# SINGAPORE

## Questionnaire on the Implementation of the HTVI Approach

| | QUESTION | RESPONSE |
|---|---|---|
| 1 | **Has your country adopted the hard-to-value intangibles ("HTVI") approach as defined in Chapter VI of the TPG? If so, under what legal basis?** | The Singapore Income Act (section 19B) provides that the capital expenditure incurred for intellectual property rights for the purpose of writing-down allowances must be based on open-market price. In the event that the intellectual property rights are HTVI, Singapore would take guidance from Section D.4 of the revised Chapter VI of the OECD Transfer Pricing Guidelines and the Annex to Chapter VI on the guidance for tax administrations on the application of the approach to HTVI. |
| 2 | **If your country applies the HTVI approach, what are the conditions for the application of the HTVI approach?** | Singapore would take guidance from Section D.4 of the revised Chapter VI of the OECD Transfer Pricing Guidelines and the Annex to Chapter VI on the guidance for tax administrations on the application of the approach to HTVI. |
| 3 | **Are transactions falling within the scope of the HTVI approach subject to a transfer pricing analysis differing from the one established in Chapter I and VI, or to other compliance requirements specifically applicable to transfer prices (e.g. domestic anti-abuse rules)?** | No. |
| 4 | **What is the statute of limitations applicable to transactions falling within the scope of the HTVI approach in your legislation? Does this statute of limitations differ from those applicable to other transactions?** | Singapore has a statute of limitation of four years to make assessments with additional tax. The statute of limitation applies regardless of the kinds of transactions. There is no statute of limitation to make assessments to discharge or reduce tax. |
| 5 | **Can taxpayers request a bilateral or multilateral advance pricing agreement ("APA") for transactions falling within the scope of the HTVI approach under your legislation?** | Taxpayers can request a bilateral or multilateral advance pricing agreement ("APA") for transactions falling within the scope of the HTVI approach so long as it is permitted under the relevant treaty and taxpayers comply with the APA process stated in the Singapore Transfer Pricing Guidelines. |
| 6 | **What measures exist or approaches have been adopted to avoid the use of hindsight (e.g. training of tax administrators, internal circulars/informative notes)?** | Training of tax administrators and taking guidance from the OECD Transfer Pricing Guidelines. |

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| 7 | **Is it possible for your tax administration to make adjustments under the HTVI approach in open years for closed years?** | No. |
| 8 | **Does your domestic legislation or administrative practice allow the tax administration to make corresponding adjustments under the HTVI approach in open years for closed years?** | Singapore Income Tax Act allows us to making corresponding adjustments in the closed year in accordance with the MAP agreement with a foreign authority. In such situation, the statute of limitation to make assessments with additional tax does not apply [section 74(2A)]. |
| 9 | **Is it possible for your tax administration to make several adjustments for one single HTVI transaction under the HTVI approach?** | In general, as long as the adjustments are made within the statute of limitation, the Singapore Income Tax does not prevent us from making several adjustments for a single transaction. However, as good practice and to give certainty to our taxpayers, we endeavour to avoid making several adjustments to a single transaction. |

*For further information, please see* [*http://www.oecd.org/tax/transfer-pricing/transfer-pricing-country-profiles.htm*](http://www.oecd.org/tax/transfer-pricing/transfer-pricing-country-profiles.htm)