MARCH 2015 ISSUE 1
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ASIA PACIFIC
INTERNATIONAL PRIVATE CLIENT SERVICES NEWS

BANKERS & TRUST ADVISORS TO DISCLOSE TAX INFORMATION OF CUSTOMERS

LEADING GLOBAL NEWS

Increased tax transparency is not far away following the declarations of global leaders at the recent G20 meeting in Brisbane Australia.

In an effort to improve tax transparency, 92 countries have committed to a process of introducing an automatic annual exchange of tax information whereby financial institutions will release information each year to the tax authorities in their country and the tax authority will share it with the tax authorities in the other countries.

All OECD countries including Switzerland have agreed to commit to a process of passing laws to see it implemented in their own jurisdictions. In the Asia Pacific region Australia, Japan, Korea, India, Indonesia, Malaysia, New Zealand and Singapore the following countries are all on board with other countries expected to follow.

Interestingly there are 58 countries who want to be 'early adopters' of these new laws by 1 January 2016 and include Germany, France, Italy, UK and known tax havens such as Guernsey, British Virgin Islands, Cayman, Gibraltar, and Bermuda.

Under the current proposals, bankers and trust advisors will provide the following information to tax authorities each year:

- Name and address
- Date of birth
- Country of tax residence
- Accounts held /Account numbers
- Balance of account and value at year end
- Earnings – interest, dividends, etc
- Proceeds from the sale of property.

Further, there will be increased transparency in relation to foreign trusts and foreign companies as the financial institutions will also be required to report specific details of these entities including the settlor of foreign trusts, the trustees and beneficiaries of the trust as well as naming an ultimate individual controller.

We can expect that many tax authorities may introduce a tax amnesty to allow people to come forward and make disclosures about foreign earnings upon which tax has not been paid. As an example Australia introduced a tax amnesty earlier in the year which expires on 19 December 2014 with the offer of substantially reduced penalties and a 4 year time limit for back tax assessments.

It is important that all taxpayers start to understand how these rules may impact on them and what restructuring options are available to them at this present moment before these new rules are introduced.

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MARCH 2015

Welcome to the March 2015 BDO International Private Client Services (IPCS) Newsletter.

In this edition we bring you a selection of articles to update you on some recent developments in various jurisdictions throughout the Asia Pacific Region.

If you would like more information on any of the items featured, or would like to discuss their implications for you, please contact the person named under the article. The material discussed in this newsletter is meant to provide general information only and should not be acted upon without first obtaining professional advice tailored to your particular needs.

BDO International Private Client Services Newsletter (Asia Pacific) is published regularly by BDO (WA) Pty Ltd.

WE WANT TO HEAR FROM YOU

If you have any comments or suggestions concerning BDO International Private Client Services Newsletter (Asia Pacific), please contact the Editor by e-mail at Katey.gibb@bdo.com.au or by telephone on +61 8 6382 4600. If you require assistance or advice in connection with any country not mentioned in this issue, please contact your usual BDO adviser or Mark Pollock.

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AUSTRALIA

RESIDENCY CRACKDOWN, NEW VISA CHANGES & PROPERTY WITHHOLDING TAX

CRACKDOWN ON RESIDENCY

The Australian Tax Office has increased scrutiny on taxpayers who have declared themselves not to be tax residents of Australia. The main focus is on Australians who have left to work and live in another country but also on foreigners who are spending more and more time in Australia. There is a common misconception that if you are not in Australia for 183 days then you are not a tax resident, however this is not always the case and all facts need to be examined closely as Australia has other tests including 'resides' test and the 'domicile' test.

The recent decision in Dempsey's case shows that the ATO are continually challenging the tax residency status of people that have been overseas for an extended period of time.

Mr Dempsey worked on a construction project in Saudi Arabia for two and a half years and then returned permanently to Australia. For the duration of his stay in Saudi Arabia, Mr Dempsey lived in a furnished apartments supplied by his employer and when on leave travelled to Bahrain, Thailand and Australia. His trips to Australia were brief and when holidaying, Mr Dempsey spent more time in Thailand. He continued to own a house at the Gold Coast where he had lived prior to leaving for Saudi Arabia and chose not to sell or rent out this house while in Saudi Arabia.

The Tribunal concluded that Mr Dempsey did not reside in Australia in the 2009 and 2010 years and also that his permanent place of abode was outside Australia, stating that Mr Dempsey as a matter of deliberate choice, made Saudi Arabia his home for the duration of the project.

NEW VISA FOR WEALTHY INVESTORS

Australia is looking to attract wealthy foreigners to their country with a promise of a fast track to permanent citizenship with a specific focus on harnessing the wealth in Asia.

The premium investor program gives permanent residency to applicants investing $A15m in certain assets after 12 months. These visas will be available after 1 July 2015 with details yet to be released on compliant investments, however the Government has indicated that it will be aligned to five industry sectors including food and agri-business, mining technology and services, gas and energy resources, medical technology, and pharmaceuticals.

This is in addition to the significant investor visa program which began in 2012 which allows a foreign investor to be granted a 4 year temporary visa with a path to permanent residency if they invest $5m or more in specific assets which include bank deposits, Government bonds, certain property investments, and investment in business operations.

NEW 10% TAX ON PROPERTY SALES BY FOREIGNERS

New proposed laws may require real estate agents to collect additional information from vendors in relation to their tax status to work out whether a withholding tax should apply in relation to the disposal by foreign residents of certain 'taxable Australian property'.

These measures are being introduced as the government believe that a number of foreigners are buying and selling real estate in Australia and evading Australian tax. Also there can be practical and legal difficulties in collecting tax from foreign resident taxpayers who are in another country.

As announced, the non final withholding tax will apply to transactions involving the 'taxable Australian property' of a foreign resident, regardless of whether the transaction gives rise to a capital gain or ordinary income. This withholding tax is designed really to bring foreigners onto the 'radar' of the tax authorities as they have no other way of detecting them. The amount withheld will be credited to the account of the foreign resident payee when calculating their final income tax position for the relevant tax year. This would generally require the foreign resident to have a tax file number and to have lodged a tax return.

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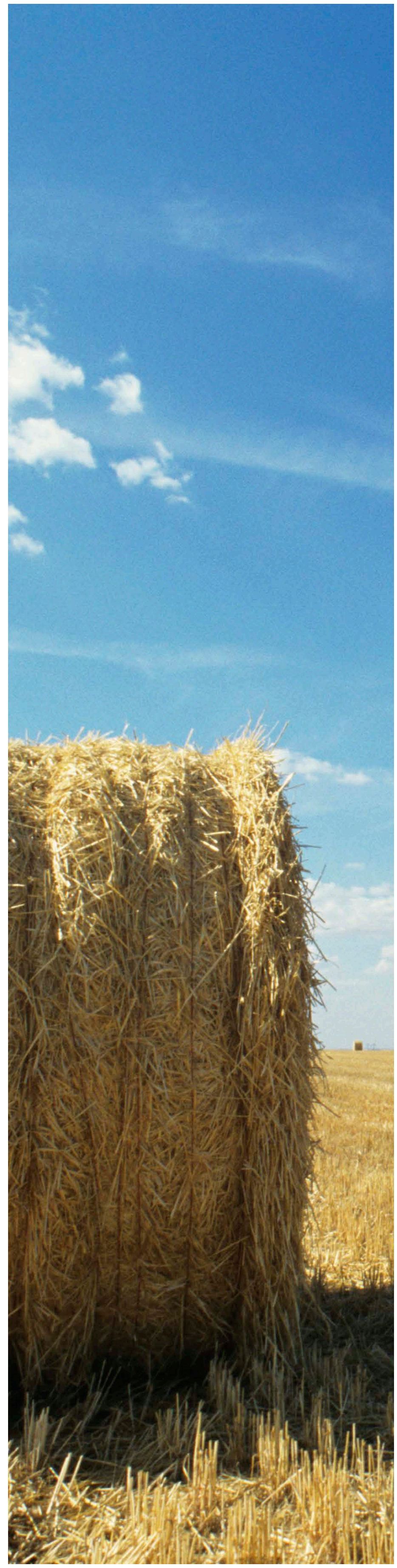

HONG KONG

CAPITAL INVESTMENT ENTRANT SCHEME SUSPENDED WITHOUT WARNING

The unexpected suspension of the Capital Investment Entrant Scheme (CIES) was announced by Mr CY Leung, the Chief Executive of Hong Kong during his presentation of 2015 Policy Address on 14 January 2015. The CIES was suspended with effect from 15 January 2015 - the day after Mr Leung's announcement.

The sudden suspension of the CIES is aimed to match the Government's new policy on attracting overseas talent working in Hong Kong in the hope of easing the issue of population ageing and boosting the economy of Hong Kong. Mr Leung also added that Hong Kong does not have a pressing need for inward investments at the moment but instead, an imminent need for talent here and now.

According to Immigration Department records, since the scheme was launched in October 2003, it attracted around 40,000 people of whom more than 90% were from mainland China. The CIES provided an effective channel for thousands of mainland millionaires to migrate to Hong Kong and some of them had already gained the right of residence in Hong Kong after having resided there for seven consecutive years since the CIES visa was granted.

THE TRANSITIONAL ARRANGEMENT AFTER THE SUSPENSION OF THE CIES

With reference to the latest CIES rules, applications will be accepted if applicants have invested HK$10 million or more in permissible investment assets (which include equities listed on the Hong Kong Stock Exchange in HK dollars; debt securities, certificate of deposits, subordinated debts and eligible collective investment schemes denominated in HK dollars and issued/guaranteed by various Hong Kong authorised institutions/authorities) within six months immediately before the application date and such applications are made within six months of the investment. To align with the above suspension of the CIES and as a transitional arrangement (see Table 1 below for further details), applications will still be accepted after 15 January 2015 if they have invested HK$10 million or more within a six month period immediately before the suspension date and if these applications are made within six months of the investment, depending on whether the applicant meets with the other requirements under CIES.

The examples of the requirements of the "transitional arrangement" are shown in Table 1.

Table 1

<u>Example A</u>

Date of Permissible Investment Made	Amount of Investment	Date of CIES Application Received by Immigration Department	Due Date of Acceptance of CIES Application Under The 'Transitional Arrangement'	CIES Application Acceptable? (Yes/No)
15 November 2014	HK$10 million (one-off investment)	31 March 2015	15 May 2015	Yes

<u>Example B</u>

<table>
<tr><th>Date of Permissible Investment Made</th><th>Amount of Investment</th><th>Date of CIES Application Received by Immigration Department</th><th>Due Date of Acceptance of CIES Application Under The 'Transitional Arrangement'</th><th>CIES Application Acceptable? (Yes/No)</th></tr>
<tr><td>15 November 2014</td><td>HK$4.5 million</td><td rowspan="4">Not applicable</td><td rowspan="4">Not acceptable (see notes)</td><td rowspan="4">No</td></tr>
<tr><td>15 December 2014</td><td>HK$4 million</td></tr>
<tr><td>17 January 2015</td><td>HK$ 3 million</td></tr>
<tr><td>Total investment</td><td>HK $11.5 million</td></tr>
</table>

Note: As the applicant completed investment of HK$10 million or more after CIES suspension date of 15 January 2015, unless the Immigration Department has issued an approval-in-principle, the application would not be accepted as it did not fulfil the requirement of the "transitional arrangement" (regardless of the amount of investment in exceeding HK$10 million).

The suspension of CIES at such a short notice has thus ruined the plans of thousands of potential Hong Kong immigrants, and particularly those who have already started making investments in Hong Kong before the suspension but only managed to complete the threshold of investment after the CIES cessation date.

Applicants who have completed the threshold of investment before the CIES cessation date, should take the opportunity to gain residence in Hong Kong through the scheme by submitting their applications to the Immigration Department within the acceptable timeframe under the transitional arrangement. An Immigration Department spokesman said a large number of eligible applications would be submitted before and after the suspension date and it is expected that the length of processing of the applications would inevitably be prolonged.

NEW SCHEMES FOR ATTRACTING TALENTS AND PROFESSIONALS FROM OVERSEAS COUNTRIES

As the CIES has now been suspended, the government will take a more proactive measure to attract high-quality talent and professionals as well as entrepreneurs from overseas countries to work, stay and invest in Hong Kong by introducing the following new schemes:

- To set up a pilot scheme to encourage second generation Hong Kong Chinese permanent residents who have emigrated to overseas countries to return to Hong Kong and reside here
- To invite talents and entrepreneurs to come to Hong Kong by loosening the residence arrangements under the General Employment Policy, the Admission Scheme for Mainland Talents and Professionals and the Quality Migrant Admission Scheme
- To adjust the General Points Test under the Quality Migrant Admission Scheme to attract young talent with excellent educational background and sound financial standing or with international work experience, to live in Hong Kong
- To state clearly the factors to be considered when processing applications for residence in Hong Kong for investment under the General Employment Policy, to attract more entrepreneurs from overseas to establish their businesses in Hong Kong
- To learn from overseas countries on the feasibility of setting up a talent list to attract high-quality talent to support Hong Kong's future development, in an efficient and effective manner.

The government anticipates that the introduction of the above new schemes can seek the return of expertise, new technology and new capital investments from these new entrants and with their contributions, to steer the economy and the best overall interest of Hong Kong.

Unsuccessful CIES applicants who possess the above-mentioned requirements under the new schemes introduced by the government, may find it easier to obtain the visa for staying and working in Hong Kong under the updated Admission Scheme for Mainland Talents and Professionals and the Quality Migrant Admission Scheme. Applicants who wish to invest in Hong Kong may carry out their investment under the General Employment Policy and their investment activities will not be affected by the new schemes.

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NEW ZEALAND

TAX RESIDENCE OF INDIVIDUALS

THE POTENTIAL PROBLEM WITH OWNING PROPERTY IN NEW ZEALAND

There have been some significant developments in New Zealand over the last year in respect of the tax residence test for individuals. The position is still not necessarily settled given that there is a case awaiting an appeal hearing.

An individual is a tax resident of New Zealand if s/he:

- Is physically present in New Zealand for more than 183 days in a 12 month period
- Has a "permanent place of abode" in New Zealand.

Inland Revenue recently released an Interpretation Statement on Tax Residence (IS 14/01 – Tax Residence). The Interpretation Statement explains how Inland Revenue will apply the tax residence test and, in particular, its view as to how the permanent place of abode test should be applied.

The term permanent place of abode is not defined in the tax legislation. However, case law establishes that the expression means a fixed and habitual place of abode, a place of abode with which the person has an enduring relationship and where the person habitually or normally lives.

Inland Revenue acknowledges that to have a permanent place of abode, a person must have a dwelling available to them in New Zealand. This represents an important shift by Inland Revenue as it previously treated the availability of a dwelling as being only one (albeit important) factor to be taken into account.

Having a dwelling available is a prerequisite to having a permanent place of abode but it does not of itself give rise to a permanent place of abode. There must also be a requisite strength of connection.

This strength of connection test was addressed in a recent and successful appeal by a former soldier, Mr Diamond, in Diamond v Commissioner of Inland Revenue (2014) 26 NZTC 21,093.

In December 2013, the Taxation Review Authority (TRA) held Mr Diamond, who left New Zealand permanently in 2003 to work in various overseas locations as a security consultant, retained a permanent place of abode in New Zealand and was therefore a New Zealand tax resident.

Further relevant facts included the following:

- Mr Diamond's ex-wife and children continued to live in New Zealand
- An investment property was originally purchased for his ex-wife and children to live in. His name was on the title to secure finance, and he made half of the mortgage repayments in lieu of child support payments
- When his ex-wife relocated to a new property, he acquired her half share in the property, which was subsequently rented to third parties
- Mr Diamond visited NZ every five to six months.

In arriving at its decision, the TRA considered that the investment property was available to Mr Diamond as a "dwelling". This was because he legally owned the property and even though it was tenanted, he could give the tenants notice should he have wanted to return to New Zealand.

On appeal, the High Court held that the TRA's reliance on a previous case (Q55) was incorrect. Case Q55 involved a professor who rented out his property while he was overseas on sabbatical leave. Importantly, the professor lived in the property immediately before departure and on his return. The facts of Mr Diamond's case were quite different.

The High Court specifically commented that:

- The ordinary meaning of the term permanent place of abode is "to have a home in New Zealand"
- In the context of Mr Diamond, the property in question was neither used as a home by him at any time, nor was it intended to be used as his home at any time in the future
- The use of the property has consistently been one of investment (for almost 20 years)
- It was acknowledged that Mr Diamond had other ongoing personal connections to New Zealand. However in the absence of the property having any of the characteristics of a permanent place of abode, those other connections did not alter the conclusion reached. Accordingly the High Court allowed the appeal.

We welcome the High Court decision and consider it a very sensible outcome. The TRA created a significant degree of uncertainty over how far the Inland Revenue could go, and how low the threshold was, in determining whether a person had an available dwelling in New Zealand. The High Court decision will be welcomed – especially by those living overseas who have investment or other property in New Zealand.

However, as noted, the position is not settled. The Inland Revenue has appealed the Diamond decision. To date, Inland Revenue has not issued any amendment or comment on its tax residence Interpretation Statement. The position of individual tax residence in New Zealand should therefore be monitored, especially by people based overseas who own real property (e.g. holiday home or investment property) situated in New Zealand.

TAXATION OF EMPLOYEE ALLOWANCES

From 1 April 2015, changes apply to the taxation of accommodation benefits or allowances, certain reimbursing payments, work-related meals and work clothing provided by employers. These changes could have particular implications for expatriates on assignment both into, and out of, New Zealand.

The changes are intended to provide certainty over the tax treatment of the allowances, but in some cases achieves this with rigid time thresholds which employers will need to manage carefully.

Here is a summary of the main changes:

- Accommodation provided in situations involving shift work or remote workplaces is not subject to tax. Specifically, the exceptions cover mobile workplaces such as ships, trucks or oil rigs; a station in Antarctica; accommodation provided for shift workers such as fire-fighters, ambulance staff, and care-givers; and accommodation provided at remote locations outside New Zealand when the person is required to work at the location for a period and then be absent from the location for a period (e.g. employees working at remote mines in Australia).
- When an employee is expected to work away from their normal workplace for up to two years (the treatment will change at the point that expectation changes), employer-provided accommodation is tax exempt. This exemption extends to three years for employees working on capital projects and up to five years for Canterbury earthquake recovery projects. A more restrictive approach is taken for new employees (as opposed to existing employees) under the two year rule compared with the three year rule. However, the existing rules which can apply to relocation payments will continue to be relevant for new employees. For the two year and three year rules, there is a restricted ability to extend these time limits in exceptional circumstances (i.e. outside the control of the employer and employee).
- Accommodation or accommodation payments for those working at more than one workplace on an on-going basis, with one or more of those workplaces being a "distant workplace", is tax exempt with no maximum time limit.
- When an accommodation benefit is taxable, it is generally valued at its market rental value, unless a specific valuation rule says otherwise.
- Meal payments linked to work-related travel is exempt for an up to three months secondment.
- There is a specific exemption for payments for distinctive work clothing, to match the outcome where clothing is provided directly by the employer. Plain clothes allowances are exempt if paid to employees who are provided with a uniform but because of the nature of their current duties are required not to wear that uniform. However, there are special conditions attached to this exemption, including that the allowance was in place on 1 July 2013. So, in practice, this exemption is very limited – applies to Police Officers and perhaps a couple of other groups.

As noted, most of the changes apply from 1 April 2015. However, there is a choice of applying the revised rules to accommodation arrangements put in place on or after 1 January 2011 (and to work-related meals from 1 April 2011 onwards), subject to meeting certain conditions. These "transitional" rules are designed to protect a taxpayer if they have treated payments as being tax-free in the past and, within limits, they may also be applied where an employer has treated the payments as being taxable.

These new rules are subject to certain conditions which aim to lessen the risk of abuse. Specifically:

- Accommodation cannot be tax-free if it is provided as part of a salary trade-off arrangement
- Time limits cannot be "reset" by arranging for the temporary cessation of employment or service.

This latter provision is particularly important to new transfers where the two or three year time limits apply and employers will need to be clear around how long an employee is expected to be away on contract and be provided the accommodation benefit or allowance.

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INDONESIA

RECENT DEVELOPMENT ON THE NEW SOCIAL SECURITY STSTEM

To improve the previous social security scheme, the Indonesian Government has implemented a new and more comprehensive social security scheme starting from 1 January 2014. This new scheme, called the National Social Security System, shall apply nationwide to cover all Indonesian citizens, as well as expatriates who work in Indonesia for more than six months. In the past, expatriates were not required to register with the Indonesia's social security scheme, provided that they were covered by the same type of social security scheme in their home country.

The National Social Security System comprises Employment Social Security, which is the social security scheme applicable to all workers/employees, and the National Healthcare Program, which is the nationwide health insurance program. The National Social Security System is administered by the appointed state agencies, as follows:

- Social Security Administrator for Employment Social Security (i.e. BPJS Ketenagakerjaan, previously PT Jamsostek)
- Social Security Administrator for Healthcare Program (i.e. BPJS Kesehatan)

Details of the new social security schemes are as follows:

- Employment social security – covering work-related accident insurance, death insurance, old age savings and pension.
- So far, the implementation regulation for employment social security has not been issued. As such, currently the operation and administration of employment social security by BPJS Ketenagakerjaan largely adhere to the previous Government Regulation concerning Employment Social Security, including the contribution rates set out below:

Type of Insurance & Benefits	Contribution by Employer	Contribution by Employee
Work accident insurance	0.24% - 1.74% *	-
Death insurance	0.3%	-
Old age savings & pension	3.7%	2%

** Depending on type of business/industry*

- National healthcare program – covering health insurance. Unlike for employment social security, the Government has issued the implementation regulation concerning Health Insurance to govern the operation and administration for BPJS Kesehatan, including the contribution rates.
- Specifically, for employees, the contribution for the health insurance is borne by both the employer and the employees themselves, with the following contribution rates.

Effective Date	Contribution by Employer	Contribution by Employee
1 January 2014 - 30 June 2015	4%	0.5%
1 July 2015 onwards	4%	1%

Penalties & Sanctions for Non-compliance

Employers who do not comply with the registration for the social security scheme and healthcare program under BPJS registration for their employees will be subject to the following penalties and administrative sanctions:

- Written warnings
- Penalty of 0.1% per month on the unpaid contribution amount
- Denial or loss of public facilities and services, such as issuance or renewal of business licenses, application and renewal of stay & work permits for foreign employees, etc.

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MALAYSIA

TAXATION OF INVESTORS ON INCOME FROM FOREIGN FUND MANAGEMENT COMPANIES

In year 2014, the Inland Revenue Board of Malaysia (IRB) has published a public ruling on taxation of investors on income from a foreign fund management company. The IRB has clarified the tax treatment for foreign investors who receive investment income such as dividend and interest in or outside Malaysia from the foreign fund management companies (i.e. >50% of paid up share capital is owned by foreign equity). Foreign investors are defined as individuals who are not residents and not citizens of Malaysia.

To be eligible for tax exemption, a foreign investor has to ensure that he is not caught under the four rules for determination of resident status in Malaysia i.e. More than 182 days, less than 182 days but linked to more than 182 days with a temporary absence, more than 90 days in Malaysia and also for each any three basis years of the four immediate preceding years of assessment and deemed resident rule if have been a resident in Malaysia for each of the basis years for the three immediate preceding years of assessment.

The income from investment in and received in Malaysia by foreign investors exempt from tax are as follows:

- Single-tier dividends
- Interest paid or credited by the approved financial institutions and Bank Kerjasama Rakyat Malaysia Berhad
- Interest derived from Malaysia Islamic securities (other than convertible loan stock) issued in other currency and approved by Securities Commission (SC) or Labuan Financial Services Authority
- Interest or discount derived from securities or bonds issued or guaranteed by the Government, debentures or Islamic securities (other than convertible loan stock) approved by the SC or Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

Dividends and interest from investments outside Malaysia and received in Malaysia by foreign investor are exempt from tax.

Foreign investors who have incorporated a foreign fund management company in Malaysia, as a private limited company could apply for two-year renewable work permits as an expatriate post by meeting the following conditions:

- Minimum paid-up capital (not applicable to public incorporated limited companies and also associations/societies) of:
  - RM350,000 for foreign and local joint owned company. If the company is applying for a key position i.e. Managing Director/Director, the foreign share of equity should be at a minimum of RM500,000.
  - RM500,000 for 100% foreign owned company.
- The minimum salary of an expatriate is RM5,000 per month.

Other documents/information required to be included in the application are corporate information (i.e. Equity share holdings, market distribution of the services, company profile, statutory compliance documents, etc.), applicable licenses and expatriate's personal information (i.e. resume, educational certificates, job descriptions, position held, etc.)

The Malaysia My Second Home Program (MM2H) was introduced by the Malaysian government in 2002 as a means of allowing foreigners regardless of age, race, religion and gender, to stay in Malaysia on a long-term basis.

Participants of this program must have strong financial capability in liquid asset such as personal savings, investment and big pension funds. The basic financial criteria is fixed deposit placement with any bank in Malaysia with a minimum amount of RM350,000 for those aged 50 years and above, or RM500,000 for those aged below 50 years. Participants will get a ten-year visit pass with multiple entry visa, which is renewable every ten years. Tax benefits include tax exemption on foreign-sourced income or pension remitted to Malaysia and interest earned from fixed deposit accounts with any bank in Malaysia.

Employment Pass holders who wish to retire and participate in the MM2H program are exempt from the "cooling off period" on the condition that their application to participate is submitted three months before the expiry of the Employment Pass.

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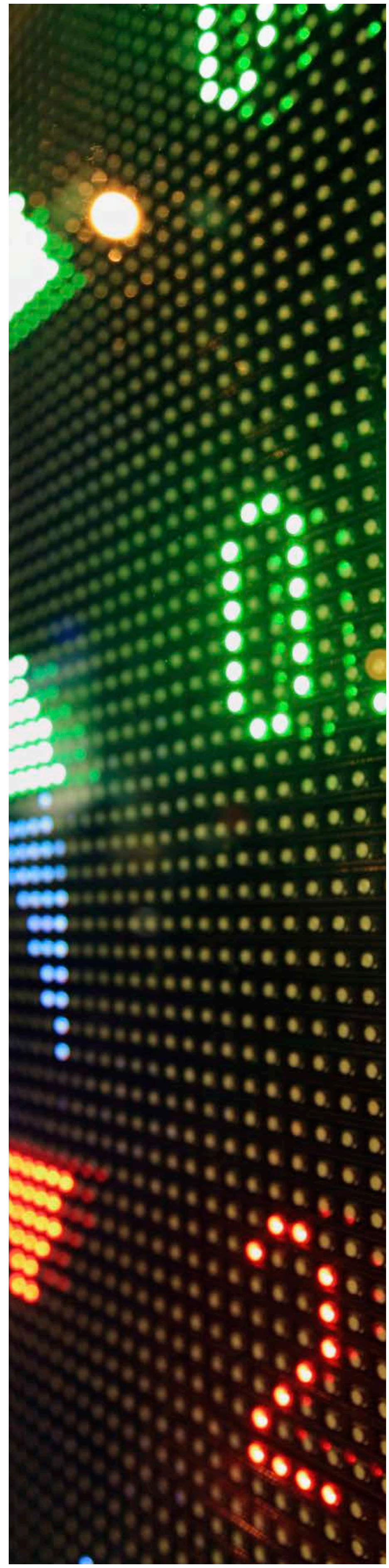

SINGAPORE

TOP RANKED MAJOR INVESTMENT DESTINATION

Located at the heart of Asia, Singapore could be a base for investors who wish to tap into the Asian market. Based on a 2014 article taken from the Economic Development Board (EDB) of Singapore, the city-state is ranked first out of 50 major investment destinations in a ranking that assesses operations, politics and foreign exchange. With no restrictions on the repatriation of profits and the import of capital, along with the most favourable operating conditions and strong diplomatic ties. Singapore's stable political and economic climate creates an ideal environment to invest in.

With a total assets under management at around S$1.4 trillion, Singapore is recognised as one of the premier asset management location in Asia. High net worth individuals who choose the city state for their private banking needs have done so for a number of reasons. Apart from the sound fundamentals such as economic and political stability, reputations for high standards of regulation and supervision, and a robust legal and judicial framework, the breadth and depth of the system here offers ready access to global and regional financial markets.

Singapore has graduated personal income tax rates of up to 20%. In the recent Singapore Budget announcement on 23 February 2015, the top marginal tax rate will be increased to 22% from 2016 onwards. Notwithstanding the marginal increase, Singapore's personal income tax rate remains among the lowest and competitive in the region. In addition, the city state has no capital gains tax, and no net wealth, estate duty, inheritance or gift taxes. As Singapore applies a territorial basis of taxation, individuals are subject to tax in Singapore on any income accrued in or derived from Singapore. The effects of this have sent signals to businesses, entrepreneurs, investors and foreign talents that the country is still one of the choice locations for them to settle down in.

Remittances of foreign-sourced dividends, foreign branch profits or foreign-sourced service income, unless received through a partnership in Singapore, are exempt from Singapore tax where the tax authority is satisfied that the exemption will be beneficial to them and when qualifying conditions are met.

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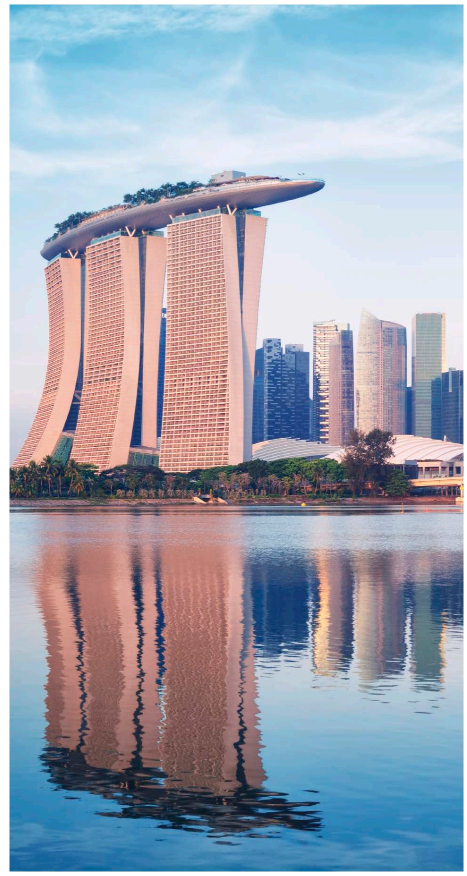

BDO INTERNATIONAL PRIVATE CLIENT SERVICES

Many of our clients are entrepreneurs with complex international affairs and we work with the client and their other advisers to achieve the desired objectives. We pride ourselves in providing exceptional client service to our clients and proactively seeking opportunities to improve their global tax position.

We understand that all aspects of international tax advice are interdependent and all necessary in providing a full understanding of the worldwide tax implications for our clients. Whilst all aspects of international tax advice is provided by the BDO member firm in the relevant jurisdiction, we are able to coordinate and manage international projects to ensure a seamless service is provided to our clients.

With BDO being part of the world's fifth largest accounting network with over 1,200 offices in 150 countries around the world, we are able to utilise BDO's global reach and local knowledge to provide holistic advice to our clients.

BDO has specialists in 150 countries looking after the tax affairs of individuals with multi-jurisdictional asset interests.

Our service offering within the International Private Wealth team includes:

- Tax residence advice and practical guidance
- Structuring of wealth for temporary residents
- Advice on the use of trusts and other entities plus ongoing guidance to trustees and bankers on management of assets within these structures
- Working with private bankers to ensure cohesion of tax efficiency with investment strategy and fund management
- Asset and remuneration structuring
- Managing tax risk in relation to offshore structures and the timing and nature of transactions
- International tax structuring
- Private equity structuring
- Matrimonial/divorce planning advice
- Estate tax and succession planning
- Family office services (monthly accounts, bank statement reconciliation, etc)
- Tax return preparation and necessary filings with tax authorities
- Managing tax audits of High Net Wealth Individuals
- Transfer of wealth to next generation.

HOW CAN WE HELP?

TAX ADVISORS THROUGHOUT THE ASIA PACIFIC REGION

For more information on any of our services, or for assistance with any international tax query, please do not hesitate to get in touch with your usual BDO adviser or one of the individuals listed below. Our policy is to offer an initial consultation on a no fee/no obligation basis followed up with a full proposal for services and a fee quote.

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