



INLAND REVENUE
AUTHORITY
OF SINGAPORE

MEDIA RELEASE

IRAS' Partnership Efforts Simplify Corporate Income Tax Filing 2021

- ✓ **Up to 40% time-savings for companies and tax agents with simplified tax treatment for qualifying telecommuting assets under COVID-19 concession**
 - ✓ **Extended seamless filing solution to more tax professionals**
 - ✓ **Syncing of financial year end details**
 - ✓ **Pre-filled companies' email addresses for digitised notices**
-

07 Oct 2021: The Inland Revenue Authority of Singapore (IRAS) partnered with the tax community and government agencies to simplify Corporate Income Tax (CIT) Filing 2021 for companies. With the new initiatives, companies and tax agents can further reduce the time they take to file CIT this year. Companies are to e-File their CIT Returns (Form C-S/ Form C-S (Lite)/ Form C) by **30 November 2021**.

Partners whom IRAS have worked with include the Singapore Chartered Tax Professionals (SCTP, the professional body representing tax practitioners in Singapore), tax software providers and tax agents, the Accounting and Corporate Regulatory Authority (ACRA) and the Government Technology Agency of Singapore (GovTech). The new initiatives from these partnerships will bring greater convenience to more than 260,000 companies this filing season.

Continual Efforts to Make Corporate Income Tax Filing Simpler and Easier

- a) [Partnership with SCTP: Up to 40% Time-Savings with Simplified Tax Treatment for Qualifying Telecommuting Assets Under COVID-19 Concession](#)

The COVID-19 pandemic saw many employers purchasing work-related equipment (such as work desks and IT equipment) for employees to work from home. In some cases, the employer would reimburse the employee for the purchase of the work-related equipment, with the ownership remaining with the employer. As these capital assets are for the employer's trade, the employer may claim capital allowance on them. The current tax treatment requires the employer to compute the balancing allowance or charge (BA/BC) based on the open market price of the asset if the asset is subsequently transferred

to the employee (e.g. at the end of the work-from-home arrangement or upon cessation of employment).

Feedback from the SCTP suggests that employers may face difficulties in determining the open market price for these assets at the point of transfer to the employees. IRAS has thus introduced a temporary measure to simplify the current tax treatment by deeming the open market price of qualifying assets¹ as follows:

- i) Where the cost of the asset is less than or equal to \$2,500, the open market price is deemed to be zero at the time of transfer;
- ii) Where the cost of the asset exceeds \$2,500, the open market price is deemed to be:
 - a. 50% of the original cost if the asset is transferred within the second Year of Assessment (YA) from the year of acquisition²;
 - b. 25% of original cost if the asset is transferred in the third YA; and
 - c. zero if the asset is transferred in the fourth or subsequent YA.

The temporary measure applies to assets purchased in the YAs 2021 and 2022.

With this temporary measure, companies can do away with determining the open market price of each work-related asset transferred to employees. An employer with 30 employees can save approximately two hours in preparing its tax computation, which translates to an estimated 40% time-savings.

See **Annex A** for an infographic summary of the simplified tax treatment for qualifying telecommuting assets purchased in YAs 2021 and 2022.

b) Partnership with Tax Software Providers and Tax Agents: Extended Seamless Filing Solution to More Tax Professionals

Last year, IRAS and ACRA partnered with several accounting software providers to enable seamless filing of statutory returns for small and medium companies. This year, IRAS has partnered with tax software providers and tax agents³ to enable seamless filing for tax agents. Beginning from this year, tax agents using the seamless filing solution will

¹ Qualifying assets are defined as follows:

- a) The sole purpose of purchasing the asset is to facilitate employees to work from home; and
- b) Meet one of the following two conditions:
 - i) Asset falls within the Income Tax (Automation Equipment) Rules 2004; or
 - ii) Asset is a low-value asset, i.e. does not cost more than \$5,000.

² The year of acquisition of the assets will be taken as the first YA.

³ The tax software providers and tax agents are Tax Connection, Xion.AI and Deloitte Tax Solutions Pte Ltd.

be able to file Form C-S directly to IRAS via Application Programming Interface. Through this initiative, tax agents no longer have to manually key in the tax data after logging in to myTax Portal, allowing them to enjoy an expected time-savings of some 25 minutes per completed filing. The enhanced solution will also ensure more accurate filings for their clients as transposition errors will be reduced.

c) Partnership with ACRA: Syncing of Financial Year End Details

IRAS has also partnered with ACRA to sync companies' Financial Year End (FYE) details with effect from August 2021. Companies registered with ACRA will now only need to update their change of FYE with ACRA via BizFile+, similar to how they update changes in companies' names and registered addresses. IRAS will receive the updated information directly from ACRA on a weekly basis to update its records accordingly. Besides reducing the need for companies to notify IRAS when they change their FYE, this initiative also ensures that companies receive their Estimated Chargeable Income filing notifications promptly, as their FYE details are up to date in IRAS' records.

Foreign companies not registered with ACRA must continue to update their FYE through the 'Update Corporate Profile/ Contact Details' digital service in myTax Portal.

d) Partnership with GovTech: Pre-Filled Companies' Email Addresses for Digitised Notices

Most IRAS' notices have been digitised since May 2021 and companies can access their notices via myTax Portal. To help companies transition from paper notices to digitised notices smoothly, IRAS has partnered with GovTech to pre-fill companies' existing Corppass email addresses in myTax Portal so that they can automatically receive e-Notifications from IRAS when their notices are ready for viewing.

Companies are encouraged to opt for digitised notices so that they can access their notices in myTax Portal anytime and anywhere. They can also view up to three years of past notices. Those companies which have yet to opt for digitised notices can update their email addresses and notification preference via the 'Update Notice Preferences' digital service in myTax Portal to begin receiving e-Notifications from IRAS.

"IRAS' collaborative relationships with the tax community and other government agencies have enabled us to deliver better services for companies. We are thankful for the support of our stakeholders, and will continue to work closely with them to explore

more partnerships that can further improve tax filing experience and reduce the regulatory burden for companies,” said Ms Chow Wai Yee, Assistant Commissioner of IRAS’ Corporate Tax Division.

Single Filing Deadline from YA 2021

IRAS reminds all companies, including those with no business activities or those in a loss position, to e-File their YA 2021 CIT Returns (Form C-S/ Form C-S (Lite)/ Form C) by **30 November 2021**. Paper filing is no longer accepted. All directors are reminded to ensure that their companies’ tax returns are filed on time. Companies which require further assistance on the YA 2021 tax filing can visit the IRAS website, contact IRAS via myTax Mail, call the helpline at 1800 356 8622, or find the answers on the IRAS website.

Inland Revenue Authority of Singapore

Annex A: Infographic on Simplified Tax Treatment for Qualifying Telecommuting Assets



INLAND REVENUE
AUTHORITY OF
SINGAPORE

Simplified Tax Treatment for Qualifying Telecommuting Assets



Qualifying assets under the simplified tax treatment:

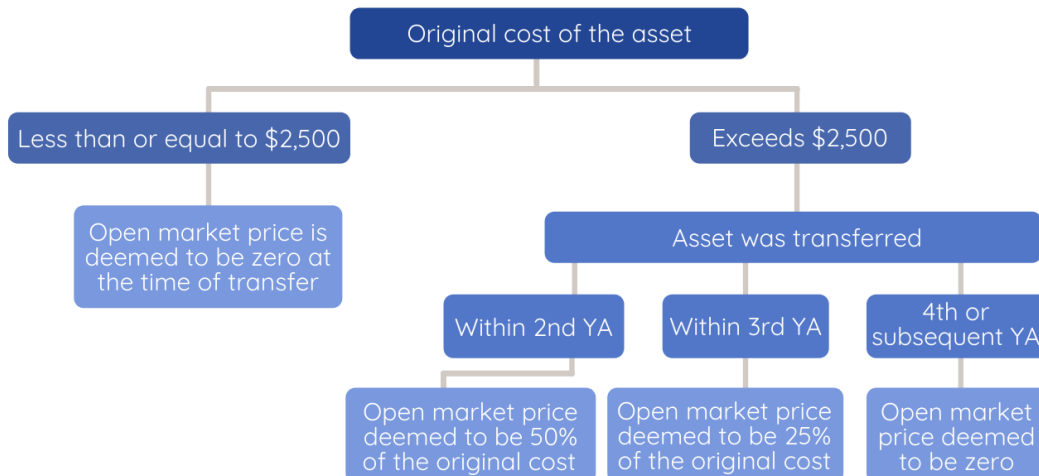
- The asset must be purchased for the sole purpose to facilitate employees to work from home; and
- It must either fall within the Income Tax (Automation Equipment) Rules 2004 OR is a low-value asset (i.e. does not cost more than \$5,000).

Qualifying Period

The simplified tax treatment will apply to qualifying assets purchased in YAs 2021 and 2022.



How to Determine the Open Market Price



Note: The year of acquisition of the asset will be taken as the first YA.

Find out more at:

go.gov.sg/telecommutingassets