

EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2018

Essential information to note before completing Form C
<ul style="list-style-type: none"> o Please refer to IRAS' website (www.iras.gov.sg) for Guidance on Completing Form C-S/ C under Home > Businesses > Companies > Filing Taxes (Form C-S/ C). o When completing Form C, all figures must be right-aligned. For items that are not applicable, please enter '0' in the last box on the right. o If any amount is a loss/ negative figure, enter an "X" in the box on the extreme left. o Please do not submit original donation/ withholding tax receipts and dividend income vouchers/ statements with the income tax return. Please retain them and submit to IRAS upon request.

Forms and Attachments to be submitted				
	Type of Companies			
	Companies servicing only related parties with "Cost Plus Mark-Up" basis of assessment ^c	Dormant Companies		All Companies
		Without unutilised losses/ donations brought forward	With unutilised losses/ donations brought forward	(Other than dormant companies & companies servicing only related parties with "Cost Plus Mark-up" basis of assessment ^c)
Form C	Yes	Yes	Yes	Yes
What to complete?	<ul style="list-style-type: none"> • Page 1 • Relevant boxes in Part VI • Part VII and VIII on page 4, if applicable • Part XI, XII and XIII – Boxes 32 and 42 on page 5 	Only page 1	<ul style="list-style-type: none"> • Page 1 • Part VI on page 2 – Boxes 1a, 3 • Part VII on page 4 – Boxes 20 to 23 	All Sections
Audited/ Unaudited Financial Statements ^a (see explanatory notes under Part III below)	Yes	No	No	Yes
Tax Computation ^b	Yes	No	No	Yes
Additional Information on Income and Deductions in Part VI to XIII of Form C (Form IRIN 301)	No	No	No	Yes
^a Companies that have filed a full set of financial statements with ACRA in XBRL are not required to file the same with IRAS. However, these companies are required to submit a copy of their Detailed Profit and Loss Statement together with Form C. ^b Instructions on how to prepare a tax computation are available at IRAS' website. Trading companies may refer to the Corporate Tax " Basic tax calculator " for a sample of the tax computation template and some commonly used schedules under Home > QUICK LINKS > Calculators > Corporate Tax . ^c For information on companies servicing only related parties, please refer to IRAS' website under Home > Businesses > Companies > Working Out Corporate Income Taxes > Specific Industries > Companies Servicing Only Related Parties .				

Other Forms/ Documents/ Information to be submitted with Form C			
Item	Form C Box	IRIN 301 Box	Documents/ Information to be submitted with Form C
Group Relief	4 or 8	N.A.	(1) Group Relief Form for Transferor Company (Form GR-A) ^d ; or (2) Group Relief Form for Claimant Company (Form GR-B) ^d
Deduction of Research & Development (R&D) Expenditure	N.A.	5, 6, 7 & 26	R&D Claim Form ^d
Writing-Down Allowances (WDA) for Intellectual Property Rights (IPRs)	N.A.	19 & 24	Declaration Form for The Purpose of Claiming WDA for IPRs under Section 19B of the Income Tax Act ^d
Sale of Fixed Assets	18	13, 16 to 19	(1) Date of disposal (2) Description of the fixed asset disposed of (3) Sales proceeds (4) Computation of balancing allowance/ balancing charge
Addition of New Assets	28	N.A.	(1) Description and purchase price of each asset. For motor vehicles, state the registration number of each vehicle (2) Assets purchased on hire purchase terms: deposit and principal paid during the year for each asset (3) State the category from the Productivity and Innovation Credit (PIC) IT and Automation Equipment List to which the new asset relates. E.g. for a new laptop purchased, please state that it was claimed under "Data Processing and IT Equipment". A full list of PIC IT and Automation Equipment is available at IRAS' website under Home > Schemes > Businesses > Productivity and Innovation Credit Scheme (PIC) . Click on "Select Subheading" and select "Eligibility" followed by "PIC IT and Automation Equipment List" (4) Computation of capital allowances
Limited Liability Partnerships (LLP) and Limited Partnerships (LP)	N.A.	N.A.	An LLP/ LP which incurs a business loss is required to submit a Capital Contribution Form ^e with its tax return for the year of assessment in which the loss is incurred, and for all subsequent years of assessment whether or not it makes a profit or loss for those years. Generally, the precedent partner is responsible for the submission of the Capital Contribution Form.

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- applicable to a company which is a partner of LLP/ LP			
Related Party Transactions	31	N.A.	Form for Reporting of Related Party Transactions ^d
^d Download these forms from IRAS' website under Home > QUICK LINKS > Forms > Businesses > Corporate Tax forms . Failure to submit the form and the requisite documents will lead to a disqualification of the company's claim, where applicable. ^e Download this form from IRAS' website under Home > QUICK LINKS > Forms > Businesses > Partnership Income Tax forms .			

Other Documents/ Information to be retained and submitted to IRAS upon request		
If you have made claims for any of the following items, you are required to prepare and retain certain types of documents/ information to be submitted to IRAS upon request. For details of the documents/ detailed information that you need to prepare/ retain, please refer to IRAS' website under Home > Businesses > Companies > Filing Taxes (Form C-S/ C) > Guidance on Completing Form C-S/ C , click on "Select Subheading" and select "Before Completing Form C-S/ C" followed by "Documents to Prepare when Filing Form C-S/ C".		
Item	Form C Box	IRIN 301 Box
Rental Income	1d	N.A.
Tax Set-Offs [Double Taxation Relief (DTR) and Unilateral Tax Credit]	11a to 11e	20a to 20f
Foreign Income Exempted from Tax as a result of Incentive Granted by Foreign Jurisdiction ("Subject to tax" Concession)	14a to 14f	21a to 21f
Gain/ Loss on Sale of Property	25 (if applicable)	N.A.
Land Intensification Allowance (LIA)	28a	14 & 15
Deduction Claimed under Section 14Q for Expenditure on Renovation or Refurbishment (R&R) Works	29, 29a & 29b	11
Directors' Fees and Remuneration	37	N.A.
Deduction of Research & Development (R&D) Expenditure	N.A.	5, 6, 7 & 26
Mergers and Acquisitions Allowance (Section 37L)	N.A.	12
Costs of registering Intellectual Property Rights	N.A.	25
Gains from Disposal of Ordinary Shares in Another Company (Section 13Z)	N.A.	28
Further Deduction for Internationalisation Scheme (Sections 14B/ 14K)	N.A.	3, 4
Exchange Loss/ Gain	N.A.	N.A.
Impairment Loss in respect of Bad Debts/ Provision for or Doubtful Debt	N.A.	N.A.
Motor Vehicle Expenses	N.A.	N.A.
Purchase of Shares (For Each Block of Shares)	N.A.	N.A.
Gain/ Loss on Sale of Shares (Other than those exempted under Section 13Z)	N.A.	N.A.
Purchase of Property	N.A.	N.A.
One Year Write-off for New Diesel-Driven Goods Vehicles and Buses	N.A.	N.A.
Securities Lending and Repurchase Arrangements	N.A.	N.A.

Part I Box 2: Productivity and Innovation Credit (PIC) Scheme (Page 1) Box 3: PIC+ Scheme	
Please complete Section E of Form IRIN 301 for all claims on enhanced deductions/ allowances. For further details of the PIC/ PIC+ Scheme, please refer to IRAS' website under Home > Schemes > Productivity and Innovation Credit Scheme (PIC) , click on "Select Subheading" and select "PIC Benefits".	
Enhanced Deductions/ Allowances	<p>Companies can deduct an additional 300% (250% for R&D conducted in Singapore) of their qualifying expenditure in the following 6 activities:</p> <ul style="list-style-type: none"> ○ acquisition or leasing of prescribed or approved PIC IT and Automation Equipment [the PIC IT and Automation Equipment List is available at IRAS' website under Home > Schemes > Productivity and Innovation Credit Scheme (PIC), click on "Select Subheading" and select "Eligibility" followed by "PIC IT and Automation Equipment List"] ○ training of employees ○ acquisition and in-licensing of IPRs ○ registration of patents, trademarks, designs and plant varieties ○ conduct of R&D activities ○ investments in approved design projects <p>The annual expenditure cap is \$400,000 for each qualifying activity, which can be pooled to give a combined cap of \$1,200,000 for YA 2016 to YA 2018 for each of the 6 qualifying activities. Under the PIC+ Scheme announced in Budget 2014, from YA 2015 to YA 2018, qualifying SMEs can enjoy tax deductions/ allowances on up to \$600,000 (instead of \$400,000) for each qualifying activity per YA. From YA 2016 to YA 2018, the combined expenditure cap will be \$1,800,000.</p> <p>"Qualifying SME" broadly refers to a company which is carrying on a trade or business during the basis period and whose (a) revenue is not more than \$100 million or (b) employment size is not more than 200 employees. This criterion will be applied at the group level if the business is part of a group.</p> <p>For further details of the PIC+ Scheme, please refer to IRAS' website under Home > Schemes > Productivity and Innovation Credit Scheme (PIC), click on "Select Subheading" and select "PIC Benefits".</p>
Cash Payout Option	A cash payout option is available from YA 2016 to YA 2018 to companies that have active business operations and have made CPF contributions for at least 3 local employees in the last three months of the relevant financial period.

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Such companies can opt to convert up to \$100,000 (but not less than \$400) of their qualifying expenditure incurred for all 6 activities taken together at a conversion rate of 60% from YA 2013 to 31 July 2016. For qualifying expenditure incurred on or after 1 August 2016 to YA 2018, the cash payout conversion rate will be 40%.

There is no pooling of the expenditure conversion cap for cash payout for YA 2016 to YA 2018. The maximum cash payout is based on the conversion cap of \$100,000 per YA.

The cash payout is non-taxable. The election for cash payout is irrevocable. Where a taxpayer has elected to convert qualifying expenditure into a cash payout, that same expenditure cannot be claimed as a tax deduction.

Part II: Dormant Company (Page 1)

- A dormant company is one which did not carry on business and had no income in the basis period for YA 2018, i.e. the financial year ending in 2017. A dormant company cannot claim capital allowances and expenses incurred in the preceding year, as it did not carry on a trade or business. It is not allowed to carry forward expenses incurred in the preceding year as losses or transfer current year unutilised capital allowances/ losses under the Group Relief system.
- If the dormant company is not expecting to commence/ re-commence business or receive income for the next two years, the company may wish to apply for waiver of its obligation to submit its income tax return. For more information on the application process, please refer to IRAS' website under [Home > Businesses > Companies > Managing Taxes for Dormant Companies or Companies Closing Down > Dormant Companies](#).

Part III: Audit Exemption (Page 1)

Under the Companies Act, the following companies are not required to have their financial statements audited:

- Dormant companies (i.e. companies that do not have accounting transactions or business activities)
- Companies that meet the "small company" criteria*

* A company qualifies as a "small company" if:

- It is a private company for the financial year ending in 2017 (i.e. it is owned by 50 members or less); and
- It meets at least 2 of the following 3 quantitative criteria for the immediate past two financial years:
 - a) total annual revenue not more than \$10 million
 - b) total assets not more than \$10 million
 - c) number of employees not more than 50

For a company which is part of a group to qualify for audit exemption:

- a) the company must qualify as a small company; and
- b) entire group must be a "small group", i.e. the group must meet at least 2 of the 3 quantitative criteria on a consolidated basis for the immediate past two consecutive financial years.

Companies that qualify for an audit exemption and have chosen not to have their financial statements audited should file unaudited financial statements. The unaudited financial statements (including notes to the financial statements), prepared in compliance with the Companies Act, must be accompanied by the Statement by Directors.

For more details, please refer to IRAS' website under [Home > Businesses > Companies > Filing Taxes \(Form C-S/ C\) > Guidance on Completing Form C-S/ C](#), click on "Select Subheading" and select "Before Completing Form C-S/ C" followed by "Documents to Prepare when Filing Form C-S/ C".

Part IV: Tax Exemption Scheme for New Start-up Companies (Page 1)

The qualifying conditions for the Tax Exemption Scheme for New Start-up Companies (SUTE), including companies limited by guarantee*, are as follows:

- The company must be incorporated in Singapore;
- The company must be a tax resident in Singapore for that YA of claim; and
- The company's total share capital is beneficially held directly by no more than 20 shareholders throughout the basis period for that YA where:
 - all of the shareholders are individuals; or
 - at least one shareholder is an individual holding at least 10% of the issued ordinary shares of the company.

* Companies limited by guarantee must have members:

- all of whom are individuals throughout the basis period for that YA; or
- at least one of whom is an individual throughout the basis period for that YA, and the contribution of that individual under the Memorandum of Association of the company to the assets of the company in the event of it being wound up, amounts to at least 10% of the total contributions of the members of the company throughout the basis period for that YA.

The following types of companies incorporated after 25 February 2013 are not eligible for SUTE:

- a) a company whose principal activity is that of investment holding; and
- b) a company which undertakes property development for sale, for investment, or for both investment and sale.

Tax exemption is granted on the first \$300,000 of a qualifying company's normal chargeable income for each of its first 3 consecutive YAs. The **exempt amount** is computed as follows:

- 100% of the first \$100,000 normal chargeable income
- 50% of the next \$200,000 normal chargeable income

The first YA of a qualifying company refers to the YA relating to the basis period during which the company is incorporated. A YA generally should not cover more than 12 months. For example, a company incorporated on 15 Apr 2016 closed its first set of financial statements on 30 Jun 2017:

YA	Basis Period	Items to be submitted by Filing Due Date
YA 2017 (1 st YA)	15 Apr 2016 to 30 Jun 2016	<ul style="list-style-type: none"> • Form C for YA 2018[#] and other relevant Forms • Audited/ unaudited financial statements for the period ending on 30 Jun 2017 • Tax computations for YA 2017 and YA 2018
YA 2018 (2 nd YA)	1 Jul 2016 to 30 Jun 2017	
YA 2019 (3 rd YA)	1 Jul 2017 to 30 Jun 2018	<ul style="list-style-type: none"> • Form C for YA 2019 and other relevant Forms • Audited/ unaudited financial statements for the year ending on 30 Jun 2018 • Tax computation for YA 2019

[#] The company need not request a copy of Form C for YA 2017. Instead, an assessment will be raised based on the YA 2017 tax computation submitted together with the YA 2018 Form C.

○ **Partial Tax Exemption Scheme**

Companies that do not qualify for the SUTE will enjoy a partial tax exemption on the first \$300,000 of their normal chargeable income. The **exempt amount** is computed as follows:

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<ul style="list-style-type: none"> • 75% of the first \$10,000 normal chargeable income • 50% of the next \$290,000 normal chargeable income 																										
Part V: Declaration by person filing the Return (Page 1)																										
Authorised persons who can endorse Form C are the company director, principal officer or a person authorised by the company.																										
Part VI: Assessment Information (Pages 2 to 4)																										
<ul style="list-style-type: none"> ○ Exempt income/ loss should be entered in Box 14 and not Boxes 1 to 10 of Part VI. ○ Exempt income excludes exempt amounts referred to in the explanatory notes under Part IV above and any part of income that is subject to tax at a concessionary tax rate. ○ In Boxes 1b to 1f, enter the net amounts after deducting tax deductible expenses. If the net amount is negative, enter "0" in the last box on the right. 																										
Box 1a	Trade/ Business Income – Adjusted Profit/ Loss	<ul style="list-style-type: none"> ○ The amount of adjusted profit/ loss is arrived at after adjusting for non-taxable items, separate source income and non-deductible/ restricted expenses. See Annex on how to complete Box 1a. ○ If the company is claiming M&A allowances, the amount claimed shall be entered into Box 1a. 																								
Box 1d	Rent, Premiums and any other Profits arising from Property	<p>Enter net rent after expenses [before Industrial Building Allowances (IBA) and Land Intensification Allowances (LIA)]. If net rent after expenses (before IBA & LIA) is a loss, enter "0". For IBA and LIA claimed against such rent, include the IBA and LIA in the amount to be entered in Box 1a.</p> <p>Example:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%;">S\$</th> <th style="width: 15%;">Form C Box</th> <th style="width: 10%;">Amount to enter S\$</th> </tr> </thead> <tbody> <tr> <td>Gross rental income</td> <td style="text-align: right;">180,000</td> <td></td> <td></td> </tr> <tr> <td>Less: Deductible expenses</td> <td style="text-align: right;">(200,000)</td> <td></td> <td></td> </tr> <tr> <td>Net rent before IBA</td> <td style="text-align: right;">(20,000)</td> <td style="text-align: center;">1d</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Less: IBA</td> <td style="text-align: right;">(30,000)</td> <td style="text-align: center;">1a</td> <td style="text-align: right;">[x] 30,000</td> </tr> <tr> <td>Net rental deficit</td> <td style="text-align: right;">(50,000)</td> <td></td> <td></td> </tr> </tbody> </table>		S\$	Form C Box	Amount to enter S\$	Gross rental income	180,000			Less: Deductible expenses	(200,000)			Net rent before IBA	(20,000)	1d	0	Less: IBA	(30,000)	1a	[x] 30,000	Net rental deficit	(50,000)		
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Boxes 2a to 2f	Nature of Income	<p>Enter one of the following codes in the box(es) provided:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 15%;">Section</th> <th style="width: 25%;">Description</th> <th style="width: 10%;">Code</th> <th style="width: 15%;">Section</th> <th style="width: 25%;">Description</th> <th style="width: 10%;">Code</th> </tr> </thead> <tbody> <tr> <td>10(1)(a)</td> <td>Trade/ Business income</td> <td style="text-align: center;">A</td> <td>10(1)(f)</td> <td>Rent, Premiums and any other Profits arising from Property</td> <td style="text-align: center;">D</td> </tr> <tr> <td>10(1)(d)</td> <td>Dividends</td> <td style="text-align: center;">B</td> <td>10(1)(f)</td> <td>Royalties</td> <td style="text-align: center;">E</td> </tr> <tr> <td>10(1)(d)</td> <td>Interest/ Discounts</td> <td style="text-align: center;">C</td> <td>10(1)(e) 10(1)(g)</td> <td>Any pension, charge (incl. trust distribution) or annuity Income not falling under A to E above</td> <td style="text-align: center;">F</td> </tr> </tbody> </table>	Section	Description	Code	Section	Description	Code	10(1)(a)	Trade/ Business income	A	10(1)(f)	Rent, Premiums and any other Profits arising from Property	D	10(1)(d)	Dividends	B	10(1)(f)	Royalties	E	10(1)(d)	Interest/ Discounts	C	10(1)(e) 10(1)(g)	Any pension, charge (incl. trust distribution) or annuity Income not falling under A to E above	F
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	Foreign income received in Singapore (before Exempt Amount)	<ul style="list-style-type: none"> ○ Where tax set-offs (Boxes 11a to 11e) are claimed, enter the gross amount of each type of foreign income less tax deductible expenses. ○ Where tax set-offs are not claimed or where chargeable income is nil, enter the net amount of foreign income received in Singapore less tax deductible expenses. ○ If the rows provided are insufficient, please enter the top 5 highest amounts in rows 2a to 2e and consolidate all remaining amounts in the last row (2f). For the consolidated amount, please select the most representative option for <Nature of Income>, and "Other countries not elsewhere classified" (999) for <Country>. 																								
Boxes 4 and 8	Group Relief	<ul style="list-style-type: none"> ○ Group relief is available to Singapore-incorporated companies belonging to the same group and which have the same financial year end. Please refer to IRAS' e-Tax Guide "Group Relief System" for details. ○ Loss items that can be transferred/ claimed under the Group Relief System are current year unutilised capital allowances, current year unutilised losses (including deductions under Section 14Q) and current year unutilised donations. 																								
Boxes 5a to 5d	Carry-Back of Current Year Capital Allowances/ Losses	<ul style="list-style-type: none"> ○ If there is no change in the principal activities of a company [Section 37E(11) of the Income Tax Act (ITA)] and no substantial change in the ultimate shareholders and their shareholdings [Section 37E(12) of the ITA], the company can deduct current year unutilised capital allowances/ trade losses of up to \$100,000 against the assessable income for the immediate preceding YA. If there is a change in the principal activities of the company during the basis period, it can carry back current year's trade losses as long as it meets the shareholding test. Please refer to IRAS' e-Tax Guide "Carry Back Relief System (Second edition)" for details. ○ There is <u>no</u> substantial change in shareholders and their shareholdings if the aggregate shareholdings (%) of common shareholders as at the first day of the YA in which the capital allowances arose/ first day of the year in which the losses were incurred; and the last day of the YA in which the capital allowance/ loss is utilised, are 50% or more of the total shares of the company. If there is a substantial change in the shareholders and their shareholdings, please refer to the explanatory notes under Boxes 15b and 16 below. ○ If your company has also elected for group relief, the amount you can carry back is the net amount after deducting the loss items transferred out to the eligible claimant company or companies. 																								
Boxes 6a to 6d	Investment Allowances	<p>The amount utilised in Box 6c is the lower of:</p> <ul style="list-style-type: none"> ○ Sum of Box 6a and Box 6b; or ○ Total in Box 3 less Unutilised Donations b/f and Current year approved donations. 																								
Box 7	Chargeable Income before Exempt Amount	This refers to Chargeable Income after claiming approved donations and unutilised donations brought forward but before claiming partial tax exemption or tax exemption for new start-up companies.																								
Boxes 11a to 11e	Tax Set-Offs	<ul style="list-style-type: none"> ○ The amount claimed for each type of foreign income from each country is restricted to the lower of the Singapore tax payable on the net income or the foreign tax paid. ○ Foreign Tax Credit (FTC) Pooling System 																								

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		Singapore tax residents may elect for FTC pooling when claiming FTC on income for which they have paid foreign tax. The amount of FTC to be granted under the FTC pooling system is the lower of the total Singapore tax payable on those foreign income and the pooled foreign taxes paid on those income. For the qualifying conditions and details, please refer to IRAS' e-Tax Guide "Income Tax: Foreign Tax Credit Pooling".
Boxes 12a and 12b	Tax Deducted at Source	<ul style="list-style-type: none"> Tax Deducted from Interest/ Distribution from Real Estate Investment Trust (REIT) refers to the Singapore tax deducted at the time of interest distribution from loan stock or distribution from REIT. Tax Deducted from Income other than Interest/ Distribution from REIT refers to tax deducted under Section 45 of the Income Tax Act other than the amount deducted from Interest/ Distribution from REIT reflected in Box 12a.
Boxes 13a to 13c	Tax Payable/ Repayable	<ul style="list-style-type: none"> Tax Payable/ Repayable before Remission/ Rebate (Box 13a) is the "Gross tax payable" (on chargeable income after deducting exempt amount referred to in the explanatory notes under Part IV above) less "Tax Set-Offs" (Boxes 11a to 11e) and "Tax Deducted at Source" (Boxes 12a and 12b). "Remission" refers to tax remitted by the Comptroller [Section 92(1) of the Income Tax Act (ITA)] or by the Minister [Section 92(2) of the ITA]. All companies will receive a 50% Corporate Income Tax (CIT) Rebate for YA 2017, subject to a cap of \$25,000. The CIT Rebate for YA 2018 will be at a reduced rate of 40%, subject to a cap of \$15,000. The CIT Rebate is computed based on tax payable after tax set-offs (e.g. double tax relief, unilateral tax credit, tax remission) but before tax deducted at source. Companies need not enter the CIT Rebate in Box 13b as it will be automatically computed when IRAS assesses companies' Income Tax Return (Form C). The amount to be entered in Box 13c should be the Tax Payable/ Repayable after Remission/ CIT Rebate.
Boxes 14a to 14f	Exempt Income/ Loss for Current Year of Assessment	<ul style="list-style-type: none"> Enter the amount of exempt income/ loss excluding exempt amount referred to in the explanatory notes under Part IV above and any part of income that is subject to tax at a concessionary tax rate. Refer to Appendix 1B (page 8) for a list of incentives and type codes. Foreign-Sourced Income Exemption (FSIE) Enter the amount of income qualifying for FSIE. Please also complete Section D of Form IRIN 301. Please refer to IRAS' e-Tax Guide "Tax Exemption for Foreign-Sourced Income (Second Edition)" for details.
Part VII: Unutilised Capital Allowances/ Losses/ Donations (Page 4)		
<ul style="list-style-type: none"> The company can deduct unutilised capital allowances, trade losses, mergers & acquisitions (M&A) allowances and/ or donations incurred in one year against income in subsequent years as long as there is no substantial change in the ultimate shareholders and their shareholdings. In addition, to deduct unutilised capital allowances of one year against income in subsequent years, there must also not be a change in the company's principal activities. There is <u>no</u> substantial change in shareholders and their shareholdings if the shareholdings (%) of common shareholders as at the last day of the YA in which the capital allowances or M&A allowances arose/ last day of the year in which the losses and donations were incurred; and as at the first day of the YA (e.g. 1 January 2018) in which the utilisation occurs, are 50% or more. If there is a substantial change in shareholders and their shareholdings, please refer to explanatory notes under Boxes 15b and 16 below. 		
Boxes 15b and 16	Substantial Change in Shareholders and Shareholdings	<p>Where there is a substantial change in shareholders and their shareholdings, the company may submit an application to the Comptroller for a waiver of the shareholding test under Sections 23(5), 37(16), 37E(15) or 37L(22) of the Income Tax Act. Each case will be considered based on its merits. If the Comptroller is satisfied that the substantial change in shareholders is not tax-motivated, the company will be allowed to:</p> <ul style="list-style-type: none"> offset unutilised capital allowances/ trade losses/ mergers & acquisitions allowance/ donations against profits derived from the same trade/ business; and carry back unutilised capital allowances/ trade losses of the current YA to the immediate preceding YA and offset against profits derived from the same trade/ business.
Boxes 17 and 19	Unutilised Capital Allowances b/f and Unutilised Capital Allowances c/f	<ul style="list-style-type: none"> Unutilised Capital Allowances b/f consists of unabsorbed capital allowances and mergers & acquisitions (M&A) allowances* that were not fully deducted from prior YAs. Unutilised Capital Allowances c/f consists of capital allowances that remained unabsorbed from current and prior YAs, and M&A allowances that were not fully deducted against income in the current YA. <p>* M&A allowances include double tax deduction on transaction costs incurred from 17 Feb 2012 to 31 Mar 2020 on qualifying share acquisitions, subject to an expenditure cap of \$100,000 per YA.</p>
Box 18	Current Year Capital Allowances	<p>Current Year Capital Allowances consist of total Capital Allowances (including Enhanced Capital Allowances under the PIC/ PIC+ Scheme), Industrial Building Allowances and Land Intensification Allowances claimed in the current YA.</p> <p>If the amount is negative as a result of Balancing Charge, enter an "X" in the box on the extreme left.</p>
Part VIII: Other Information (Page 4)		
Box 25	Receipts claimed as not taxable	<p>Do not enter the gains from disposal of ordinary shares under Section 13Z of the Income Tax Act in this box. Please provide information on such gains in Section F of Form IRIN 301.</p> <p>Do not include receipts that are specifically exempted such as PIC cash payout or one-tier exempt dividend.</p>
Box 26	Non-Income Producing Assets	<p>Non-income producing assets are those which have not yet produced income, for example, vacant properties, securities which have not yielded dividends, or interest-free loans funded by interest-bearing borrowings. Expenses incurred on or attributable to non-income producing assets are not deductible for tax purposes.</p>
Part IX: Capital Allowances and Land Intensification Allowances (LIA) on New Assets (Page 5)		
Box 28a	Land Intensification Allowances (LIA)	<p>To claim for LIA, prior approval must have been obtained from the Economic Development Board. Companies claiming LIA have to retain relevant documents/ information and submit them to IRAS upon request. Please refer to IRAS' website under Home > Businesses > Companies > Working Out Corporate Income Taxes > Claiming Allowances > Land Intensification Allowance (LIA), click on "Select Subheading" and select "Claiming LIA" for the type of documents/ information to be retained.</p>

EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2018

Part X: Deduction Claimed under Section 14Q for Expenditure on Renovation or Refurbishment (R&R) Works (Page 5)																																					
Box 29	R&R Claims	<ul style="list-style-type: none"> ○ A tax deduction is allowed on qualifying R&R costs incurred from 16 Feb 2008 on renovating or refurbishing business premises. Generally, all R&R costs would qualify except those relating to structural changes that require approval from the Commissioner of Building Control. Deduction is granted as long as the company carries on the trade, business or profession for which R&R costs were incurred. ○ The amount of R&R costs that qualify for tax deduction is subject to an expenditure cap of \$300,000 for every relevant three-year period. The Section 14Q deduction must be claimed over three consecutive YAs, starting from the YA relating to the basis period in which the R&R costs were first incurred (i.e. 1/3 of the R&R costs can be claimed each YA over the three consecutive YAs). Any amount of qualifying R&R costs not claimed in the YA relating to the basis period in which they were first incurred, will not qualify for deduction in subsequent YAs. 																																			
		<table border="1" style="width: 100%; border-collapse: collapse; margin: 0 auto;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 10%;">YA 2013*</th> <th style="width: 10%;">YA 2014</th> <th style="width: 10%;">YA 2015</th> <th style="width: 10%;">YA 2016</th> <th style="width: 10%;">YA 2017</th> <th style="width: 10%;">YA 2018</th> </tr> <tr> <td></td> <td style="text-align: center;">S\$</td> <td style="text-align: center;">S\$</td> <td style="text-align: center;">S\$</td> <td style="text-align: center;">S\$</td> <td style="text-align: center;">S\$</td> <td style="text-align: center;">S\$</td> </tr> </thead> <tbody> <tr> <td>Total R&R costs incurred</td> <td style="text-align: center;">180,000</td> <td style="text-align: center;">150,000</td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">400,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Qualifying R&R costs claimed during the year (Box 29)</td> <td style="text-align: center;">180,000</td> <td style="text-align: center;">120,000 **</td> <td style="text-align: center;">- **</td> <td style="text-align: center;">- ***</td> <td style="text-align: center;">300,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>R&R claim (Box A11 of Form IRIN 301)</td> <td style="text-align: center;">60,000</td> <td style="text-align: center;">100,000 (60,000 + 40,000)</td> <td style="text-align: center;">100,000 (60,000 + 40,000)</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">100,000</td> <td style="text-align: center;">100,000</td> </tr> </tbody> </table>		YA 2013*	YA 2014	YA 2015	YA 2016	YA 2017	YA 2018		S\$	S\$	S\$	S\$	S\$	S\$	Total R&R costs incurred	180,000	150,000	20,000	-	400,000	-	Qualifying R&R costs claimed during the year (Box 29)	180,000	120,000 **	- **	- ***	300,000	-	R&R claim (Box A11 of Form IRIN 301)	60,000	100,000 (60,000 + 40,000)	100,000 (60,000 + 40,000)	40,000	100,000	100,000
	YA 2013*	YA 2014	YA 2015	YA 2016	YA 2017	YA 2018																															
	S\$	S\$	S\$	S\$	S\$	S\$																															
Total R&R costs incurred	180,000	150,000	20,000	-	400,000	-																															
Qualifying R&R costs claimed during the year (Box 29)	180,000	120,000 **	- **	- ***	300,000	-																															
R&R claim (Box A11 of Form IRIN 301)	60,000	100,000 (60,000 + 40,000)	100,000 (60,000 + 40,000)	40,000	100,000	100,000																															
		<p>* The relevant three-year period starts from the period in which the R&R costs were first incurred and claimed.</p> <p>** Capped at \$300,000 for each relevant three-year period</p> <p>*** Start of a new three-year period for the purpose of determining the expenditure cap of \$300,000</p> <p>Companies claiming Section 14Q deductions have to retain the documents/ information and submit them to IRAS upon request. For the type of documents/ information to be retained, please refer to IRAS' website under Home > Businesses > Companies > Working Out Corporate Income Taxes > Business Expenses > Tax Treatment of Business Expenses (Q - R), click on "Select Subheading" and select "Renovation or Refurbishment Works Expenditure (Section 14Q)" followed by "Claiming Tax Deduction".</p> <p>Deductions under Section 14Q are available for transfer under the Group Relief System with effect from YA 2013 (see explanatory notes under Boxes 4 and 8 above). For a list of non-qualifying R&R costs and other conditions, please refer to IRAS' e-Tax Guide "Tax Deduction for Expenses Incurred on Renovation or Refurbishment Works Done to Your Business Premises".</p>																																			
Part XII: Related Party Transactions (Page 5)																																					
Box 31	Related party transactions	<p>The value of the company's related party transactions as disclosed in the audited financial statements for the financial period is the aggregate of:</p> <ul style="list-style-type: none"> ○ all amounts received/ receivable from related parties and all amounts paid/ payable to related parties as reported in the Income Statement, but excluding compensation paid to key management personnel and dividends. ○ year-end balances of loans and non-trade amounts due from/ to all related parties. 																																			

The above information is intended for better general understanding and is not intended to comprehensively address all possible issues that may arise. While every effort has been made to ensure that the above information is consistent with existing policies and practice, should there be any changes, IRAS reserves the right to vary its position accordingly. For the latest information, please refer to IRAS' website at www.iras.gov.sg.

EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2018

LIST OF COUNTRY/ TERRITORY CODES

APPENDIX 1A

Country/ Territory	Code	Country/ Territory	Code
Albania	201	Liechtenstein	138
Argentina	601	Lithuania	215
Australia	701	Luxembourg	108
Austria	131	Macau	335
Bahrain	371	Malaysia	304
Bangladesh	352	Maldives	355
Barbados	643	Malta	155
Belarus	211	Mauritius	426
Belgium	101	Mexico	606
Bulgaria	202	Mongolia	338
Brazil	602	Morocco	404
Brunei	302	Myanmar	311
Cambodia	312	Nepal	356
Canada	501	Netherlands	109
China, People's Republic of	336	New Zealand	705
Chile	603	Norway	134
Cyprus	372	Oman	379
Czech Republic	234	Pakistan	357
Denmark	102	Panama	624
Ecuador	605	Papua New Guinea	706
Egypt	402	Peru	608
Estonia	213	Philippines	305
Fiji	702	Poland	206
Finland	132	Portugal	111
France	103	Qatar	380
Georgia	216	Romania	207
Germany, Federal Republic	104	Russian Federation	223
Greece	105	Saudi Arabia	381
Hong Kong	332	Singapore	301
Hungary	205	Slovak Republic	235
Isle of Man	672	Slovenia	233
India	354	South Africa	478
Indonesia	303	Spain	112
Iran	373	Sri Lanka	358
Iraq	374	Sweden	136
Ireland	36	Switzerland	137
Israel	375	Syria	382
Italy	107	Taiwan	334
Japan	331	Thailand	306
Jersey	96	Tunisia	406
Jordan	376	Turkey	152
Kazakhstan	221	Ukraine	212
Kenya	423	United Arab Emirates	383
Korea, Democratic People's Republic of	337	United Kingdom	110
Korea, Republic of	333	United States	503
Kuwait	377	Uzbekistan	226
Laos	313	Venezuela	610
Latvia	214	Vietnam	314
Liberia	424	Zimbabwe	483
Libya	403	Other countries/ territories not elsewhere classified	999

EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2018

APPENDIX 1B

LIST OF TYPE CODES

Income Tax Act	Description of Tax Incentive	Type Code
S13(1)(y)	Specified Offshore Syndicated Activities (Asian Currency Unit of a Financial Institution)	101
S13(8)	Exempt Foreign Dividends, Branch Profits and Service Income	117
S13(12)	Overseas Income (Order by Minister)	104
S13A	Exempt Shipping Income (from "Singapore Ship")	105
S13CA	Exemption of Income of Non-resident arising from Funds Managed by Fund Manager in Singapore	113
S13F	Exempt International Shipping Income (from "Foreign Ship")	108
S13H	Exempt Income of Venture Company	110
S13P	Exempt Income from Asset Securitisation Transaction	118
S13Q	Exemption of Certain Income (Holding Company of a Prescribed Locally Administered Trust)	119
S13R	Exempt Income of Approved Company from Funds Managed by Prescribed Fund Manager	120
S13S	Exempt Income of Approved Shipping Investment Enterprise	121
S13U	Exempt Income of Approved Non-Profit Organisation	122
S13V	Exempt Income of Approved Law Practice from International Arbitration Held in Singapore	123
S13W	Exempt Income of Eligible Family-Owned Investment Holding Company	124
S13X	Exempt Income of Approved Persons from Funds Managed by Fund Manager in Singapore	125
S13Y	Exempt Income of Sovereign Fund Entity and Approved Foreign Government-Owned Entity	126
S43B	Non-resident Shipowners/ Charterers/ Air Transport	204
S43C	Approved Insurer or Reinsurer	205
S43G	Approved Finance and Treasury Centre	211
S43J	Approved Trustee Company	214
S43(9)	Specified Income of a Life Insurance Company	217
S43N	Specified Income from Qualifying Debt Securities	219
S43P	Approved Global Trading Company	223
S43Q	Financial Sector Incentive Company	224
S43U	Income of Approved Company from Approved Tourism Event	228
S43W	Approved Shipping Investment Manager	230
S43Y	Approved Aircraft Leasing Company	231
S43Z	Approved Aircraft Investment Manager	232
S43ZA	Approved Container Investment Enterprise	233
S43ZB	Approved Container Investment Manager	234
S43ZC	Approved Insurance Broker	235
S43ZD	Approved Trustee Manager or Fund Management Company	236
S43ZF	Approved Shipping-Related Support Services Company	127
S43ZG	Approved Fund Management Company	128
S43ZH	Approved International Growth Company	129

Economic Expansion Incentives Act		
Part II	Pioneer Enterprise	601
Part III	Pioneer Service Company	602
Part IIIB	Development & Expansion Incentive	627

EXPLANATORY NOTES TO FORM C FOR YEAR OF ASSESSMENT (YA) 2018

ANNEX

COMPUTATION OF TAX PAYABLE

Example on Partial Tax Exemption

	S\$	S\$	S\$	Form C Box No.	References
Adjusted trade profit		520,000			i
Less: Unutilised capital allowances b/f	(1,000)			17 (Normal Rate)	
Current year capital allowances	(8,000)			18 (Normal Rate)	
Unutilised losses b/f	<u>(3,000)</u>			20 (Normal Rate)	
		(12,000)	508,000	1a	
Rental income			<u>50,000</u>	1d	
			558,000	3	
Less: Unutilised donations b/f			<u>(2,000)</u>	22 (Normal Rate)	
			556,000		
Less: Donations			<u>(4,800)</u>		ii
Chargeable income (before exempt amount)			551,200	7 & 9	
Less: Exempt amount			<u>(152,500)</u>		iii
Chargeable income (after exempt amount)			<u><u>398,700</u></u>		
Tax assessed at 17%			67,779.00	13a	
Less: Tax to be remitted			0.00	13b	
Corporate income tax rebate (40% of \$67,779 capped at \$15,000)			<u>(15,000.00)</u>		iv
Tax payable after remission/ rebate			52,779.00	13c	
Less: Tax assessed previously (tax based on Estimated Chargeable Income)			<u>(37,240.00)</u>		
Additional tax payable			<u><u>15,539.00</u></u>		

Example on Tax Exemption Scheme for New Start-up Companies

	S\$	S\$	S\$	Form C Box No.	References
Adjusted trade loss			(10,000)		v
Rental income		150,000		1d	
Less: Unutilised capital allowances b/f	(1,000)			17 (Normal Rate)	
Current year capital allowances	(8,000)			18 (Normal Rate)	
Unutilised losses b/f	<u>(3,000)</u>			20 (Normal Rate)	
		(12,000)	<u>138,000</u>		v
			128,000	3	
Less: Unutilised donations b/f			<u>(2,000)</u>	22 (Normal Rate)	
			126,000		
Less: Donations			<u>(4,800)</u>		ii
Chargeable income (before exempt amount)			121,200	7 & 9	
Less: Exempt amount			<u>(110,600)</u>		vi
Chargeable income (after exempt amount)			<u><u>10,600</u></u>		
Tax assessed at 17%			1,802.00	13a	
Less: Tax to be remitted			0.00	13b	
Corporate income tax rebate (40% of \$1,802, capped at \$15,000)			<u>(720.80)</u>		iv
Tax payable after remission/ rebate			1,081.20	13c	
Less: Tax assessed previously (tax based on Estimated Chargeable Income)			<u>(1,500.00)</u>		
Tax to be discharged			<u><u>(418.80)</u></u>		

References:

- (i) Adjusted trade profit is arrived at after adjustment for non-taxable items, separate source income and disallowable/ restricted expenses, e.g. Donations and PIC Cash Payout.
- (ii) Approved donations made during the financial year = S\$1,920
 Qualifying tax deduction = S\$1,920 x 2.5 = S\$4,800
 The qualifying deduction of S\$4,800 will be automatically included in the company's tax assessment for the YA 2018 based on information from Institutions of a Public Character (IPCs). Companies need not declare the donation amount separately in Form C but need to less out the qualifying tax deduction in Box 7 – Chargeable Income (before Exempt Amount). The "View Donation" e-Service, which is available at *myTax Portal*, allows companies to view the donations made to approved IPCs.
- (iii) Computation of exempt amount:
- | | |
|----------------------------|-----------------------|
| | S\$ |
| 75% on the first S\$10,000 | 7,500 |
| 50% on the next S\$290,000 | <u>145,000</u> |
| Total exempt amount | <u><u>152,500</u></u> |
- (iv) This amount is computed automatically based on 40% of tax payable, capped at S\$15,000. For more details, please refer to the IRAS' website under [Home > Business > Companies > Learning the Basics of Corporate Income Tax > Corporate Tax Rates, Corporate Income Tax Rebates, Tax Exemption Schemes and SME Cash Grant](#).
- (v) In this case, the amount to be entered in Box 1a is S\$22,000 (i.e. S\$10,000 + S\$1,000 + S\$8,000 + S\$3,000)
 Enter an "X" in the box next to Box 1a to indicate that the amount entered is negative (i.e. loss).
- (vi) For qualifying conditions of the Tax Exemption Scheme for New Start-up Companies, refer to **Part IV** of the Explanatory Notes to Form C for YA 2018.
- Computation of exempt amount:
- | | |
|------------------------------|-----------------------|
| | S\$ |
| 100% on the first S\$100,000 | 100,000 |
| 50% on the next S\$21,200 | <u>10,600</u> |
| Total exempt amount | <u><u>110,600</u></u> |