IRASâ??s Five-Year Record Rule: Calculate the Destroy-After Date Correctly

Description

Answer first: Singapore companies generally need to keep business and accounting records for at least five years. A reliable retention schedule starts from the relevant record and tax period, then preserves the source document, payment proof, ledger treatment and filing connection together.

This guide is written for a singapore company finance lead designing a defensible document-retention schedule. The task is to calculate the retention end date from the relevant year of assessment and preserve retrievable source evidence across accounting-system changes or closure. It separates official rules from calculations, planning assumptions and outcomes that still require a live readback.

Before acting, write the case-specific date, person, property, account, venue or product at the top of the working note. A source can be authoritative and still be applied to the wrong facts. The controls below are designed to expose that mismatch early.

What the official sources establish

Five years is a minimum period

IRAS states that companies must retain proper records and accounts for at least five years. This is stated in the primary official source.

What to do: Do not delete a file simply because an operational project has ended. Keep the source beside the decision it supports so that a later reviewer can see both the rule and the case-specific input.

The record must explain the transaction

Invoices, receipts, bank statements, contracts and accounting entries should let a reviewer reconstruct income and expenses. This is stated in the supporting official guidance.

What to do: Link each material ledger entry to its source and payment evidence. If the underlying fact changes, reopen this step instead of allowing an old conclusion to travel forward unnoticed.

Electronic records must remain readable

Changing accounting software does not remove the duty to retrieve historical records. This is stated in the supporting official guidance.

What to do: Test exports before terminating a system or vendor account. A blank or disputed input is a stop condition. It is not permission to insert a convenient assumption.

Tax adjustments need their own trail

Capital allowances, non-deductible expenses and tax computations may not be obvious from the general ledger. This is stated in the primary official source.

What to do: Retain the working that bridges accounts to the filed return. For the reader, that means the next action should be tied to a named record and a date, not to a remembered headline.

Closure does not erase the obligation

A cessation or restructuring can outlive staff, systems and premises. This is stated in the supporting official guidance.

What to do: Name a custodian and recovery method before closing access. The distinction matters because a broadly correct rule can still produce the wrong decision when applied to the wrong route or date.

Decision table

Question	Reader action	Authority
Five years is a minimum period	Do not delete a file simply because an operational project has ended.	primary official source
The record must explain the transaction	Link each material ledger entry to its source and payment evidence.	supporting official guidance
Electronic records must remain readable	Test exports before terminating a system or vendor account.	supporting official guidance
Tax adjustments need their own trail	Retain the working that bridges accounts to the filed return.	primary official source
Closure does not erase the obligation	Name a custodian and recovery method before closing access.	supporting official guidance

Work down the table in sequence. Do not close an item with a search snippet, an undated screenshot or another personâ??s outcome. For material money, eligibility, safety or legal points, save the current authority page or formal readback and note its date.

Two tools that add practical value

Two worked retention calculations for December and non-December financial year ends

Build this as a compact table with columns for the readerâ??s actual input, the dated evidence, the rule it activates, the responsible person and the next irreversible step. The table must preserve alternatives rather than collapse them into one total. Mark estimates and pending confirmations visibly, because an elegant calculation based on the wrong route is still wrong.

A record-to-claim evidence map covering revenue, expenses, capital allowances, bank movements and software migration

Use this as a separate challenge to the first analysis. Test the strongest contrary scenario, the missing document and the event most likely to make the answer stale. Keep the check practical: it should change a date, amount, route, booking, household rule or go/no-go decision. If it cannot affect the decision, remove it instead of padding the file.

Worked example

A company with a 31 December 2025 year end labels the documents for that period by their controlling tax and filing cycle, then applies the official retention rule rather than adding five years to each invoice date at random. A company with a non-December year end runs the same mapping using its own accounts and Year of Assessment records. If an audit, objection or investigation remains open, the file is not destroyed merely because the scheduled date arrived.

The example is labelled as an illustration. Replace its circumstances and figures with current evidence, and preserve the branch that was rejected so the reasoning can be reconstructed later.

Action checklist

1. Do not delete a file simply because an operational project has ended. Retain the evidence supporting this point: IRAS states that companies must retain proper records and accounts for at least five years.
2. Link each material ledger entry to its source and payment evidence. Retain the evidence supporting this point: Invoices, receipts, bank statements, contracts and accounting entries should let a reviewer reconstruct income and expenses.
3. Test exports before terminating a system or vendor account. Retain the evidence supporting this point: Changing accounting software does not remove the duty to retrieve historical records.
4. Retain the working that bridges accounts to the filed return. Retain the evidence supporting this point: Capital allowances, non-deductible expenses and tax computations may not be obvious from the general ledger.
5. Name a custodian and recovery method before closing access. Retain the evidence supporting this point: A cessation or restructuring can outlive staff, systems and premises.

Assign an owner and due date to every open item. If the earliest irreversible step arrives before the critical evidence, pause. That is especially important before paying, signing, applying, travelling, changing payroll or relying on a health or safety plan.

Limits and final readback

Specific laws, audits, disputes, grants, employment records or regulated activities may require longer retention. IRAS guidance and case-specific advice control.

At the point of action, reopen both the primary official source and the supporting official guidance. Check publication or update dates, confirm that the quoted rule still appears, and use the authorityâ??s live service or named operator where a case-specific result is required.

Continue with these LBRD guides

- Changed Company Functional Currency? Update IRAS Before Filing
- Striking Off a Company? Use the New IRAS Tax Filing Route

Date Created
02/09/2026
Author
rachelng