



## Singapore CA Qualification (Foundation) Examination

11 June 2021

### 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 and Appendix A). 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 SAC's regulations. Please note that 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 Singapore Accountancy Commission.

#### 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\*\***

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 0516

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

### Question 1 – (a) and (b)

Exim Pte Ltd ("EPL") was incorporated in Singapore in August 2017, and its first set of accounts was prepared for the period ended 31 March 2018. It is in the business of trading in medical supplies. It is 80% owned by Life-Pharma Limited, a Singapore incorporated company and 20% by Managing Director, Hero Wong, a Taiwanese. The directors of EPL hold their meetings in Singapore.

For the year ended 31 March 2020, EPL made a net profit before tax of \$575,000 on turnover of \$20,800,000. The profit was arrived at after taking into consideration the following income and expenses:

<b>Income</b>	<b>S\$</b>
Interest charged on late settlement of accounts by customers.	(28,500)
Interest income from loan to wholly-owned Singapore subsidiary company, Shield-up Pte Ltd.	(10,000)
Dividend income from Longlife Manufacturers Corp ("LMC"), a company tax resident in Country K which has a headline tax rate of 18%. The dividend income is kept in a bank account in Country K. The dividend income is net of 10% withholding tax. EPL is not entitled to any underlying tax credit.	(60,300)
Insurance compensation for fire damage to Warehouse 1. The compensation is in respect of structural rectification and repairs due to fire damage.	(195,000)

<b>Expenses</b>	<b>S\$</b>
Depreciation	180,000
Rental and maintenance expenses in respect of the following: <ul style="list-style-type: none"><li>Warehouse 1 that was damaged in a fire during the year. As the warehouse was in need of major upgrades and repairs, the warehouse has been left vacant since the beginning of the financial year until the expiry of lease during the year as EPL decided not to renew the lease when it expired. The</li></ul>	95,000

<p>warehouse was left idle until the lease period expired so as to avoid penalties for early termination of lease agreement.</p> <ul style="list-style-type: none"> <li>Office and Warehouse 2 which was used for storage purposes.</li> </ul>	305,000
<p>Staff costs comprising:</p> <ul style="list-style-type: none"> <li>Staff salaries, bonus and employer's CPF contribution</li> <li>Foreign workers' levy</li> <li>Foreign workers' medical insurance premium</li> <li>Cash allowance for local staff medical consultation</li> </ul> <p>The company has not implemented any portable or transferable medical schemes.</p>	<p>15,900,000</p> <p>59,000</p> <p>28,000</p> <p>190,000</p>
<p>Transportation expenses, including:</p> <ul style="list-style-type: none"> <li>Charges on Singapore private hire car that is used exclusively by the family members of Mr Hero Wong when they are in Singapore.</li> <li>Charges on Singapore private hire car used by Mr Hero Wong for business purposes.</li> <li>Overseas car hire charges incurred by the sales and marketing team on overseas business travels.</li> </ul>	<p>20,000</p> <p>36,000</p> <p>8,500</p>
<p>Interest expense on loans to finance:</p> <ul style="list-style-type: none"> <li>Working capital</li> <li>Repayment of interest-free shareholder's loan of \$800,000 on 1 April 2018 that had been used to purchase the shares in LMC costing \$600,000 as well as to make the loan of \$200,000 to the subsidiary (Shield-up Pte Ltd). The share investment and the loan to subsidiary were made in financial year 2017.</li> <li>Purchase of van</li> </ul>	<p>285,000</p> <p>60,000</p> <p>9,500</p>
<p>Repairs and rectification expenses in respect of Warehouse 1 which comprise of:</p> <ul style="list-style-type: none"> <li>Cleaning and repainting: \$23,000</li> <li>Replacement of fire sprinkler system: \$35,000</li> <li>Non-structural electrical, flooring and tiling works: \$48,000</li> </ul>	106,000

**Note 1**

The following capital expenditures (capitalised to the Balance Sheet) were incurred in the respective financial years:

<b>Item</b>	<b>Financial year</b>	<b>S\$</b>
Machinery (mechanical) and furniture	2018	288,000
Van purchased on hire purchase terms: <ul style="list-style-type: none"><li>• Cash deposit of \$30,000 paid in April 2018.</li><li>• Balance cost of \$160,000 repayable over 25 equal instalments, commencing from April 2018.</li></ul> EPL opted to claim capital allowances under Section 19. The tax useful life of van under the 6th Schedule is 6 years.	2019	190,000
Tables and chairs, each set costing \$3,600 (see further purchases in financial year 2020)	2019	36,000
Non-structural renovation works on the following: <ul style="list-style-type: none"><li>• Upgrade to the sprinkler system in office premises.</li><li>• Re-configuration of meeting and conference rooms comprising fixed partition and flooring works.</li><li>• Chairs for the conference room, each costing \$900.</li><li>• Cabinets, each costing \$1,000</li></ul> The company had carried out Section 14Q compliant renovation works in previous financial years as follows: <ul style="list-style-type: none"><li>• Financial year 2018: \$9,000</li><li>• Financial year 2019: \$177,000</li></ul>	2020	66,000  96,000  18,000  10,000

**Note 2**

The company's policy is to maximise its capital allowances claim. Apart from the van purchased under hire purchase, capital allowances on all other qualifying assets will be claimed on the accelerated basis under Section 19A.

Capital allowances have been fully claimed on all plant and machinery acquired in previous years apart from the assets listed above.

**e-Exam  
Question  
Number**

**Question 1 required:**

**2**

**(a)** Calculate the minimum tax liability of EPL for Year of Assessment ("YA") 2021. Show all relevant workings/information in relation to the following:

- Special deductions under Section 14Q of the Singapore Income Tax Act;
- Capital allowances; and
- Identifying expenses relating to and deductible from non-trade income regardless if the non-trade income will be taxable on EPL in YA 2021 or not.

**(22 marks)**

**3**

**(b)** Country K has announced that it will reduce its headline tax rate from 18% to 14% with effect from Country K's tax fiscal year ending on 31 March 2022. Explain the Singapore tax implication of this impending change with respect to the dividend income derived from EPL's investment in LMC and how EPL can mitigate any adverse tax impacts.

**(3 marks)**

**(Total: 25 marks)**

## Question 2 – (a) and (b)

Nigel Quek, a 45-year old Singaporean, returned to Singapore from Shanghai on 15 May 2020 when he was offered the opportunity to set up and head the Singapore regional office for his current employer.

Under the terms of his employment contract with the Singapore regional office, NCC Pte Ltd ("NCC"), which will be effective from 1 June 2020, Nigel will be provided with the following benefits:

- Salary @ \$35,000/month
- Upfront bonus of \$100,000. Nigel used \$30,000 to top-up his mother's Central Provident Fund ("CPF") Special Account under the CPF Retirement Sum scheme.
- Relocation allowance of \$10,000.
- Medical and dental coverage for Nigel (\$9,200) and his two children (\$10,800) who are based in Singapore. Under the company's policy, medical and dental coverage is given only to employees of NCC. An exception was made for Nigel who will contribute \$4,000 annually for his children's coverage which commenced on 1 June 2020. Nigel paid the contribution on 5 June 2020.
- Rent-free accommodation until the tenancy on Nigel's Singapore property with his tenant expires in 2021. From 1 June to 30 June 2020, Nigel and his children were put up in a serviced apartment at the cost of \$20,000. From 1 July onwards, the family moved into an unfurnished apartment where the monthly rent is \$4,000, payable by NCC. The annual value of the apartment is \$36,000.
- Rental car for Nigel's use effective from 1 June with the monthly hire charges of \$3,000 paid by NCC. The monthly office car park charges of \$300 will be paid by NCC and Nigel will be provided with an ERP and petrol allowance of \$150/month. Nigel incurred \$490 on business-related trips on the rental car.
- NCC will pay the annual school fees of \$50,000 at the international school that Nigel's youngest child, Nicole, will continue to attend in Shanghai. The fees are due and payable in July each year.



- Nigel and NCC will make contributions to CPF within the statutory limits on Nigel's employment income.

**Other information:**

- Nigel derived rental income of \$72,000 for the year 2020. Apart from property tax of \$6,900 and interest expense of \$16,300, Nigel has not kept track of other property expenses. Nigel has decided to claim expenses on the simplified basis.
- Nigel is married to Sunshine Li, a citizen of the People's Republic of China and holding Singapore permanent resident status. Sunshine continues to live in Shanghai with the couple's youngest child, 15-year old Nicole, until she completes her pre-tertiary education at her current school in Shanghai. Sunshine is employed as a digital marketing copywriter for Pony Marketing Inc (PMI) and her monthly salary is \$1,500.
- The couple also has a pair of 18-year old twins, both Singaporeans. Ben, who completed his studies in April 2020, commenced his National Service ("NS") duties in August 2020 while Mandy commenced her studies at a Singapore university in July 2020. Ben's NS Pay for year 2020 is \$3,550 while Mandy did not derive any income in year 2020.
- Nigel opened an account with OCBC Bank in May 2020 under the Supplementary Retirement Scheme ("SRS"). Nigel contributed \$10,000 into his SRS account, and the account remained live as at 31 December 2020.
- Nigel has always been supporting his Singaporean parents even when he was living and working overseas. Nigel pays for their monthly utilities and annual medical expenses which amount to \$5,800 each annually while his sister gives their parents a monthly allowance of \$500 each. Both parents do not derive any income and they live in their own property. Nigel and his sister have agreed to share the claim for Parent Relief equally.
- Nigel is no longer required to perform National Service reservist training.

**e-Exam  
Question  
Number**

**Question 2 required:**

**4**

**(a)** Compute Nigel's minimum tax payable for the Year of Assessment 2021, showing the net taxable income from **each source separately** and maximising the claim for reliefs available to Nigel. All relevant reliefs available to Nigel should be considered and included in your answer. Please show your workings. For CPF relief, please show your workings of relief for Ordinary Wages ("OW") and Additional Wages ("AW") separately. **(20 marks)**

**5**

**(b)** As a result of the Covid-19 pandemic, the family decided that both Sunshine and Nicole should head back to Singapore and on 15 July 2020, both mother and daughter arrived in Singapore. Sunshine will continue to work for PMI, which is agreeable to Sunshine working for them remotely from Singapore. Explain if Sunshine will be subject to tax in Singapore for the Year of Assessment 2021. Your answer should address the strict application under the Singapore Income Tax Act and the concession granted by Inland Revenue due to the Covid-19 situation. **(5 marks)**

**(Total: 25 marks)**

### Question 3 – (a) and (b)

Raffles Catering Pte Ltd ("RCPL") is a top catering company in Singapore and is a GST (*Goods and Services Tax*) - registered company which is entitled to full input tax credit. Its customers include government organisations, education institutions, companies and households. The following RCPL transactions were conducted in the quarter ended 31 March 2020, and **unless otherwise stated**, all purchases made in Singapore were from GST-registered suppliers and all sales values stated are exclusive of GST.

- (i) Sales for the quarter comprises of the following:
  - (i-1) Sales to individuals and households of \$164,000, GST inclusive.
  - (i-2) Sales to GST-registered companies of \$560,000.
  - (i-3) Sales to government organisations of \$265,000, before 15% discount.
- (ii) Interest charged on loan to subsidiary in Malaysia of \$3,400.
- (iii) Invoice for \$20,000 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 SAC Enterprises Pte Ltd ("SACE"), a non-GST registered company, for \$500,000. The final invoice will be issued when the sale is completed which is scheduled to be in April/May 2020. Meantime, **no further payment** will be required of SACE until completion date.
- (iv) Purchase of supplies worth \$63,000 from non-GST registered suppliers.
- (v) Commission of \$40,000 paid to agent who brokered the sale of office unit.
- (vi) Renovation works of \$15,000 done to office unit sold, as agreed with the buyer.
- (vii) Purchase of furniture costing \$8,000 for use in staff accommodation.
- (viii) Donation made to charitable organisation comprising:
  - (viii-1) Cash of \$10,000
  - (viii-2) Unused goods worth \$4,500, of which (a) \$1,500 was purchased from non-GST registered suppliers and (b) \$3,000 from business goods

imported in previous quarters. Input tax credit has been claimed on the GST payable on imports.

e-Exam  
Question  
Number

6

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 March 2020, **state** the type of supply, **calculate** the amount of output tax chargeable or input tax claimable and **state** whether the GST amount is an output tax chargeable or input tax claimable. Round your answers to the nearest whole dollar.

*Present your answers in the following format (using the abbreviations indicated in the legend and the example answer as a guide):*

*Transaction: (xi) Purchase from a non-GST registered supplier.*

**Example answer: (xi) OS, \$0, I**

Legend for the example answer:

**(xi)** – Is the unique line number identifying the transaction in the case;

**OS** – Is the **Type of Supply**

(where **SR**-Standard Rated, **ZR**-Zero Rated, **OS**-Out-of-Scope, **EX**-Exempt, and **NS**-No Supply);

**\$0** – Is the **Amount of GST**; and

**I** – Indicates whether the GST amount should be shown as **Output Tax Chargeable (O)** or **Input Tax Claimable (I)** or **Not Applicable (NA)**.

**(18 marks)**

**e-Exam  
Question  
Number**

7

**(b)** RCPL is considering acquiring kitchen equipment worth \$240,000 from an overseas supplier which does not have any business presence in Singapore. The supplier is a company tax resident in Country L. To finance the purchase, RCPL is considering the following options:

- a. a bank loan from ABC Bank, Singapore branch whose Board of Directors hold their meetings in Country Z; or
- b. payment by instalments to the overseas supplier.

Interest will be payable under both options. With reference to Section 12(6) of the Income Tax Act on income deemed to be derived from Singapore, explain if withholding tax is applicable to the interest payment under both options. If applicable, state the rate of tax to be withheld. Further, explain if the interest expenses under both options can be claimed for deduction by RCPL. Both Countries L and Z do not have tax treaties with Singapore.

**(7 marks)**

**(Total: 25 marks)**

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

HG Homes ("HGH") is a joint venture general partnership between Heavenly Homes Construction Pte Ltd ("HHC"), a construction company tax resident in Singapore and Ms Gwen Chow, a Singaporean architect by training. HGH is in the business of providing interior design services. For the year ended 30 April 2020, HGH has determined its divisible profit to be \$158,000 which is to be shared between HHC and Ms Chow in the ratio of 40:60.

In arriving at the divisible profit of \$158,000, the following items were accounted for:

- Interest earned of \$4,000 on a deposit placement in Country X, which was used to settle business-related purchases and expenses incurred in Country X. There is no interest withholding tax in Country X, which has a headline tax rate of 20% and Country X does not have a tax treaty with Singapore.
- Salary paid to Ms Chow of \$180,000.
- Interest paid on capital contribution to HHC of \$2,000 and Ms Chow of \$5,000.
- Depreciation of \$4,800.
- Entertainment allowance of \$18,000 paid to Ms Chow who spent \$16,500 on business-related entertainment during the financial year.
- Annual contribution of \$132,000 (as stipulated in the partnership agreement) to HHC's human resource and office administration departments for group activity expenses. HGH has its own accounting and administrative personnel and does not require any support from HHC's personnel.
- Reimbursement of \$10,600 to Ms Chow for expenses incurred on her private motor car, of which \$4,800 was for business-related trips.
- Cash donation of \$2,000 made to Reach Community Services Society, an approved Institution of Public Character.

**e-Exam  
Question  
Number**

**Question 4 required:**

- 8**            **(a)** Compute the adjusted profit attributable to each partner for the Year of Assessment ("YA") 2021.

**(6 marks)**

- 9**            **(b)** Compute the assessable income of Ms Chow for the YA 2021, incorporating your answer derived under part **(a)** as well as the following information:
- (i) Capital allowances on qualifying assets of HGH for YA 2021, before allocation to partners, is \$15,000;
  - (ii) Cash donation of \$3,000 made by Ms Chow to Habitat for Humanity Singapore, an approved Institution of Public Character; and
  - (iii) Speaker's fee of \$8,000 for conducting a 2-day course on current architectural and interior design trends. Ms Chow had spent \$830 on printing and supplies for the course.

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

**(8 marks)**

- 10**            **(c)** Gwen holds 80% shareholdings in JT Furnishings Pte Ltd ("JTF"), a Singapore incorporated company that is in the business of selling soft furnishings like wallpaper, carpet and curtains. She has held the shares since 2001. She intends to acquire 100% shareholdings in Natural Floors Pte Ltd ("NF"), a Singapore incorporated company dealing in natural wood and stone floor and wall coverings. 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 2019	Assessable income of \$60,000	Assessable income of \$50,000
YA 2020	Assessable income of \$90,000	Assessable income of \$80,000
YA 2021	Assessable income of \$120,000	Unabsorbed trade loss of \$40,000
YA 2022 (projected)	Unabsorbed trade loss of \$150,000	Assessable income of \$60,000

NF had opted to carry back the unabsorbed trade loss arising from YA 2021. Gwen expects the takeover of NF to be completed on 1 January 2021.

Explain how JTF's YA 2022 unabsorbed trade loss of \$150,000 will be utilised if Gwen were to hold the 100% shareholding in NF directly versus through JTF. Your answer should highlight the amounts that could be utilised.

**(11 marks)**

**(Total: 25 marks)**

**END OF PAPER**

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2021

### Goods and Services Tax

Standard rate 7%

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 2013 and thereafter 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 2021**

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.

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2021

### 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	

There is no personal income tax rebate accorded to resident individuals for YA 2021.

### Personal Income Tax for the Year of Assessment 2020 (Non-resident)

General Rate: 22%

#### 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 2021

### 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 2021

### 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 2021

Type of relief	Amount of relief
Voluntary CPF contribution of 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)

### 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 2021

### 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>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>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.