Multinational Enterprise (Minimum Tax) Bill

Bill No. /2024.

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A BILL

i n t i t u l e d

An Act to implement the Global Anti-Base Erosion Model Rules (Pillar 2) relating to the top-up tax under the Income Inclusion Rule (IIR), to make provision for a domestic minimum top-up tax within the meaning of those Model Rules, and to make related amendments to the Income Tax Act 1947.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

EXPLANATORY STATEMENT

This Bill seeks to implement the Global Anti-Base Erosion Model Rules (Pillar 2) (called the GloBE rules) of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting relating to the Income Inclusion Rule, and domestic top-up tax. Broadly, the GloBE rules apply to a multinational group (MNE group) that has a consolidated group revenue of at least EUR 750 million annually in at least two of the four preceding financial years.

Part 1 defines the terms used in the Bill.

Part 2 provides for a multinational enterprise top-up tax (MTT). A constituent entity of an MNE group that is located in Singapore is liable to pay MTT if it holds an ownership interest in another constituent entity located in another jurisdiction and the constituent entities located in that jurisdiction have an effective tax rate that is less than a minimum rate of 15%. Such a constituent entity is called a chargeable entity. Broadly, the amount of MTT payable by a chargeable entity is the aggregate of the top-up amount computed for each of the constituent entities that it holds an ownership interest in. MTT is generally not applicable if an equivalent top-up tax is paid by a constituent entity that is a parent entity of the chargeable entity.

Part 3 provides for a domestic top-up tax (DTT). A designated local DTT filing entity of an MNE group that is located in Singapore is liable to pay DTT if the constituent entities located in Singapore have an effective tax rate that is less than the minimum rate of 15%. The purpose of DTT is to ensure that the rate of tax imposed on the constituent entities located in Singapore is at least 15%. With the imposition of DTT, a foreign equivalent of MTT will not be applicable in respect of the constituent entities of an MNE group located in Singapore. DTT is payable by the designated local DTT filing entity (also called a chargeable entity), but if the designated local DTT filing entity fails to pay any DTT, the DTT may be collected from the other constituent entities located in Singapore on a joint and several basis.

Part 4 provides for the registration and deregistration of MNE groups for the purpose of MTT and DTT, and the designation of constituent entities to comply with the requirements of the Bill.

Part 5 provides for the requirements for the submission of returns for MTT and DTT, and for the payment of MTT and DTT. Part 5 also provides for the information gathering powers of the Comptroller.

Part 6 provides for the power of the Comptroller to assess any MTT and DTT payable if no return is submitted for an MNE group, the return is incomplete or incorrect, or if an MNE group has failed to register. Part 6 also provides for the

process for any objection or appeal against an assessment made by the Comptroller.

Part 7 provides for the recovery of unpaid MTT and DTT (including any interest or penalty imposed under the Bill) by the Comptroller.

Part 8 provides for various offences under the Bill.

Part 9 contains various miscellaneous provisions.

PART 1

PRELIMINARY

Clause 1 is related to the short title and commencement.

Clause 2 is a general interpretation provision. It contains definitions of terms used in the Bill.

A "constituent entity" is an entity that is part of a group and includes a permanent establishment, but excludes excluded entities.

A "group" is a collection of entities that are related through ownership or control such that the financial results of the entities are consolidated in the consolidated financial statements of the ultimate parent entity of the group. A group is an "MNE group" if it has at least one entity or permanent establishment located in a different jurisdiction from its ultimate parent entity.

An "intermediate parent entity" is a constituent entity of an MNE group (not being an ultimate parent entity, a partially-owned parent entity, a permanent establishment, an investment entity or an insurance investment entity) that owns an ownership interest in another constituent entity of that MNE group.

A "main entity" of a permanent establishment is the entity whose financial statements include the financial accounting net income or loss of the permanent establishment.

A "partially-owned parent entity" is a constituent entity of an MNE group (not being an ultimate parent entity, a permanent establishment, an investment entity or an insurance investment entity) that owns an ownership interest in another constituent entity of that MNE group, and more than 20% of the ownership interest in the profits of the partially-owned parent entity is held (directly or indirectly) by persons who are not constituent entities of that MNE group.

A "special entity" is a constituent entity of an MNE group that is an investment entity, an insurance investment entity, a minority-owned constituent entity or a stateless entity. A joint venture or a JV subsidiary is treated as a special entity even though they would not be constituent entities of an MNE group.

An "ultimate parent entity" is an entity that owns (directly or indirectly) a controlling interest in another entity and is not owned (directly or indirectly), with a controlling interest, by another entity. Where a group comprises a main entity

and its permanent establishments only, the main entity is the ultimate parent entity of the group.

A "flow-through entity" is an entity that is treated as fiscally transparent with respect to its income, expenditure, profit or loss in the jurisdiction where it is established, formed, incorporated or registered, unless it is a tax resident of, and subject to tax on its income under the law of, another jurisdiction. If it is not regarded as fiscally transparent with respect to its income, expenditure, profit or loss in the jurisdiction where its owner is located, it is a "reverse hybrid entity" with respect to the income, expenditure, profit or loss attributable to that owner.

Clause 3 provides that a governmental entity that has the principal purpose of managing or investing the government's or jurisdiction's assets through the making and holding of investments, asset management and related investment activities is to be ignored for the purpose of the Bill.

Clause 4 defines "consolidated financial statement", which must generally be prepared in accordance with an acceptable financial accounting standard, or adjusted to prevent any material competitive distortion. If the ultimate parent entity of an MNE group does not prepare such financial statements, "consolidated financial statement" refers to the consolidated financial statements that would have been so prepared (or prepared in accordance with an authorised financial accounting standard as defined) if the ultimate parent entity is required to do so in the jurisdiction where it is located.

Clause 5 defines "entity" to include (among others) partnerships and trusts. A government or an entity that carries out a government function is not an entity.

Clause 6 defines "excluded entity". Governmental entities, international organisations, non-profit organisations, pension funds, and certain qualifying non-profit subsidiaries, service entities and exempt income entities (among others) are excluded entities. If an entity is an excluded entity, it is not a constituent entity and is generally not subject to this Bill. However, the income of an excluded entity is not excluded from the consolidated financial statements of the ultimate parent entity of its MNE group and would therefore be taken into account in determining whether the MNE group is within the scope of MTT and DTT.

Clause 7 provides that an MNE group may, through its filing entity, elect that a member of the group that is an excluded entity be treated as a constituent entity.

Clause 8 defines "investment entity" (which includes an investment fund and a real estate investment vehicle) and "insurance investment entity".

Clause 9 defines "joint venture", "JV group" and "JV subsidiary". A joint venture is an entity whose financial results are reported under the equity method in the consolidated financial statements of the ultimate parent entity of an MNE group holding (directly or indirectly) at least 50% of the ownership interest in the entity. A JV group is a group comprising a joint venture and its subsidiaries (each being a JV subsidiary).

Clause 10 defines “minority-owned constituent entity” as a constituent entity of a group whose ultimate parent entity holds 30% or less of the ownership interests in the entity. A “minority-owned subgroup” is a group comprising a minority-owned parent entity and its subsidiaries (each being a “minority-owned subsidiary”).

Clause 11 defines “stateless entity” as a flow-through entity that is not an ultimate parent entity or a responsible member of an MNE group, or a permanent establishment in certain circumstances.

Clause 12 defines “permanent establishment”. Broadly, a permanent establishment is a place of business that is treated as a permanent establishment under an applicable tax treaty or the OECD Model Tax Convention where the jurisdiction where it is situated has the right to tax the income attributable to the permanent establishment. A permanent establishment is also a place of business situated in a jurisdiction where the income attributable to the permanent establishment is subject to income tax in a manner similar to tax residents of the jurisdiction. Any other place of business may also be a permanent establishment if the jurisdiction where its main entity is located exempts from tax the income attributable to the operations conducted outside that jurisdiction through that place of business.

Clause 13 provides for the rules to determine the jurisdiction in which an entity is located. Generally, an entity is located in a jurisdiction if it is a tax resident of that jurisdiction. If an entity is not a tax resident of any jurisdiction, it is located in the jurisdiction where it is established, formed, incorporated or registered.

Clause 14 provides for special rules that apply where an entity may be located in more than one jurisdiction.

Clause 15 provides that the GloBE income or loss of a constituent entity of an MNE group for a financial year is its financial accounting net income or loss (or FANIL) after making the adjustments prescribed in regulations.

Generally, the FANIL of a constituent entity is the net income or loss of the entity (without making any consolidation adjustments) that is used to prepare the consolidated financial statements of the ultimate parent entity of the MNE group, and excludes the FANIL of a permanent establishment of the entity.

Generally, the FANIL of a permanent establishment is the profits of the permanent establishment reflected in the separate financial accounts for the permanent establishment.

Generally, the FANIL of a flow-through entity that is attributable to an owner who is not a constituent entity of the MNE group is excluded in determining the GloBE income or loss of a constituent entity. Any remaining FANIL that is attributable to a permanent establishment of the entity is allocated to that permanent establishment. Any remaining FANIL is then allocated to the owners of the entities that are constituent entities, unless the owner is located in a

jurisdiction that does not treat the flow-through entity as fiscally transparent (in which case, the FANIL attributable to that owner is allocated to the entity). Special rules apply in the case of a flow-through entity that is an ultimate parent entity or its permanent establishment, or a permanent establishment of certain flow-through entities.

For the purpose of DTT, in specified circumstances, the FANIL of a constituent entity is the net income or loss for that entity in its financial statements prepared in accordance with financial reporting standards in Singapore.

Clause 16 provides that the adjusted covered taxes of a constituent entity of an MNE group for a financial year is the qualifying current tax expense and qualifying deferred tax expense of the entity after making the adjustments prescribed in regulations.

The qualifying current tax expense and qualifying deferred tax expense of a constituent entity are the current tax expense and deferred tax expense reflected in its FANIL that relates to covered taxes (as defined in the clause), and excludes the qualifying current tax expense and qualifying deferred tax expense of a permanent establishment of the entity, if it is a main entity.

Where the FANIL of a flow-through entity is excluded or allocated to another constituent entity, its qualifying current tax expense and qualifying deferred tax expense is also reduced by the proportion its FANIL is excluded or allocated in determining the FANIL of constituent entities of the MNE group.

Clause 17 provides that the minimum rate is 15%.

Clause 18 provides that the Bill applies to MNE groups that have consolidated annual group revenue of EUR 750 million or more for at least 2 of the 4 preceding financial years. In determining the consolidated group revenue for any financial year, adjustments prescribed in regulations are to be made where there is any prescribed change to the composition of the MNE group.

Clause 19 provides for the general rule that calculations under this Bill are to be done in the currency used to prepare the consolidated financial statements of the ultimate parent entity of the MNE group but payments are to be made in Singapore dollars. For the purpose of DTT, in specified circumstances, calculations under this Bill are to be done in Singapore dollars.

Clause 20 provides that MTT and DTT are taxes on income and the Bill is to be construed as one with the Income Tax Act 1947.

PART 2

MTT

Clause 21 sets out the purpose of Part 2.

Clause 22 provides that a chargeable entity is chargeable with MTT if it is a responsible member located in Singapore of an MNE group that this Bill applies

to and holds an ownership interest in a constituent entity located outside Singapore that has a top-up amount for the financial year (called a relevant entity).

Clause 23 provides that a responsible member of an MNE group is the ultimate parent entity or an intermediate parent entity of the MNE group if such an entity is located in Singapore or a jurisdiction with a top-up tax equivalent to the MTT, and (in the case of an intermediate parent entity) no other constituent entity of the MNE group that owns a controlling interest in the entity is a responsible member. A partially-owned parent entity is also a responsible member if it is located in Singapore or a jurisdiction with a top-up tax equivalent to the MTT, and it is not wholly held (directly or indirectly) by another partially-owned parent entity located in Singapore or a jurisdiction with a top-up tax equivalent to the MTT.

Clause 24 provides that the amount of MTT chargeable on a chargeable entity for a financial year is the aggregate of the top-up tax for each relevant entity of the chargeable entity for the financial year. Where the chargeable entity holds an indirect ownership interest in a relevant entity through another responsible member of the MNE group, the amount of MTT payable is reduced by the proportionate amount of MTT or equivalent top-up tax paid by the other responsible member in respect of the relevant entity.

Clause 25 provides for the determination of the top-up tax for a relevant entity of a chargeable entity that is not an investment entity or an insurance investment entity. The top-up tax for such an entity for a financial year is the top-up amount of the entity for the financial year multiplied by the chargeable entity's inclusion ratio for the entity for the financial year.

The chargeable entity's inclusion ratio for a relevant entity for a financial year is the proportion of the GloBE income or loss of the relevant entity for the financial year that is not attributable to entities other than the chargeable entity. This is determined according to accounting principles if (or as if) consolidated financial statements were prepared by the chargeable entity on the bases specified in the clause.

Clause 26 provides for the steps to be taken to determine the top-up amount of a constituent entity (not being a special entity) of an MNE group for a financial year.

The jurisdictional top-up amount for the MNE group for a jurisdiction for a financial year is apportioned between the constituent entities (not being special entities) of the MNE group that are located in that jurisdiction. The apportionment is generally based on the positive amount of GloBE income or loss of the constituent entities for the financial year (unless the jurisdictional top-up amount arises from additional current top-up amounts under clause 31, in which case, the apportionment is based on the proportionate share of the constituent entity of the additional current top-up amount).

The jurisdictional top-up amount for the MNE group for a jurisdiction for a financial year is determined based on the product of the top-up tax percentage for the jurisdiction for the financial year and the excess profits for the MNE group for that jurisdiction for the financial year. Any additional current top-up amount determined for the jurisdiction for the financial year is added to and any qualified domestic minimum top-up tax payable for the jurisdiction for the financial year is deducted from the resulting amount.

The top-up tax percentage for the MNE group for a jurisdiction for a financial year is the difference between the minimum rate of 15% and the effective tax rate for the constituent entities of the MNE group for the jurisdiction for the financial year. The top-up tax percentage is nil if the effective tax rate for the MNE group for the jurisdiction for the financial year is 15% or more.

The excess profits of the constituent entities of the MNE group located in a jurisdiction for a financial year is the aggregate GloBE income or loss for the financial year of the constituent entities (less their substance-based income exclusion for the financial year). The excess profits for the MNE group for the jurisdiction for the financial year cannot be less than nil.

Clause 27 provides for the computation of the effective tax rate for the constituent entities (not being special entities) of an MNE group located in a jurisdiction for a financial year. This effective tax rate is determined by dividing the aggregate of the adjusted covered taxes for the financial year of the constituent entities by the aggregate of the GloBE income or loss for the financial year of those entities, and then multiplying by 100%. Where the aggregate of the GloBE income or loss for the financial year of the entities is nil or a negative amount, the effective tax rate is 15%.

Where the aggregate of the adjusted covered taxes for the financial year of the entities is a negative amount, but the aggregate of the GloBE income or loss for the financial year of the entities is a positive amount, the effective tax rate is nil and an amount of negative tax carried forward arises. The negative tax carried forward is deducted against any positive aggregate amount of adjusted covered taxes of the entities in a subsequent financial year (hence, reducing the effective tax rate for the MNE group for the jurisdiction for that subsequent financial year).

Clause 28 provides for the computation of the substance-based income exclusion for the constituent entities (not being special entities) of an MNE group located in a jurisdiction for a financial year. The substance-based income exclusion has two components: a payroll carve-out amount for each constituent entity (not being a special entity) located in the jurisdiction and a tangible asset carve-out amount for each such entity.

The payroll carve-out amount of an entity is the relevant percentage of the eligible payroll costs of the eligible employees of the entity. The eligible employees of an entity include independent contractors participating in the ordinary operating activities of the entity or the MNE group under the direction

and control of the MNE group who perform activities for the MNE group in the jurisdiction.

The tangible asset carve-out amount of an entity is the relevant percentage of the carrying value of the eligible tangible assets of the entity. In determining the carrying value of an eligible tangible asset, any increase in value or increase in accumulated depreciation due to a revaluation of the asset is disregarded.

An MNE group may, through its filing entity, elect that the substance-based income exclusion for the constituent entities of the MNE group located in a jurisdiction be nil.

Clause 29 provides for a de minimis exclusion at the election of an MNE group made through its filing entity. The election may be made for a jurisdiction for a financial year if the constituent entities (not being stateless entities, investment entities and insurance investment entities) of the MNE group located in the jurisdiction have, for that financial year and the two preceding financial years (ignoring any financial year where none of the entities had any adjusted revenue or GloBE income or loss), an average aggregate adjusted revenue of less than EUR 10 million and an average aggregate GloBE income or loss of less than EUR 1 million. If the election is made, the top-up amounts for the entities for the financial year are deemed to be nil.

Clause 30 provides for the application of a GloBE safe harbour on the election of an MNE group made through its filing entity. If the election is made and the prescribed conditions for the GloBE safe harbour are met, the top-up amounts for the constituent entities of the MNE group located in a jurisdiction for the financial year are deemed to be nil.

Clause 31 provides for two situations where an additional current top-up amount may arise for an MNE group for a jurisdiction for a financial year.

The first situation is where the aggregate of the GloBE income or loss of the constituent entities (not being special entities) of the MNE group located in the jurisdiction for the financial year is nil or a negative amount, and the aggregate of the adjusted covered taxes of the entities for the financial year is less than 15% of that amount. In other words, the negative taxes of the entities for the financial year is greater than what would be the notional tax deduction value of the combined losses of the entities at the minimum rate of 15%. In this situation, the excess negative taxes is treated as an additional current top-up amount for the jurisdiction. However, an MNE group may elect, through its filing entity, to treat the excess negative taxes for a jurisdiction for a financial year as negative tax carried forward (similar to the negative tax carried forward under clause 27).

The second situation is where there is any recalculation made in a current financial year of the top-up amounts of the constituent entities (not being special entities) of an MNE group located in a jurisdiction for a previous financial year or of the effective tax rate for the MNE group for a jurisdiction for a previous

financial year. If the recalculation would result in a greater aggregate top-up amount for a jurisdiction for that previous financial year, the difference between the recalculated aggregate top-up amount and the previous aggregate top-up amount is treated as an additional current top-up amount for the jurisdiction.

Clause 32 provides for the determination of the top-up amount of a constituent entity that is a stateless entity. Broadly, clauses 26, 27, 28 and 31 apply as if the references to a constituent entity (not being a special entity) were to the stateless entity. In other words, the top-up amount of a constituent entity that is a stateless entity is determined as if it is the only constituent entity (not being a special entity) of the MNE group located in a hypothetical jurisdiction.

Clause 33 provides for the determination of the top-up amount of a constituent entity that is a minority-owned constituent entity or a member of a minority-owned subgroup. Clauses 26, 27, 28 and 31 apply as if the references to a constituent entity (not being a special entity) were to the minority-owned constituent entity or the member of the minority-owned subgroup located in a jurisdiction, as the case may be.

In other words, the top-up amount of a constituent entity that is a minority-owned constituent entity is determined as if it is the only constituent entity (not being a special entity) of the MNE group located in the jurisdiction, and the top-up amounts of the constituent entities located in a jurisdiction that are members of a minority-owned subgroup are determined as if they are the only constituent entities (not being special entities) of the MNE group located in the jurisdiction.

Clause 34 provides for the determination of the top-up tax for a relevant entity of a chargeable entity that is an investment entity or an insurance investment entity. The top-up tax for such an entity for a financial year is the top-up amount of the entity for the financial year.

The top-up amount of an investment entity or an insurance investment entity is computed in a similar manner as the computation of the top-up amount of a constituent entity (not being a special entity) is under clause 26, 27, 28 and 31. The two main differences are that (i) the top-up amounts (including the effective tax rate, the substance-based income exclusion, any additional current top-up tax and any negative tax carried forward) of the investment entities and insurance investment entities of an MNE group located in a jurisdiction are computed separately from the other constituent entities of the MNE group located in the jurisdiction, and (ii) the chargeable entity's inclusion ratio for the entity under clause 25(2) is replaced by a ratio based on the ownership interest in the investment entity or insurance investment entity held by the ultimate parent entity of the MNE group (to be set out in regulations).

Clause 35 provides for the determination of the top-up amount of a joint venture or a JV subsidiary of a JV group. Clauses 26, 27, 28 and 31 apply as if the references to an MNE group were references to the JV group, references to the ultimate parent entity of an MNE group were references to the joint venture and

references to a constituent entity (not being a special entity) were references to the joint venture or the JV subsidiary of the JV group. Clauses 15 and 16 also apply with the necessary modifications to determine the FANIL, GloBE income or loss, qualifying current tax expenses, qualifying deferred tax expenses and adjusted covered taxes of a joint venture or a JV subsidiary of a JV group.

In other words, the top-up amounts of a joint venture and the JV subsidiaries of a JV group are determined as if the joint venture and the JV subsidiaries of the JV group were a separate MNE group.

If a joint venture or a JV subsidiary of a JV group has a top-up amount, it is treated as a relevant entity of an MNE group if the ultimate parent entity of the MNE group holds (directly or indirectly) at least 50% of the ownership interest in the joint venture. A chargeable entity of the MNE group that holds any ownership interest in the joint venture would then be liable for MTT payable in respect of the top-up amount of the joint venture or JV subsidiary.

In addition, clause 29 (de minimis election) applies to a joint venture and the JV subsidiaries of a JV group as if they are constituent entities of a separate MNE group.

Clause 36 allows the Minister to make regulations to prescribe for the application of Part 2 to multi-parent groups.

PART 3

DTT

Clause 37 sets out the purpose of Part 3.

Clause 38 provides that an MNE group is liable to DTT for a financial year if it is an MNE group that this Bill applies to and any constituent entity of the MNE group located in Singapore (or a constituent entity in clause 39(*b*)) has a top-up amount for the financial year. The amount of DTT chargeable for a financial year is the top-up amount for the MNE group for that financial year. A joint venture or a JV subsidiary of a JV group is treated as a constituent entity of an MNE group if the ultimate parent entity of the MNE group holds (directly or indirectly) at least 50% of the ownership interests in the joint venture. An investment entity or an insurance investment entity is treated as an excluded entity and is not subject to DTT.

Clause 39 provides that the top-up amount for an MNE group for a financial year is the aggregate of the top-up amounts for its constituent entities located in Singapore (including the constituent entities in paragraph (*b*)).

Clause 40 provides that the top-up amount of a constituent entity for a financial year is determined under clauses 26 to 35 as those clauses would apply to the constituent entities of an MNE group that are located in Singapore (including the constituent entities in clause 39(*b*)), with the specified modifications.

PART 4

REGISTRATION OF MNE GROUP AND DESIGNATION OF DESIGNATED LOCAL GIR FILING ENTITY AND DESIGNATED LOCAL DTT FILING ENTITY

Clause 41 provides for the registration of MNE groups that this Bill applies to. The ultimate parent entity of such an MNE group must notify the Comptroller of its liability to be registered.

Clause 42 provides that the Comptroller may register an MNE group if there are reasonable grounds for believing that this Bill applies to the MNE group but the MNE group has yet to be registered.

Clause 43 provides that the constituent entities of an MNE group located in Singapore must appoint an entity that satisfies the prescribed conditions as the designated local GIR filing entity. If the constituent entities of the MNE group located in Singapore are unable or fail to do so, the Comptroller must deem one of the constituent entities located in Singapore as the designated local GIR filing entity.

Clause 44 provides that the ultimate parent entity of a registered MNE group must designate a constituent entity located in Singapore that satisfies the prescribed conditions as the designated local DTT filing entity for DTT purposes. If the ultimate parent entity fails to do so, no constituent entity located in Singapore satisfies the prescribed conditions, or the Comptroller registers an MNE group under section 42, the Comptroller must deem one of the constituent entities located in Singapore as the designated local DTT filing entity.

Clause 45 provides that the ultimate parent entity of an MNE group must notify the Comptroller on the occurrence of prescribed events.

Clause 46 provides that the Comptroller may assess a surcharge on the ultimate parent entity of an MNE group if it fails to register under this Bill. The surcharge is equal to 10% of the amount of MTT and DTT that may be assessed under clause 60.

Clause 47 enables regulations to be made to prescribe record keeping obligations of specified entities.

Clause 48 provides for the cancellation or suspension of registration of an MNE group if it is not an MNE group that this Bill applies to.

PART 5

RETURNS, PAYMENT OF MTT AND DTT AND INFORMATION GATHERING POWERS

Clause 49 provides that a return, statement or form purporting to be furnished by or on behalf of an entity is deemed to have been furnished by the entity unless

the contrary is proved, and that a person signing such a return, statement or form is deemed to be cognizant of the matters therein.

Clause 50 provides for the obligation of a designated local GIR filing entity to file a GloBE information return if a similar return has not been filed by a filing entity of the MNE group in another jurisdiction. If a similar return has been filed in another jurisdiction, the designated local GIR filing entity must notify the Comptroller of the particulars of the filing entity and the jurisdiction where it is located.

Clause 51 provides for the filing of returns in relation to MTT. Every responsible member of a registered MNE group located in Singapore must file a MTT return for each financial year within 15 months after the end of the financial year (unless the financial year is a transition year).

Clause 52 provides for the payment of MTT by a responsible member of a registered MNE group. The MTT payable must be paid without demand no later than one month after the due date for the return. The Comptroller may impose interest for an extension of time for the payment of MTT.

Clause 53 provides for the filing of returns in relation to DTT. The designated local DTT filing entity of a registered MNE group located in Singapore must file a DTT return for each financial year within 15 months after the end of the financial year (unless the financial year is a transition year).

Clause 54 provides for the payment of DTT by the designated local DTT filing entity (or a constituent entity for which an election is made under clause 55) of a registered MNE group. The DTT payable must be paid without demand no later than one month after the due date for the return. The Comptroller may impose interest for an extension of time for the payment of DTT.

Clause 55 provides that an MNE group may, through its designated local DTT filing entity, elect for a proportionate part (as determined under the clause) of the DTT for a financial year to be paid by a constituent entity other than the designated local DTT filing entity.

Clause 56 provides that the Comptroller may exercise the specified powers under the Income Tax Act 1947 to obtain information for the purpose of administering and enforcing this Bill.

Clause 57 provides that the Comptroller or a specially authorised officer may exercise the specified powers under the Income Tax Act 1947 in the course of investigations for the purpose of this Bill.

Clause 58 provides that the Comptroller may use information obtained from the Comptroller of Goods and Services Tax, the Comptroller of Property Tax, the Chief Assessor or the Commissioner of Stamp Duties, for the administration or enforcement of this Bill.

PART 6

ASSESSMENTS, OBJECTIONS AND APPEALS

Clause 59 provides that the Comptroller may make an assessment of MTT or DTT or both on a chargeable entity of an MNE group for a financial year if a return is not furnished or if the return is incomplete or incorrect. The Comptroller cannot make an assessment of MTT in respect of a financial year after 31 December of the 5th year after the year in which the MTT return for that financial year is due. The Comptroller cannot make an assessment of DTT in respect of a financial year after 31 December of the 5th year after the financial year ends.

Clause 60 provides that the Comptroller may make an assessment of MTT on a chargeable entity or an assessment of DTT on a designated local DTT filing entity for any financial year for which the MNE group was not registered but should have been registered.

Clause 61 provides that the Comptroller may make an assessment of MTT or DTT at any time if any fraud or wilful default has been committed in connection with or in relation to the liability for MTT or DTT.

Clause 62 provides that an assessment is not affected by any mistake, defect or omission therein, if it is in substance and effect in conformity with the intent and meaning of this Bill.

Clause 63 provides for the process relating to the making of objections against an assessment of MTT or DTT.

Clause 64 provides that the Board of Review established under the Income Tax Act 1947 may hear appeals against assessments made under this Bill. Proceedings of the Board of Review for an appeal under this Bill are conducted in a similar manner as appeals under the Income Tax Act 1947.

Clause 65 provides for appeals to be made to the General Division of the High Court from the decisions of the Board of Review.

Clause 66 provides that the Board of Review may state a case on a question of law for the opinion of the General Division of the High Court.

Clause 67 provides that if no notice of appeal is lodged against an assessment or if the assessment has been determined on appeal, the appeal is final and conclusive.

PART 7

COLLECTION, RECOVERY AND REPAYMENT OF MTT AND DTT

Clause 68 provides that various provisions of the Income Tax Act 1947 relating to the enforcement and recovery of unpaid tax under that Act also apply to the enforcement and recovery of MTT (including any interest or penalty imposed under this Bill) with the specified modifications.

Clause 69 provides that the constituent entities of an MNE group located in Singapore on the specified dates are jointly and severally liable to pay the prescribed DTT and interest in arrears. Various provisions of the Income Tax Act 1947 relating to the enforcement and recovery of unpaid tax under that Act also apply to the enforcement and recovery of DTT (including any interest or penalty imposed under this Bill) with the specified modifications.

Clause 70 provides that an entity that has paid excess MTT for a financial year may claim a repayment of the excess payment before 31 December of the 5th year after the year in which the MTT return for that financial year is due. An entity that has paid excess DTT for a financial year may claim a repayment of the excess payment before 31 December of the 5th year after the financial year ends.

Clause 71 provides that where a constituent entity has paid DTT in respect of its MNE group, it has a right of contribution or indemnity for the prescribed amount from the other constituent entities located in Singapore.

Clause 72 provides that where an entity is a constituent entity of more than one MNE group and DTT is payable in respect of both MNE groups for a financial year, the designated local DTT filing entity of either MNE group may apply to the Comptroller for the prescribed relief against double-counting of DTT.

Clause 73 provides that an entity that has paid MTT on the basis of an erroneous return for a financial year may apply to the Comptroller for relief before 31 December of the 5th year after the year in which the MTT return for that financial year is due. An entity that has paid DTT on the basis of an erroneous return for a financial year may apply to the Comptroller for relief before 31 December of the 5th year after the year in which the financial year ends.

PART 8

OFFENCES

Clause 74 provides that it is an offence for a person to fail to comply with clause 51(1) or 53(1) (relating to the submission of a return) without reasonable excuse.

Clause 75 provides that it is an offence for a person to fail to comply with regulations made under clause 47(1) (relating to the keeping of records) without reasonable excuse.

Clause 76 provides that it is an offence for a person to fail to comply with clause 50(1) (relating to the furnishing of a GloBE information return) without reasonable excuse.

Clause 77 provides that it is an offence for a person to produce or provide to the Comptroller any document or information in a GloBE information return that is false or misleading.

Clause 78 provides that it is an offence for a person to make an incorrect return, or to intentionally evade or assist another person to evade any MTT or DTT.

Clause 79 provides that it is an offence for a person who, wilfully with intent to evade or assist another to evade MTT or DTT, prepares or maintains, or authorises the preparation or maintenance of any false books of accounts or other records, or falsifies or authorises the falsification of any books of account or records, or makes use of or authorises the use of any fraud, art or contrivance.

Clause 80 provides for an offence in relation to the unauthorised collection of MTT or DTT, or the unauthorised diversion of MTT or DTT collected.

Clause 81 provides for an offence in relation to the obstruction of official duties.

Clause 82 provides that the imposition of any penalty, fine or imprisonment under this Bill does not relieve any person from any liability to pay MTT or DTT.

Clause 83 provides that no prosecution in respect of an offence under clauses 74 to 79 may commence except with the consent of the Comptroller or the Public Prosecutor.

Clause 84 provides that sections 102 (Service of summons) and 105 (Jurisdiction of court) of the Income Tax Act 1947 apply to offences under this Bill.

Clause 85 provides that the Comptroller or an authorised officer may compound offences under clauses 74 to 79.

PART 9

MISCELLANEOUS

Clause 86 provides that the Comptroller may authorise an officer authorised under section 4(1) of the Income Tax Act 1947 to exercise specified powers under that Act for the purposes of investigations under this Bill.

Clause 87 provides that the manager or principal officer in Singapore of an entity is answerable for doing all acts, matters and things required to be done by the entity under this Bill.

Clause 88 provides that the prescribed persons on the winding up or dissolution of an entity are answerable for doing all acts, matters and things required to be done by the entity under this Bill.

Clause 89 provides that this Bill does not affect any criminal proceedings under any other written law.

Clause 90 provides for the admissibility of certain statements or documents as evidence in proceedings for the recovery of MTT, DTT, surcharge, interest of penalty under this Bill.

Clause 91 provides for the protection of the identity of informants.

Clause 92 provides that various provisions of the Income Tax Act 1947 apply for the purposes of this Bill with specified modifications.

Clause 93 allows the Minister to make regulations for various purposes under this Bill.

Clause 94 provides for related amendments to be made to the Income Tax Act 1947. For the purpose of that Act, any qualified IIR or qualified UTPR is an excluded top-up tax and is disregarded for the purpose of the exemption of foreign income under section 13(8) of that Act. The headline foreign tax rate for the purpose of that exemption also disregards the effect of any qualified domestic minimum top-up tax. No deduction under that Act is allowed for any MTT, DTT, excluded top-up tax or qualified domestic minimum top-up tax. No tax credit is given for any excluded top-up tax but tax credit may be given for qualified domestic minimum top-up tax in specified situations.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.