Singapore

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1. Types of tax

Singapore generally does not impose inheritance tax, transfer duty or wealth taxes. However, there are tax implications for certain residential property sales, transfers not made in accordance to the will or law, gifts, 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 may be imposed if the documents are stamped late or stamped insufficiently.

1.2 Gift tax — stamp duty

For any conveyance or transfer operating as gifts, the documents shall be chargeable with stamp duty as if it were a conveyance or transfer on sale. In such instances, for transfers involving immovable properties and shares, the stamp duty will be computed based on the purchase price or value of the property/shares, whichever is higher.

With effect from 22 February 2014, the stamp duty rates for transfer of nonresidential properties are as follows:

- 1% on first SGD180,000
- 2% for the next SGD180,000
- 3% for the remainder

With effect from 20 February 2018, the stamp duty rates for transfer of residential properties are as follows:

- 1% on first SGD180,000
- 2% for the next SGD180,000
- 3% for the next SGD640,000
- 4% for the remainder

Different stamp duty rates for transfer of residential properties may apply to the period prior to 20 February 2018. This should be checked separately if applicable.

There could be additional buyer's stamp duties with rates ranging from 0% to 30%[1] depending on the profile of the buyer and the type of immovable properties.

For transfers involving shares in a Singapore company which is not a Property-Holding Entity (PHE), the stamp duty rate is 0.2% on the purchase price or the value of the shares, whichever is higher. An additional 15% is applicable to acquisition of shares of a PHE. A PHE is an entity that has at least 50% of its total tangible assets comprising prescribed immovable properties in Singapore.

A document can be presented for stamping at any time before the signing of the document. However, once a chargeable document is signed, duty must be paid within:

- 14 days from the date of signing of the document (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 may be imposed if the documents are stamped late or insufficiently.

1.3 Real estate transfer tax

For residential properties acquired on or after 20 February 2010, there may be the Seller's Stamp Duty (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. The rate of the SSD in this scenario is applied to the market value of the residential property, as follows:

Residential property acquired on or after 11 March 2017:

- Disposal within one year:
  - 12%
- Disposal after one year of ownership but not exceeding two years:
  - 8%
- Disposal after two years of ownership but not exceeding three years:
  - 4%
- Disposal after three years:
  - No SSD payable

[1] With effect from 6 July 2018

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. The SSD rates in these cases are applied to the consideration or market value, whichever is higher, of the industrial properties, as follows:

- Disposal within one year:
  - 15%
- Disposal after one year of ownership but not exceeding two years:
  - 10%
- Disposal after two years of ownership but not exceeding three years:
  - 5%
- Disposal 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.

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

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 nontaxable capital.

<table>
<tr><th rowspan="3">Trustee derives trade or business income</th><th colspan="3">Trustee derives income other than trade or business income</th></tr>
<tr><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 2017	SGD5,000
Distributions to Singapore tax-resident beneficiaries in 2018	SGD4,000
Chargeable to LPR at 17% flat rate	SGD1,000

The beneficiaries will be assessed on the income distributed to them (SGD4,000) at their respective personal tax rates in year of assessment (YA) 2019.

Income tax return (Form T) is meant for the administrator, executor or trustee to declare the income that accrues:

- One day after the date of death from assets left behind by a deceased person

  Or
- From 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:

- Legal personal representatives (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 B1) under other income.

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:
  - 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 2019 are as follows:

Resident

Singapore income tax rates for individual tax residents Year of assessment 2019 (i.e., 2018 calendar year)			
	Chargeable income	**Tax rate (%)**	**Tax payable**
On the first On the next	SGD20,000 SGD10,000	0 2	SGD0 SGD200
On the first On the next	SGD30,000 SGD10,000	 3.5	SGD200 SGD350
On the first On the next	SGD40,000 SGD40,000	 7	SGD550 SGD2,800
On the first On the next On the next	SGD80,000 SGD40,000 SGD40,000	 11.5 15	SGD3,350 SGD4,600 SGD6,000
On the first On the next On the next	SGD160,000 SGD40,000 SGD40,000	 18 19	SGD13,950 SGD7,200 SGD7,600
On the first On the next On the next	SGD240,000 SGD40,000 SGD40,000	 19.5 20	SGD28,750 SGD7,800 SGD8,000
On the first Above	SGD320,000 SGD320,000	 22	SGD44,550

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

Nonresident

- There is a flat rate of 17% imposed on trustees.
- No personal tax reliefs are 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.

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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).

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.

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  Or
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All income accruing should be reported in Form T regardless of whether it has been distributed to beneficiaries.

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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 B1) under other income.

8. Grants

This is not applicable in Singapore.

9. Life insurance

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

10. Estate tax treaties

Estate tax has been abolished in Singapore.