

ANNEX C: SUMMARY TABLE ON PROPOSED AMENDMENTS TO THE MULTINATIONAL ENTERPRISE (MINIMUM TAX) ACT 2024 (“MMTA”)

S/N	Proposed Legislative Change	Brief Description of Proposed Legislative Changes	Proposed Amendment to MMTA [Clause in Proposed Finance (Income Taxes) Bill 2025]
1	Clarify the allocation of profits and taxes in group structures with flow-through entities in accordance with the Administrative Guidance approved by the Inclusive Framework (“IF”) on Base Erosion and Profit Shifting (“BEPS”)	To reflect the further clarifications provided in the Administrative Guidance published in June 2024 (“June 2024 Administrative Guidance”) on the allocation of profits and taxes in group structures with flow-through entities (i.e. entities whose income is treated as derived by its owner).	Sections 2(6D), 2(6E), 3(2), 3(3) and 30(2), and Paragraphs 1(1), 1(3), 1(5) to (5C), 6(1) and 6(9) to (12) of First Schedule [Clauses 49, 50, 57 and 62]
2	Clarify and provide for the treatment of “securitisation entity” (“SE”) as permitted under the June 2024 Administrative Guidance approved by the IF on BEPS	<p>The amendment will define SE and “securitisation arrangement” in the MMTA. Such entities are usually used to securitise the receivables of a business.</p> <p>The current legislation already includes SEs in the scope of domestic top-up tax (“DTT”) by default. However, the amendment will provide that:</p> <ul style="list-style-type: none"> An SE will not be jointly and severally liable for unpaid DTT and interest of the MNE group; and 	<p>Sections 2(6F), 2(6G), 34(1A), 34(3A) and 59</p> <p>[Clauses 49, 59 and 61]</p>

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		<ul style="list-style-type: none"> An SE will not be appointed as the designated local DTT filing entity unless it is the only constituent entity located in Singapore. <p>This is to ensure the continued viability of securitisation transactions in Singapore.</p>	
3	Clarify that DTT is allowed to be deducted in determining the jurisdictional top-up amount for a stateless entity	<p>This allows any DTT imposed in respect of a stateless entity formed in Singapore to be deducted for the purpose of determining the jurisdictional top-up amount for the stateless entity under Multinational Enterprise Top-up Tax (“MTT”), in accordance with the GloBE rules.</p> <p>This is to avoid subjecting the stateless entity’s income to both DTT and MTT in Singapore.</p>	Sections 22 and 30(4) [Clauses 53 and 57]
4	Clarify the election arrangement for GloBE Safe Harbour	To remove the reference to the due date for the filing of the GloBE information return as eligibility for the GloBE Safe Harbour election under the GloBE rules is not dependent on this due date.	Section 20 [Clause 52]
5	Clarify the definitions of the terms “excluded equity gain or loss”, “excluded entity”, “multi-parent group” and “portfolio shareholding”	To clarify the definitions of these terms in accordance with the GloBE rules.	Section 2(1) and paragraph 4 of the First Schedule [Clauses 49 and 62]

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6	Clarify the modifications to GloBE calculations for joint venture (“JV”) and JV subsidiaries	To remove the currently legislated need to replace the term “flow-through entity” with “standalone JV or entity of a JV group” in GloBE calculations when applied to a JV and JV subsidiaries. As the definition of “flow-through entity” encompasses a standalone JV or entity of a JV group that meets the definition, the modification is not necessary in the first place.	Section 25(3) and (6) [Clause 54]
7	Clarify the scope of “adjusted covered taxes” for a main entity and its permanent establishment (“PE”)	To clarify that the adjusted covered taxes of a main entity exclude the qualifying current tax expense and qualifying deferred tax expense in respect of its PE, whether those expenses are reflected in the PE’s financial accounting net income or loss (“FANIL”) or elsewhere (for example, in the main entity’s FANIL).	Paragraph 1(4) of First Schedule [Clause 62]
8	Clarify the definition of the FANIL of a PE	To clarify that the FANIL of a PE must be based on its profits as reflected in separate financial accounts. Such accounts must be prepared based on an acceptable financial accounting standard or another financial accounting standard that is adjusted to prevent material competitive distortion, in accordance with the GloBE rules.	Paragraph 6(6) of First Schedule [Clause 62]
9	Clarify a condition in the definition of “real estate investment vehicle”	To clarify that the “subject to taxation as the income of the holder” condition under the definition of “real estate investment vehicle” is met (among other conditions) if the entity’s income is subject to tax at its indirect holder’s level. This is in accordance with the GloBE rules.	Paragraph 7 of First Schedule [Clause 62]

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10	Clarify the meaning of “flow-through entity”	To clarify that certain entities are considered a “flow-through entity” in accordance with the GloBE rules.	Section 3(1A) [Clause 50]
11	Clarify that a flow-through entity is treated as the ultimate parent entity of an MNE group in certain circumstances	To treat a flow-through entity as the ultimate parent entity of an MNE group in cases where it would have met the definition of an “ultimate parent entity” in certain circumstances. This is in accordance with the GloBE rules.	Paragraph 6(12A) and (13) of First Schedule [Clause 62]
12	Allow the date from which a tax starts or ceases to be a qualified domestic minimum top-up tax, qualified Income Inclusion Rule (“IIR”) or qualified Undertaxed Profit Rule (“UTPR”) to be made via regulations	To allow regulations to be made to prescribe the start and end dates for a foreign tax to be treated as a qualified domestic minimum top-up tax, qualified IIR or qualified UTPR, by referencing the effective dates stated in the central record approved by the IF on BEPS. This will reduce the need to make subsequent act amendments if a foreign jurisdiction loses its qualification.	Section 2(6A) to (6C) [Clause 49]
13	Allow the consolidated group revenue threshold test for an MNE group resulting from a demerger to be modified via regulations	To allow regulations to be made to modify the consolidated group revenue threshold test (e.g. which financial years to look at) for an MNE group that is newly created from a demerger.	Section 8 [Clause 51]
14	Allow the application of the DTT and other administrative provisions for multi-parented groups to be made via regulations	To allow regulations to be made to prescribe how the DTT and other administrative provisions of the Act (in addition to the MTT provisions) apply to a multi-parented group.	Section 26 [Clause 55]

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15	Miscellaneous amendments to correct typographical errors	Use small “r” for GloBE rules	Section 27 [Clause 56]
16		Include a missing word “the” under section 33(2)(a)	Section 33 [Clause 58]
17		Change “transitional” year to “transition” year	Section 49 [Clause 60]