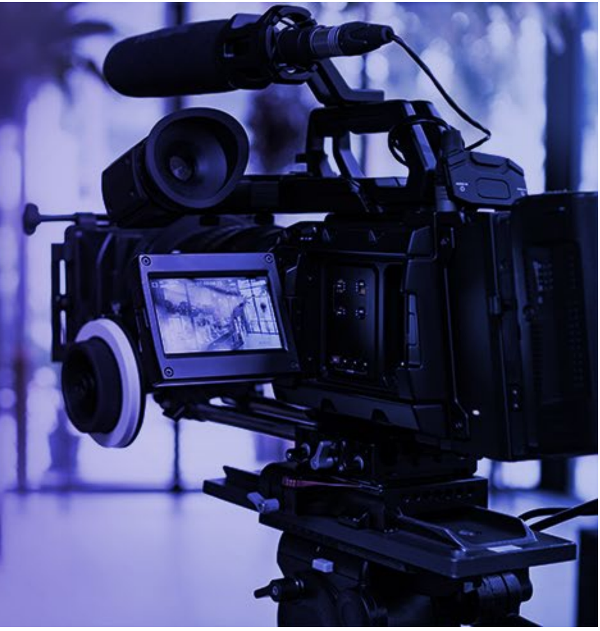

Film Financing and Television Programming

A Taxation Guide

For more than a decade, the KPMG Film Financing and Television Programming Taxation Guide has been recognized as a valued reference tool for industry professionals, filled with information drawn from the knowledge of the KPMG International global network of member firm media and entertainment Tax professionals. The 2022 edition is a fundamental resource for film and television producers, studio and streaming production executives, tax executives, finance executives, and attorneys, involved with the commercial side of production.

Doing business across borders can pose major challenges and may lead to potentially significant tax implications, and a detailed understanding of the full range of potential tax implications can be as essential as the actual financing of a project. The Guide helps industry executives assess the many issues surrounding cross-border business conditions, financing structures, and issues associated with them, including development costs and rules around foreign investment. Recognizing the role that tax credits, subsidies, and other government incentives play in production financing, the Guide includes a robust discussion of relevant tax incentive programs in each country.

Each chapter focuses on a single country and provides a description of commonly used financing structures, as well as their potential commercial and tax implications for the parties involved. Key sections in each chapter include:

Introduction
A thumbnail description of the country's industry contacts, regulatory bodies, and financing developments and trends.

Key Tax Facts
At-a-glance tables of corporate, personal, and value-added (VAT) tax rates; normal nontreaty withholding tax rates; and tax year-end information for companies and individuals.

Financing Structures
Descriptions of commonly used financing structures in production and distribution, and the potential commercial tax implications for the parties involved. This section of each chapter covers rules surrounding co-productions, partnerships, equity tracking shares, sales and leaseback, subsidiaries, and other tax-efficient structures.

Tax and Financial Incentives
Details regarding the tax and financial incentives available from central and local governments as they apply to investors, producers, distributors, and actors, as well as other types of incentives offered.

Singapore

Corporate Tax
Explanations of the corporate tax in the country, including definitions, rates, and how they are applied.

Personal Tax
Personal tax rules from the perspective of investors, producers, distributors, artists, and employees.

Streaming Tax Considerations
Provides a look at the unique tax issues that need to be addressed in this evolving segment of the industry. With considerations such as identifying tax collection and reporting obligations in a variety of jurisdictions, understanding international tax implications is essential for streaming providers.

KPMG and Member Firm Contacts
References to KPMG and other KPMG International member firms' contacts at the end of each chapter are provided as a resource for additional detailed information.

Please note: While every effort has been made to provide up-to-date information, tax laws around the world are constantly changing. Accordingly, the material contained in this publication should be viewed as a general guide only and should not be relied upon without consulting your KPMG or KPMG International member firm Tax advisor.

Production opportunities are not limited to the countries contained in this Guide. KPMG and the other KPMG International member firms are in the business of identifying early-stage emerging trends to assist clients in navigating new business opportunities. We encourage you to consult a KPMG or KPMG International member firm Tax professional to continue the conversation about potential approaches to critical tax and business issues facing the media and entertainment industry.

We look forward to helping you with your film and television production ambitions.

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Singapore

Introduction

The Singapore media industry comprises seven sectors, namely: animation, broadcast, film, games, interactive digital media, music, and publishing. This sector is promoted and regulated by the Infocomm Media Development Authority of Singapore (IMDA)[1]. IMDA aims to build a competitive and sustainable infocomm media industry, developing Singapore as a nucleus for media content, services, and applications while growing the seed of technological innovation and fostering collaboration between local and multinational corporations in the sectors.

IMDA strives to create an environment for Singapore to develop quality content, exploit opportunities in digital media, and move up the value chain. Already, Singapore's broadcast, film, publishing, animation, and interactive media and games have been recognized worldwide for their groundbreaking originality and high quality.

To ensure a globally competitive Singapore media industry, IMDA invests in:

- Enhancing the innovative capacity of the media industry
- Developing competitive media infrastructure
- Nurturing qualified manpower (by supporting training and development)
- Supporting sustainable enterprise development
- Enabling Singapore media to go global (e.g., by attracting international events to Singapore as well as organizing overseas missions).

Key Tax Facts

Corporate income tax rate	17%
Highest personal income tax rate	22% (to be increased to 24% in the Year of Assessment, 2024)
Goods and services tax rate	7% (8% in 2023, and 9% in 2024)
Normal non-treaty withholding tax rates: Dividends	0%
Interest	15%
Royalties	10%
Tax year-end: Companies	Aligned with the financial year
Tax year-end: Individuals	December 31

[1] The Infocomm Media Development Authority of Singapore (IMDA) develops and regulates the converging infocomm and media sectors in a holistic way, creating a dynamic and exciting sector with opportunities for growth through an emphasis on talent, research, innovation, and enterprise.

Film Financing

Financing Structures

Co-Production

Singapore has bilateral co-production agreements and arrangements with China, Canada, Japan, Australia, New Zealand, and Korea. Singapore's co-production agreements with these countries generally provide a formal framework for cooperation on films, television programs, animated productions, video games, and other media projects. Individuals involved in the co-production must be citizens or permanent residents of the relevant countries.

At the industry level, the IMDA actively promotes Singapore-made content at international markets, encourages collaborations with foreign production companies, and cultivates relationships with international broadcasters and distributors. IMDA's support for Singapore media companies to participate in international market events has given them exposure to international producers and opened doors for them to secure new partners. To date, Singapore media companies have co-produced with media companies from Germany, China, New Zealand, Canada, Thailand, Hong Kong, and the Philippines. Co-produced films bring together resources from co-producing countries and help Singapore filmmakers participate in projects of international standing and with potential for global distribution.

In addition, IMDA actively negotiates Memorandums of Understanding with both foreign and local media companies to foster greater international alliances between Singapore media companies and their international counterparts.

Partnership

There are three kinds of partnerships in Singapore: the general partnership, limited liability partnership, and limited partnership.

A general partnership is a legal relationship between two or more persons who carry out a business with the objective of making profit and sharing the profit between/among them. As a partnership is not an entity in law, the partnership does not pay income tax on the income earned by the partnership. Instead, each partner will be taxed on his or its share of the income from the partnership.

A Limited Liability Partnership (LLP) is a business structure that allows businesses to operate and function as a partnership while giving it the status of a separate legal person. LLP will be regarded in law as "bodies corporate" which is formed by being registered under the LLP Act. For income tax purposes, an LLP will be treated as a partnership and not as a separate legal entity. This means that an LLP will not be liable to tax at the entity level. Instead, each partner will be taxed on his or its share of the income from the LLP.

A Limited Partnership (LP) is a business structure that allows businesses to operate and function as a partnership without a separate legal personality from the partners. LP must consist of at least one general partner who has unlimited liability and one limited partner who enjoys limited liability. Similar to an LLP, an LP will not be liable to tax at the entity level. Instead, each partner will be taxed on his or its share of the income from the LP.

In all cases above, where the partner is an individual, his share of the partnership income will be taxed based on his personal income tax rate. Where the partner is a company, its share of the partnership income will be taxed at the corporate income tax rate.

Tax and Financial Incentives

Government Funding Schemes

Through the Singapore Film Commission (SFC)[2], IMDA supports and promotes Singapore talent in filmmaking and the production of films. Besides funding projects through grant schemes, the SFC works with various partners to develop capability development programs, as well as initiatives for the appreciation of Singapore films.

The schemes – Talent Progression Programme: Content Development and Overseas Development – support the different stages of a project across all media sectors. For each stage of the project, from idea development to content production to gaining access to international markets and upskilling talent as well as enhancing productivity, there is a scheme that will help media companies achieve their objectives.

These schemes are available to Singapore citizens and permanent residents and/or Singapore-registered media companies. Through these grant schemes, these media companies and individuals are encouraged to create engaging and desirable content and to develop and own their intellectual property, so as to move the sector up the value chain. These schemes also aim to boost the media sector productivity and nurture talents and contribute towards the cultivation of a vibrant and self-sustaining media ecosystem.

Talent Progression Programme: Content Development

The Talent Progression Programme: Content Development grant supports the production of long-form and short-form content projects that provide quality roles for local media professionals in order to build up their portfolio and experience. IMDA/SFC will support up to $600,000 or 100% of the project's production budget (whichever is lower) according to each category of content projects. At least 50% of the grant must be expended in Singapore or on Singaporeans (regardless of residence/location) or permanent residents (based in Singapore).

This scheme encourages first- and second-time directors to launch their careers in feature filmmaking, by helping them market films for different platforms such as cinemas, film festivals, or broadcast. On top of that, it builds and nurtures film talents in Singapore through joint Asian production and content projects.

Talent Progression Programme: Overseas Development

Under this scheme, IMDA will support up to 100% of qualifying cost items or up to $10,000 per application for media professionals who have been selected and invited to participate in renowned international programs such as project lab[3] and platforms or awards/ competitions that are designed to develop their skills and projects and build up their international connections and perspectives. The grant goes towards subsidizing travelling cost for participation in the project development platform while for project labs, the grant will defray the cost of fees, travel, and accommodations.

Other Financing Considerations

Exchange Controls and Regulatory Rules

There are no restrictions on inward or outward remittances, whether capital or revenue.

Corporate Taxation

Recognition of Income

Singapore has a territorial basis of taxation where only income accruing in or derived from Singapore is subject to corporate income tax unless specifically exempt from tax. Income sourced outside Singapore is

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[2] The Singapore Film Commission (SFC) is a division under the IMDA that facilitates and assists film development for Singapore. Its key areas of focus are funding, facilitation, and promotion.
[3] A project lab is typically defined as a program or course specifically created to further the development of an individual's skill set or project in areas such as directing, producing, and scriptwriting.

not subject to tax in Singapore unless the income is received in Singapore and not exempt from tax. In this regard, foreign-sourced income in the form of foreign dividends, branch profits, and certain service income received in Singapore on or after 1 June 2003 are exempt from Singapore income tax under certain conditions.

The corporate income tax rate in Singapore is 17%[4].

The effective tax rate is lower, as a partial tax exemption is granted to companies. With effect from the year of assessment, 2020 (i.e., financial year ending 2019), partial tax exemption will be granted on the first $200,000 of chargeable income, where effectively the first $102,500 will be exempt from tax.

On the other hand, where certain conditions are met, newly incorporated companies may benefit from a partial tax exemption of 75% for the first $100,000 of chargeable income and 50% on the next $100,000.

Amortization of Expenditure

Deductions

Generally, expenses incurred in the production of income subject to Singapore income tax are allowed in arriving at the taxable income. Such allowable expenses include:

- Interest and qualifying borrowing costs on loans employed in acquiring income
- Rent payable in respect of any land or building or part thereof occupied for the purpose of acquiring the income
- Expenses for repairs of premises, plant, machinery, or fixtures or for the renewal, repair, or alteration of implements, utensils, or articles employed in acquiring the income
- Compulsory contributions made by employers to an approved pension or provident fund or society for employees
- A reasonable share of head-office or regional-office expenses incurred overseas
- Research and development (R&D) expenditure incurred for any trade or business.

For qualifying R&D expenditure incurred on R&D undertaken in Singapore, there is a 250% tax deduction for the years of assessment 2019 to 2025 for certain eligible expenditure.

Expenses that are not incurred wholly and exclusively in the production of income, including expenses that are domestic, private, and capital in nature, are not deductible for tax purposes.

Tax Depreciation/Capital Allowances

Tax depreciation (commonly referred to as capital allowances) is granted only in respect of capital expenditure incurred on the provision of plant and machinery used in a trade, business, or profession (except where the expenditure is for the provision of plant and machinery for any R&D undertaken in Singapore, the plant and machinery need not be in use for the current trade). Plant and machinery is classified into working lives of 5, 6, 8, 10, 12, or 16 years for capital allowances purposes. As an alternative to claiming capital allowances over the prescribed working life, accelerated allowances can be claimed over three years for all plant and machinery. For the 2021 and 2022 years of assessment, accelerated capital allowance claims may be made over two years, with 75% of the cost written off in the first year of assessment, and the remaining 25% in the following year, with no deferment of claims. Some assets, such as computers and prescribed automation equipment (e.g., data processing equipment, data communications equipment, etc.), can be written off in one year.

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[4] The rate of 17% may be reduced under tax incentives granted under the Income Tax Act (Chapter 134, 2008 Revised Edition) or Economic Expansion Incentives (Relief from Income Tax) Act (Chapter 86, 2005 Revised Edition). Tax incentive schemes offer concessionary rates ranging from zero to 15%.

Amortization

Expenditures that are capital in nature are not deductible for Singapore income tax purposes. Such expenditures, whether expensed in full or amortized over a period in the accounts, are added back in the income tax computation. However, capital expenditure incurred before the last day of the basis period for the year of assessment 2025 to acquire Intellectual Property Rights (IPRs) for use in a company's trade or business may qualify for writing-down allowances. Companies can make an irrevocable election to claim writing-down allowances on the IPRs on a straight-line basis over 5, 10, or 15 years. This includes acquisition of IPRs relating to films. To qualify, the legal and economic ownership of the IPRs must be with the Singapore company. An application can be made to the Economic Development Board (EDB) to waive the legal ownership requirement.

Withholding Tax

Singapore withholding tax is applicable on certain payments made to nonresidents of Singapore. The rate of withholding tax may be reduced in accordance with the provisions of the respective tax treaties.

Royalties

The term "royalties" as used in tax treaties generally includes payments of any kind received as consideration for the use of, or the right to use, any copyright, patent, trademark, design, model, plan, secret formula, or process or for the use of, or the right to use, industrial, commercial, or scientific experience. Some tax treaties extend such payments to the use of, or the right to use, any copyright of literary, artistic, or scientific work including cinematography films while other tax treaties specifically exclude these. The royalties arising in Singapore may be exempt from Singapore income tax or may be taxable at reduced rates, but reference should be made to the respective tax treaties.

Foreign Tax Relief

Foreign income earned by a Singapore company may be subject to taxation twice – once in the foreign jurisdiction, and a second time when the foreign income is remitted into Singapore. To help mitigate double taxation, foreign tax relief is granted to Singapore resident companies[5] by allowing them to claim a credit for the tax paid in the foreign jurisdiction against the Singapore tax that is payable on the same income. The types of foreign tax relief available are:

- Double taxation relief, which is the credit relief given on foreign income derived from a foreign jurisdiction with which Singapore has concluded an Avoidance of Double Taxation Agreement (tax treaty)
- Unilateral tax credit, which is given on foreign income derived from a foreign jurisdiction with which Singapore does not have a tax treaty concluded, or where the foreign income is not covered in a limited tax treaty concluded between the foreign jurisdiction and Singapore.

Regardless of the type of foreign tax relief (be it double taxation relief or unilateral tax credit) claimed on any source of foreign income from any foreign jurisdiction, the amount of relief to be granted is restricted to the lower of the Singapore tax payable on net income (computed on a "source-by-source and country-by-country basis"), and the actual foreign tax suffered.

Singapore resident companies may elect to pool the foreign taxes paid (including any underlying tax, where applicable) on any items of their foreign income, if certain conditions are satisfied. The amount of the foreign tax relief to be granted is based on the lower of the total Singapore tax payable on those foreign income and the pooled foreign taxes paid on those income.

[5] A company is a tax resident of Singapore if the control and management of its business is exercised in Singapore.

Indirect Taxation

Goods and Services Tax (GST)

Singapore GST is a broad-based consumption tax that was implemented on April 1, 1994. Singapore operates a dual-rate GST system (i.e., standard rate and zero-rate) with few exemptions. Supplies of goods and services made in Singapore by taxable persons (i.e., persons who are GST-registered or liable to be GST-registered), and imports of goods into Singapore are subject to GST at the prevailing standard rate of 7%.[6] A supply of goods is regarded as made in Singapore if the goods are physically located in Singapore at the time of supply. Otherwise, the supply is not within the scope of Singapore GST and regarded as an out-of-scope supply for GST purposes. A supply of services is regarded as made in Singapore if the supplier belongs[7] in Singapore. Effective from January 1, 2020, the following regimes have been implemented to tax certain imported services:

- the Reverse Charge (RC) mechanism applies to certain B2B imported services (where the service recipient, who carries on a business is not able to claim input tax credits in full); and
- the Overseas Vendor Registration (OVR) regime applies to overseas businesses involved in B2C digital services to individuals and non-GST-registered businesses belonging in Singapore.[8]

Effective January 1, 2023, the OVR regime will be extended to B2C supplies of imported nondigital services[9] and low-value goods.[10]

Export of goods from Singapore and provision of international services as listed under section 21(3) of the GST Act are zero-rated (i.e., 0%). Sale and lease of residential properties, certain financial services (including life insurance and reinsurance), the supply of digital payment tokens (with effect from January 1, 2020), and the supply of qualifying investment precious metals are GST exempt.

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[6] The Goods and Services Tax rate was increased to 7%, effective from July 1, 2007. GST rate will be increased from 7% to 8% in 2023, and from 8 to 9% in 2024.

[7] A supplier would be regarded as belonging in Singapore if the supplier has:

(a) A business establishment (e.g., a branch and agency) or some other fixed establishment in Singapore and no such establishment elsewhere
(b) No such establishment in any country, but the supplier's usual place of residence (i.e., the place of incorporation or legal constitution) is in Singapore
(c) Such establishments both in Singapore and elsewhere, but the establishment which is most directly concerned with the supply is in Singapore.

[8] Before January 1, 2022, the scope of digital services excludes advertising services on intangible media platform substantially circulated outside Singapore.

[9] Low-value goods are defined as goods which at the point of sale:
(i) are not dutiable goods, or are dutiable goods, but payment of the customs duty or excise duty chargeable on the goods is waived under section 11 of the Customs Act
(ii) are not exempt from GST
(iii) are located outside Singapore and are to be delivered to Singapore via air or post; and
(iv) have a value not exceeding the import relief threshold of $400.

[10] A nonindividual recipient of services would be regarded as belonging in Singapore if it has:

(a) A business establishment (e.g., a branch and agency) or some other fixed establishment in Singapore and no such establishment elsewhere
(b) No such establishment in any country, but its usual place of residence (i.e., the place of incorporation or legal constitution) is in Singapore
(c) Such establishments both in Singapore and elsewhere, but the establishment at which, or for the purposes of which, the services are most directly used or to be used is in Singapore.

The sub-sections of section 21(3) of the GST Act that may be applicable to the film industry for zero-rating are as follows:

Section 21(3)(j) –	Services supplied under a contract with a person who belongs outside Singapore and which directly benefit a person who belongs outside Singapore and who is outside Singapore at the time the services are performed, not being services which are supplied directly in connection with land/land improvements in Singapore or goods situated in Singapore at the time the services are performed, other than goods for export. Since January 1, 2020, it also allows the zero-rating of a supply of services to the extent that the services directly benefit a GST-registered person who belongs in Singapore. Prior to January 1, 2022, this subsection did not include any services comprising: (a) The supply of a right to promulgate an advertisement by means of any medium of communication; and/or (b) The promulgation of an advertisement by means of any medium of communication. Effective January 1, 2022, this subsection is applicable to the supply of services mentioned in (a)&(b) above.
Section 21(3)(u) – (applicable prior to 1 January 2022)	Services comprising of: (i) The supply of a right to promulgate an advertisement by means of any medium of communication; and/or (ii) The promulgation of an advertisement by means of any medium of communication, where the Comptroller of GST is satisfied that the advertisement is intended to be substantially promulgated outside Singapore. This sub-section does not include any services comprising only the promulgation of an advertisement by means of the transmission, emission, or reception of signs, signals, writing, images, sounds, or intelligence by any nature of wire, radio, optical or other electromagnetic systems whether or not such signs, signals, writing, images, sounds, or intelligence have been subjected to rearrangement, computation, or other processes by any means in the course of their transmission, emission, or reception.

Generally, a person (including a corporation) who makes taxable supplies is liable to be registered for GST in Singapore if the value of taxable supplies has exceeded $1 million in the current and preceding three quarters (i.e., a total of past 12 months) (or last calendar year effective January 1, 2019) or is expected to exceed $1 million in the 12 months then beginning.

Further, a non-GST registered person would be liable for GST registration by virtue of the RC rules when its value of imported services which fall within the scope of RC has exceed $1 million in the last calendar year or in the next 12-month period (under either the retrospective or prospective basis), and it would not be entitled to full input tax credit if GST-registered.

Under the OVR regime, any supplier belonging outside Singapore that has a global turnover exceeding $1 million and makes B2C supplies of digital services[11] to customers in Singapore exceeding $100,000 is required to register (retrospectively – last calendar year and prospectively – any 12-month period in the future) the charge and account for GST.

Supplies made by GST-registered film producers and distributors in Singapore would be taxable at the prevailing standard rate unless they qualify for zero-rating. Input GST incurred on purchases by GST-registered film producers and distributors in the course or furtherance of their businesses of making taxable supplies or out-of-scope supplies which would be taxable if made in Singapore, can be credited against their output GST when they lodge their GST returns, except for input GST on purchases that are specifically disallowed under the GST legislation.

Supply of a Completed Film

The IRAS has not issued any guidelines on whether the supply of a completed film would be regarded as a supply of goods or a supply of services. Arguably, this is more likely to be a supply of services, as the supply of a completed film essentially is a sale of the rights to the film. The fact that the film may be contained in a carrying media (e.g., disc or tape) should not affect the GST classification of the supply.

If the supply of a completed film is a supply of services, the supplier belonging in Singapore must charge GST at the prevailing standard rate on its supply of a completed film to another person belonging in Singapore. The supply of a completed film to a person belonging outside Singapore may qualify for zero-rating under section 21(3)(j).

Presale of Distribution Rights

A taxable supplier belonging in Singapore is required to charge GST at the prevailing standard rate on presale of distribution rights to another person belonging in Singapore. Presale of distribution rights to a person belonging outside Singapore may qualify for zero-rating under section 21(3)(j).

Royalties

GST at the prevailing standard rate is chargeable on the payment of royalty by a person belonging in Singapore to another taxable person belonging in Singapore.

The payment of royalty by a person belonging outside Singapore to a taxable person belonging in Singapore may qualify for zero-rating under section 21(3)(j).

Media Sales

Prior to January 1, 2022:

Media sales where circulation is wholly, or substantially outside Singapore can be zero-rated under section 21(3)(u) of the GST Act. Media sales refer to:

- The sale of advertising space for hardcopy print and outdoor advertisements
- The sale of advertising airtime for broadcasting; and/or
- The sale of media space for Web advertising in other digital media.

Effective January 1, 2022:

Media sales can be zero-rated under section 21(3)(j) of the GST Act.

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[11] The scope of B2C services will be extended to non-digital services with effect January 1, 2023.

Imports of In-scope Services

Under the RC regime, when a business, which belongs in Singapore, receives imported services (e.g., media sales, royalties, distribution rights), the GST-registered recipient, which is an RC business,[12] is required to account for GST on the value of his imported services as if he were the supplier, to the extent the imported services fall within the scope of RC and the imported services are not directly attributable to the making of taxable supplies. If he is not registered for GST, he should consider his liability to register for GST under the RC regime.

Effective January 1, 2022, an RC business who procures media sales from overseas suppliers would be required to consider the application of RC and account for GST on the value of its imported services, regardless of the place of circulation of advertisements,[13] to the extent the imported services are not directly attributable to the making of taxable supplies.

Peripheral Goods and Merchandising

Local sale of peripheral goods and merchandising (such as books, magazines, clothes, and toys) relating to the distribution of a film is standard-rated. Exports of peripheral goods and merchandising can be zero-rated provided that the supplier maintains the requisite export documents.

Promotional Goods or Services

Local sale of promotional goods is standard rated while exports can be zero-rated where the supplier maintains the requisite export documents.

Generally, where promotional goods are given away without any consideration, deemed output tax needs to be accounted for if the gift costs more than S$200 and if the taxable person making the gift had claimed input tax credit on the purchase of the gift.

Promotional services supplied by a taxable person belonging in Singapore are standard rated if the supply is made to a customer belonging in Singapore. Promotional services supplied by a taxable person belonging in Singapore to a person belonging outside Singapore may qualify for zero-rating under section 21(3)(j).

Imports of Goods

GST is chargeable at the prevailing standard rate on the importation of goods (excepting the importation of investment precious metals which are exempt) into Singapore regardless of whether the importer is a taxable or nontaxable person. The import GST is collected by Singapore Customs from the importer at the point of importation. The burden of the payment of import GST falls on the importer and not the exporter from the country of origin or export.

Import GST is levied on the aggregate value of CIF (Cost, Insurance, and Freight), customs duties payable (if any), commission, and other incidental charges. The import value, if shown in foreign currency, should be converted to Singapore dollars by using the prevailing Customs exchange rate. Importers should also note that for the import of film, GST is chargeable on both the value of imported content and the value of the carrying media.

Import GST is not payable if the goods are granted imports relief. Notably, under numbers 22 and 27 of the GST (Imports Relief) Order, import relief is granted to the temporary import of professional equipment and stage effects, equipment, paraphernalia, and live animals required for performances.[14]

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[12] RC business refers to a person who is subject to reverse charge when he: (a) is not entitled to full input tax credit or (b) belongs to a GST group that is not entitled to full input tax credit.

[13] Before January 1, 2022, the supply of media sales by an overseas supplier to a GST-registered person falls outside the scope of RC if the place of circulation of the advertisements is substantially outside Singapore.

[14] Conditions for the import relief apply.

Non–GST-Registered Producer

Non-GST-registered film producers and distributors need not collect GST for the supplies made in Singapore, but they are unable to recover their input GST incurred in Singapore and on imports into Singapore.

Customs Duties

Goods imported into Singapore are not subject to customs duties except for the following four groups of dutiable goods: petroleum products, intoxicating liquor, tobacco products, and motor vehicles.

Personal Taxation

General Taxation Rules

In general, only income accruing in or derived from Singapore (i.e., Singapore-sourced income) is subject to tax in Singapore unless specifically exempt from tax. A resident individual is exempt from tax on foreign-sourced income received in or remitted to Singapore, unless received through a Singapore partnership. A resident individual is a person who normally resides in Singapore and includes a person who is physically present in Singapore or who exercises employment (other than as a director of a company) in Singapore for at least 183 days in any calendar year.

Resident individuals are assessed tax on their income, after deduction of personal tax relief, at graduated rates that range from zero to 22%.[15] Resident individuals are also entitled to benefits conferred under the Avoidance of Double Taxation Agreements that Singapore has concluded with treaty countries.

Nonresident individuals are not entitled to personal tax reliefs and treaty benefits. They are generally subject to tax at:

- A flat rate of 15% or at resident rates, whichever gives rise to higher tax, on employment income in respect of employment exercised in Singapore (other than as a director or public entertainer) for less than 183 days in a calendar year
- A flat withholding rate of 15% on gross income (or 22% on net income if option is exercised) from services performed in Singapore arising from profession or vocation (other than as a public entertainer)
- A flat withholding rate of 10% (from February 22, 2010 to March 31, 2022) will be increased to 15% (effective April 1, 2022) on gross income from services performed in Singapore as a public entertainer
- A flat withholding rate of 22% (unless specifically exempt or subject to a reduced tax rate) on other Singapore-sourced income (including directors' remuneration).

Public Entertainers

A public entertainer refers to a stage, radio, or television artiste, a musician, an athlete, or an individual exercising any profession, vocation, or employment of a similar nature. A public entertainer would however exclude administrative or support staff (e.g., directors in the entertainment scene, choreographers, technical staff, crew, horse trainers, coaches, personal trainers, etc.).

Public entertainers are assessed to tax on income derived from the exercise of their profession, vocation, or employment in Singapore. Taxable income subject to tax would include professional fees, allowances, and benefits-in-kind (e.g., prize monies, per diem, food, tax borne by the payer, etc.). As a concession, accommodation provided for 60 days or less in a calendar year and the cost of airfare borne by the local payer are not considered taxable income. Expenses, which are wholly and exclusively incurred by the public entertainer in the production of income, are tax-deductible.

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[15] The highest marginal tax rate will be increased to 24% from the Year of Assessment, 2024.

Nonresident public entertainers are subject to a reduced withholding tax of 10% on his/her gross income (for income due and payable on or before March 31, 2022) from services performed in Singapore. The concessionary tax rate of 10% will lapse after March 31, 2022 and the withholding tax of 15% will apply on gross income from services performed in Singapore effective April 1, 2022. The tax exemption for nonresident individuals exercising short-term employment of 60 days or less in a calendar year does not apply.

The income of a nonresident public entertainer is exempt from tax in Singapore if his/her visit is substantially funded (i.e., more than 50%) by the government of his/her home country.

Resident public entertainers are assessed tax on their income, after deduction of personal tax relief, at graduated rates. If tax has been withheld previously at non-resident rates, it is possible to make an application to the IRAS to set off against tax computed at resident rates and any excess tax paid will be refunded.

Nonpublic Entertainers (i.e., administrative and support staff)

Nonpublic entertainers (i.e., administrative and support staff) are also assessed tax on income derived from the exercise of their profession, vocation, or employment in Singapore. If they are resident individuals, they are generally subject to tax on their income, after deduction of personal tax relief, at graduated rates. If they are nonresident employees, they are subject to tax on employment income at 15% or resident rates, whichever gives rise to higher tax. Income attributable to the exercise of employment for not more than 60 days by a short-term visiting employee is exempt from tax.

For nonpublic entertainers who are exercising profession or vocation (i.e., nonemployees) in Singapore for less than 183 days in a calendar year, they are subject to withholding tax at 15% of their gross income (inclusive of expenses borne by the local payer). They are, however, allowed to exercise an irrevocable option to be taxed at 22% of their net income (i.e., gross income minus deductible expenses). Under this option, if their stay in Singapore is 60 days or less in a calendar year, the cost of airfare and accommodation borne by the local payer is not taxable as a concession.

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