

# Tax Alert

October 2022

## Withdrawal of Administrative Concessions on the Waiver of Withholding tax (WHT)

The Inland Revenue Authority of Singapore (IRAS) has announced the withdrawal of administrative concessions on the waiver of WHT on the following payments made to non-residents of Singapore:

- Payments made to non-resident related companies for services rendered in Singapore under a cost-pooling arrangement.
- Reimbursements of accommodation, meals and transportation expenses made to non-resident companies for services rendered in Singapore.
- Cost of airfare and accommodation borne on behalf of or reimbursed to non-resident professionals and public entertainers for short-term engagements in Singapore.

This will take effect for payments made on or after 1 November 2022.

## New GST Guide for Travel Industry

In Budget 2022, the Minister for Finance announced that the basis for determining whether zero-rating applies to a supply of travel arranging services will be updated, to be based on where the customer and direct beneficiary of the services belong.

Under the change, if the customer of the service belongs in Singapore, the travel arranging service will be standard rated. Conversely, if the customer of the service belongs outside Singapore and the direct beneficiary either belongs outside Singapore or is GST-registered in Singapore, the travel arranging service will be zero-rated.

The change will take effect from 1 January 2023. IRAS has published on 11 Jul 2022 the e-tax guide on the above change.

**This Tax Alert is a quick update on the latest tax developments and changes in laws and regulations for clients' information. It should not be used or relied upon as professional advice or as a basis for business decisions.**

## How Can We Assist?

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



**Michelle Seat**  
Director, Tax

*Foo Kon Tan LLP*  
24 Raffles Place #07-03 Clifford Centre  
Singapore 048621  
D +65 6304 2342  
F +65 6337 2197  
[michelle.seat@fookontan.com](mailto:michelle.seat@fookontan.com)  
[www.fookontan.com](http://www.fookontan.com)