



The Legal 500 Country Comparative Guides

Singapore PRIVATE CLIENT

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This country-specific Q&A provides an overview of private client laws and regulations applicable in Singapore.

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SINGAPORE PRIVATE CLIENT



1. Which factors bring an individual within the scope of tax on income and capital gains?

Singapore has a relatively straightforward tax regime.

Income Tax

In Singapore, income tax is chargeable on income accrued in or derived from Singapore, or received in Singapore from outside Singapore. Individuals (whether tax resident or non-tax resident) are generally exempt from tax on income arising from sources outside Singapore and received in Singapore. Individuals may also claim tax deductions on certain allowable expenses. In addition, tax residents may claim personal reliefs.

An individual is a tax resident for a particular Year of Assessment if, in the year preceding the year of assessment:

1. The individual resides in Singapore except for temporary absences; or
2. The individual is physically present or exercises an employment (other than as a director of a company) in Singapore for at least 183 days or more.

In addition, the following administrative concessions are available for foreign individuals:

1. The 2-year administrative concession: An individual who is physically present in Singapore for a continuous period of at least 183 days in two consecutive calendar years can be treated as tax resident for both years. This administrative concession does not apply to directors, public entertainers and professionals.
2. The 3-year administrative concession: An individual who is present in Singapore for a continuous period of 3 consecutive years will be considered tax resident for all 3 years even if his/her physical presence in the first and/or third year is for fewer than 183 days.

For completeness, factors such as domicile and habitual residence are less relevant to determining liability to taxation, save to the extent that only Singapore tax residents would be entitled to relief from double taxation under Singapore's double tax treaties with other jurisdictions.

Tax on capital gains

There is no capital gains tax in Singapore.

2. What are the taxes and rates of tax to which an individual is subject in respect of income and capital gains and, in relation to those taxes, when does the tax year start and end, and when must tax returns be submitted and tax paid?

Singapore has a preceding year basis of taxation. For instance, income earned in calendar year 2023 is taxed in the year of assessment 2024. Income tax rates depend on an individual's tax residency status.

Tax residents

With effect from year of assessment 2024, a tax resident is taxed at progressive tax rates ranging from 0% to 24%. The highest tax bracket of 24% applies to chargeable income in excess of SGD1 million.

Non-tax residents

The employment income of non-tax residents who are employees is taxed at the flat rate of 15% or the progressive resident tax rates, whichever is the higher tax amount. For all other income including rental income from properties, pension and director's fees, except employment income and certain income taxable at reduced withholding rates, the tax rate with effect from year of assessment 2024 is 24%.

3. Are withholding taxes relevant to

individuals and, if so, how, in what circumstances and at what rates do they apply?

Interest, commission, fee or other payment in connection with any loan or indebtedness paid to a non-resident individual are subject to withholding tax at 24% from year of assessment 2024. However, a reduced final withholding tax rate of 15% will apply if the income is not derived by the non-resident individual from any trade, business, profession or vocation carried on or exercised by the non-resident individual in Singapore.

Similarly, royalty or other lump sum payments for the use of movable properties paid to a non-resident individual are subject to withholding tax at 24% from year of assessment 2024. This rate can be reduced to a final withholding tax rate of 10% if the income is not derived by the non-resident individual from any trade, business, profession or vocation carried on or exercised by the non-resident individual in Singapore.

Remuneration (including director's fees) received by non-resident directors are subject to a withholding tax rate of 24% from year of assessment 2024.

The above withholding tax rates may be further reduced by applicable tax treaties.

4. How does the jurisdiction approach the elimination of double taxation for individuals who would otherwise be taxed in the jurisdiction and in another jurisdiction?

Jurisdictions enter into double tax agreements (DTAs) to mitigate the effects of double taxation by allocating taxing rights between two contracting states. In order to enjoy the benefits of the DTA, the taxpayer must be a tax resident of the contracting state of the DTA. To date, Singapore has signed DTAs with around 100 jurisdictions. Singapore's DTAs are largely based on the OECD Model Tax Convention.

Under Singapore's DTAs, Singapore is typically obliged to relieve double taxation by providing tax credits for foreign tax paid by taxpayers in the other DTA jurisdiction in accordance with the provisions of the relevant DTA.

5. Is there a wealth tax and, if so, which factors bring an individual within the scope of that tax, at what rate or rates is it

charged, and when must tax returns be submitted and tax paid?

There is no wealth tax in Singapore.

6. Is tax charged on death or on gifts by individuals and, if so, which factors cause the tax to apply, when must a tax return be submitted, and at what rate, by whom and when must the tax be paid?

There are no estate or gift taxes in Singapore.

7. Are tax reliefs available on gifts (either during the donor's lifetime or on death) to a spouse, civil partner, or to any other relation, or of particular kinds of assets (eg business or agricultural assets), and how do any such reliefs apply?

See answer to question 6 above; there is no gift tax in Singapore.

8. Do the tax laws encourage gifts (either during the donor's lifetime or on death) to a charity, public foundation or similar entity, and how do the relevant tax rules apply?

To encourage charitable giving in Singapore, donations made in cash or in-kind that fall within one of the approved schemes are tax deductible if made to eligible recipients. A donation is generally an unconditional and voluntary gift to the recipient without expectation of any benefit in return. The tax deduction rate for qualifying deductions is 250% of the value of cash or in-kind donated until 31 December 2026.

For instance, the following donations are tax deductible:

1. Cash donations made to an approved Institution of a Public Character (IPC), a registered grant-making philanthropic organisation, or the Singapore Government;
2. Donations of public shares listed on the Singapore Exchange or of units in unit trusts traded in Singapore to approved IPCs;
3. Donations to approved museums of an artefact or work of art that has been deemed worthy of collection by the National Heritage Board (NHB);
4. Donations of sculptures or works of art for

public display to the NHB or any of its approved recipients;

5. Donations of land or buildings to approved IPCs;
6. Donations made to name IPCs, IPC facilities, events or programmes; name facilities of approved beneficiaries (including artefacts and public sculptures) under any of the other approved donation programmes; and any of the approved donation programmes where the IPC or approved beneficiary acknowledges the donation by including the donor's name or logo in the IPC's collaterals (eg, banners, publications, advertisements).

Donations of immovable properties and shares to approved IPCs are also exempted from stamp duties. As there are no estate taxes in Singapore, there are no specific tax laws to encourage gifts upon the death of a taxpayer.

9. How is real property situated in the jurisdiction taxed, in particular where it is owned by an individual who has no connection with the jurisdiction other than ownership of property there?

Property tax is payable in respect of ownership of Singapore immovable properties. Property tax is assessed based on the Annual Value of the property (being the estimated gross annual rent of the property if it were to be rented out as determined by the Inland Revenue Authority of Singapore), multiplied by the applicable tax rates. The applicable property tax rates are dependent on whether the property is owner-occupied or if it is owned for non-residential or commercial purposes. Rental received from the renting out of properties is taxed as income.

10. Does your jurisdiction have any specific rules in relation to the taxation of digital assets?

As a general principle, digital assets will be taxed under the existing tax framework based on the specific characteristics of the digital asset. For example, the returns from a digital token that is essentially a tokenised form of traditional shares will be regarded as dividend income and taxed as such.

IRAS has issued "*e-Tax Guide - Income Tax Treatment of Digital Tokens*" to provide guidance on the taxation of digital tokens (ie, any cryptographically-secured digital representation of value that can be transferred, stored

or traded electronically).

According to the e-Tax Guide, there are generally three types of digital tokens:

1. Payment token – synonymous with cryptocurrencies and has no further function apart from being used as a mode of payment;
2. Utility token – gives the token holder a specified or implied right to use or benefit from services in exchange for that token; and
3. Security token – gives the token holder a fractional ownership or rights to an underlying asset and usually comes with a specified or implied degree of control or economic entitlement.

IRAS considers a payment token to be an intangible property, because it usually represents a set of rights and obligations and does not have a physical form. Therefore, transactions involving the use of payment tokens as payment for goods or services are treated as barter trade and the value of goods or services transferred should be determined at the point of transaction.

Utility tokens manifest in different forms, such as a voucher to entitle the token holder to future services from the issuing company or a key to entitle the token holder to access the issuing company's platform. When a utility token is purchased, the amount incurred by the purchaser will be treated as a prepayment. Subject to tax deduction rules, a deduction will be allowed on the amount incurred at the point the token is used to exchange for the goods or service.

Security tokens are commonly accounted for as a form of debt or equity or other securities. The rights and obligations tied to the token determine the nature of a security token, which will, in turn, determine the nature of the returns derived by the security token holder from the security token, which could be interests, dividends or other distributions, and be taxed on the security token holder accordingly. Where the security token is disposed of by the holder, tax treatment of the gain / loss on disposal will depend on whether the security token is a capital or revenue asset to the token holder, and accordingly, whether the gain / loss is capital or revenue in nature.

11. Are taxes other than those described above imposed on individuals and, if so, how do they apply?

Goods and services tax apply to the supply of goods and services in Singapore, unless zero-rated or specifically

exempt. The rate of GST from 1 January 2024 is 9%.

Customs and excise duties also apply, but only to dutiable goods such as intoxicating liquors, tobacco products, motor vehicles, as well as petroleum products and biodiesel blends.

In addition, stamp duty is payable on the execution of documents in relation to the following:

1. Stamp duty is levied on the transfer of shares in a company incorporated in Singapore or in a foreign company with a share register in Singapore. The rate of stamp duty is 0.2% of the consideration or the market value of the shares (whichever is higher). Additional conveyance duties of up to 71% will apply to the transfer of shares in certain property holding entities. These duties are typically borne by the buyer.
2. Stamp duty is also levied on transfers of immovable property/land in Singapore. Buyer's stamp duty is progressive and capped at either 5% (for non-residential property/land) or 6% (for residential property/land) of the consideration or market value of the property (whichever is higher). In addition, additional buyer's stamp duty at a rate of up to 65% will also apply to the purchase of residential property/land depending on the profile of the buyer. These duties are typically borne by the buyer.
3. Seller's stamp duty may also be applicable for certain disposals of immovable property/land. Additional conveyance duties may also be applicable for certain disposals of shares in property holding entities. These duties are typically borne by the seller.

12. Is there an advantageous tax regime for individuals who have recently arrived in or are only partially connected with the jurisdiction?

There are no specific tax regimes for individuals who have recently arrived in or are only partially connected with Singapore.

That said, a foreign individual may consider the use of various structures and the associated income tax incentive schemes to structure and manage the impact of income taxation in Singapore. These include the schemes under Section 13F of the Income Tax Act for foreign trusts, Section 13N of the Income Tax Act for locally administered trusts and Sections 13O and 13U of the Income Tax Act for funds which are managed in

Singapore. These tax incentives are often utilised in the wealth and succession planning for high-net-worth individuals.

Singapore has signed DTAs with around 100 other jurisdictions, which reduces the tax burden on many types of cross jurisdictional transactions and entities.

13. What steps might an individual be advised to consider before establishing residence in (or becoming otherwise connected for tax purposes with) the jurisdiction?

See question 12 above.

14. What are the main rules of succession, and what are the scope and effect of any rules of forced heirship?

There is no restriction on the manner by which non-Muslims in Singapore may choose to provide for their succession. The rule as to testamentary freedom for non-Muslims is subject to the provisions of the Inheritance (Family Provision) Act 1966 which allows the court to provide reasonable maintenance to the deceased's dependant out of the deceased's net estate. 'Dependant' is defined as a spouse, a child (of any gender or age) who is by reason of physical or mental incapacity incapable of maintaining himself or herself, an infant son or an unmarried daughter.

Funds held through a deceased's Central Provident Fund account (applicable to Singapore citizens and permanent residents) cannot be disposed of via a will, but only through the appropriate instrument of nomination.

Forced heirship rules apply to Muslim persons who are domiciled in Singapore at the time of their death. The estate for such persons must be distributed in accordance with Islamic inheritance laws, or faraid laws, which generally set out fixed rules, based on the relations who survive the deceased Muslim, the relatives who should inherit and the proportion of their inheritance.

Generally, a Muslim domiciled in Singapore can only give away up to one third of his estate by his will, and only to persons who are not related to him by blood. This is so unless all his eligible faraid beneficiaries consent to the Muslim dealing with more than one third of his estate in his will. This exception was endorsed in Singapore, in the case of *Mohamed Ismail bin Ibrahim v Mohammad Taha bin Ibrahim* [2004] 4 SLR(R) 756.

From a succession planning perspective, it is useful to know that the Singapore Court of Appeal in *Shafeeg bin Salim Talib v Fatimah bte Abud bin Talib* [2010] 2 SLR 1123 has held that the right of survivorship applies to assets that are held by a deceased Muslim in joint names with another party. Upon the death of the Muslim, the surviving joint owner would take legal and beneficial ownership of the whole of the jointly held property and the jointly held property will not be distributed as part of the deceased Muslim's estate. The Court of Appeal further opined that if the settlement of a Muslim's assets into a trust were completed during the deceased's lifetime, such assets will be treated as trust assets and not part of the estate and effects of the Muslim that would be subject to Islamic inheritance laws.

15. Is there a special regime for matrimonial property or the property of a civil partnership, and how does that regime affect succession?

Singapore adopts a deferred community approach where the matrimonial assets may only be divided once the marriage has been legally terminated (see: section 112 of the Women's Charter 1961 and *BPC v BPB* [2019] 1 SLR 608).

Matrimonial assets are defined under section 112(10) of the Women's Charter 1961 as: (a) any asset acquired before marriage by either or both parties to the marriage which are ordinarily used or enjoyed by the family or which have been substantially improved during the marriage; and (b) any asset acquired during the marriage. Matrimonial assets exclude gifts and inheritance unless this is the matrimonial home or an asset which has been substantially improved during the marriage by the other party. Gifts between spouses are, however, considered as matrimonial assets.

Civil partnerships/same-sex marriages are neither permitted nor recognised in Singapore (see: section 12 of the Women's Charter 1961).

16. What factors cause the succession law of the jurisdiction to apply on the death of an individual?

Issues of succession are governed by either the law of the place of the deceased's domicile (the "*lex domicilii*") (in the case of movable property) or the law where the immovable property is situated (the "*lex situs*") (in the case of immovable property) (see: *Banque Indosuez v Madam Sumilan Awal also known as Aw Kim Lan* [1998] SGHC 22; section 4(1) of the Intestate Succession Act

1967).

The concept of domicile under Singapore law is based on the traditional concept of domicile under English law (see: *Peters Roger May v Pinder Lillian Gek Lian* [2009] 3 SLR 765). The Singapore court recognises the domicile of origin (the country of that person's birth) and the domicile of choice (the country that that person determines to be his permanent home and/or home for an indefinite period).

17. How does the jurisdiction deal with conflict between its succession laws and those of another jurisdiction with which the deceased was connected or in which the deceased owned property?

See question 16 above. Singapore private international law rules will apply the *lex situs* to real estate wheresoever situated. Whether and how the doctrine of renvoi applies in Singapore succession laws has yet to be tested in the Singapore courts.

18. In what circumstances should an individual make a Will, what are the consequences of dying without having made a Will, and what are the formal requirements for making a Will?

An individual above the age of 21 years can make a Will to set out his or her wishes as to the disposition of property upon death. Where an individual dies without having made a valid Will, his or her property will be distributed in accordance with the rules under the Intestate Succession Act 1967 (see: section 7 of the Intestate Succession Act 1967).

Under Singapore law, a Will is formally valid if its execution conforms to the law in force of any of the following: (a) the place where the will was executed; (b) the jurisdiction where the testator was domiciled either at the time of the execution of the will or at his death; (c) the jurisdiction in which the testator was habitually resident either at the time of the execution of the will or at his death; or (d) the jurisdiction in which the testator was a national either at the time of the execution of the will or at his death (see: section 5 of the Wills Act 1838).

An individual whose only connection with Singapore is that he owns real property in Singapore should still make a Will in Singapore, as the *lex situs* will apply to real property. See question 16 above.

19. How is the estate of a deceased individual administered and who is responsible for collecting in assets, paying debts, and distributing to beneficiaries?

Where a deceased dies leaving a valid will and has nominated executor(s) and trustee(s) who are willing and able to act, such named persons may apply for and obtain a grant of probate to distribute the deceased's assets according to his testamentary intentions.

Where a deceased dies intestate or where the deceased has a Will but no executors, the grant of Letters of Administration will be issued to the Administrator. The priority of persons who are entitled to be appointed as an Administrator is provided for under the Intestate Succession Act 1967. Once appointed, the Administrator will distribute the deceased's assets pursuant to the provisions in the Will (if there is one) or the rules for distribution under the Intestate Succession Act.

20. Do the laws of your jurisdiction allow individuals to create trusts, private foundations, family companies, family partnerships or similar structures to hold, administer and regulate succession to private family wealth and, if so, which structures are most commonly or advantageously used?

The prevalent structure in tax, wealth or succession planning in Singapore is the trust. This can be revocable (where the settlor reserves a power of revocation under the trust deed), irrevocable, discretionary or fixed interest, depending on the objectives to be achieved. Other structures are available in Singapore, including the company limited by guarantee (CLG), limited liability partnership and fund structures. CLGs have members (instead of shareholders) whose liability is limited to a fixed sum of money in the event the company is wound up; this structure tends to be used for charitable objects. Limited liability partnerships have a separate legal personality from their partners, whose liability is limited to their contributions; this structure is an option where the intention is to separate the legal ownership and economic ownership of investments or businesses.

Singapore does not have foundations in the civil law sense; that is, a legal structure (distinct from companies or trusts) that is created for specific purposes. The foundations that are set up in Singapore tend to be charitable structures (either a society or a CLG). In accordance with guidelines from the Commissioner of Charities, only organisations that are self-funded by an

individual, family or for-profit company to aid the organisation's intended charitable purposes or that are financed by an endowment for said organisation can have the word 'foundation' in their names.

21. How are these structures constituted and what are the main rules that govern them?

Trust

A valid trust requires certainty of intention to create the trust, certainty of objects and certainty of subjects. Singapore trusts have a perpetuity period of 100 years. A trust is governed by the terms of the document constituting the trust. There are no registration requirements and there are no public registers of owners, beneficial owners, trustees or other persons with significant control or influence over trusts established or resident in Singapore. The trust is thus an entirely private and confidential arrangement between the settlor and the trustee.

CLG, limited liability partnership, and fund vehicles

CLGs, limited liability partnerships and fund vehicles such as Variable Capital Companies (VCC) and Single Family Offices (SFO) have to be registered with the Accounting and Regulatory Authority of Singapore (ACRA).

CLGs are governed by the Companies Act 1967, limited liability partnerships are governed by the Limited Liability Partnerships Act 2005, VCC are governed by the Variable Capital Companies Act 2018, and SFOs are regulated by the Monetary Authority of Singapore. Where the CLG is also a registered charity, it will also be regulated by the Commissioner of Charities.

22. What are the registration requirements for these structures and what information needs to be made available to the relevant authorities? To what extent is that information publicly available?

Trusts

There are no registration requirements and there are no public registers of owners, beneficial owners, trustees or other persons with significant control or influence over trusts established or resident in Singapore. The trust is thus an entirely private and confidential arrangement between the settlor and the trustee.

CLG, limited liability partnership, and fund vehicles

CLG, limited liability partnership and fund vehicles (such as VCC and SFO) need to be incorporated with ACRA.

The identity and details of the shareholders, board of directors and company secretary of companies and registered foreign companies will be publicly available.

While companies and registered foreign companies (unless exempted) including fund vehicles such as VCC and SFO are required to maintain a register of registrable controllers (ie, persons with significant interest or significant control over the company) and to maintain a register of nominee directors, such information is not publicly accessible and are only produced to the Registrar of Companies and Accounting and Corporate Regulatory Authority on their request.

23. How are such structures and their settlors, founders, trustees, directors and beneficiaries treated for tax purposes?

Generally, a settlor would not be subject to income tax in respect of the assets divested into the trust.

Trustees (whether an individual or company) are subject to tax at the prevailing corporate rate (currently 17%). If income tax has been imposed on the trust, distributions by the trustee will be regarded as capital and not subject to further Singapore income tax in the hands of the beneficiaries. Trusts can be accorded tax transparency in respect of a beneficiary who is entitled to the trust income and is resident in Singapore (in other words, the trustee is not subject to tax at the trustee level, and instead, the beneficiaries are subject to tax). There are also specific tax incentives and tax exemptions that may apply to trusts.

24. Are foreign trusts, private foundations, etc recognised?

Foreign trusts and private foundations are recognised in Singapore.

25. How are such foreign structures and their settlors, founders, trustees, directors and beneficiaries treated for tax purposes?

Foreign structures and the associated parties will only be taxed in Singapore if they have income accrued in or derived from Singapore or received in Singapore from outside Singapore. The tax treatment may depend on the specific characteristics of the relevant foreign structure. There are also specific tax incentives and tax exemptions that may apply to the such foreign

structures.

26. To what extent can trusts, private foundations, etc be used to shelter assets from the creditors of a settlor or beneficiary of the structure?

The trust structure is robust against creditor claims against the settlor of the trust. However, this will not apply where the trust is merely a device, facade or sham intended to give third parties or the court an appearance of creating legal rights and obligations between the parties that are different from the actual rights and obligations that the parties intended to create (see: for example, *Gaye Williams Nee Marks v Cary Donald Williams* [1993] SGHC 190).

"The case of *Lau Sheng Jan Alistair v Lau Cheok Joo Richard* [2023] SGHC 196 ("**Alistair Lau**") specifically addressed the issue of sham trusts. In Alistair Lau, the son, who was the sole beneficiary of an irrevocable trust created by his parents over landed property, sought to terminate the trust and have the trust property transferred to him from his parents on the basis that he was an adult of full age, the sole beneficiary of the trust and did not suffer from any mental disability. The father alleged that the trust was a sham instrument used by the parents to avoid payment of Additional Buyers' Stamp Duty. The High Court, in finding that the trust was not a sham trust, considered that the crux of the sham concept was a subjective "*common intention to mislead*" on the part of both the settlor and the trustee (at [25])."

Singapore's trust law also has firewall provisions in relation to trusts set up in Singapore. Section 90(2) of the Trustees Act 1967 provides that no rule relating to inheritance or succession affects the validity of a trust or the transfer of any property to be held in trust if the person creating the trust or transferring the property had the capacity to do so under the law applicable in Singapore, the law of his domicile or nationality, or the proper law of the transfer.

Further, there are provisions in the Insolvency, Restructuring and Dissolution Act 2018 dealing with the effect of bankruptcy or insolvency on antecedent transactions. These provisions allow the avoidance of antecedent transactions, including transactions at an undervalue and unfair preferences entered into by a bankrupt in the manner set out below:

1. Transactions at an Undervalue a. If an arrangement amounts to a transaction at an undervalue and was entered into within three years before the making of the bankruptcy application on which the individual is

adjudged bankrupt, the Court may, on an application by the Official Assignee, make such order as it thinks fit for restoring the position to what it would have been if that individual had not entered into that transaction. An individual enters into a transaction with a person at an undervalue if: i. The individual makes a gift to that person or the individual otherwise enters into a transaction with that person on terms that provide for the individual to receive no consideration; ii. the individual enters into a transaction with that person in consideration of marriage; or iii. the individual enters into a transaction with that person for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the individual.

2. Unfair Preferences

a. An unfair preference given within the relevant time period may, on the application of the official assignee, be restored to the position to what it would have been if that individual had not given that unfair preference.

i. An individual gives an unfair preference to a person if: 1. that person is one of the individual's creditors or a surety or guarantor for any of the individual's debts or other liabilities; and; 2. the individual does anything or suffers anything to be done which (in either case) has the effect of putting that person into a position which, in the event of the individual's bankruptcy, will be better than the position that person would have been in if that thing had not been done.

ii. The relevant time period with respect to unfair preferences which are impeachable is a maximum period of two years prior to the making of the bankruptcy application on which the individual is adjudged bankrupt.

27. What provision can be made to hold and manage assets for minor children and grandchildren?

Assets can be held and managed for the benefit of minor children and grandchildren by way of a trust.

A child's parents are the natural guardians of the child and have rights to make decisions relating to the child so long as the child is a minor. No application to court is necessary even if the child has disabilities, whether mental or physical.

Under Section 7 of the Guardianship of Infants Act 1934, the father or mother of a minor may by deed or Will appoint any person to be the guardian of the minor after his or her death. This appointment does not require a court application. In other instances, a person may apply

to the court under the Guardianship of Infants Act to be appointed as the guardian of a minor. The court may also exercise its powers to remove any existing guardian and to appoint another guardian in their place. While guardianship does not normally require ongoing court supervision, all guardians must generally act in the best interests of the minor.

Once, however, a child reaches the age of majority (that is, above the age of 21 years), the parent no longer has decision-making rights for the child. In such circumstances and where the child is mentally incapable, the parent will need to apply to court to be appointed as deputy for their adult-child in order that they can continue to make decisions for that child.

28. Are individuals advised to create documents or take other steps in view of their possible mental incapacity and, if so, what are the main features of the advisable arrangements?

The Mental Capacity Act 2008 allows a person who has mental capacity to execute a lasting power of attorney to appoint donees who would be authorised to make decisions for him in respect of his personal welfare and/or his property and affairs, in the event that he should lose his mental capacity. This allows a person to plan for what he wishes to be done and by whom in the event that he should lose his mental capacity.

A person may also make an Advanced Medical Directive (AMD), which is a legal document that a person signs in advance to inform the treating doctor (in the event the person become terminally ill and unconscious) that the person does not want any extraordinary life sustaining treatment to be used to prolong his life. A person who is above 21 years old and who is not mentally disordered can make an AMD.

29. What forms of charitable trust, charitable company, or philanthropic foundation are commonly established by individuals, and how is this done?

The three most common legal structures for non-profit organisations in Singapore are that of (i) a society, (ii) a CLG or (iii) a charitable trust. Amongst these three structures, CLG is the most common.

Of the three, only CLGs benefit from limited liability (limited to such an amount that the members had guaranteed to contribute to the assets of the company in the event that it is wound up). CLGs may also be

registered as charities, allowing them to benefit from income tax exemptions.

Like CLGs, societies may be registered as charities and benefit from the associated tax exemptions. An advantage that societies have over charities is their fewer administrative requirements (for example, their officers are not subject to statutory qualifications). However, societies do not have a separate legal identity from their members and members may be personally liable for any liability incurred.

Finally, charitable trusts are a useful structure for the investment and disbursements of assets for the purpose of charity. Like societies, however, charitable trusts have no independent legal personality and trustees must bear all legal liabilities.

30. What is the jurisdiction's approach to information sharing with other jurisdictions?

The framework for the exchange of information (EOI) between Singapore and other jurisdictions can be divided into the following three categories.

1. EOI on request: EOI partners may request for information from the Singapore tax authorities. The EOI request may be made under a DTA, a Tax Information Exchange Agreement (TIEA), or the Convention on Mutual Administrative Assistance in Tax Matters (Convention). Under domestic legislation, the Singapore tax authority is not prevented by any domestic tax interest or banking secrecy laws from complying with a request of information pursuant to a DTA or an EOI arrangement. Singapore applies the internationally agreed standard of "foreseeable relevance" in assessing an EOI request.

2. Spontaneous EOIs: Under this framework, Singapore has committed to spontaneously exchange certain

categories of rulings with EOI partners. Spontaneous EOI is typically conducted under the provisions of the Convention although Singapore's bilateral DTAs and TIEAs may also allow the Singapore tax authorities to engage in spontaneous EOI with Singapore's EOI partners.

3. Automatic EOI: Singapore has concluded various international tax agreements on the automatic exchange of information, ie, the Foreign Account Tax Compliance Act (FATCA) with the United States of America, the Common Reporting Standards (CRS), and the Multilateral Competent Authority Agreement on the exchange of Country-by-Country Reports.

31. What important legislative changes do you anticipate so far as they affect your advice to private clients?

The Income Tax Act 1947 has been amended by the Income Tax (Amendment) Act 2023. In particular, a new Section 10L has been introduced which treats as income chargeable to tax any gains from the sale or disposal of foreign assets by a Singapore entity of a relevant cross-border group if the gains are received in Singapore. Private clients who hold their assets through a Singapore entity that is part of a cross-border group should seek legal advice on the impact on Section 10L.

Save in the area relating to stamp duties for transfer of real properties in Singapore, the estate tax laws and transfer tax laws in respect of shares have not seen any substantial variation or changes in the past ten years. These will likely remain stable, transparent and consistent, particularly in light of the fact that the Income Tax Act 1947 has been recently amended by the Income Tax (Amendment) Act 2023. Most tax incentives have a sunset date and are generally reviewed every five years. Generally, any change in laws would not have a retrospective effect. This stability and transparency are an attraction for high-net-worth individuals to base their wealth and succession planning structures in Singapore.

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