

ANNEX A: SUMMARY TABLE ON PROPOSED CHANGES TO THE INCOME TAX ACT 1947 (“ITA”) UNDER THE PROPOSED MULTINATIONAL ENTERPRISE (MINIMUM TAX) BILL

S/N	Proposed Legislative Change	Brief Description of Proposed Legislative Changes	Amendment to ITA [Clause in Proposed Multinational Enterprise (Minimum Tax) Bill]
1	Tax treatment for Income Inclusion Rule (“IIR”) / Undertaxed Profits Rule (“UTPR”) imposed by foreign jurisdictions	<p>Any qualified¹ IIR or qualified UTPR, or any substantially similar tax, imposed by a foreign jurisdiction will:</p> <ul style="list-style-type: none"> a. Not be allowed tax deduction; b. Not be eligible for foreign tax credit; c. Not meet the “subject to tax” condition under the foreign-sourced income exemption (“FSIE”) regime and the foreign tax credit pooling system; and d. Not be considered in determining the foreign headline tax rate condition under the FSIE regime and the foreign tax credit pooling system. 	<p>Sections 2(1), 13(9)(a) and (9)(b), 15(1)(ga), 49(1), 50(1A)(a), 50A(1A)(a), and 50C(2)(a) and (2)(b)</p> <p>[Clause 94]</p>
2	Tax treatment for Domestic Minimum Top-up Tax (“DMTT”) imposed by foreign jurisdictions	<p>Any qualified DMTT, or any substantially similar tax, imposed by a foreign jurisdiction will:</p> <ul style="list-style-type: none"> a. Not be allowed tax deduction; b. Be eligible for foreign tax credit² in Singapore, subject to conditions; c. Meet the “subject to tax” condition under the FSIE regime and the foreign tax credit pooling system; and 	<p>Sections 2(1), 2A(6)(b), 13(9)(a) and (9)(b), 15(1)(ga), 49(1), 50(1A)(b), 50A(1A)(b), and 50C(2)(a) and (2)(b)</p> <p>[Clause 94]</p>

¹ A qualified IIR/UTPR/DMTT is a tax that is consistent with the GloBE Model Rules.

² The foreign tax credit to be granted is the lower of foreign tax paid and Singapore tax payable on such income.

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		d. Not be considered in determining the foreign headline tax rate condition under the FSIE regime and the foreign tax credit pooling system.	
3	Tax treatment for Multinational Enterprise Top-up Tax (“MTT”) and Domestic Top-up Tax (“DTT”) imposed by Singapore	The MTT and DTT imposed by Singapore will not be allowed tax deduction.	Sections 2(1), 2A(1) to (5) and (6)(a), and 15(1)(g) [Clause 94]