



Ref: SSA/070/19/EML

Date: 11 June 2019

To: All SSA Members

SINGAPORE BUDGET WISHLIST 2020 – FEEDBACK COLLECTION

Last year, the SSA Tax Sub-Committee streamlined the process of collation and submission of the Singapore Budget Wishlist with the aim that the SSA Singapore Budget Wishlist would focus on issues that affect the sector or the industry as a whole, such as impact of new or revised Financial Reporting Standard (FRS), withholding taxes, tax treaties and etc.

The Singapore Budget Wishlist 2019 was collated and reviewed by the SSA Tax Sub-Committee, and subsequently submitted to Maritime & Port Authority of Singapore (MPA) and Ministry of Finance (MOF). Following the submission of Singapore Budget Wishlist 2019, MPA had meetings with the SSA Tax Sub Committee, where they heard the concerns raised by the shipping industry and also provided their feedback/perspectives

We are very pleased to report that through these enhanced concerted and collaborative efforts of members, the industry's concerns (eg implications of the new FRS 116) were better articulated and elevated to the relevant authorities.

In December 2018, MPA issued separate shipping circulars to MSI-AIS (separate letters) and to MSI-SRS recipients. In summary, these were some headline changes:

- No withholding tax on finance lease not treated as a sale and hence no more need to file the automatic withholding tax exemption form;
- Income from finance lease for tax purposes would qualify as exempt income;
- A one-time irrevocable election to follow the accounting treatment

While it may not be everything requested by the industry, it is good news for the shipping industry after almost 1.5 years of making representations to the MPA against the general tax treatment for FRS 116 (IRAS e-Tax guide issued on 8 October 2018), which was to apply to all industries.

For Singapore Budget Wishlist 2020, we invite all Members to provide feedback by **28 June 2019**. – feedback form is as attached. All information will be kept private and confidential.

Thank you.

Warmest Regards,
Wong ShuYi
Executive Officer



SINGAPORE SHIPING ASSOCIATION
SINGAPORE BUDGET WISHLIST
(Please kindly return this form by 28 June 2019)

Date :
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We have the following feedback¹ on:

		Feedback
1.	Tax issues arising from recent change in accounting standards [Financial Reporting Standard (FRS)]	
	FRS 116: Leases	
	FRS 115: Revenue from contracts with customers	
	FRS 109: Financial instruments	
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2.	Singapore corporate income tax issues	
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3.	Singapore withholding tax issues	
	Rent or Other Payments for the use of any moveable property	
	Other Payments	
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4.	Singapore GST issues	

¹ All information will be strictly kept private and confidential.

5.	Tax treaty issues	
6.	IRAS' Digitalisation Plan	
7.	Others (please specify)	

Name of Person Replying :
Designation :
Company Name :
Contact Number :
Email :