

**Singapore CA Qualification (Foundation) Examination****5 December 2025****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-SIX (26)** 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. This means that you are allowed to only bring the following materials into the examination hall:
  - 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 ISCA's regulations. Please note that watches, mobile phones, tablets, and all other electronic devices **MUST NOT** be used during the examination and **MUST NOT** be within reach or sight or hearing from where you are seated to write the exam.
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.
7. Only answers in **English** are accepted.

**MODULE-SPECIFIC INSTRUCTIONS:**

8. Assume that all dollar amounts are in Singapore dollar (S\$) unless otherwise stated.
9. 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\*\***

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 6028 9811

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

### Question 1 – (a)

Exeter Pte Ltd ("EPL") was incorporated in Singapore in March 2022, and its first set of accounts was prepared for the period ended 31 May 2023. EPL derived its first dollar of sales in July 2022 and is deemed to have commenced its business on 1 June 2022 under the provisions of Section 14R of the Singapore Income Tax Act. It is 80% owned by Life-Pharma Limited, a Singapore incorporated company, and 20% owned by its Managing Director, Piquer Tiong, a citizen of Country X. EPL is the Southeast Asian distributor of medical test kits manufactured by Exeter Inc, a company tax resident in Country E. The directors of EPL hold their board meetings in Singapore.

For the year ended 31 May 2024, EPL made a net profit before tax of \$575,000 on a turnover of \$50,800,000. The profit was arrived at after taking into consideration the following income and expenses:

<b>Income</b>	<b>S\$</b>
Interest income accrued on <ul style="list-style-type: none"><li>• Late settlement of accounts by customers</li><li>• Staff loans</li><li>• Fixed deposit placement with Citibank Singapore, an approved bank in Singapore, for the period from 1 June 2023 to 31 May 2024. The amount accrued of \$17,500 comprise interest accrued on the initial deposit placement from 1 June 2023 to 31 October 2023 and the rollover deposit placement from 1 November 2023 to 31 May 2024. The rollover deposit will mature on 31 October 2024. Interest income of \$33,600 was received upon maturity of the initial fixed deposit placement on 31 October 2023.</li></ul>	(28,500) (15,000) (17,500)
Dividend income from Longlife Manufacturers Corp ("LMC"), a company tax resident in Country K which has a headline tax rate of 14%. The dividend income was kept in a bank account in Country K until 16 April 2024 when it was used to settle the deposit for the purchase of specialised refrigeration equipment to be used by EPL to store test kits. The equipment purchased arrived in	(60,300)

Singapore on 16 August 2024. EPL is not entitled to any underlying tax credit and there is no dividend withholding tax in Country K.	
Grant received in respect of computer equipment purchased in year 2023 (see below). The grant was issued in tandem with the repayments made in each financial year.	(36,000)
<b>Expenses</b>	<b>S\$</b>
Depreciation	180,000
Staff costs comprising: <ul style="list-style-type: none"> <li>• Staff salaries, bonus and employer’s CPF contribution (see comments under “Transportation expenses”).</li> <li>• Foreign workers' levy</li> <li>• Foreign workers' medical insurance premium (mandatory by law) to cover against workplace injuries</li> <li>• Cash allowance for local staff’s medical consultations</li> </ul> The company has not implemented any portable or transferable medical schemes.	17,900,000 159,000 88,000 210,000
Transportation expenses, including: <ul style="list-style-type: none"> <li>• Charges on Singapore private hire car used by the Managing Director for business purposes.</li> <li>• Overseas car hire charges incurred by the sales and marketing team on overseas business travels.</li> <li>• Cash allowance given to sales staff to cover expenses incurred on the use of private cars that are owned by the employees, and which are used to attend to the company’s business matters.</li> </ul>	48,000 28,500 450,000
Interest expense on loans to finance: <ul style="list-style-type: none"> <li>• Daily operating expenses of the business.</li> <li>• Repayment of interest-free shareholder's loan of \$800,000 on 1 April 2024 that had been used to purchase the shares in LMC costing \$800,000.</li> <li>• Purchase of various fixed assets.</li> </ul>	285,000 58,000 165,000

<p>Legal and professional fees comprising charges and related expenses for:</p> <ul style="list-style-type: none"> <li>• Renewal of tenancy on warehouse for a 5-year period.</li> <li>• Lodging written objection to a Notice of Assessment raised by Comptroller of Income Tax (“CIT”) (\$8,400) and various written appeals (\$16,800) to CIT after CIT had rejected the objection lodged.</li> <li>• Recovery of outstanding debts owed by local distributors of EPL’s products in Countries X and Y.</li> </ul>	<p>34,700</p> <p>25,200</p> <p>205,000</p>
<p>Cash donation made to the Singapore Red Cross, an Institution of Public Character, for the benefit of beneficiaries as follows:</p> <ul style="list-style-type: none"> <li>- Singapore causes benefitting the local community: \$20,000</li> <li>- Foreign causes benefitting overseas communities: \$8,000</li> </ul>	<p>28,000</p>

EPL has opted to claim accelerated allowances over 3 years or 1 year only; no claim was made under the 2-year write-off basis. However, any claim under Section 14N is to be deducted over 3 years. The following capital expenditures (capitalised to the Balance Sheet) were incurred in the respective financial years and capital allowances/special deductions in respect of these expenditures have not been fully claimed:

<b>Item</b>	<b>Financial year acquired</b>	<b>S\$</b>
Office furniture and pantry appliances	2023	288,000
Computers acquired on hire purchase terms: <ul style="list-style-type: none"> <li>• Cash deposit paid in May 2022</li> <li>• Balance cost payable over 20 equal instalments, commencing from June 2022.</li> </ul>	2023	89,000 271,000
Workstation furniture, each set costing \$3,600 (see further fixed asset purchases in financial year 2024)	2023	36,000
Non-structural renovation works on the following:		

<ul style="list-style-type: none"> <li>• Cost, including installation charges, of fire protection system.</li> <li>• Re-configuration of meeting and conference rooms comprising fixed partition and flooring works, update to restrooms and upgrade of sanitary fittings <ul style="list-style-type: none"> <li>- Phase 1</li> <li>- Phase 2</li> </ul> </li> <li>• Interior designer fees</li> <li>• Meeting room chairs, each costing \$900</li> </ul>	2023	108,000
	2023	96,000
	2024	123,000
	2024	24,900
	2024	18,000
Refrigeration equipment – deposit paid The remaining balance of \$1,080,000 will be due and payable when the equipment is brought to Singapore and installed on site in July 2024.	2024	120,000

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**2**

**Question 1 required:**

**(a) Calculate** the minimum chargeable income of EPL for Year of Assessment ("YA") 2025. Show all relevant workings/information in relation to the following:

- Special deductions under Section 14N of the Singapore Income Tax Act;
- Capital allowances; and
- Identifying expenses relating to and deductible from non-trade income regardless of whether the non-trade income will be taxable on EPL in YA 2025.

**(25 marks)**

**(Total: 25 marks)**

## Question 2 – (a) and (b)

Christina Tohan, 49 years old and a citizen of Country Z, arrived in Singapore in August 2022 to commence employment with SG Tech Pte Ltd (“STPL”) on 1 September 2022 under a 3-year employment contract. In 2024, Christina’s employment contract was prematurely terminated following a cost restructuring exercise. Her last day of employment was 31 May 2024. She left Singapore with her family on 3 June 2024.

For the period from 1 January 2024 to 31 May 2024, Christina’s employment income and benefits were as follows:

- (i) Her salary was \$40,000/month (i.e. \$200,000) for the period from 1 January up till her last day of employment.
- (ii) Bonus of \$180,000 was received in 2024 as follows:
  - Contractual bonus of \$60,000 for completing services for employment year ending on 31 December 2023, paid on 3 January 2024.
  - Discretionary bonus of \$120,000 paid on 3 February 2024 in respect of employment services rendered for employment year ending on 31 December 2023, following her performance review on 25 January 2024.
- (iii) Christina has been living in fully furnished company-owned accommodation at a nominal rent of \$2,000/month, where she stayed until the last day of her employment. The property was previously rented out by STPL for \$8,000/month. The annual value of the property in 2024 was \$80,000.
- (iv) Reimbursement of \$75,000 in respect of school fees for Christina’s 10-year-old daughter who is receiving education at an international school in Singapore.
- (v) Christina incurred the following transport expenses in 2024 and which were not reimbursed by her employer:
  - Taxi fares of \$2,800 for daily commute to work.
  - Taxi fares of \$1,300 for business-related travels in Singapore.

- Business entertainment expenses of \$550.

(vi) Christina's retrenchment package comprises the following:

- Compensation of \$80,000 for loss of office calculated based on her last drawn salary.
- Gratuity of \$65,000 for excellent work performance.
- Compensation of \$40,000 as STPL did not provide one month's notice required for termination of Christina's employment.
- Reimbursement of car hire charges of \$750 for a car used in Country K during a business trip in Country K.
- Reimbursement of holiday expenses of \$5,300 incurred when Christina extended her stay in Country K.
- One-way air tickets costing \$14,000 to repatriate Christina and her family back to Country Z.

**Other information:**

(vii) Interest income from:

- Deposit placement with UOB Bank Ltd, an approved bank in Singapore: \$4,800.
- Loan to XYZ Finance Limited, a company tax resident in Singapore: \$6,000.

(viii) Christina has the following dependents:

- A 15-year-old son who is living and studying in Country Z, under the care of Christina's parents. Christina also has another son and a daughter who are 8 and 10 years old respectively and living with her in Singapore. All the children are citizens of Country Z and do not derive any income. Their living expenses are borne by Christina.
- Christina's mother moved to Singapore in 2022 to help look after her 10-year-old granddaughter. She lived with Christina while in Singapore. Christina sent \$10,000

every month to her father for living expenses. He is also looking after his 15-year-old grandson. Her parents are in their late sixties. In 2024, her father had lottery winnings of \$50,000 while her mother had no income.

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**Question 2 required:**

**3**

**(a)** Using the quantitative test and the relevant administrative concession, **determine** Christina's tax residence status for the Year of Assessment 2025.

**(7 marks)**

**4**

**(b)** On the basis that Christina is tax resident in Year of Assessment 2025, **compute** Christina's net tax payable for Year of Assessment 2025.

**(18 marks)**

**(Total: 25 marks)**

### Question 3 – (a) and (b)

Herbalicious Pte Ltd (“HPL”), a company incorporated and tax resident in Singapore, is in the business of selling health supplements through distributors in the region and its chain of retail shops in Singapore. HPL has been a Goods and Services Tax (“GST”)-registered business since 2007, and it is entitled to full input tax credit. HPL has opted to apply a reverse charge on all its imported services. The following transactions were conducted in the quarter ended 31 October 2024, and **unless otherwise stated**, all purchases made in Singapore were from GST-registered suppliers and all sales/income values stated are exclusive of GST.

- (i) Sales for the quarter comprise the following:
  - (i-1) Sales of \$812,159 to individuals during a special promotion, where GST was absorbed.
  - (i-2) Sales to GST-registered companies of \$1,560,000 before an 8% discount was applied.
  - (i-3) Export sales of \$3,480,000, of which sales of (a) \$2,580,000 were delivered to overseas customers from stocks warehoused in Singapore while the remaining sales of (b) \$900,000 were delivered to overseas customers from stocks warehoused in Country X.
- (ii) Interest charged on late settlement of accounts by:
  - (ii-1) overseas customers - \$40,500; and
  - (ii-2) corporate customers in Singapore - \$23,900
- (iii) Invoice for \$50,000 was raised during the quarter to confirm that a refundable cash deposit received in the previous quarter will be used as advance payment for an office unit sold to a non-GST registered company for \$5,000,000. The final invoice will be issued when the sale is completed, which is scheduled to be in January 2025. Meantime, **no further payment** will be required of the buyer until completion date.

- (iv)** Commission of \$40,000 paid to the agent who brokered the sale of the office unit.
- (v)** Purchase of furniture costing \$8,000 for use in staff accommodation.
- (vi)** Fees of \$19,000 paid to Smiling Orchid Ltd, a company tax resident in Country X, for customer training services. Smiling Orchid Ltd's only business establishment is located in Country X. See part (b) for more details of the services provided.
- (vii)** Stocks written off due to the following:
  - (vii-1)** Stocks worth \$30,000 had to be discarded due to spoilage and thus, written off.
  - (vii-2)** Stocks worth \$24,000 were given away to existing and potential customers during a sales promotion drive. Each item given away to qualifying customers was worth \$40.

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**5**

**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 31 October 2024, provide your answer in the following format:

	Others, state if OS, NS, BL or EXS	<u>Value</u> of supply made			Output GST	Value of taxable purchase	Input GST
		SR	ZR	EX			
(i-1)							

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 the 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** – Purchase 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) 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)	OS					\$0	\$0

Legend for the example answer:

(xi) – 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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**Question 3 cont.**

**6**

- (b)** HPL engaged the services of Smiling Orchid Ltd, a company tax resident in Country X, to provide customer service training to its employees **(transaction vi)**. The training will be conducted in Singapore, followed by 6 months of online support from Country X. **Explain** if the service fee payment to Smiling Orchid Ltd will be subject to Singapore withholding tax and the rate chargeable, if applicable. Country X and Singapore have not concluded any tax treaty.

**(5 marks)**

**Total: (25 Marks)**

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

HH & G ("HHG") is a joint venture general partnership between Heavenly Homes Construction Pte Ltd ("HHC"), a construction company tax resident in Singapore, and Mr Gideon Wee, a Singaporean architect by training. In 2023, HHG put in a successful bid for the restoration of a property of historical value; the project is expected to be completed in 2028. For the year ended 30 April 2024, HHG has determined its divisible profit to be \$205,000, which is to be shared between HHC and Mr Wee in the ratio of 70:30.

In arriving at the divisible profit of \$205,000, the following items were accounted for:

- Interest earned of \$4,000 on a deposit placement with DBS Singapore, an approved bank in Singapore.
- Salary paid to Mr Wee of \$240,000.
- Interest paid on capital contribution to HHC of \$8,000 and Mr Wee of \$2,000.
- Depreciation of \$34,800.
- Entertainment allowance of \$18,000 paid to Mr Wee who has maintained records and supporting documents to support expenses of \$16,500 incurred on business-related entertainment during the financial year.
- Payment of \$164,000 to HHC comprising the following:
  - \$132,000 for accounting and administrative support provided by HHC to HHG; and
  - \$32,000 for annual contribution to HHC's annual staff dinner and dance event, as stipulated under the Partnership Agreement.
- Reimbursement of \$10,600 to Mr Wee for expenses incurred on his private motor car, of which \$4,800 was for business-related trips.
- Cash donation of \$2,000 made to Reach Community Services Society, an Institution of Public Character.

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**Question 4 required:**

**7**

**(a) Compute** the adjusted profit attributable to each partner for the Year of Assessment ("YA") 2025.

**(5 marks)**

**8**

**(b) Compute** the assessable income of HHC for YA 2025, incorporating your answer derived under **part (a)** as well as the following information:

- (i)** Adjusted profit of \$690,000 and capital allowances claim of \$240,000 from its construction business.
- (ii)** Capital allowances on qualifying assets of HHG for YA 2025, before allocation to partners, is \$36,000; and
- (iii)** Cash donation of \$5,000 made by HHC to Habitat for Humanity Singapore, an Institution of Public Character.
- (iv)** Unabsorbed trade loss of \$120,000 incurred in YA 2021 from the construction business. HHC is wholly owned by Aloysius Wee, who is Gideon's cousin, as at all relevant dates.

Please **show** the net taxable income from the respective sources clearly.

**(7 marks)**

**Question 4 cont.**

- (c) Gideon holds 80% shareholdings in JT Furnishings Pte Ltd ("JTF"), a Singapore incorporated company that is in the business of selling soft furnishings like wallpaper, carpets and curtains. He has held the shares since 2001. He acquired 100% shareholdings in Natural Floors Pte Ltd ("NF"), a Singapore incorporated company dealing in natural wood and stone floor and wall coverings, with the takeover completed on 1/1/2024. The companies share the same financial year ending on 31 December. The tax positions of the respective companies are as follows:

	<b>JTF</b>	<b>NF</b>
YA 2024	Unabsorbed trade loss of \$160,000	Assessable income of \$460,000
YA 2025	Assessable income of \$220,000	Unabsorbed trade loss of \$180,000

Gideon was told that it would be more tax efficient if shares in NF was held directly by JTF instead of himself. **Explain** how NF's YA 2025 unabsorbed trade loss of \$180,000 may be utilised if Gideon were to hold the 100% shareholding in NF through JTF instead of directly. Your answer should highlight any conditions that need to be utilised, how the conditions were met and the amounts that could be utilised.

**(13 marks)**

**(Total: 25 marks)**

**END OF PAPER**

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2025

### Goods and Services Tax

Standard rate	7% (up to 31 December 2022)
	8% (1 January 2023 to 31 December 2023)
	9% (from 1 January 2024 onwards)

#### 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 (CIT) Rate

Year of Assessment 2025	17%
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### Computation of exempt income under Partial/Start-up Tax Exemption Scheme

Effective Year of Assessment 2025:

<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>

**Personal Income Tax effective for Year of Assessment 2025 (Resident)**

<b>Chargeable Income</b>	<b>Rate (%)</b>	<b>Gross Tax Payable (\$)</b>
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
Next \$180,000	22.0	39,600
First \$500,000	-	84,150
Next \$500,000	23.0	115,000
First \$1,000,000	-	199,150
In excess of \$1,000,000	24.0	

**Personal tax rebate**

The rebate is given for Year of Assessment 2025 at the rate of 60%, capped at \$200.

## Personal Income Tax (Non-resident)

General Rate: 24% (effective from YA 2024)

### 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.

## Central Provident Fund (CPF)

Contributions for individuals aged 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 (for calendar year 2024)	\$6,800
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

- Effective from 1 January 2018, \$2,730 per employee per year.

## 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) for Qualifying Singaporean child born/adopted before 1 Jan 2024	% of mother's earned income
- First child	15%
- Second child	20%
- Third and subsequent child	25%
- Maximum cumulative WMCR	100% of earned income
Working mother's child relief (WMCR) for Qualifying Singaporean child born/adopted on or after 1 Jan 2024	
- First child	\$8,000

<b>Type of relief</b>	<b>Amount of relief</b>
- Second child	\$10,000
- Third and subsequent child	\$12,000
- Maximum cumulative WMCR	100% of earned income
Maximum relief per child (comprising QCR or HCR and WMCR)	\$50,000
Grandparent caregiver relief	\$3,000
Life insurance relief	\$5,000 (max)
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 the basis period.</li> </ul>
Course fee relief	\$5,500 (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**

	<b>Normal Appointment</b>	<b>Key Appointment Holder</b>
Active NSman	\$3,000	\$5,000
Non-active NSman	\$1,500	\$3,500
Wife/widow/parent of NSman	\$750	\$750

### Withholding tax rates

Nature of income	% rates payable
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%

## Appendix B – Common Verbs Used by Examiner

Verb	Description
<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>Determine</b>	Ascertain or <b>conclude</b> after <b>analysis</b> and <b>evaluation</b> the most appropriate course of action or most correct answer from a range of viable alternatives.
<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>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.