



## Singapore CA Qualification (Foundation) Examination

23 June 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-FIVE (25)** 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 6100 0518

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

### Question 1 – (a) and (b)

Tuffy Singapore Pte Ltd (“TSPL”) was incorporated in Singapore in November 2001 as a wholly owned subsidiary of Tuffy Pte Ltd (“TPL”), a company tax resident in Country A, until 31 October 2021. On 1 November 2021, 20% of TPL’s shares in TSPL was sold by TPL to Eco Wong, a former investment banker. TSPL is in the business of selling high-quality, eco-friendly refuse bags manufactured by TPL in South Africa from recycled materials. Eco Wong has a keen interest and passion for protecting the environment. TPL was a client of Eco Wong when she was working at the bank. Both share similar visions and Eco Wong agreed to invest in TSPL to grow its business and product range. The board of directors of TSPL holds its board meetings in Singapore.

For the year ended 31 October 2022, TSPL made a net accounting profit before tax of \$1,650,000 on a turnover of \$28,000,000. The profit was arrived at after taking into consideration the following receipts and expenses:

<b>Receipts</b>	<b>S\$</b>
Interest income <u>accrued</u> on new fixed deposit placement with an approved bank in Singapore; the placement will mature on 31 December 2022. Another interest income of \$45,000 was received on maturity of an earlier fixed deposit placement during the financial year.	42,000
Dividend income from TSPL’s 8% shareholdings in BambooArk, a company tax resident in Country B which has a one-tier corporate tax system and a headline tax rate of 10%. The dividend was used to make a partial payment for equipment purchased from a supplier in Country B during the year. TSPL is not entitled to credit for underlying tax.	54,000
Branch profits (net of tax) derived from Country A which has a headline tax rate of 12%. The profits were credited into TSPL’s account with DBS Singapore on 15 December 2022.	97,200
Profit from the sale of warehousing equipment. The equipment was used by TSPL and purchased in the financial year ended 31 October 2019 at the cost of \$180,000 and sold for \$80,000.	24,500

Enterprise Development Grant in respect of mergers and acquisition feasibility studies on a target company in Country C.	8,000
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<b>Expenses</b>	<b>S\$</b>
Depreciation for the year	1,020,000
Staff costs comprising: <ul style="list-style-type: none"> <li>• Staff salaries and employer's CPF contribution</li> <li>• Transport allowances given to staff to cover their daily commute to work</li> <li>• Per diem allowances (to cover daily living expenses) given to sales and marketing staff for overseas business trips undertaken during the year</li> <li>• Staff medical and hospitalisation insurance premium</li> </ul> TSPL has not implemented any portable or transferable medical plans.	7,800,000 200,000 95,000 125,000
Travelling and transportation expenses include: <ul style="list-style-type: none"> <li>• Private hire cars to ferry overseas visitors around Singapore</li> <li>• Private cars hired overseas during overseas business trips</li> <li>• Overseas business travelling expenses incurred on a visit to meet with potential target company for acquisition</li> <li>• Delivery charges relating to warehouse equipment purchased in the year</li> </ul>	5,800 13,400 10,600 16,000
Search fees and feasibility study on target company for acquisition in Country C	25,000
Foreign exchange loss (net) arising from the following: <ul style="list-style-type: none"> <li>• Exchange gain from trading accounts settlement: (\$15,000)</li> <li>• Exchange loss from the purchase of warehouse equipment: \$10,400</li> <li>• Loss from a translation of branch retained earnings: \$20,600</li> </ul>	16,000
Interest expense paid to TPL on the following: <ul style="list-style-type: none"> <li>• Loan for use by TSPL's branch in Country A (proceeds from the loan were remitted to TSPL's Singapore bank account): \$14,000</li> </ul>	\$35,600

• Loan to acquire warehouse equipment: \$21,600	
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### **Note 1**

All relevant allowances and deductions on qualifying capital expenditures incurred in the financial year ended 31 October 2020 and before were 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>
Machinery, equipment and furniture	2021	78,000
Warehouse equipment	2022	207,000
Computer software modification	2022	84,000
Approval from the Commissioner of Building Control was <b>not</b> required on the following non-structural renovation works carried out in the office and warehouse:		
• Interior designer fees	2021	55,000
• Hacking and debris removal, general electrical wiring, plumbing and tiling works	2021	180,000
• Flooring and fixed partition works	2022	96,000
• Reinforcement of warehouse floor to facilitate the installation of new warehouse equipment	2022	45,000
There were no Section 14N compliant costs incurred prior to financial year 2021.		

- a) TSPL claimed maximum accelerated capital allowances (including opting for accelerated claim over 2 years) for qualifying assets acquired up to YA 2022. The company will continue to claim maximum capital allowances in the current YA. None of the machinery and equipment qualify for accelerated capital allowances at the rate of 100%.
- b) TSPL opted for accelerated Section 14N (previously 14Q) deduction over 1 year in YA 2022.

**e-Exam  
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**Question 1 required:**

**2**

**(a)** Calculate the minimum **net** chargeable income (**after** exempt income) of TSPL 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 interest paid to TPL will be subject to Singapore withholding tax. There is no tax treaty between Singapore and Country A.

**(5 marks)**

**(Total: 25 marks)**

## Question 2 – (a) and (b)

Kate Fernandez (“Kate”), a citizen of Country X, moved to Singapore on 15 October 2021 when her Singaporean husband decided to relocate back to Singapore to be closer to his elderly parents. Kate found employment with C & C Consultants Singapore Pte Ltd (“C & C Singapore”) and commenced work on 1 November 2021 under an Employment Pass issued by the Ministry of Manpower. Kate, 36 years old, is married to Clifford Lim (“Clifford”), a Singapore citizen, and the couple has 2 children aged 14 and 11 years old who are Singapore citizens.

In April 2022, Kate received news that her father is terminally ill. With the agreement of Clifford, Kate will move back to Country X to help with her father’s caregiving duties as well as spend time with her father. Kate accepted an employment offer with Hobbs and Harris Inc (“HHI”) in Country X. Her last day of work at C & C Singapore was 31 May 2022 and she left Singapore on 7 June 2022.

For the year ended 31 December 2022, Kate derived the following income/benefits from her respective employers:

### **C & C Singapore (January to May 2022)**

- Monthly salary of \$18,000.
- A car costing \$168,000 with a PARF value of \$38,000 was provided for Kate’s use. The annual road tax and insurance of \$1,740 were borne by her employer. There were 365 days in year 2022 and 151 days from 1 January to 31 May 2022.
- Monthly transport allowance of \$300 to cover daily running expenses (petrol, ERP, parking) on the use of the company S-plate car. Kate incurred the following transport expenses during the period of use:
  - Car running expenses of \$300 on business-related travels;
  - Car running expenses of \$400 on daily commute to work; and
  - Taxi fares of \$200 on business-related client meetings/entertainment.
- For the duration of her employment with C & C Singapore, her employer has agreed to bear 70% of the monthly rental on a house rented for Kate’s family use while her in-laws’ house underwent renovations; it was originally intended that Kate

and her family would move in and live with her in-laws on completion of the renovations. The monthly rental is \$12,000 and the annual value of the rental property is \$120,000.

- Reimbursement of medical and dental expenses for Kate (\$1,200) and her children (\$4,600). Kate's medical expenses are covered under the company's medical and dental policy for employees but that for her children (up to \$3,000 per child) is a privilege that Kate negotiated into her employment contract with C & C Singapore.
- Kate is entitled to a 1-month bonus if she completed 1 year's employment with the company. In view of her exemplary performance, the company paid her a bonus on 31 May 2022 which was pro-rated based on the number of months worked with the company.

#### **HHI Country X (1 July onwards)**

- Monthly salary of \$24,000 of which \$10,000 is to be remitted into her Singapore bank account with UOB.
- Monthly transport allowance of \$500.

Kate owns a residential property in Singapore jointly with Clifford and their respective ownership share is 50%. During the year 2022, the income derived, and expenses incurred on the property were as follows:

- Rental income of \$25,000 for 5 months till 31 May and \$33,000 for 5 months from August till 31 December. While the property was vacant for 2 months after the departure of the earlier tenant, the couple took the opportunity to carry out repairs and minor updates to the property.
- Annual property-related expenses (property tax, insurance, interest, etc) of \$26,160.
- Replacement of kitchen equipment of \$7,500.
- Replacement of air-conditioners to energy-saving models costing \$10,500.
- Property agent's fee of \$13,200 for finding replacement tenant who signed up to a 2-year tenancy period.

The couple has opted to claim deduction of expenses based on actual expenses incurred.



**Other information:**

- Clifford derived an adjusted trade loss of \$6,500 for YA 2023 from his unincorporated consulting business in Singapore. He derives no other income apart from the joint rental income.
- Clifford, a key appointment holder, was called up for reservist duties in 2022.
- Kate's parents-in-law who are in their late sixties moved in with the couple in 2021 while their home underwent renovations. Both parents do not derive any income and help the couple with childcare duties.
- Clifford has hired a foreign domestic worker to help with household chores as well as assist his parents with childcare duties. The foreign maid levy incurred for the year 2022 is \$720.

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**Question 2 required:**

- 4**      **(a)** Using the relevant tax residence test and administrative concession, explain the tax residence status of Kate for the Year of Assessment 2023. **(5 marks)**
- 5**      **(b)** On the basis that Kate is tax resident in Singapore, compute Kate's minimum chargeable income for the Year of Assessment 2023 and maximise the claim for reliefs available to Kate. All relevant reliefs available to Kate should be considered and included in your answer. Please provide your workings wherever relevant and with respect to reliefs like Working Mother's Child Relief, if applicable, provide your workings showing the rate of claim applied to each child. **(20 marks)**
- (Total: 25 marks)**

### Question 3 – (a) and (b)

Tan Soon Huat Pte Ltd (“TSH”), a Singapore incorporated company, is a wholesaler and retailer of party supplies sourced from America. It sells directly to retail customers via its website as well as through its retail outlets in Singapore. TSH 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 30 September 2022. **Unless otherwise stated**, all purchases made in Singapore were from GST-registered companies, and all expense, sale and income values stated are exclusive of GST.

- (i) Sales of party supplies where deliveries were made from Singapore during the quarter:
  - (i-1) Sales of old stocks worth \$480,000 to Singapore customers before a 20% discount was given and GST is absorbed by TSH.
  - (i-2) Sales of \$50,000 made to a Singapore customer where the goods were delivered to their related company in Malaysia. The party supplies were delivered within a week from receipt of the order.
  - (i-3) Sales of \$15,000 via their website made to a customer with a foreign IP address and goods sold were delivered to a Singapore address.
- (ii) Received cash of \$2,000 from a Singapore customer as deposit to secure an order for party supplies worth \$4,500. The tax invoice was issued and goods were delivered to a Singapore address in October 2022.
- (iii) Received cash of \$8,000 as security deposit from the new tenant of sub-let office space.
- (iv) Rental income of \$12,000 for the quarter from the sub-let of office space. The annual value attributable to the sub-let office space is \$24,000.
- (v) Interest income of \$4,000 received from DBS Bank Singapore on the maturity of a fixed deposit placement.
- (vi) Dividends of \$55,000 paid to shareholder, Tan Soon Lim who is a tax resident in Singapore.

- (vii)** Proceeds (actual cash received) of \$800 from the sale of old sofa used in reception area.
- (viii)** Advertising expenses of \$500 relating to sub-let of office space in (iv).
- (ix)** Interest paid of \$23,000 to OCBC Bank Singapore for working capital loan.
- (x)** Donation of computers costing \$20,000 to an Institution of Public Character. The computers were purchased from a Singapore supplier a few years ago and input tax credit had been claimed. The donated computers have a current market value of \$900.
- (xi)** The following debts were written off in the following quarter:
  - (xi-1)** Local sales of \$18,000
  - (xi-2)** Export sales of \$23,000The customers were made bankrupt.

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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 30 September 2022, provide your answer in the following format:

	Others, state if OS, NS, BL, EXS, where applicable	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)** The company is contemplating investing its cash reserves in a residential property and derive rental income therefrom. Advise on the claim of input tax credit in respect of the input tax attributable to the proposed rental of the residential property.

**(5 marks)**

**(Total: 25 marks)**

#### **Question 4 – (a), (b) and (c)**

Jason Tan and Jiak Paradise Group Pte Ltd (“JPG”) are partners in Tan Jiak General Partnership (“TJ”), which runs a chain of coffeeshops in Singapore. They have agreed to share the partnership profits and losses equally. The net accounting profit of TJ for the year ended 31 October 2022 is \$258,000 after charging/crediting the following items:

#### **Receipts**

- Interest income of \$23,000 received on maturity of fixed deposit with Citibank Singapore, an approved bank in Singapore.

#### **Expenses**

- Reimbursement of the car running expenses of \$21,800 incurred by Jason on his motor car, SMX 103J for business (\$4,000) and private purposes (\$17,800).
- Reimbursement of business entertainment expenses of \$7,000 incurred by Jason.
- Jason is paid an annual salary of \$144,000.
- Staff salary and employer’s CPF contribution of \$1,368,000.
- Jason’s medical insurance premium of \$6,800.
- Depreciation of kitchen and office equipment of \$65,000.
- Accounting and human resource management fees of \$120,000 paid to JPG.
- Annual contributions of \$25,000 to JPG’s staff welfare fund as mandated under the partnership agreement.

The partnership is entitled to maximum capital allowances of \$40,000.

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**Question 4 required:**

**8**            **(a)** Compute the adjusted profit and divisible profit for Tan Jiak General Partnership for the Year of Assessment (YA) 2023.  
**(6 marks)**

**9**            **(b)** JPG has unabsorbed capital allowances of \$105,000 and unabsorbed losses of \$300,000 arising from the year ended 31 October 2018. JPG was 100% owned by Kim Jiak (80%) and Florence Jiak (20%) until 3 August 2018. On 4 August 2018, Kim Jiak transferred 50% of his shareholdings to his son, Tom. With effect from 1 November 2018, JPG pivoted from managing coffeeshops to wholesale trading in coffee and tea as well as investment in food and beverage businesses.

Explain if JPG can deduct the unabsorbed capital allowances and trade losses in YA 2023. All relevant conditions, comparison dates and shareholdings by the relevant shareholders considered must be provided in your answer.

**(11 marks)**

**10**            **(c)** Compute the **gross** chargeable income (**before** exempt income) for Jiak Paradise Group Pte Ltd, showing clearly the net taxable income from each source, for YA 2023, taking into account the following information:

- (i)** JPG's adjusted profit from its wholesale business is \$250,000, and its capital allowance claim for YA 2023 is \$36,000.
- (ii)** JPG's unabsorbed capital allowances and trade losses from YA 2019 to be considered following your conclusion in **(b)**.



- (iii) JPG's share of capital allowances from TJ and any other partnership items.
- (iv) JPG made a cash donation of \$10,000 to an approved Institution of Public Character.
- (v) On 1 October 2021, JPG raised its shareholdings in Cupcakes Galore Pte Ltd ("CGPL"), a Singapore incorporated and tax resident company, to 80%. CGPL shares the same accounting year-end of 31 October. For YA 2023, CGPL's tax position is as follows:
- Unabsorbed trade loss (YA 2022) brought forward: \$50,000
  - Unabsorbed capital allowances (YA 2023): \$20,000

**(8 marks)**

**(Total: 25 marks)**

**END OF PAPER**

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

### Goods and Services Tax

Standard rate 7% (up to 31 December 2022)

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

Up to Year of Assessment 2019:

<u>Partial Tax Exemption</u>	\$
First \$10,000 of chargeable income is 75% exempt	7,500
Next \$290,000 of chargeable income is 50% exempt	<u>145,000</u>
Total	<u>152,500</u>

#### Start-up Tax Exemption

First \$100,000 of chargeable income is 100% exempt	100,000
Next \$200,000 of chargeable income is 50% exempt	<u>100,000</u>
Total	<u>200,000</u>

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>

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

The corporate tax rebate for the respective years are as follows:

YA 2016 – 50% capped at \$20,000;

YA 2017 – 50% capped at \$25,000;

YA 2018 – 40% capped at \$15,000;

YA 2019 – 20% capped at \$10,000; and

YA 2020 – 25% capped at \$15,000.

There are no corporate tax rebates available for YA 2021 to 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%

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

### 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

- Up to 31 December 2017, \$1,500 per employee per year.
- 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	
- Up to 31 March 2019	\$6,360 (max)
- Effective from 1 April 2019	\$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>Advise / Give advice</b>	As a Professional Accountant, your work will invariably require you to form an opinion about the most appropriate course of action, or offer alternative courses of action depending upon the situation. This type of question requires you to give specific guidance to an individual or a group (e.g. a taxpayer, audit client, management, etc.), so your answer must provide specific information or make a recommendation tailored to the individual or group and justify your position.
<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>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.