008.

10. Estate tax treaties

Estate tax was abolished in Singapore in 2008.