

CorpPass

CorpPass is a corporate digital identity for businesses. From 1 September 2018, businesses have to use CorpPass to transact with the Singapore Government including IRAS. It is the only login method for myTax Portal and e-stamping for businesses. It replaced the e-services Authorisation System (EASY). EASY is now no longer available.

For businesses which are yet CorpPass ready, please register a CorpPass administrator who will be responsible for authorizing staff or third parties (eg tax agents) to transact with IRAS on behalf of the business.

Basis of Assessment for Service Companies

IRAS has updated its website with regard to the tax treatment of service companies applying the “cost-plus mark-up” basis of assessment (CM basis) of taxation.

Where the CM basis is adopted, the chargeable income is computed based on 5% mark-up on the total cost incurred by the service company and there will be no further tax adjustments. This is unlike the “Normal Trading Company” basis of assessment (NTC basis) where in arriving at the income chargeable to tax, the company has to make tax adjustments (eg add back disallowed expenses, deduct capital allowances etc).

IRAS has indicated on its website that the CM basis of taxation is strictly meant for a group of service companies that:

- Provide routine support services as listed in Annex C of the Transfer Pricing Guidelines to only their related parties; and
- Adopt a 5% mark-up on costs as the arm’s length charge for the routine support services.

Service companies that do not qualify for the CM basis and have been adopting the CM basis will have to transit to the NTC basis, latest by the **Year of Assessment 2020**.

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How we can assist

If you need assistance or advice on the above, we are here to assist you.

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