

## **ANNEX 7: Not Ordinarily Resident Taxpayer Scheme**

1. The Not Ordinarily Resident (NOR) Taxpayer Scheme extends favourable tax treatment to qualifying individuals for a period of 5 years of assessment. An NOR taxpayer must meet the following criteria:

- i. He must not have been a Singapore tax resident in the 3 years of assessment before the year he first qualifies for the NOR scheme; and
- ii. He must be a tax resident for the year of assessment in which he wishes to qualify for the NOR scheme.

2. An NOR taxpayer will enjoy the benefit of time apportionment of income only if he meets additional conditions: he must spend more than 90 days outside Singapore for business; and he must pay at least a floor tax rate of 10% on his total employment income. The time apportionment incentive means he pays income tax on only a portion of his employment income in Singapore. The taxable amount will be based on the number of days he spends in Singapore per calendar year.

3. In addition, an NOR taxpayer will enjoy the following benefits:

- i. Favourable tax treatment of pre-assignment income  
Individuals who relocate to Singapore are currently taxed on the income they remit into Singapore even when that income was earned prior to their relocation to Singapore. The remittance of such pre-assignment income will now be exempt from tax.
- ii. Favourable tax treatment of contributions to overseas pension funds  
Subject to the cap on the employer's contributions to CPF for Singaporeans, the employer's contributions to overseas pension funds on behalf of a non-citizen NOR taxpayer will be exempt from income tax in the hands of the employee.