Singapore Tax Year-End 2026:
Checklist for Businesses

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Five tax priorities for Singapore businesses closing FY2026 and preparing for YA 2027

For Singapore companies with a 31 December financial year-end, the close of FY2026 is a chance to review tax positions, address compliance gaps and assess incentives available from Year of Assessment (YA) 2027. Companies with other financial year-ends should apply the same checks to their own basis periods and filing calendars.

For finance and tax teams, year-end planning should go beyond closing the accounts. Transfer pricing adjustments, economic substance requirements and cross-border payment obligations need to be properly assessed and documented, while upcoming enhancements to tax incentives may create opportunities to optimise qualifying business expenditure.

For a company with a 31 December year-end, FY2026 generally forms the basis period for YA 2027. The YA 2026 corporate tax return, due on 30 November 2026, generally relates to a financial year that ended in 2025. Changes to a financial year-end and longer first accounting periods can affect the allocation between YAs.

The five areas below cover the YA 2026 filing and the decisions finance teams can make as they close their FY2026 accounts.

1. Corporate Income Tax (CIT): Confirm the YA 2026 rebate and prepare for YA 2027

The YA 2026 corporate income tax return is due on 30 November 2026 for companies required to file. This filing deadline applies regardless of financial year-end. Use Form C-S, Form C-S (Lite) or Form C as applicable. Dormant companies generally file a dormant company return unless IRAS has granted a filing waiver.

One important consideration this year is the enhanced CIT rebate announced by the Government in April 2026, which increased the original Budget 2026 support measures.

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CIT rebate, YA 2026	Budget 2026 (February)	Enhanced rebate (April)
Rebate on tax payable	40%	50%
Minimum cash benefit for eligible companies	S$1,500	S$2,000
Maximum total benefit per company	S$30,000	S$40,000

The S$2,000 cash grant is available to companies that are active at disbursement and made Central Provident Fund (CPF) contributions in calendar year 2025 for at least one Singapore citizen or permanent resident employee, excluding shareholder-directors. The grant counts towards the S$40,000 combined cap. IRAS applies both measures automatically.

What businesses should consider:

- Check the Notice of Assessment against the enhanced 50% computation. If the company qualifies for the S$2,000 cash grant, the rebate shown on the assessment is the excess of the capped rebate over that grant, if any.
- Check eligibility for the cash grant, particularly the local employee requirement.
- Update FY2026 forecasts using the prevailing 17% headline rate on chargeable income, allowing for applicable exemptions and incentives. As at 19 November 2026, no equivalent rebate had been announced for YA 2027.

The rebate provides short-term support, but businesses should avoid building it into their longer-term tax assumptions.

2. Transfer pricing: Reconcile intra-group arrangements before closing the books

Transfer pricing remains an important area of scrutiny for multinational groups operating in Singapore. Related-party transactions must be conducted on arm's length terms, reflecting the conditions that independent parties would reasonably agree to under comparable circumstances.

Businesses should compare actual results with their group transfer pricing policy and confirm that the policy and the resulting prices are supported by arm's length evidence.

The year-end close provides an opportunity to identify discrepancies before they become more difficult to address.

Key considerations include:

- Review actual margins and charges. Compare financial results with the group policy and benchmarks. If an adjustment is warranted, check the intercompany agreements and IRAS conditions for recognising a year-end true-up for tax purposes, including any effect on GST or withholding tax.
- Reconcile intra-group financing: Review interest rates, repayment terms and other conditions attached to intercompany loans to ensure they remain commercially supportable and consistent with the arm's length principle.
- Prepare contemporaneous documentation. Subject to transaction-specific exemptions, documentation is required if gross trade or business revenue exceeds S$10 million for the relevant basis period or documentation was required for the immediately preceding basis period. Complete it by the relevant income tax return filing deadline and be ready to provide it within 30 days of an IRAS request.
- Allow for possible surcharges. If IRAS makes an adjustment under section 34D, a 5% surcharge generally applies to the amount of the adjustment, even if no additional tax is payable. IRAS may remit the surcharge in whole or in part.

A transfer pricing adjustment should reflect the commercial arrangement and available supporting evidence. Leaving discrepancies unresolved until after the accounts are finalised can make the position harder to defend.

3. Economic substance and cross-border payments

For businesses with overseas investments, related-party payments or cross-border operations, two areas deserve particular attention before year-end: foreign asset disposal gains and withholding tax.

3.1 Foreign asset disposals and Section 10L

Section 10L of the Income Tax Act 1947 can tax certain gains from the sale or disposal of foreign assets by an entity of a relevant group when those gains are received, or deemed received, in Singapore. The rules apply to disposals on or after 1 January 2024. For non-IP assets, adequate Singapore economic substance may take the gain outside section 10L. Foreign intellectual property rights (IPRs) follow separate rules, including a modified nexus test for qualifying IPRs.

This is particularly relevant for multinational groups undertaking share disposals, intellectual property transfers or other overseas asset transactions.

Businesses that completed or are considering foreign asset disposals during 2026 should assess:

- Whether the seller is part of a relevant group, the asset is a foreign asset and the gains have been or are expected to be received in Singapore.
- Which economic substance test applies for a non-IP disposal, including whether the seller is a pure equity-holding entity.
- Whether the seller can evidence its Singapore activities, including qualifying outsourced activities where relevant.
- Whether an exclusion applies or, for foreign IPRs, what portion of the gain may be excluded under the applicable nexus rules.

Assess the seller's circumstances and retain evidence of the activities and resources attributable to that entity.

3.2 Withholding tax and double tax treaty relief

Cross-border payments can also create withholding tax obligations. Interest, royalties and certain service fees paid to non-residents may be subject to Singapore withholding tax, depending on the nature of the payment and applicable tax rules.
Reconcile payments to overseas related parties and third parties, including amounts that became due or were credited during the financial year. Review the following points.

- The nature and tax treatment of each payment.
- Applicable rates and filing obligations. Singapore withholding tax is generally filed and paid by the 15th day of the second month after the payment date for withholding tax purposes. For payments other than director's fees, that date is generally the earliest of the amount becoming due and payable, being credited to the non-resident or a designated account, or being paid.
- Whether a reduced rate or exemption is available under the applicable double tax agreement (DTA) and the recipient meets the treaty conditions.
- Whether the recipient has a certificate of residence covering the year of payment and can provide any additional evidence needed for treaty relief.

Where treaty relief is claimed, businesses should ensure the relevant documentation supports the treatment applied to the payments.

The broader consideration is consistency: the contractual arrangements, actual payment flows, tax treatment and supporting evidence should tell the same story.

4. Tax incentives for expenditure falling in YA 2027

Companies with a 31 December 2026 year-end will generally assess FY2026 expenditure in YA 2027. Companies with other accounting dates should identify the basis period in which the expenditure is incurred and check the incentive's effective date and qualifying conditions.

Three developments deserve attention:

Scheme	What changes	Action before year end
EIS for AI adoption	For YA 2027 and YA 2028, a 400% deduction applies to the first S$50,000 of qualifying AI expenditure per YA. This category has no cash payout option.	Check eligibility and retain evidence of the expenditure.
DTDi	From YA 2027, the automatic claim cap rises from S$150,000 to S$400,000 per YA for specified qualifying expenditure.	Identify activities requiring approval and retain supporting records.
Incentives lapsing after 31 December 2026	The Investment Allowance for Emissions Reduction and the double tax deduction for qualifying upfront costs of rated retail bonds are scheduled to lapse.	Check the relevant approval or issuance cut-off.

4.1 Enterprise Innovation Scheme (EIS): Expanded support for AI adoption

Qualifying AI adoption expenditure is eligible under the Enterprise Innovation Scheme for YA 2027 and YA 2028.
Eligible businesses can claim a 400% deduction on the first S$50,000 of qualifying expenditure in each YA. This can include subscriptions to or licences for qualifying AI systems and eligible AI business services used in the trade or business. Physical

infrastructure and hardware are excluded.

For illustration, S$50,000 of qualifying expenditure could generate a total deduction of S$200,000.

The cash payout option is unavailable for AI adoption expenditure. Before claiming, check eligibility, the treatment of any government grants or subsidies and restrictions on overlapping claims.

4.2 Double Tax Deduction for Internationalisation (DTDi): Higher claim threshold

From YA 2027, the annual cap for automatic DTDi claims for specified qualifying activities rises from S$150,000 to S$400,000. Additional specified expenses will be eligible without prior approval. Check which activities or amounts still require approval from Enterprise Singapore or the Singapore Tourism Board, as applicable.

Companies planning regional expansion should review their FY2026 expenditure on qualifying overseas activities and ensure that invoices, project records and other supporting evidence are retained.

4.3 Incentives scheduled to lapse after 31 December 2026

Two existing incentives are scheduled to lapse after the end of 2026:

- Investment Allowance for Emissions Reduction (IA-ER).
- Double deduction for upfront costs of rated retail bonds.

For emissions reduction projects, check the approval timing and qualifying capital expenditure under the award. For rated retail bonds, the scheduled cut-off is 31 December 2026 for qualifying bonds issued under the Seasoning Framework or the Exempt Bond Issuer Framework.

Check the applicable scheme conditions before advancing a project or financing timetable.

5. Pillar Two: Move from registration to reporting readiness

Singapore's implementation of the OECD Pillar Two rules applies to qualifying multinational enterprise groups with consolidated revenue of at least EUR 750 million in at least two of the four financial years immediately preceding the relevant year, subject to the detailed scope rules.

Singapore's Multinational Enterprise Top-up Tax (MTT) and Domestic Top-up Tax (DTT) apply to financial years beginning on or after 1 January 2025. FY2025 was generally the first in-scope year for calendar-year groups already meeting the scope tests.

By this stage, the focus for many affected groups should be shifting from understanding the rules to ensuring that registration, data collection and filing arrangements are in place.

Key Pillar Two milestones

Date	Requirement
FY2025	First in-scope financial year for calendar-year groups that already met the scope tests.
30 June 2026	Registration deadline where the first in-scope financial year ended on 31 December 2025.
Financial years beginning on or after 1 January 2026	Side-by-Side and Substance-based Tax Incentive safe harbours may apply to eligible groups or jurisdictions, subject to the relevant elections and conditions.
30 June 2027	Filing deadline for groups whose transition year ended on 31 December 2025. File the GloBE Information Return (GIR) or GIR notification, and MTT and DTT returns where required.

Registration is generally due within six months after the end of the first in-scope financial year. If that year ended on 31 March 2026, the deadline was 30 September 2026. If it ended on 30 June 2026, the deadline is 31 December 2026.

What groups should address before year-end:

- Confirm registration. Verify that the ultimate parent entity has registered the group and that the relevant Singapore filing entities

are designated. Failure to register may result in a surcharge of 10% of the MTT and DTT assessed in connection with that failure.
- Determine filing responsibilities. Confirm who will file the GIR or GIR notification, and identify who is responsible for the DTT and MTT returns where required.
- Assess safe harbours and elections by jurisdiction and financial year. Use qualifying Country-by-Country Reporting (CbCR) data for the Transitional CbCR Safe Harbour where applicable. The Side-by-Side Safe Harbour does not disapply Singapore DTT. The Simplified Effective Tax Rate Safe Harbour applies to financial years beginning on or after 31 December 2026, generally FY2027 for calendar-year groups.
- Prepare the data infrastructure: Incorporate GloBE data requirements into the group's financial reporting and year-end close processes.
- Review international filing obligations. If the GIR is filed abroad, confirm that Singapore has an activated exchange relationship for the relevant year and file the required Singapore GIR notification. If the conditions for central filing are unmet, arrange local GIR filing.

The Singapore filing period is generally 18 months from the end of a transition year and 15 months for other years. Any MTT or DTT payable is generally due within one month after the filing deadline.

Singapore tax calendar for 2026 and 2027

Use these dates alongside the company's own financial year-end and, for Pillar Two, the group's financial year and transition-year status.

Date	Key action
30 November 2026	File the YA 2026 corporate income tax return, where required.
31 December 2026	Planning date for companies closing FY2026 on 31 December. Check separately whether any incentive cut-off or Pillar Two registration deadline falls on this date.
31 March 2027	For a 31 December 2026 year-end, file Estimated Chargeable Income (ECI) for YA 2027 where required. ECI is generally due within three months after year-end. A waiver generally applies if annual revenue is S$5 million or less and ECI is nil.
30 June 2027	For a transition year ending on 31 December 2025, file the GIR or notification and applicable MTT and DTT returns.

Preparing for YA 2027

The year-end review is an opportunity to check whether qualifying AI and overseas expansion expenditure can support a YA 2027 claim and whether cross-border tax positions are backed by evidence.

For businesses closing their FY2026 accounts on 31 December, the priority is to address current tax obligations while preparing early for the incentives and requirements ahead. A structured year-end review can help reduce compliance exposure and ensure that eligible tax benefits are not overlooked.

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