Answer-to-Question-_1_

Tax Residency of Plato

Based on the information provided, we understand that:
- Plato is incorporated in Country X
- All directors are residents and works from office in Country X

First we need to determine tax residential status of Plato in respect of Singapore Income Tax Act (ITA). As per Section 2(1), residen in Sinfapore in relation to company, means a company control and managment of whose business is exercised in Singapore. Since all four Plato's direcrors are workin in Country X, therefore it can be concluded tha Plato is classied as non-resident.

Then we can analyse all Plutos activities and its tax implication as follow:

-Employment of Lins

As stipulated on Art 15(1) and (2) OECD Model, Lin's Salary from workin on Pluto shall be taxable only in Singapore.

Lin is Singapore resident and has obligation to negotiate and conclude contract, also signing the purchase contract.

Year 1 sales

Sales representatives
- organize the delivery of the product

Since Lin only organize of the delivery of the product and the product is not sale in Singapore, then Pluto is not constitute permanent establishment in Singapore. Therefore, all the income on sales shall be taxable only in Country X.

Year 2 Sales

Website managed by Lin in Singapore

The website merely facilitates the conduct transaction and the substantial part of the business activities are made from the pluto outside SIngapore. Therefore, Pluto would not be considered as having its business operation in Singapore.

Even in Pluto have rented storage space and organised the delivery in Singapore, according to Article 5(4) of DTA, it still doesn;t constitute permanent establishment in Singapore. Thus, such income would not be considered as sourced in Singapore and taxable in Singapore.

Answer-to-Question-_2__

Tax Residency of Sunny

Facts:
- Sunny employed by Singapore company
- Sunny works regulary to Country X as part of work.
- Never stayed in Country X more than four weeks at a time
- Total times in 2021 is seven month (> 6 months based on Country X law). So, Sunny is treated as tax residenct in Country X for tax purpose
- Sunny stays in hotel/short-term homestay in Country X (different accomodation)
- Sunny stays in appartement in Singapore

Under s20(1) ITA, person who is phisicaly present or excercise an employment in Singapore for 183 days or more during the year preceding of the year assesment is a tax resident in Singapore. It assumed that before the year 2022, Sunny is present in Singapore the whole year or more than 183 days. It means She is tax resident in Singapore.

However, based on the facts as, for the year 2022, Sunny is treated as tax resident in both countries. So there is a dual residency issue. So it shoulde be determinde by tie breaker rule, which can be decided by these factors (in hierarchy):
- Permanent home
- central of vital interest
- habitual abode
- citizenship status and
- mutual agreement.

In this regared, Sunny has permanent home in Singapore. In

Country X she stays in different places. So, Sunny could be treated as tax resident in Singapore.

In addition, Sunny travels to Country X could be treated as an extention of the Singapore employemnt.

Tax Implication of Sunny:

1. Employment income

Should be tax in Singapore under section 10(1)(b) ITA, irrespective of whether employment is exercised in Singapore or COuntry X.

Assuming singapore has DTA with Country X, based on Art. 15 of DTA, employemnt when excersised in Country X cannot be said to be taxable in Country X, since the salary is paid by a resident of Singapore. Sunny also will comeback to Singapore after works in Country X.

2. Dividend income in Singapore and Country X

Shouldn't be subject in Singapore. Singapore has one tie system. But dividend in Country X may be taxed based on domestic law or tax treaty between Country X and Singapore (reduced tax rate applied). If it is remitted to Singapore, such income could be exempt where The Comproller is satiesfied that exemption would be beneficial for Sunny, according to section 13(7)(A) of ITA.

3. Interest income in Singapore and COuntry X

Shouldn't be subject in Singapore based on section 13 (1) zd of ITA. But interest income in Country X maybe taxed in Country X based on the domestic law or tax treaty between Country X and Singapore (reduced tax rate applied). If it is remitted to Singapore, such income could be exempt where The Comproller is satiesfied that exemption would be beneficial for Sunny, according to section 13(7)(A) of ITA.

4. Capital gain income (Profit from sale of shares in Singapore)
There is no capital gains tax in Singapore. But it need to examide first whether it is from gain or trade with six badge, if it is trade income, such income is subjected to tax according to section 10 (1). There is no detail provided.

5. Rent income in Singapore.
In general, rent income should subjet to tax in SIngapore based on Section 10(1) (f) of ITA. But if it can be taxable under section 10 (1)(a) if becomes a bussines income (shoulde determined by the six badge of trade). Since it commercial office, it can be concluded that is likely more to be a business income.

Answer-to-Question-_3_

Tax Residency of Noah

First, it's important to define the tax residential status of Noah. Based on the infomation provided, Noah is incorporated in Singapore. However, tax residency is not defined by the country where it is incorporated. Based on Section 2(1) of Singapore ITA, the tax resideny is determined on the basis where the central management and control is.

There is no explicit information about that, but since all directors live and work in Singapore, so it could be concluded that the substantial and strategic decision of Noah are excercised in Singapore. It means, the control and managament is in Singapore. Thus, it can be conclude that Noah is tax resident of Singapore.

The implication of activities:

Accordance to Section 10 (1) of ITA, a company who becomes a tax resident in Singapore will be taxed in Singapore, but only on income accruing in or derived from Singapore or reciveied in Singapore (from outside Singapure/by remittance). As general rule, it shall be taxed by a corporated tax rate of 17%,

Based on the business operation of Noah, we understand that Noah has business operation related to Country Y and Country X. Therefore, we need to examine the tax implication based on the activities done by Noah in each country.

- Manufacturing Process in Country Y

Noah has a factory in Country Y to manufactures the food product.

The product is sent to Singapore and packages in Singapore premises. So, there is a portion of income that arise in Country Y since manufacturing prosess has a large portion to create Noah Income.

Country Y may tax the business income since there is an manufuring activities in Country Y. There is an issue that the activity created PE in Country Y. Since there is no DTA DTA between Singapore and Country Y, thus the income sourced in Country Y may be taxed there with CIT rate of 5%. If it is remitted to Singapore, it could be tax in Singapore. However it can be get the exemption based on Section 13(8) and (13)(9) of ITA.

If it subject to tax in COuntry Y, the headline tax is at least 15%, amd the Comptroller is satisfied for the beneficial. Since its only 5%, the requirement for the exemption is not fullfilled. So, the foreign branch profit remitted to Singapore may not be exempt from tax.

- Sales to independent wholesaler to Country X

The sales to independent wholasaler to Country X. The income that sales is considered as sourced in Singapore since is sent from Singapore to Country X. Also there is no permanent establishment arises since the company in Country X is independent company, not foreign branch. So it should be taxable under section 10(1) of ITA. Even if half of income is remmited to Singapore or stays in bank in Country X, the taxability is still in Singapore. The remmitance rule based on section 13(8) and 13(9) not relevant if the income is determined as source in Singapore

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Answer-to-Question-_5__

There is no inheritance tax imposed on Penny's property that received from her mother. After received the property, the Penny obliged to pay property tax each year.

Since Penny doesnt occupy that property, the the tax rate is referred to non-owner-occupier residential tax rates, start from 10%. Beside that, she must report her rental income to her annual tax return. She also can claim actual rental expenses on her property to deduct her rental income. On the fourth year, she can calin the renovation expense to deduct her rental icnome.

For the Pennys income on selling apartment, first it must be determined whether that income is classied to capiral gain or trade using six badge of trade which consist of:
- subject matter of realization. the property selling normaly classied as capital gain than trade.
- length of periode of ownership. the longer the holding periode, the less likely to be trade. we know Penny is going to sell it as soon as the construction of the property is finished., therefore in can be concluded as trade.
- Frequency of similar transaction. We know Penny has 18 blocks of apartment. Therefore it can be conclued as trade.
- Supplemntary work on or in connection property realised. We know Penny construct the apartmenet and even run a extensie markering campaign on it. Therefore it can be concluded as trade.
- circumstances responsible for realization. we know there is no circumstances that force Penny to sell her property. There fore in can be conluded as trade.
- Motive. From the question, we know that the existance of a motive in constructing apartmenet for resale at a profit. therefore, it can be concluded as trade.

Conclusion, Penny's income on selling apartment is classified to trade, and therefore subjected to tax.

Answer-to-Question-_6__

As stipulated in Art 15 (3) of GST Tax Act, supply of services is considered as made in Singapore if the enterprise:
- has business establishment (BE) of fixed establishment (FE) in Singapore;
- has BE or FE both in or outside Singapore, and the BE of FE in Singapore is most directly concerned with the making of supply of services; or
- doesn't has BE or PE in any country but the place of incorporation or palce of its legal contstitution is in Singapore.

The enterprise will be treated as having a BE in Singapore if main seat of economic activity, carry on business through a branch, or carry on business through an agency in Singapore. The main seat of economic activity refers to the place where the substantial decision and managemenet carried out.

Meanwhile, the enterprise will be treated a having FE in Singapore if it has both human and technical resources necesarry to provide the particular services on permanent basis. Human resource means the presence of staff. Technical resurcea means physical goods necessary to support the human resource in the particular services.

If the enterprise has BE or FE both in and outside Singaore, the enterprise must determined which of the establishment is most direclty concerned with the making of supply of services. If the establishment which is most directly concerned with the particullar supply is in Singapore, then it will be treated as belonging in Singapore.

For example, if the BE or FE in Singapore is the one solely

performing/providing the services to customer, then it will be treated as belonging in Singapore for the supply of services.

Lastly, if the enterprise doesnt has BE of FE in any country, the supply of services is considered as made in Singapore if place of incorporation or palce of its legal constitution is in Singapore.