

Singapore's Income Tax (Amendment) Bill 2016

Article By:

Daniel Chia

Upcoming changes to the Exchange of Information framework hints at future adoption of the Organisation for Economic Co-operation and Development's Common Reporting Standards.

The crux of Singapore's Income Tax (Amendment) Bill 2016, which some think may signal a new chapter in this sphere, may be summarised as follows:

1. The minister for finance may now declare arrangements that allow for Exchange of Information (EOI) other than on request as "exchange of information arrangements". This will enable arrangements that allow for other forms of EOI, such as automatic and spontaneous EOI, to be labeled "exchange of information arrangements".
2. The comptroller has wider powers to collect information from prescribed persons (e.g., extending the time that information must be provided).
3. The duty to provide information under regulations for international tax compliance agreements prevails over any duty not to collect, use, or disclose the information under any law, contract, or rules of professional conduct, and confers immunities against an action for a breach of any such duty to provide information. The provisions conferring immunities are backdated to protect persons who have provided information in compliance with the US International Tax Compliance Agreements income tax regulations from 2015 (G.N. No. S 134/2015), which are the Foreign Account Tax Compliance Act (FATCA) regulations as implemented in Singapore.

Particularly of note in relation to EOI and Singapore's obligations under FATCA is the express ability to facilitate EOI "automatically" and "simultaneously" to other foreign tax authorities. The amendments seem to pave the way for the creation and implementation of information technology systems that allow automatic and spontaneous information sharing to one or more foreign tax authorities. The amendments would also cement the obligation to share information pursuant to international tax compliance agreements above any privacy or confidentiality laws relating to banking secrecy or personal data protection.

These amendments are the first step in Singapore's commitment to the international community to adhere to international standards, which are key to international tax compliance and cooperation and, in particular, the elimination of tax evasion.

National Law Review, Volume VI, Number 30

Source URL: <https://natlawreview.com/article/singapore-s-income-tax-amendment-bill-2016>