

Staff costs – Group life insurance

IRAS has clarified on its website that with effect from Year of Assessment (YA) 2019, where the employer is the named beneficiary of the group term life insurance policy and there is no contractual obligation to on-pay the insurance payout to the employee, the premiums paid on the group term life insurance policy will be allowed as a tax deduction and accordingly, the payout received will be taxable in full.

Withholding tax on interest, commission, fee or any other payment in connection with a loan or indebtedness

The IRAS has clarified that **with effect from YA 2020**, where the payer is contractually required to bear the tax for the non-resident, the withholding tax borne will be treated as part of the interest paid. The interest expense (including the withholding tax borne on behalf of the non-resident) is tax deductible if the loan is taken up to finance income-producing assets.

How we can assist

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

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