

# Thinking globally

## Singapore News Flash

Latest News on law, tax and business in Singapore

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### Singapore to join OECD framework against base erosion and profit shifting

On 16 June 2016, Singapore announced to join the inclusive framework for the global implementation of the Base Erosion and Profit Shifting ("BEPS") Project proposed by the Organization for Economic Co-operation and Development ("OECD").

The key principle underlying the BEPS Project is that profits should be taxed where the real economic activities generating the profits are performed and where value is created.

Singapore is committed to implementing the four minimum standards under the BEPS Project, namely, (a) the standards on countering harmful tax practices, (b) preventing treaty abuse, (c) transfer pricing documentation, and (d) enhancing dispute resolution.

In particular, Singapore will implement a Country-by-Country Reporting ("CbCR") for financial years beginning on or after 1 January 2017 for multinational enterprises whose ultimate parent entities are in Singapore and whose group turnover exceeds SGD 1,125 million.

These multinational enterprises will be required to file Country-by-Country ("CbC") reports with the Inland Revenue Authority of Singapore within 12 months from the last day of their financial year.

IRAS will exchange CbC reports with jurisdictions that Singapore has entered into bilateral agreements with for automatic exchange of CbCR information based on, among others, the condition of reciprocity (i.e. IRAS may also obtain information on CbC reports filed in such other jurisdictions).

The CbC reports will assist tax administrations in obtaining a complete understanding of the way in which multinational enterprises structure their operations.

IRAS is to release the implementation details of CbCR by September 2016.

IRAS implemented transfer pricing guidelines in 2006; however, only recently do we note an increasing enforcement of the arm's length principle.

While the CbCR may only concern businesses of a certain size, note that all businesses will have to assess whether they have the necessary transfer pricing documentation in place.

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*„Singapore is a top location for investment in Southeast Asia. Rödl & Partner has more than 15 years consulting experience in the 'Lion City-State' and our business continues to grow. Let us work together and pave the way for your success! “*

*Rödl & Partner*

*„The great artistry of the human towers lies in its variety. Our towers thus always differ by height, width and shape. The foundation however, remains unchanged, acting as a reliable, unyielding and open advocate of change. “*

*Castellers de Barcelona*



„Each and every person counts“ – to the Castellers and to us.

Human towers symbolise in a unique way the Rödl & Partner corporate culture. They personify our philosophy of solidarity, balance, courage and team spirit. They stand for the growth that is based on own resources, the growth which has made Rödl & Partner the company we are today.

„Força, Equilibri, Valor i Seny“ (strength, equilibrium, valour and common sense) is the Catalan motto of all Castellers, describing their fundamental values very accurately. It is to our liking and also reflects our mentality. Therefore Rödl & Partner embarked on a collaborative journey with the representatives of this long-standing tradition of human towers – Castellers de Barcelona – in May 2011. The association from Barcelona stands, among many other things, for this intangible cultural heritage.

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