Translation

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Export The President of the Italian Chamber of Commerce in Singapore, Mr. Donato, said: “Trade with Italy has decreased to the minimum”

<< Companies penalized, Singapore out of the blacklist>>

“Countries with pure tax privileges, with exceptions”: Singapore, Bahrain, United Arab Emirates and the Principality of Monaco. “Countries with non-privileged tax system”: Angola, Antigua, Mauritius, Panama, Puerto Rico and Switzerland.

As one can see – and which is also confirmed by the last revision decree by The Ministry of Treasury dated 12 February 2014 - Singapore is still on the blacklist of the Countries considered as real tax havens, though OCSE (of which Pier Carlo Padoan was chief economist until recently) does not consider it as such, after a series of bilateral agreements between the two governments for a greater exchange of tax-related information.

“All of that penalizes our companies, which are interested in investing in South East Asia” – says Mr Federico Donato, President of the Italian Chamber of Commerce in Singapore and Managing Director of FFA Asia - a financial consultancy company, active in the management of high net worth assets -. Long waiting time for the ‘’questioning’’ (the petition that a taxpayer submits to the Inland Revenue Authority, called to conduct a preliminary evaluation of an economic transaction at the planning stage), lower deductibility of the costs incurred when opening a commercial branch office and full taxation imposed on the dividends of any shareholder who has stakes in companies established under Singaporean law. Such an ordeal reduces to a minimum the trade between the two countries, although the city-state of Singapore is the main financial hub for about 600 million people (from Thailand to Vietnam, and from the Philippines to Malaysia) and considering also 5% of annual growth rate driven (among others) by the manufacturing sector, Transport and logistics indicating it as the most appropriate platform for a more convincing landing of Italian made products in Singapore. Actually, some best practices are present, but they fall under the “Solo Investments” category: MBZ group (the parent Company of Segafredo-Zanetti, leader in the production of coffee), which has just bought 100% of the local Boncafe; or Menarini (active in the pharmaceutical sector) that has bought Invida for $ 220 million to the portfoglio of Temasek sovereign fund. Not much, even in comparison with the Singaporean investments in our Country that ranges from accommodation facilities (‘Boscolo Esedra’ Hotel in Rome owned by Millennium Hotels Group) to airports (Changi airport has few shares in Gemina, a parent company of the management company of the Airports of Rome incorporated in Atlantia), to the control of port terminals of “Voltri Genoa” and “Venice” by the giant PSA. Nevertheless – Mr Donato points out - the “*corporate tax”* in Singapore is fixed at 17%, almost five points higher than Ireland, which cannot be considered as a tax advantage.

The consequence – as many whisper - is that the absence of Singapore Pavilion at Milan Expo is to be attributed to an ill-concealed will of local institutions to react in a peevish way to a measure they deem unjustified.

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