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Singapore – Extension of Time to File Tax Clearance for Frequent Business Travellers

by KPMG Services Pte Ltd, Singapore (KPMG in Singapore is a KPMG International member firm)

To help alleviate the practical difficulties experienced by employers, Singapore's tax authority, the IRAS, has advised it is prepared to grant an extension of time to file Forms IR21 of Frequent Business Traveller (FBT) employees who exceeded 60 days of business stay in Singapore in a calendar year.¹

Why This Matters

The extension of time to file should bring welcome relief for employers. However, they will still need to track and monitor the business travel of their FBT employees so as to ascertain their tax treatment and related compliance obligations with respect to employers' filings of Form IR21, etc.

We have summarized the new guidelines in the table below:

Employer's Tax Filing Obligations for FBT Who Exceeded 60 Days	
Category of FBT Employee	Period of Extension Allowed
FBT with work pass†	Up to 2 months from the date of cancellation or expiry of the work pass, whichever is earlier.
FBT without work pass and it is certain that the FBT will no longer visit Singapore for the remainder of the year	Up to 2 months from the date of the FBT's last business visit to Singapore.
FBT employee without work pass but it is not certain the FBT employee will not visit Singapore for the remainder of the year	Until 31 March of the following year. The employer must complete its annual review of the business visits of the FBT by 31 January of the following year.

† includes an Employment Pass (for professionals), S Pass (for mid-level skilled workers) and Work Permit (for semi-skilled or unskilled workers). - See more at: <http://www.mom.gov.sg/foreign-manpower/passes-visas/Pages/default.aspx#sthash.ul7A2OUZ.dpuf>

Under Singapore law, the FBT foreign employee is exempt from tax on income attributable to business trips to Singapore if visiting Singapore for not more than 60 days in a year. All business travel during the year must be aggregated for counting under the 60-day exemption rule.

Where the 60-day threshold is breached, the FBT employee is subject to tax in Singapore under domestic law unless relief is available under a double tax agreement. The employer has the onus to file and seek tax clearance with the IRAS.

To learn more about the tax clearance process and Form IR21 obligations, as well as the new concessions regarding Form IR21 compliance – in cases where FBT employees exceed 60 days of business stay in Singapore – see the following newsletter prepared by the KPMG International member firm in Singapore, “[Extension of Time to File Tax Clearance for Frequent Business Traveller](#)” in *Tax Alert* (Issue 25, December 2014).

Footnote:

1 The Inland Revenue Authority of Singapore (IRAS) recently informed KPMG of new guidelines to simplify the tax reporting for FBTs into Singapore via email on 18 November 2014.

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For further information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Singapore:

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The information contained in this newsletter was submitted by the KPMG International member firm in Singapore. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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