Taxation – Singapore (TX-SGP)

Syllabus and study guide
June 2021 – March 2022

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session.
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1. Intellectual levels

The syllabus is designed to progressively broaden and deepen the knowledge, skills and professional values demonstrated by the student on their way through the qualification.

The specific capabilities within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

- Level 1: Knowledge and comprehension
- Level 2: Application and analysis
- Level 3: Synthesis and evaluation

Very broadly, these intellectual levels relate to the three cognitive levels at which the Applied Knowledge, the Applied Skills and the Strategic Professional exams are assessed.

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

2. Learning hours and education recognition

The ACCA qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA students find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualification is recognised and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualification is currently recognised on the education frameworks in several countries. Please refer to your national education framework regulator for further information.

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.
3. The structure of ACCA qualification

**ACCA member**

**Strategic Professional**
- Essentials
- Options (Pick 2)
  - Strategic Business Leader
  - Strategic Business Reporting
  - Advanced Audit and Assurance
  - Advanced Financial Management
  - Advanced Performance Management
  - Advanced Taxation

**Ethics and Professional Skills module (EPSM)**
EPSM prepares you for the Strategic Professional exams as well as providing you with the skills needed to become a trusted finance professional in today's digital world.

**Applied Skills**
- Taxation
- Performance Management
- Audit and Assurance
- Corporate and Business Law
- Financial Reporting
- Financial Management

**Applied Knowledge**
- Business and Technology
- Financial Accounting
- Management Accounting

**Foundations**
Find out more about ACCA's Foundation level qualifications at accaglobal.com/fia

*See accaglobal.com for details*
4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge
The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills
The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the ‘Approach to examining the syllabus’ section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spreadsheet and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional
Strategic Business Leader is ACCA’s case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

The other Strategic Professional exams are all of three hours and 15 minutes duration. All contain two sections and all questions are compulsory. These exams all contain four professional marks.

From March 2020, Strategic Professional exams became available by computer based examination. More detail regarding what is available in your market will be on the ACCA global website.

With Applied Knowledge and Applied Skills exams now assessed by computer based exam, ACCA is committed to continuing on its journey to assess all exams within the ACCA Qualification using this delivery mode.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today’s accountants.
Time management
ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.
5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish examinable documents once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations issued or legislation passed on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates may be examinable even if the effective date is in the future.

The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to an entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

For the SGP variant, tax examinations from June 2021 to March 2022 will be based on legislation passed, including practice notes or circulars issued by the relevant authorities including the Inland Revenue Authority of Singapore (IRAS), before the previous 30 September i.e. examinations from June 2021 to March 2022 will be based on legislation passed by 30 September 2020.
6. Relational diagram linking Taxation – Singapore (TX-SGP) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Taxation – Singapore (ATX-SGP) by Taxation – Singapore (TX-SGP).

This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

7. Approach to examining the syllabus

The syllabus is assessed by a three-hour computer-based examination.

All questions are compulsory. The exam will contain both computational and discursive elements. Some questions will adopt a scenario/case study approach. Tax rates, allowances and information on certain reliefs will be given in the exam.

Section A of the exam comprises 15 multiple choice questions of 2 marks each.

Section B of the exam comprises four 10 mark questions and two 15 mark questions. The two 15 mark questions will focus on individual income tax (syllabus area B) and corporate income tax (syllabus area C). All other questions can cover any areas of the syllabus.

8. Introduction to the syllabus

The aim of the syllabus is to develop knowledge and skills relating to the tax system as applicable to individuals, single companies, and groups of companies.

This syllabus introduces candidates to the subject of taxation and provides the core knowledge of the underlying principles and major technical areas of taxation, as they affect the activities of individuals and businesses.

In this syllabus, candidates are introduced to the rationale behind and the functions of the tax system. The syllabus then considers the separate taxes that an accountant would need to have a detailed knowledge of, such as income tax from self-employment, employment and investments; the corporation tax liability of individual companies and groups of companies; and the goods and services tax liability of businesses.
Having covered the core areas of the basic taxes, the candidate should be able to compute tax liabilities, explain the basis of their calculations, apply tax planning techniques for individuals and companies and identify the compliance issues for each major tax through a variety of business and personal scenarios and situations.

Section E of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the examination. This includes being able to interact with different question item types, manage information presented in digital format and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

9. Main capabilities

On successful completion of this exam, candidates should be able to:

A  Explain the operation and scope of the tax system and the obligations of tax payers and/or their agents and the implications of non-compliance.
B  Explain and compute the income tax liabilities of individuals
C  Explain and compute the corporate income tax liabilities of individual companies and groups of companies
D  Explain and compute the effect of goods and services tax on incorporated and unincorporated businesses
E  Demonstrate appropriate digital and employability skills

Relational diagram of the main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.
10. The syllabus

A  The Singapore tax system and its administration
1. The overall function and purpose of taxation in a modern economy
2. Principal sources of revenue law and practice
3. The time limits for the submission of information, claims and payment of tax
4. The procedures relating to enquiries, appeals and disputes
5. Penalties for non-compliance

B  Individual tax liabilities
1. The scope of income tax
2. Income from employment
3. Income from self-employment
4. Property and investment income
5. The comprehensive computation of taxable income and income tax liability
6. The use of exemptions and reliefs in deferring and minimising income tax liabilities

C  Corporate income tax liabilities
1. The scope of corporate income tax
2. Profits chargeable to corporate income tax
3. The comprehensive computation of the corporate income tax liability
4. The effect of a group corporate structure for corporate income tax purposes
5. The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities

D  Goods and services tax
1. The scope of goods and services tax (GST)
2. The GST compliance requirements
3. The computation of GST payments/refunds

E  Employability and technology skills
1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively, using the appropriate tools.
11. Detailed study guide

A The Singapore Tax system and its administration

1. The overall function and purpose of taxation in a modern economy
   a) Describe the purpose (economic, social etc) of taxation in a modern economy.[2]
   b) Identify the different types of revenue tax.[1]
   c) Explain the difference between direct and indirect taxation.[2]

2. Principal sources of revenue law and practice
   a) Describe the overall structure of the Singapore tax system.[2]
   b) State the different sources of revenue law and practice.[1]
   c) Appreciate the interaction of the Singapore tax system with that of other tax jurisdictions.[2]
   d) Explain the difference between tax avoidance and tax evasion.[1]
   e) Explain the need for an ethical and professional approach.[2]

Excluded topics

- Detailed knowledge and application of tax treaties
- Anti-avoidance legislation.

3. The time limits for the submission of information, claims and payment of tax
   a) Recognise the time limits that apply to the filing of returns, including estimates of chargeable income and the making of claims.[2]
   b) Explain the withholding tax implications arising in respect of payments made to non-residents.[2]
   c) Recognise the due dates for the payment of tax including instalment arrangements and tax assessed on estimated chargeable income and withholding tax.[2]
   d) List the information and records that taxpayers need to retain for tax purposes.[1]

4. The procedures relating to enquiries, appeals and disputes
   a) Explain the circumstances in which the Comptroller can enquire into the tax affairs of taxpayers.[2]
   b) Explain the procedures for dealing with appeals and disputes.[1]

5. Penalties for non-compliance
   a) State the penalties that can be charged for non-compliance with the requirements of the Income Tax Act.[2]
   b) Calculate late payment penalties on overdue tax and withholding tax.[2]

B Individual tax liabilities

1. The scope of individual income tax
   a) Explain how the residence of an individual is determined.[1]
   b) Understand the application of the 3-year and 2-year concession rules for tax residence.[2]

Excluded topics

- Not-ordinarily resident individuals
- Double taxation relief
- Income from trusts and settlements
- Tax deduction for angel investors
2. Income from employment

a) Recognise the factors that determine whether an engagement is treated as employment or self-employment and the tax implications thereof.\(^2\)

b) Recognise the basis of assessment for employment income for an individual who is a resident or a non-resident of Singapore.\(^2\)

c) Distinguish between gains and profits, and capital receipts from employment.\(^2\)

d) Compute the income assessable.\(^2\)

e) Recognise the allowable expenses that can be deducted from employment income.\(^2\)

f) Compute the amount of benefits assessable, including share options, share awards and excess CPF contributions made by an employer.\(^2\)

Excluded topics

- Not-ordinarily resident (NOR) scheme
- Foreign tax credit (including foreign tax credit pooling)

3. Income from self-employment

a) Recognise the basis of assessment for self-employment income, including the cases of commencement and cessation.\(^2\)

b) Distinguish between income receipts and capital receipts.\(^2\)

c) Describe and apply the badges of trade.\(^2\)

d) Recognise the expenditure that is allowable in calculating the tax-adjusted trading profit,

e) Recognise the relief that can be obtained for pre-trading expenditure.\(^2\)

f) Capital allowances
   i) Define plant and machinery for capital allowances purposes.\(^1\)
   ii) Compute capital allowances claimable including accelerated and one-year write off.\(^2\)
   iii) Compute balancing allowances and balancing charges.\(^2\)
   iv) Compute Land Intensification Allowance (LIA) for qualifying capital expenditure of an LIA building.\(^2\)
   v) Compute the balancing adjustment on the disposal of an LIA building.\(^2\)
   vi) Understand how capital allowances can be carried forward and carried back.\(^2\)
   vii) Understand how capital allowances can be claimed against total income.\(^2\)
   viii) Understand the order of set-off of current and previous years capital allowances.\(^2\)

   g) Relief for trading losses
      i) Understand how trading losses can be carried forward and carried back.\(^2\)
      ii) Understand how trading losses can be claimed against total income.\(^2\)
      iii) Understand the order of set-off of current and previous years’ trading losses.\(^2\)

h) Partnerships, limited liability partnerships and limited partnerships
   i) Explain how a partnership is assessed to tax.\(^2\)
   ii) Compute the assessable profits for each partner following a change in the profit sharing ratio.\(^2\)
   iii) Compute the assessable profits for each partner following a change in the membership of the partnership.\(^2\)
   iv) Explain the capital allowances, LIA and trade loss relief restriction that applies to the partners of a limited liability partnership and a limited partnership.\(^1\)

i) Recognise Singapore sourced professional income of non-residents.\(^2\)
Excluded topics

- Change of accounting date
- Writing down allowances for approved cost sharing agreements for research and development activities
- Transition from partnership and/or corporation to a limited liability partnership / limited partnership and vice versa

4. Property and investment income

a) Compute the net income from investments in properties, equities, placement of funds on deposits with banks and loans granted both within and outside Singapore.\(^2\)

b) Explain the treatment of losses from investments.\(^2\)

c) Recognise the difference between a business being carried on and pure investment intent.\(^2\)

d) Compute the tax payable on dividend income.\(^2\)

e) Recognise the exemptions available for certain types of investment income.\(^2\)

Excluded topics

- Investments in unit trusts

5 The comprehensive computation of taxable income and income tax liability

a) Prepare a basic income tax computation involving different types of income.\(^2\)

b) Calculate the amount of personal allowance available to individuals aged below 50 and recognise the principle reliefs claimable, such as earned income, spouse, children, working mother’s child relief, life assurance, aged parents, grandparent caregiver, course fees, foreign maid levy and NSman.\(^2\)

c) Understand the relief given for donations and the carry forward of unabsorbed donations.\(^2\)

d) Compute the amount of income tax payable.\(^2\)

Excluded topics

- All reliefs and rebates not included above

6. The use of exemptions or reliefs in deferring and minimising income tax liabilities.

a) Explain and compute the relief given for contributions to the Central Provident Fund (CPF) made by employees and the self-employed.\(^2\)

b) Recognise the tax implications of a shareholder/director extracting profits from an owner managed company by way of remuneration versus dividend payments.\(^2\)

Excluded topics

- Supplementary retirement scheme

C Corporate income tax liabilities

1. The scope of corporate income tax

a) Define the terms basis period and the year of assessment.\(^1\)

b) Determine the basis period for assessing corporate profits, including the case of a change of accounting date.\(^3\)

c) Recognise the factors that must be considered when incorporating a business.\(^2\)

d) Explain how the residence of a company is determined.\(^2\)

e) Understand the differences between an incorporated company, a branch of a foreign company and a representative office.\(^2\)
f) Understand the basic Singapore transfer pricing guidelines and reporting requirements as well as the exemption from the requirement to prepare transfer pricing documentation.[1]

Excluded topics

- Close companies
- Companies in receivership or liquidation
- Reorganisations
- The purchase by a company of its own shares (except in the case of such treasury shares that are given to employees as a reward for services).
- Specialised industry such as shipping, banking, insurance etc.
- Functional analysis, benchmarking, full transfer pricing reports, implications arising from transfer pricing adjustments, transfer pricing consultation program, mutual agreement procedure and advance pricing agreements.

2. Profits chargeable to corporate income tax

a) Distinguish between income receipts and capital gains.[2]

b) Recognise the tax treatment of income from trade/business.[2]

c) Recognise the expenditure that is allowable in calculating the tax-adjusted trading profit (as for individual income tax).[2]

d) Recognise the tax treatment of income from sources other than trade/business.[2]

e) Recognise the tax treatment of foreign sourced income received or deemed received in Singapore.[2]

f) Explain how relief can be obtained for pre-trading expenditure.[1]

g) Compute capital allowances (as for individual income tax).[2]

h) Compute capital allowances in respect of intellectual property rights.[2]

i) Compute income from the business of the making of investments.[2]

j) Recognise the income that is exempt from tax.[1]

k) Understand how trading losses can be carried forward and forfeited.[2]

l) Understand how trading losses can be claimed against income of the current or previous accounting periods.[2]

m) Recognise the order of set-off of capital allowances and losses of the current and previous years.[2]

n) Compute profits chargeable to corporation tax.[2]

Excluded topics

- Research and development expenditure

3. The comprehensive computation of the corporate income tax liability

a) Prepare a basic tax computation for a company involving the different types of income.[2]

b) Understand the relief given for donations and the carry forward of unabsorbed donations.[2]

c) Understand the tax implications arising from the distribution of profits by a company to its shareholders.[2]

d) Compute the corporation tax liability, including the basic calculation of unilateral tax credit.[2]

e) Explain how exemptions and reliefs can defer or minimise corporation tax liabilities.[2]
Excluded topics

- Incentives under the Economic Expansion Incentive Act
- Incentives by way of exemption or concessionary rate of tax on certain trade/business activities such as shipping income

4. The effect of a group corporate structure for corporate income tax purposes

a) Define members of the same group and recognise the effect of being a member of the same group for corporation tax purposes.[2]
b) Recognise the reliefs that are available to members of such a group.[2]
c) Explain the basic principles contained in the transfer pricing guidelines.[2]
d) Recognise the effects of a corporation becoming a member of a group for only part of a year.[2]

Excluded topics

- A member of the same group enjoying a concessionary rate of tax

5. The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities (The use of such exemptions and reliefs is implicit within all of the above sections 1 to 4 of part C of the syllabus, concerning corporate income tax)

D Goods and services tax (GST)

1. The scope of goods and services tax (GST)

a) Describe the scope of GST.[2]
b) List the principal zero-rated and exempt supplies.[1]

2. The GST compliance requirements

a) Recognise the circumstances in which a person must register for GST.[2]
b) Explain the advantages of voluntary GST registration.[2]
c) List the information that must be given on a GST invoice.[1]
d) Explain how and when a person can deregister for GST.[1]

Excluded topics

- Group registration.

3. The computation of GST payments/refunds

a) Explain how GST is accounted for and administered.[2]
b) Recognise the tax point when goods or services are supplied from 1 January 2011.[2]
c) Explain the circumstances in which pre-registration input GST can be recovered.[2]
d) Explain and apply the principles regarding the valuation of supplies including imports.[2]
e) Recognise the circumstances in which input GST is non-claimable.[2]
f) Recognise the de minimis rules.[2]
g) Compute the relief that is available for trade debts that are bad.[2]
h) Understand the treatment of imports and exports of goods and services. [2]

i) Understand the circumstances in which reverse charge and overseas vendor registration apply. [1]

Excluded topics

- Major Exporter Scheme / Import GST Deferment Scheme
- Partial exemption for specialised sectors such as financial services, insurance and real estate
- Second hand goods scheme
- Cash accounting scheme
- International arrangements and reliefs
- Customer accounting for prescribed goods

E Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.

2. Work on relevant response options, using available functions and technology, as would be required in the workplace.

3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.

4. Present data and information effectively, using the appropriate tools.
12. Summary of changes to Taxation – Singapore (TX-SGP)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There are changes to the syllabus and these are summarised in the table below.

**Table 1 – Additions**

<table>
<thead>
<tr>
<th>Section and subject area</th>
<th>Syllabus content</th>
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<tbody>
<tr>
<td>D3</td>
<td>The computation of GST payments/refunds</td>
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<tr>
<td></td>
<td>New part (i): Understand the circumstances in which reverse charge and overseas vendor registration apply.</td>
</tr>
<tr>
<td>E1 – E4</td>
<td>Employability and technology skills</td>
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<td></td>
<td>To reflect the outcomes and demonstrable skills required for the TX-SGP examination, using the available technology.</td>
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**Table 2 – Amendments**

<table>
<thead>
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<th>Section and subject area</th>
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<td>C1</td>
<td>The scope of corporate income tax</td>
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<tr>
<td></td>
<td>Part (f) amended to clarify that the exemption from the requirement to produce transfer pricing documentation is examinable.</td>
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<tr>
<td>C1</td>
<td>The scope of corporate income tax – Excluded topics</td>
</tr>
<tr>
<td></td>
<td>Excluded topic amended for clarity:</td>
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<td></td>
<td>• Functional analysis, benchmarking, full transfer pricing reports, implications arising from transfer pricing adjustments, transfer pricing consultation program, mutual agreement procedure and advance pricing agreements.</td>
</tr>
<tr>
<td>D3</td>
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<td></td>
<td>Excluded topic amended for clarity:</td>
</tr>
<tr>
<td></td>
<td>• Partial exemption for specialised sectors such as financial services, insurance and real estate.</td>
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13. Reading List


Singapore Master Tax Guide - CCH Asia Ltd

Singapore Tax Workbook - CCH Asia Ltd

eBook Taxation in Singapore – McGraw Hill


IRAS Annual Report