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Common abbreviations

CIT : Comptroller of Income Tax
CPF : Central Provident Fund
DTA : Double Tax Agreement
EDB : Economic Development Board
EEIA : Economic Expansion Incentives (Relief from Income Tax) Act
FRS : Financial Reporting Standard
GST : Goods and Services Tax
IE Singapore : International Enterprise Singapore
IPC : Institutions of a Public Character
IPR : Intellectual Property Right
IRAS : Inland Revenue Authority of Singapore
ITA : Income Tax Act
MAS : Monetary Authority of Singapore
MNC : Multinational corporation
MoF : Ministry of Finance
MoM : Ministry of Manpower
MPA : Maritime Port Authority of Singapore
M&A : Mergers and Acquisitions
PE : Permanent Establishment
PIC : Productivity and Innovation Credit
R&D : Research and Development
SGX : Singapore Exchange
SME : Small and Medium Enterprise
SPR : Singapore Permanent Resident
SRS : Supplementary Retirement Scheme
YA : Year of Assessment
Greetings from your tax team at Deloitte.

The Minister for Finance presented the 2015 Budget on 23 February 2015. Also known as the “Jubilee Budget” on account of Singapore’s 50th year of independence, this Budget focuses on the country’s need to build for the future and strengthen the social fabric.

5 growth clusters of the future were identified, along with a comprehensive and concerted effort under the umbrella ‘SkillsFuture’ initiative for individuals to improve their skills and capabilities and develop their potential to the fullest. Likewise, SMEs will find increased support for their efforts in innovating as well as internationalising their operations.

On the social front, retirement adequacy was further strengthened with the announcement of a host of measures, including tweaks to the CPF system and the introduction of a Silver Support scheme.

Changes to the corporate tax system were generally muted, with extensions announced for major tax incentives for the insurance, maritime and REIT industries. On the other hand, the top-tier personal income tax rate, which has remained static at 20% for close to a decade, was raised by 2 percentage points to 22% to help meet increased expenditure in social spending and major infrastructure projects, but more importantly, to make our tax regime more progressive.

Overall, the Jubilee Budget encapsulates the Minister’s vision of Singapore in the years to come, which was elegantly summed up as a place where meritocracy of skills matter more than a hierarchy of grades earned early in life.

It should be noted that this commentary is our interpretation of the tax measures and some of the key non-tax changes proposed in the Budget Statement. As the tax proposals are yet to be enacted, and the legislation to enact the proposals is yet to be published, our comments in this commentary should not be considered definitive and should therefore be used only as a guide.

If you need any clarification or advice, please contact your regular tax advisors at Deloitte.

We hope you will find this commentary useful and look forward to supporting you as you grow your business in the coming years.
SkillsFuture
Encouraging lifelong learning through subsidies and credits

M&A
Encouraging SMEs to grow through acquisitions

Family Support
Greater family support through more affordable childcare & reduction in school fees

Personal Income Tax
Higher income tax for the rich

PIC
PIC bonus scheme not extended but PIC and PIC+ scheme available till YA 2018

CPF
Strengthening social security by enhanced contributions for older employees

Innovation
Capability Development Grants support innovation activities from developing intellectual properties to new brands
Sin Taxes
No change to liquor and tobacco duties

Petrol Duty
More expensive petrol offset by one year road tax rebate

REITs
Income tax and GST concessions for S-REITs extended for 5 more years but stamp duty concessions to lapse

Going Beyond Our Shores
Tax incentives for innovation and expanding overseas

Silver Support
Additional financial assistance for lower income senior Singaporeans

Donations
Encouraging the spirit of giving through enhanced tax deductions for donations

Corporate Tax
No change in rate
The Deputy Prime Minister and Minister for Finance (the Minister) delivered his 2015 Budget Statement on 23 February 2015. He reported that the Singapore economy grew by 2.9% in 2014. For 2015, the Government expects Singapore’s GDP growth to be between 2% to 4% and the global economic outlook to be uncertain.

The Minister commented that this year’s Budget is focused on building Singapore’s future, with firms driven by innovation and higher income coming from deep skills and expertise in every job. The Government will take further measures to build a fair and inclusive society.

**Corporate Income Tax Rate and Rebate**

The Minister did not propose any change in the Corporate Income Tax rate: it remains at 17%. The partial tax exemption of a company’s first $300,000 of normal chargeable income (CI) remains the same.

<table>
<thead>
<tr>
<th>Chargeable Income</th>
<th>Portion of CI exempt from Corporate Income Tax</th>
<th>Portion of CI subject to Corporate Income Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>For every dollar of the first $10,000</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>For every dollar of the next $290,000</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>For every dollar exceeding $300,000</td>
<td>-</td>
<td>100%</td>
</tr>
</tbody>
</table>

As part of the 2013 Budget Transition Support Package to relieve business costs, a special Corporate Income Tax rebate was granted to companies from YA 2013 to YA 2015. The Corporate Income Tax rebate was based on 30% of the tax payable up to a maximum of $30,000 per YA.

Recognising that businesses will continue to face cost pressures, the Corporate Income Tax rebate will be extended for another 2 YAs (YA 2016 and YA 2017) with the maximum rebate reduced to $20,000 per YA.

Taking into account the partial tax exemption for CI and the Corporate Income Tax rebate ($20,000 cap), a company with a CI of $500,000 would have an effective Corporate Income Tax rate of about 8.27%.

**Effective date: YA 2016 and YA 2017**

**Our view**

The extension of the Corporate Income Tax rebate, even though with a reduced rebate cap, will still be welcomed by SMEs. Perhaps the Government could in future consider granting a higher tax exemption (even to full tax exemption) on the first $300,000 normal CI for qualifying SMEs. This will provide more support to SMEs, many of which are still facing challenges of rising business costs such as incremental rentals.

**Productivity and Innovation Credit (PIC) scheme**

The PIC scheme is a broad-based tax scheme granting a total of 400% tax deduction or allowance for the first $400,000 of qualifying expenses incurred from YA 2011 to YA 2018 on each of the following 6 qualifying activities along the innovation value chain:

(a) R&D;
(b) acquisition or in-licensing of IPRs (the in-licensing of IPRs was included as a qualifying activity with effect from YA 2013);
(c) registration of IPRs;
(d) approved industrial or product design projects undertaken primarily in Singapore;
(e) acquisition or leasing of qualifying PIC IT and automation equipment; and
(f) training provided to employees so as to upgrade skills and capabilities.

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(b) YA 2013 to YA 2015 – a combined expenditure cap of $1,200,000 ($1,400,000 under PIC+) applies for each of the qualifying activities; and

(c) YA 2016 to YA 2018 – a combined expenditure cap of $1,200,000 ($1,800,000 under PIC+) applies for each of the qualifying activities.

Businesses (including sole proprietors and partnerships) can also make an irrevocable option to convert the qualifying expenditure into cash, subject to a minimum qualifying expenditure of $400 per application. For YA 2013 to YA 2018, the conversion rate is 60%, subject to a maximum expenditure cap of $100,000 (i.e. maximum cash payout of up to $60,000) per YA if the business has:

(a) incurred qualifying expenditure under the PIC during the basis period;

(b) active business operations in Singapore; and

(c) minimum 3 local employees (Singapore citizens or SPRs) in respect of whom the businesses have contributed CPF in the last month of the basis period for YA 2013 to YA 2015 or last month of the financial quarter or combined consecutive quarters in the business' financial year for YA 2013 to YA 2015, as the case may be. From YA 2016 to YA 2018, a business is considered to have met the “3 local employee” condition if it contributes CPF on the payroll of at least 3 local employees for all 3 months in the quarter or last 3 months of the combined consecutive quarters to which the cash payout relates. A sole proprietor, a partner under contract for service and a shareholder who is a director of the company are excluded from the definition of “local employees”.

From YA 2014, for the purpose of fulfilling the “3 local employee” condition, individuals deployed under a centralised hiring arrangement will be regarded as employees of the business where these individuals are deployed, subject to the following qualifying conditions:

(i) the claimant is able to produce supporting documents on the recharging of employment costs by a related entity, in respect of employees working solely in the claimant entity;

(ii) the corporate structure and centralised hiring practices are adopted for bona fide commercial reasons; and

(iii) the employee whose cost has been recharged will not contribute to the requisite headcount of the related party (which bore the upfront manpower costs).

The cash payout application can be made after the end of each financial quarter or combined consecutive quarters in the business’ financial year. Once a qualifying expenditure is converted into cash, the same amount is no longer available for tax deduction or allowance. The cash payout quantum cannot be combined on expenditure across the YAs (YA 2013 to YA 2018) and the cash payout is tax exempt.

**PIC Bonus**

To encourage small businesses to undertake meaningful productivity investments, businesses that invest a minimum of $5,000 per YA in qualifying activities under the PIC scheme will receive a dollar-for-dollar matching cash bonus subject to an overall cap of $15,000 for all 3 YAs combined (YA 2013 to YA 2015). The cash bonus will be paid over and above the existing PIC benefits.

Businesses (including sole proprietors and partnerships) qualifying for the PIC Bonus are those that have:

(a) incurred at least $5,000 in PIC qualifying expenditure (net of grant or subsidy by the Government or any statutory board) during the basis period for the YA in which a PIC Bonus is claimed;

(b) active business operations in Singapore; and

(c) at least 3 local employees (Singapore citizens or SPRs with CPF contributions) excluding sole-proprietors, partners under contract for service and shareholders who are directors of the company. A business is considered to have met the “3 local employee” condition if it contributes CPF on the payroll of at least 3 local employees:
Extending and enhancing the Mergers & Acquisitions (M&A) scheme

The M&A scheme is to encourage companies to grow and internationalise through strategic M&A. It is relevant to any company incorporated and tax resident in Singapore intending to acquire a stake in another company.

Qualifying M&A executed from 1 April 2010 to 31 March 2015 (both dates inclusive) will enjoy:

(a) a 5% M&A allowance of up to $100 million of the acquisition value of all qualifying M&A per YA – essentially capped at $5 million, that is claimable straight-line over 5 years; and

(b) stamp duty relief on the transfer of unlisted ordinary shares up to $100 million of qualifying M&A deals, that is capped at $200,000 of stamp duty per financial year.

A third benefit is a 200% tax allowance (deduction) that is claimable on transaction costs incurred on qualifying M&A from 17 February 2012 to 31 March 2015, subject to an expenditure cap of $100,000 per YA (i.e. $200,000 per YA).

There are qualifying shareholding eligibility tiers under the M&A scheme. The direct or indirect share acquisition must result in the acquiring company owning:

(a) more than 50% of the ordinary shares of the target company – if the acquiring company owns not more than 50% of the ordinary shares of the target company before the date of the share acquisition; or

(b) at least 75% of the ordinary shares of the target company – if the acquiring company already owns more than 50% but less than 75% of the ordinary shares of the target company before the date of the share acquisition.

Where the ordinary shares of the target company were acquired cumulatively over a period of time, the acquiring company is allowed to consolidate all the acquisitions of the target company made during either of the following periods:

(i) in the last month of the basis period for the YA to which the deductions/allowances relate where 400% tax deductions/allowances on qualifying PIC expenditure are claimed; or

(ii) in the last month of the quarter or combined consecutive quarters to which the cash payout option relates where PIC cash payout on qualifying PIC expenditure is claimed.

From YA 2014, for the purpose of fulfilling the ‘3 local employee’ condition, individuals deployed under a centralised hiring arrangement will be regarded as employees of the business where these individuals are deployed, subject to the following qualifying conditions:

(a) the claimant is able to produce supporting documents on the recharging of employment costs by a related entity, in respect of employees working solely in the claimant entity;

(b) the corporate structure and centralised hiring practices are adopted for bona fide commercial reasons; and

(c) the employee whose cost has been recharged will not contribute to the requisite headcount of the related party (which bore the upfront manpower costs).

Proposed

As the PIC Bonus has met its objective of spreading the culture of productivity among the SMEs with a good take-up of the PIC scheme, the PIC Bonus will be allowed to lapse after YA 2015.

Effective date: YA 2016

Our view

Allowing the PIC Bonus to lapse should not have any significant impact on businesses as they may still enjoy the current PIC scheme up to YA 2018 and the PIC+ scheme introduced in Budget 2014.
(a) the basis period in which the threshold of more than 50% or at least 75% of ordinary share ownership in the target company is met; or

(b) the 12-month period ending on the date of share acquisition, during which the threshold of more than 50% or at least 75% ordinary shareholding is met.

This is provided that at the end of the basis period of either paragraphs (a) or (b) above, the acquiring company continues to own more than 50% or at least 75%, as the case may be, of the ordinary shares of the target company. This is commonly known as the “12-month look-back period”.

Proposed
The M&A scheme will be extended beyond 31 March 2015 for 5 years till 31 March 2020.

Qualifying M&A executed from 1 April 2015 will enjoy these (revised) tax benefits:

(a) an M&A allowance rate of 25% (up from 5%) of up to $20 million (reduced from $100 million) of the acquisition value of all qualifying M&A per YA;

(b) stamp duty relief on the transfer of unlisted ordinary shares for qualifying M&A that will be capped at $20 million (reduced from $100 million) on the value of qualifying M&A deals: essentially reduced to $40,000 of stamp duty relief per financial year; and

(c) 200% (no change) one-year tax allowance write-down on transaction costs incurred on qualifying M&A, subject to an expenditure cap of $100,000 per YA.

The shareholding eligibility criteria have been relaxed. From 1 April 2015, the direct or indirect share acquisition must result in the acquiring company owning:

(a) at least 20% of the ordinary shares of the target company – if the acquiring company owns less than 20% of the ordinary shares of the target company before the date of share acquisition; or

(b) more than 50% of the ordinary shares of the target company – if the acquiring company owns no more than 50% of the ordinary shares of the target company before the date of share acquisition.

The existing 75% shareholding eligibility tier will be removed. Acquisitions of ordinary shares that result in the acquiring company owning at least 75% ordinary shareholding – if the acquiring company’s original shareholding was more than 50% but less than 75% before the date of the share acquisition will no longer qualify under the M&A scheme.

To simplify the scheme, the 12-month look-back period will also be removed.

The IRAS will release further details by May 2015.

Effective date: 1 April 2015 to 31 March 2020

Our view
The M&A scheme was introduced in Budget 2010 and formed part of a package of measures (along with the PIC scheme) to help SMEs cope with economic restructuring brought about by a focus on productivity-led growth. It is to encourage SMEs to grow through strategic acquisitions.

One objective of the M&A scheme is to promote consolidation among SMEs especially when lack of scale in smaller SMEs is a huge obstacle to productivity gains. By the first quarter of 2014, 67 companies, of which 50 are SMEs, had benefited from the M&A scheme.

The extension and enhancement of the scheme reflects continued support by the Government to SMEs looking to grow via strategic acquisitions.
Enhancing the Double Tax Deduction (DTD) for Internationalisation scheme
Section 14B deduction

Under Section 14B of the ITA, where the CIT is satisfied that the specified expenses have been incurred by an approved firm or company resident in or having a PE in Singapore for the primary purpose of:

(a) promoting the trading of goods or the provision of services; or

(b) the provision of services in connection with the use of any right under a master franchise or master intellectual property licence where the firm or company is the holder of the franchise or licence,

there shall be allowed a further deduction of the amount of such expenses in addition to the amount allowed under Section 14 of the ITA.

The specified expenses are:

(a) expenses in establishing, maintaining or otherwise participating in –

(i) a trade fair, trade exhibition, trade mission or trade promotion activity held or conducted outside Singapore; or

(ii) an approved trade fair or trade exhibition held in Singapore;

(b) expenses in maintaining an approved overseas trade office; or

(c) market development expenditure for the carrying out of any approved marketing project.

For the purpose of Section 14B of the ITA, the firm or company need not be an approved firm or approved company to be allowed a deduction in respect of expenses in (a) above which are incurred at any time from 1 April 2012 to 31 March 2016 (both dates inclusive) for the primary purpose of promoting the trading of goods or the provision of services, provided that the aggregate of –
(a) the expenses for which the deduction is so allowed; and

(b) the expenditure for which a deduction is allowed to the firm or company under Section 14K(1A) of the ITA, does not exceed $100,000 for each YA.

Claims on qualifying expenditure incurred on other qualifying activities or those in excess of $100,000 will continue to be granted on an approval basis.

**Section 14K deduction**

Under Section 14K of the ITA, where the CIT is satisfied that any investment development expenditure for the carrying out of an approved investment project overseas has been incurred by an approved firm or company resident in Singapore and carrying on business in Singapore, there shall be allowed:

(a) where such expenditure is allowable as a deduction under Section 14 of the ITA, a further deduction of the amount of such expenditure in addition to the deduction allowed under that section; and

(b) where such expenditure is not allowable as a deduction under Section 14 of the ITA, a deduction equal to twice the amount of such expenditure.

For the purpose of Section 14K of the ITA, the firm or company need not be an approved firm or approved company to be allowed a deduction in respect of expenditure incurred at any time from 1 April 2012 to 31 March 2016 (both dates inclusive) that is directly attributable to the carrying out of any study to identify investment overseas; and the firm or company need not seek approval for the investment project to which the expenditure relates, provided that the aggregate of –

(a) the expenditure for which the deduction is so allowed; and

(b) the expenses for which a deduction is allowed to the firm or company under Section 14B(2A) of the ITA, does not exceed $100,000 for each YA.

Claims on qualifying expenditure incurred on other qualifying activities or those in excess of $100,000 will continue to be granted on an approval basis.

**Proposed**

To provide greater support to businesses venturing overseas, by co-sharing their risks and initial costs of expanding overseas, as well as creating skilled jobs and opportunities for Singaporeans to work overseas, the Minister has proposed that the scope of qualifying expenditure will be expanded to include manpower costs incurred for Singaporeans posted to new overseas entities. The amount of such qualifying manpower expenses to be allowed DTD under the scheme will be capped at $1 million per approved entity per year, subject to conditions.

Businesses will have to apply to IE Singapore to enjoy the DTD on qualifying manpower expenses. The change will apply to qualifying manpower expenses incurred from 1 July 2015 to 31 March 2020.

IE Singapore will release further details by May 2015.

**Effective date: 1 July 2015 to 31 March 2020**

**Our view**

The enhancement of the 200% tax deduction on qualifying manpower expenses incurred from 1 July 2015 to 31 March 2020 should encourage businesses in Singapore to continue to venture outside Singapore.
**International Growth Scheme (IGS)**
The Minister has introduced a new tax incentive scheme in Budget 2015, the International Growth Scheme (IGS), to provide greater and more targeted support for larger Singapore companies in their internationalisation efforts.

The IGS aims to support high potential companies in their growth overseas, while they continue to anchor their key functions in Singapore.

**Proposed**
The Minister has proposed that qualifying Singapore companies will enjoy a concessory tax rate of 10% for a period not exceeding five years on their incremental income from qualifying activities. Incremental income is income in excess of the company’s average of the last three years’ income from the relevant qualifying activities such as headquarter functions and specific business lines. Such companies will be expected to engage in internationalisation activities and provide opportunities for Singaporean to gain greater international exposure.

This new scheme will be administered by IE Singapore and details will be announced by IE Singapore by May 2015.

**Effective date: 1 April 2015 to 31 March 2020**

**Our view**
The introduction of the IGS is intended to incentivise existing Singapore companies in their internationalisation efforts and encourage Singapore companies to expand into international markets. This will enable larger Singapore companies to establish themselves as globally competitive companies and enable them to create higher value jobs for their employees and help ensure Singapore’s economic sustainability in today’s uncertain global climate.

**Extending and enhancing the Angel Investors Tax Deduction (AITD) scheme**
The AITD scheme was first introduced in Budget 2010 to stimulate business angel investments into Singapore-based start-ups and encourage more angel investors to add value to these start-ups.

**Qualifying conditions and criteria**
The AITD scheme currently applies to qualifying investments made in qualifying start-ups from 1 March 2010 to 31 March 2015.

An approved angel investor is required to invest at least $100,000 into a start-up in a YA, and hold the qualifying investment for a continuous period of 2 years, in order to enjoy a tax deduction at 50% of the cost of the qualifying investment. The deduction will be capped at $500,000 of investments into qualifying start-ups for each YA. This incentive is administered by SPRING Singapore.

To be eligible for the AITD scheme, angel investors must:

(a) make the investment at the individual level. Therefore, investment made via corporations, trust, institutionalised funds and other investment vehicles are not eligible;

(b) belong to one of the following three categories:

(i) experienced angel investor with track record in early-stage investments; or
(ii) experienced/serial entrepreneur with an entrepreneurial track record; or
(iii) senior management professional/executives with corporate senior management experience.

(c) demonstrate the ability to nurture investee companies by having:

(i) rich business experience and acumen;
(ii) strong managerial/business capabilities to advise on growth strategies and entry into new markets;
(iii) in-depth understanding of industry trends and developments;
(iv) in-depth technical/scientific understanding; and
(v) strong industry networks and business contacts.

At the point of first investment, the investee company must be able to meet the following conditions:

(a) a private limited company (excluding company limited by guarantee) incorporated in Singapore for no more than 3 years and whose shares are not listed on any stock exchange in Singapore or elsewhere;
(b) has genuine business operations in Singapore (and be a tax resident in Singapore for the entire holding period of the investment);
(c) has more than 50% of its total issued share capital beneficially held by less than 20 individual shareholders;
(d) does not have any shareholder who is a relative of the “Approved Angel Investor”;
(e) the “Approved Angel Investor”, together with any of his relatives, does not hold more than 25% of the issued share capital or 25% of the debt capital of the investee company within a period of 2 years prior to the date of first investment;
(f) not be engaged in any of the following activities or trade:
   (i) undesirable activities, such as prostitution, social escort services, gambling, massage parlours etc;  
   (ii) speculative activities;  
   (iii) holding of investment of any kind of assets;  
   (iv) real estate development and property investment; and  
   (v) any other such activities as determined by the Government.

The first investment must be made within 12 months from date of approval of “Approved Angel Investor” status. Thereafter, the approved investor will need to make up at least $100,000 of qualifying investments within 12 months from date of first investment in the investee company.

The definition of qualified investments refers to:

(a) cash investments in newly issued ordinary shares by the company for raising fresh capital (i.e. not replacement of capital);
(b) cash investments in newly issued preference shares that have no fixed or guaranteed dividend payment within the two-year holding period;
(c) cash investment in newly issued redeemable preference shares that have no fixed or guaranteed dividend payment; and no right to redemption during the two-year holding period; and
(d) convertible loans where there is no provisions for the two-year holding period.

Investments that are co-funded by SPRING Start-up Enterprise Development Scheme (SEEDS) or the Business Angel Scheme (BAS) are currently not eligible for tax deduction under the AITD scheme.

The “Approved Angel Investor” should possess less than 50% of the issued shares or loans in the investee company within the two-year holding period. This also takes into account the potential shareholding should a convertible loan be converted into shareholding.

The AITD scheme is scheduled to lapse after 31 March 2015.

Proposed

The scheme will be extended for a further 5 years till 31 March 2020 in an effort to continue encouraging angel investors to invest in start-ups and help them to grow.
In addition, to allow more investments to be eligible for the scheme, the AITD scheme will be enhanced to include new qualifying investments made from 24 February 2015 to 31 March 2020 that are co-funded by the Government under SEEDS or BAS.

All other existing conditions of the scheme remain unchanged.

**Effective date: 1 April 2015 to 31 March 2020**

**Our view**

The AITD scheme, which aims to encourage eligible individuals who are able and willing to invest in start-ups and help them grow, is fully aligned with the Government’s focus on increasing business investments into Singapore-based start-up companies by providing financing to such qualifying start-ups. The scheme provides more certainty to start-ups in terms of financing and allows them time to grow and develop.

Accordingly, it makes good sense to extend the AITD scheme for a further period of 5 years as this will foster greater entrepreneurial spirit.

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**Refining the tax incentive schemes for venture capital funds and venture capital fund management companies**

Currently, approved venture capital funds may be granted tax exemption on the following income under Section 13H of the ITA:

(a) dividends derived from outside Singapore and received in Singapore by the venture capital fund from approved foreign portfolio companies;

(b) interest derived from outside Singapore and received in Singapore by the venture capital fund in respect of any approved foreign convertible loan stock; and

(c) gains or profits derived from Singapore or received in Singapore from outside Singapore by the venture capital fund from the disposal of approved investment.

Fund management companies managing Section 13H venture capital funds may also be granted tax exemption under the Pioneer Service incentive on the following income:

(a) Management fees derived from an approved venture capital fund; and

(b) Performance bonus received from the approved venture capital fund.

**Proposed**

As venture capital is no longer regarded a pioneering activity in Singapore, the Pioneer Service incentive for venture capital fund management companies will be withdrawn. Notwithstanding this, in recognition of the importance of venture capital activity in supporting entrepreneurship in Singapore, a 5% concessionary tax rate will be accorded to approved venture capital fund management companies from managing Section 13H funds on their specified income.

Pioneer certificates that are already issued will not be affected by this change.

**Effective date: 1 April 2015**
Extending the Investment Allowance – Energy Efficiency (IA–EE) scheme
Currently, under the IA-EE scheme and IA-EE for Green Data Centres scheme, Investment Allowance (IA) may be granted to companies who carry out energy efficient projects or green data centre projects where the capital expenditure incurred results in more efficient energy utilisation.

Under the EEIA, the IA granted may be up to 100% of the qualifying capital expenditure. However, in practice and subject to approval on application, the IA granted should be between 30% to 50% of the qualifying capital expenditure.

For the IA-EE for Green Data Centres scheme, it aims at existing data centres that retrofit their facilities to improve energy efficiency. It allows companies to claim 30% to 50% of their expenses on installing energy efficient equipment in data centres as tax relief, subject to meeting the conditions.

The IA-EE scheme is jointly administered by the EDB and the National Environment Agency (NEA); and the IA-EE for Green Data Centres scheme, by the Infocomm Development Authority of Singapore (IDA).

Both schemes are scheduled to lapse after 31 March 2015.

Proposed
As energy efficiency remains a key national priority, the two schemes will be combined into one scheme known as the "Investment Allowance – Energy Efficiency scheme" from 1 March 2015 and the scheme will apply till 31 March 2021. This scheme will be solely administered by EDB.

The EDB will release more details by March 2015.

Effective date: 1 March 2015 to 31 March 2021

Our view
The Government has continued to play its role in Singapore’s green building movement while growing our economy and people. This is certainly a positive move.

Our view
The Section 13H venture capital tax incentive was introduced since the YA 1994 to encourage the undertaking of venture capital activity and entrepreneurship in Singapore. As this incentive is currently more than 20 years old, the sunset clause to be introduced is therefore timely to review this incentive for its relevance and usefulness in Singapore.

The gradual stepping down of the incentivisation for venture capital fund management companies is a good step by the Government to mitigate any impact that this will have on the venture capital industry. Given that the 5% concessionary tax rate should still be considerably low compared to the prevailing Singapore corporate tax rate of 17%, this should not have a significant adverse impact on the venture capital industry in the foreseeable future.

The fact that existing pioneer certificates issued prior to the budget announcement are not affected by the above-mentioned change is consistent with similar changes introduced by the Minister to not affect existing incentive holders. This should further minimise the impact on the venture capital industry arising from the sunset of the tax exemption regime for approved venture capital fund management companies.

Effective date: Immediate

Our view
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Effective date: Immediate
Extending the Development and Expansion Incentive for International Legal Services scheme (DEI-Legal)
The DEI-Legal scheme was first introduced in Budget 2010 to enhance Singapore’s position as an international arbitration hub and to encourage law practices to perform more international legal services from Singapore. The scheme is also to help attract international law practices to set up offices in Singapore.

The incentive, on a case-by-case approval basis from the EDB, is open to Singapore-registered law practices structured as companies. Approved law practices will enjoy, for a period of five years, a concessionary tax rate of 10% on incremental income (or known as qualifying income) derived from the provision of qualifying international legal services.

The incentive will expire on 31 March 2015.

Proposed
In line with the objectives set-out in Budget 2010, the DEI-Legal scheme will be extended for 5 years till 31 March 2020. All existing conditions of the DEI-Legal scheme remain unchanged.

Effective date: 1 April 2015 to 31 March 2020

Introducing a review date for the Approved Foreign Loan (AFL) scheme
Under Section 45 of the ITA, interest payments made by a Singapore resident company to a non-resident person, other than in respect of a trade, business, profession or vocation carried on or exercised outside Singapore through a PE outside Singapore or real property outside Singapore, will be subject to withholding tax in Singapore. The withholding tax is a “final” tax at a rate of 15% of the gross amount provided the interest is not derived by the non-resident person in respect of a trade, business, profession or vocation carried on or exercised by him in Singapore and is not effectively connected with a PE of the non-resident person; otherwise, an “on account” withholding tax at the prevailing corporate tax rate (currently 17%) would apply on the gross amount. These rates may be reduced or exempted either by a relevant DTA or under the provisions of the ITA or the EEIA.

In particular, the AFL scheme was introduced to encourage companies to invest in productive equipment for the purpose of carrying on substantive activities in Singapore. Under Section 59 of the EEIA, tax exemption or a concessionary tax rate may be granted on interest payments made to a non-resident person in respect of an AFL made to a company to purchase productive equipment. Further, to qualify as an AFL, Section 57 of the EEIA states that the loan quantum must be not less than $200,000. However, the Minister for Trade and Industry has the discretion to approve an application for a foreign loan of less than the minimum loan quantum of $200,000 to be an AFL, where he thinks it is expedient to do so.

Proposed
In order to ensure that the scheme continues to be relevant, the AFL scheme will be further reviewed on 31 December 2023 and this date will be legislated. In addition, the minimum loan quantum under the AFL incentive will be increased to $20 million from 24 February 2015. However, the Minister for Trade and Industry has the discretion to approve an AFL application on a loan lower than the legislated minimum loan quantum of $20 million.

Effective date: Immediate
Introducing a review date for the Approved Royalties Incentive (ARI) scheme

Under Section 45A of the ITA, royalties payments made by a Singapore resident company to a non-resident person, other than in respect of a trade, business, profession or vocation carried on or exercised outside Singapore through a PE outside Singapore or real property outside Singapore, will be subject to withholding tax in Singapore. The withholding tax is a “final” tax at a rate of 10% of the gross amount provided the royalty is not derived by the non-resident person in respect of a trade, business, profession or vocation carried on or exercised by him in Singapore and is not effectively connected with a PE of the non-resident person; otherwise, an “on account” withholding tax at the prevailing corporate tax rate (currently 17%) would apply on the gross amount. These rates may be reduced or exempted either by a relevant DTA or under the provisions of the ITA or the EEIA.

The ARI was introduced to encourage companies to access cutting-edge technology and know-how for substantive activities in Singapore. Under Section 64 of the EEIA, tax exemption or a concessionary tax rate may be granted on approved royalties, technical assistance fees or contributions to research and development costs made to a non-resident person.

Proposed
Similar to the AFL scheme, the ARI scheme will be further reviewed on 31 December 2023 and this date will be legislated.

Effective date: Immediate

Our view
The scheme has been useful in attracting major projects with substantial economic spin-offs to Singapore, and has been instrumental in Singapore’s economic development. Over the past few years, we have seen sunset dates being introduced to various existing tax incentives. Given the focus of the 2015 Budget on building Singapore’s future, having the review date legislated would help ensure the ARI scheme is reviewed for its relevance, allowing the application of the scheme and/or the conditions to be changed to suit the needs of businesses and the objectives of the Government.

Introducing a review date for the Writing Down Allowance (WDA) scheme on acquisition of Indefeasible Rights to Use of international telecommunications submarine cable system

Currently, Section 19D(1) of the ITA provides that where a person carrying on a trade, business or profession has incurred capital expenditure during or after the basis period for the YA 2004 for the acquisition of an Indefeasible Rights to Use any international telecommunications submarine cable system (IRU) for the purposes of that trade, business or profession, WDA shall be made to him, on due claim, in respect of that capital expenditure during the writing-down period.

Section 19D(2) of the ITA further provides that the writing down period in respect of an IRU shall be the number of years for which the IRU is acquired commencing with the YA relating to the basis period in which the capital expenditure for the acquisition of the IRU is incurred.

For the purposes of Section 19D(1) of the ITA, international telecommunications submarine cable system means an international submarine cable that is laid in the sea and includes its cable landing station and any other equipment ancillary to the submarine cable system. Capital expenditure does not include legal fees, registration fees, stamp duty and other costs related to the acquisition of any IRU.

Our view
The scheme has been useful in encouraging companies to access cutting-edge technology and know-how for substantive activities in Singapore. Given the focus of the 2015 Budget on building Singapore’s future, having the review date legislated would help ensure the ARI scheme is reviewed for its relevance, allowing the application of the scheme and/or the conditions to be changed to suit the needs of businesses and the objectives of the Government.
Proposed
To ensure that the relevance of the scheme is periodically reviewed, the Minister has proposed to legislate the review date for the WDA scheme of 31 December 2020.

Effective date: Immediate

↑ Our view
The WDA scheme was first introduced in 2003 Budget to address the disincentive that the disallowance of deduction may have on the acquisition of IRU, and to boost the local broadcasting and telecommunication industries. We believe the WDA scheme has been successful in achieving the intended objectives. The proposed periodic review of the WDA scheme is a welcome move to ensure the relevance of the scheme in the light of prevailing needs and development of the Singapore economy in the future.

Extending the tax deduction for collective impairment provisions made by banks, merchant banks and finance companies
With the adoption of FRS 39 for accounting purposes for financial periods beginning on or after 1 January 2005, banks and finance companies are required to recognise impairment losses by reducing the carrying amount of each loan or groups of similar loans which have been assessed by the banks or finance companies to be impaired. For income tax purposes, the impairment losses made by banks and finance companies under FRS 39 will be allowed as a deduction and any reversal amount will be subject to tax.

Where banks and finance companies which adopt the impaired loan measurement basis specified in FRS 39 either do not have loss estimation processes that are sufficiently robust or lack sufficient quality historical loan loss data and are unable to provide for collective impairment provisions under FRS 39, they are required under relevant MAS Notices to maintain a level of collective impairment provisions which is not less than 1% of the gross loans and receivables after deducting any individual impairment provisions made (in the case of a bank), and 1% or 1.5% of gross loans and receivables net of collaterals and after deducting any individual impairment provisions made (in the case of a merchant bank and finance company, respectively).

Under Section 34A(2)(g) of the ITA, such mandatory collective impairment provisions for loan losses are allowed as a deduction subject to the caps stipulated in Section 14I(5) of the ITA. This tax concession was first announced via an IRAS Circular dated 30 December 2005 and was to apply for a period of 5 years from the first YA that a bank, merchant bank or finance company is required to comply with FRS 39 for accounting purposes. At that time the expectation was that banks, merchant banks and finance companies would be able to comply with the requirements of FRS 39 for the provision of impairment losses within 5 years of its adoption.
The tax concession was extended on 22 January 2009 and further extended on 17 February 2012 till YA 2016 or YA 2017 depending on the financial year end of the bank or finance company.

On 11 December 2014, FRS 109 was issued by the Singapore Accounting Standards Council to replace FRS 39. FRS 109 is adopted from the International FRS 9 and it is mandatory for financial periods beginning on or after 1 January 2018.

Proposed
Recognising that banks and finance companies are required to maintain adequate levels of loan impairment provisions under relevant MAS Notices as they transit to the new FRS 109 accounting standard on impairment in Singapore, the Minister has proposed to extend the above tax concession till YA 2019 or YA 2020 depending on the financial year end of the bank or finance company.

Effective date: Immediate

Our view
The extension is a welcome development for banks and financial companies as it provides certainty on the tax treatment of impairment provisions during the transition in the adoption of the new FRS 109.

Extending and refining the tax incentive scheme for insurance businesses
Currently, pursuant to Section 43C(1)(a) of the ITA and the regulations issued thereunder, general, life and composite insurers carrying on offshore insurance business (OIB) from Singapore may enjoy a concessionary tax rate of 10% on their qualifying income by applying for the following schemes (collectively known as the OIB Schemes):

(a) Concessionary Rate of Tax for Approved Offshore General Insurers;
(b) Concessionary Rate of Tax for Approved Offshore Life Insurers; and
(c) Concessionary Rate of Tax for Approved Offshore Composite Insurers.

The Minister or such person as he may appoint, upon application by any insurer registered under the Insurance Act to carry on insurance business in Singapore, approve the insurer as an approved insurer for the purposes of Section 43C of the ITA and the regulations issued thereunder. Any such approval shall be granted for a period not exceeding 10 years.

The OIB Schemes will expire on 31 March 2015.

Proposed
To strengthen Singapore’s value proposition as an Asian insurance and reinsurance centre, the OIB Schemes will be extended for a further period of 5 years till 31 March 2020 and will be renamed as the “Insurance Business Development Incentive” (IBD). The concessionary tax rate shall remain at 10%.

In addition, with effect from 1 April 2015, a renewal framework will be introduced to encourage existing recipients of the incentive to continue expanding their operations in Singapore.

MAS will release further details by May 2015.

Effective date: 1 April 2015 to 31 March 2020
Enhancing the Section 13X Enhanced-Tier Fund scheme

The Singapore fund exemption regime, specifically the Section 13X Enhanced-Tier fund scheme, provides a favourable tax treatment under which “specified income” (including dividends, certain interests and gains) derived by an approved fund from “designated investments” (which notably excludes direct or indirect Singapore domestic real estate investments) of a fund managed by a Singapore fund manager may be exempt from Singapore income tax. Approval as a Section 13X Enhanced-Tier fund is subject to conditions (including economic conditions).

As a concession, master-feeder fund structures (excluding Special Purpose Vehicles - or “SPVs” - held by them) may apply for the Section 13X Enhanced-Tier fund scheme on a collective basis (i.e. collectively meet one set of economic conditions). The economic conditions are: (i) minimum fund size of $50 million at the point of application, and (ii) minimum annual local business spending of $200,000 for each fund.

Proposed

In order to maintain and grow Singapore’s position as a global fund management hub, the Section 13X Enhanced-Tier fund scheme has been enhanced to accommodate master-feeder fund structures that hold their investments through SPVs. This means that the master and feeder funds and SPVs within a master-feeder fund structure may apply for the Section 13X Enhanced-Tier fund scheme and meet the economic conditions on a collective basis.

Effective date: 1 April 2015

Our view

The insurance industry is an important segment of the financial sector in Singapore, which remains a focused area of development for Singapore and where Singapore is well-positioned to be the global leader. Therefore, the proposal to extend and refine the IBFD is in line with the Government’s initiatives to further enhance Singapore’s position as an international financial centre and such a move would be welcomed by the industry players.

Our view

This is a significant enhancement to the Section 13X Enhanced-Tier fund scheme because it reduces the need to apply for separate exemptions for SPVs in master-feeder structures. This will further enhance Singapore’s position as a global fund management hub and increase its competitiveness against traditional fund management locations such as the Cayman Islands.

Extending the tax concessions for listed Real Estate Investment Trusts (REITs)

Currently, REITs listed on SGX enjoy tax transparency if the trustee of a REIT distributes at least 90% of its taxable income to unitholders in the same year in which the income is derived by the trustee, amongst other conditions.

In addition, listed REITs enjoy the following income tax and stamp duty concessions, which are scheduled to lapse on 31 March 2015:

(a) non-tax resident non-individual investors in listed REITs are subject to a concessionary tax rate of 10% on distributions, by the trustee, of taxable income subject to the tax transparency treatment;

(b) trustees of S-REITs or their wholly owned Singapore resident subsidiaries are, subject to various conditions, exempt from Singapore income tax on qualifying foreign-sourced income (i.e. dividend income, interest income, distributions by a non-tax resident trustee of a trust and foreign branch profits).

One such condition is that such foreign-sourced income originates from property rental income from underlying overseas property, capital gains from disposal of overseas property or the special purpose vehicle that holds the overseas property, or income derived from property-related or other activities in line with the regulatory requirements imposed on the REITs and the overseas property:

(i) is acquired directly or indirectly by the trustee of the REIT or its wholly-owned Singapore tax resident subsidiary company on or before 31 March 2015; and
(ii) continues to be beneficially owned, directly or indirectly, by the trustee of the REIT or its wholly-owned Singapore tax resident subsidiary company after 31 March 2015;

(c) stamp duty remission on the transfer to a REIT of a Singapore immovable property; and

(d) stamp duty remission on the transfer to a REIT of 100% of the issued share capital or any interest therein of a Singapore-incorporated company that holds immovable properties situated outside Singapore.

Proposed
To continue to promote the listing of REITs in Singapore and strengthen Singapore’s position as a REIT hub in Asia, the package of income tax concessions for REITs will be extended till 31 March 2020. With the extension, the tax exemption on qualifying foreign-sourced income will apply so long the overseas property is acquired directly or indirectly by the REIT or its wholly-owned Singapore tax resident subsidiary company on or before 31 March 2020. All other qualifying conditions remain the same.

The stamp duty concessions for REITs were intended to enable the industry to acquire a critical mass of local assets, as a base from which the REITs can expand abroad. As this has been achieved, the stamp duty concessions will be allowed to lapse after 31 March 2015.

The MAS will release further details by May 2015.

Effective date: 1 April 2015 to 31 March 2020

↑ Our view
We welcome the 5-year extension of the income tax concessions to 31 March 2020. The extension of the income tax concessions relating to overseas property removes an uncertainty which had caused several sponsors to delay their listing plans for overseas assets whereas the extension of the concessional tax rate of 10% on income subject to the tax transparency treatment will continue to attract foreign investment in REITs holding Singapore assets. This demonstrates the Government’s continuing commitment to create and maintain a competitive tax regime in Singapore for REITs as compared to other parts of Asia and to continue the REIT success story.

Extending and enhancing the Maritime Sector Incentive (MSI)
The present tax incentives for the maritime sector include the following:

International Shipping Operations
(a) tax exemption on qualifying income derived from operating Singapore ships and foreign ships as well as the provision of specified ship management services pursuant to Section 13A of the ITA under the MSI-Shipping Enterprise (Singapore Registry of Ships) (MSI-SRS) award; and

(b) tax exemption on qualifying income derived from operating foreign ships as well as the provision of specified ship management services pursuant to Section 13F of the ITA under the MSI-Approved International Shipping Enterprise (MSI-AIS) award.

Maritime (Ship or Container) Leasing
MSI-Maritime Leasing (Ship) (MSI-ML(Ship))
(a) tax exemption on qualifying income derived from the chartering or finance leasing of ships is tax exempt pursuant to Section 13S of the ITA;

(b) concessionary tax rate of 10% on qualifying income derived from managing or providing prescribed services to an approved shipping investment enterprise pursuant to Section 43W of the ITA;

MSI-ML(Container)
(a) concessionary tax rate of 5% or 10% on qualifying income derived from leasing of specified sea containers and intermodal equipment incidental to the leasing of such containers, pursuant to Section 43ZA of the ITA; and

(b) concessionary tax rate of 10% on qualifying income derived from managing or providing prescribed services to an approved container investment enterprise pursuant to Section 43ZB of the ITA.
Shipping Support Services
(a) concessionary tax rate of 10% on incremental qualifying income derived from carrying out approved shipping-related support services pursuant to Section 43ZF of the ITA under the MSI-Shipping-related Support Services (MSI-SSS) award.

In addition, automatic withholding tax exemption is granted on qualifying interest and related payments made by qualifying MSI award recipients in respect of qualifying foreign loans entered into on or before 31 May 2016 to finance the purchase or construction of qualifying assets (i.e. ships and containers), subject to conditions.

Proposed
To further develop Singapore’s status as an International Maritime Centre, the Minister has enhanced the MSI scheme to expand the existing maritime tax incentives.

The MSI will be enhanced as follows:
(a) The automatic withholding tax exemption, subject to conditions, will now cover qualifying payments in relation to finance leases, hire-purchase arrangements, and loans used to finance equity injection into wholly-owned Special Purpose Vehicles (SPVs) or intercompany loans to wholly-owned SPVs for the SPVs’ purchase or construction of vessels, containers and intermodal equipment. In addition, the said withholding tax exemption will be extended to qualifying payments made on qualifying foreign loans entered into on or before 31 May 2021 to finance the purchase or construction of the above qualifying assets;

(b) The Minister has indicated that the definition of qualifying ship management activities for the purpose of MSI-SRS, MSI-AIS and MSI-SSS awards will be updated to keep pace with industry changes;

(c) The qualifying shipping income under the MSI-SRS and MSI-AIS awards will now include mobilisation fees, demobilisation fees, holding fees, and incidental container rental income that are derived in the course of qualifying shipping operations;

(d) In addition to the tax exemption on qualifying income derived from operating foreign ships under the MSI-AIS award, qualifying profits remitted from approved foreign branches by MSI-AIS entities will now enjoy tax exemption as well;

(e) The tax concession period for existing MSI-SSS award recipients may be extended for another 5 years, subject to qualifying conditions and higher economic commitments;

(f) The MSI-ML award will now cover income derived from finance leases treated as a sale for tax purposes. Such income was previously excluded from the definition of qualifying income for purposes of the tax concessions; and

(g) The approval window to award MIS-AIS status to qualifying entry shipping players, and MSI-ML(Ship), MSI-ML(Container) and MSI-SSS status to qualifying recipients will be extended till 31 May 2021.

MPA will release further details by May 2015.

Effective date: 24 February 2015

Our view
The maritime sector is an important pillar in Singapore’s economic success. In order to continue developing Singapore as a global maritime hub, the Government has recognised the importance of attracting and retaining international shipping players that will generate economic spin-offs for Singapore and allow a robust ecosystem to be formed which will further attract shipping activities to be based in Singapore. The above enhancements to the MSI are timely proposals to keep pace with the industry changes and also serve to support the logistics sector, which is one of the 5 future growth clusters identified by the Government.
**Withdrawing the tax incentive scheme for offshore leasing of machinery and plant**

Currently, a company carrying on a business of leasing machinery or plant enjoys a 10% concessionary tax rate on income accruing in or derived from Singapore in respect of offshore leasing of any machinery or plant pursuant to Section 43I of the ITA. Offshore leasing refers to the leasing of any machinery or plant, other than those which have been treated as though they had been sold pursuant to regulations made under Section 10D(1) of the ITA, where such machinery or plant is used outside Singapore; and the payments under the lease are in currencies other than Singapore dollars and are not deductible against any income accruing in or derived from Singapore.

The ITA does not provide a definition of “machinery or plant” and as such the words must be given their ordinary meaning. Items such as motor vehicles, aircraft, ships and sea containers should ordinarily qualify as machinery or plant.

An aircraft leasing company approved as such between 1 March 2007 and 31 March 2017 is entitled to enjoy a concessionary tax rate of 5% or 10% under the Aircraft Leasing Scheme pursuant to Section 43Y of the ITA. The concessionary tax rate applies on income accruing in or derived from Singapore from the leasing of aircraft or aircraft engines or other prescribed ancillary activities for an initial period not exceeding 5 years. An “aircraft leasing company” means a company that is incorporated and tax resident in Singapore or a registered business trust, carrying on a business of leasing aircraft or aircraft engines.

Under the Maritime (Ship or Container) Leasing Scheme, qualifying income derived by a qualifying company or a registered business trust approved between 1 March 2006 to 31 May 2016 from the chartering or finance leasing of ships for use outside the limits of Singapore is exempt pursuant to Section 13S of the ITA. In addition, qualifying income derived from the leasing of specified containers used for international transportation of goods derived by a qualifying company or a registered business trust approved between 1 April 2008 and 31 May 2016 is subject to a concessionary tax rate of 5% or 10% pursuant to Section 43ZA of the ITA.

**Proposed**

With the introduction of targeted tax incentives for leasing of aircraft/aircraft engines, ships and sea containers pursuant to Sections 43Y, 13S and 43ZA of the ITA respectively over the years, the relevance of Section 43I has diminished.

To simplify Singapore tax regime, the Section 43I tax incentive scheme will be withdrawn from 1 January 2016 and any income derived from 1 January 2016 by a leasing company from offshore leasing of any machinery or plant will be subject to tax at the prevailing corporate tax rate, unless separate incentives apply.

**Effective date: 1 January 2016**

**Our view**

It appears that the Government’s intention is to promote leasing activities for the air and sea traffic industry and not for other industries. Furthermore, a company does not need to be approved in order to enjoy the Section 43I incentive, unlike the other leasing incentives mentioned above, which require a certain level of business operations in Singapore for the taxpayer to be approved. This could be part of the Government’s efforts to award tax incentives based on substance and economic activity in Singapore.
Withdrawing the Approved Headquarters incentive
The Approved Headquarters incentive under Section 43E of the ITA was an incentive tool to encourage companies to conduct headquarters management activities to oversee, manage and control their regional and global operations and businesses from Singapore.

Currently, under the incentive, an approved headquarters company can enjoy tax exemption or a concessional tax rate of 10% on income derived from the provision of:

(a) qualifying headquarter services to qualifying network companies; or

(b) qualifying treasury, investment or financial activities.

Proposed
The Approved Headquarters incentive will be withdrawn from 1 October 2015.

Effective date: 1 October 2015

Our view
The withdrawal is intended to simplify the tax regime. Tax incentives in the form of the Regional Headquarters Award and the International Headquarters Award under the Development and Expansion Incentive, both administered by the EDB, will still be relevant for companies planning to locate their regional headquarters in Singapore, subject to meeting qualifying conditions.

Extending and enhancing the tax deduction for qualifying donations
A tax deduction is available on certain donations made, pursuant to Section 37(3)(b) to 37(3)(f) of the ITA, as follows:

(a) an amount equivalent to twice the value, which is to be determined by the Minister or such person as he may appoint, of any artefact or work of art made to an approved museum, or of any sculpture or work of art for public display made to an approved recipient not being an approved museum, or of money or services for installing or maintaining any sculpture or work of art for public display (Section 37(3)(b) of the ITA);

(b) an amount equivalent to twice the amount of any cash donations made to the Government or to any IPC, whether made directly to the IPC or indirectly through any grant-making philanthropic organisation registered by the CIT (Section 37(3)(c) of the ITA);

(c) an amount equivalent to twice the value of any donation of a computer (including computer software and peripherals) approved by the Minister or such person as he may appoint and made by any company to any IPC or a prescribed educational, research or other institution in Singapore (Section 37(3)(d) of the ITA);

(d) an amount equivalent to twice the value of any donation of shares in a company listed on the SGX or of units in unit trusts traded in Singapore or listed on the SGX made by an individual to any IPC (Section 37(3)(e) of the ITA); and

(e) an amount equivalent to twice the value, which is to be determined by an appraiser licensed under the Appraiser and House Agents Act and approved by the Chief Valuer appointed under the State Lands Act, of any donation of any immovable property made to any IPC (Section 37(3)(f) of the ITA).

The Minister first introduced in Budget 2009 an enhanced 250% tax deduction for the above donations made from 1 January 2009 to 31 December 2015.
Proposed
To encourage a stronger culture of charitable giving and as part of the SG50 celebrations, the Minister has proposed that the tax deduction for donations be enhanced from the current 250% to 300% for the above donations made during 1 January 2015 to 31 December 2015.

The Minister has also proposed that the enhanced tax deduction of 250% be extended to qualifying donations made from 1 January 2016 to 31 December 2018.

Effective date: 1 January 2015 to 31 December 2018

Our view
The proposed enhancement demonstrates the Government’s commitment to encourage community involvement in the charitable sector. Companies and individuals may wish to plan their donations ahead to enjoy greater tax deduction for donations made in 2015.
Withdrawing the tax concession on royalties and other payments from approved intellectual property or innovation

Under Section 10(16) of the ITA, the income derived by an individual who is the inventor, author, proprietor, designer or creator of an approved intellectual property or approved innovation, or by any company in which the individual beneficially owns all the issued shares, from any royalties or other payments received as consideration for the assignment of or the rights in approved intellectual property or approved innovation, is deemed to be the lesser of:

(a) the amount of royalties or other payments after the deductions allowable under the ITA; or

(b) an amount equal to 10% of the gross amount of the royalties or other payments.

For the purposes of Section 10(16) of the ITA, Section 10(18) of the ITA defines the following:

“approved” means “approved for such period not exceeding five years by the Minister or such person as he may appoint”.

“innovation” means the following:

“(a) any new product or new service, or any new method used in the manufacture or processing of goods or materials or in the provision of services; or

(b) any substantial improvement in any product or in the provision of any service, or in any method used in the manufacture or processing of goods or materials or in the provision of services,

which involves novelty or originality.”

“rights in the approved intellectual property or approved innovation” means “the rights relating to any patent, copyright, trade mark, industrial design, layout-design of integrated circuit, or know-how of an approved intellectual property or approved innovation, where a substantial part of the work in producing the approved intellectual property or innovation is undertaken in Singapore.”

Proposed

The Minister announced that as the tax concession under Section 10(16) of the ITA is assessed to be no longer relevant, the concession will be withdrawn from YA 2017.

Effective date: YA 2017

Our view

Given the changing economic landscape, it is necessary to periodically review the incentives available in Singapore to ensure that the incentives continue to be relevant to the needs of businesses. It remains to be seen whether the withdrawal of the concession under Section 10(16) of the ITA will have any material impact, given that Singapore continues to offer generous grants and incentives to promote innovation.
Personal tax

Personal tax rebate
There was no personal income tax rebate granted to resident individual taxpayers for YA 2014.

Proposed
The Minister has proposed to grant a one-off personal income tax rebate of 50%, capped at $1,000, for resident individual taxpayers for YA 2015.

Effective date: YA 2015

Our view
While the Government has announced tax rebates previously, it is interesting to note that the $1,000 cap on the tax rebate is the lowest ever that has been announced. This appears to be in line with the Government’s aim to help the middle to upper-middle income groups cope with the rising cost of living in Singapore.

Changes in personal tax rates
Currently, the top marginal personal income tax rate in respect of resident individual taxpayers is 20% for income exceeding $320,000.

Proposed
The Minister has proposed the following changes to the personal income tax rates:

(a) a more progressive personal income tax rate structure for resident individual taxpayers effective from YA 2017, with the increase in the marginal tax rates for income exceeding $160,000.

(b) an increase in the top marginal personal income tax rate from 20% to 22% for income exceeding $320,000 effective from YA 2017.

The personal tax rate tables for YA 2015 and YA 2017 are enclosed in Appendix D and E respectively.

Effective date: YA 2017

Our view
It is a surprise that the Minister has proposed to increase the personal tax rates after more than 30 years. Nevertheless, it would appear that the Government has recognised the need to keep our individual tax regime more progressive to reduce the gap in rising income inequality in Singapore, and would also like to increase funding to ensure the future sustainability of various schemes introduced to enhance our social safety net.
Changes related to CPF

Increasing the CPF salary ceiling
Currently, CPF contribution is subject to a monthly salary ceiling of $5,000 and an annual total wage ceiling of $85,000.

Proposed
The Minister has proposed to raise the CPF monthly salary ceiling to $6,000. With this proposed increase, the CPF annual total wage ceiling will be raised to $102,000.

The existing limits on tax deduction for employers’ statutory CPF contributions and tax relief for employees’ CPF contributions will be raised accordingly.

Effective date: 1 January 2016

Our view
The proposed change to the CPF salary ceiling is in line with the Government’s focus to help Singaporeans build up their CPF nest during their working years for retirement.

Changes to CPF contribution rates for older workers
The CPF contribution rates for older workers were lowered in the past to enhance their employability. The Minister has now proposed that the CPF contribution rates for workers aged 50 to 65 years and earning $750 per month or more be increased as follows:

(a) for workers who are above 50 to 55 years old, the employer and employee CPF contribution rates will be increased by 1% to 17% and 20% respectively. This will restore the contribution rates for employees under this age group to the same level as those of younger workers;

(b) for workers who are above 55 to 60 years old, the employer CPF contribution rate will be increased by 0.5% to 9%.

(c) for workers who are above 60 to 65 years old, the employer CPF contribution rate will be increased by 0.5% to 9%.

The increase in employer contribution rates will go to the worker’s Special Account whereas the increase in employee contribution rates will go to the worker’s Ordinary Account.

The existing limits on tax deduction for employers’ statutory CPF contributions and tax relief for employees’ CPF contributions will be raised accordingly.

Effective date: 1 January 2016

Our view
The proposed changes to the contribution rates for older workers are in line with the Government’s objectives of addressing the issue of retirement fund adequacy for older workers who are nearing retirement age and also to encourage older workers to continue employment beyond 50 years old.
Introducing a review date for tax exemption for non-resident arbitrators (NRAs)

Currently, NRAs are exempted from tax on income derived on or after 3 May 2002 from arbitration work carried out in Singapore.

Proposed

The Minister has now proposed to legislate a review date of 31 March 2020 to ensure that a periodic review on the relevance of the scheme is performed.

Effective date: Immediate

Our view

While the Government has recognised that the tax exemption currently available encourages NRAs to carry out arbitration work in Singapore, there is probably a need to review the relevance of the scheme in today’s environment and whether the tax exemption should be continued indefinitely. Hence, the need to legislate a review date for the scheme.

Increasing the contribution cap for the Supplementary Retirement Scheme (SRS)

Currently, both an individual and his employer can contribute to the individual’s SRS account up to the prevailing statutory retirement age, subject to a contribution limit of $12,750 per year for Singapore citizen/SPR employees and $29,750 per year for foreign employees.

With the increase in the CPF salary ceiling as proposed by the Minister from $5,000 to $6,000 per month, the contribution cap for the SRS will also be raised. The revised income base computed at 17 months of monthly salary ceiling for CPF will be $102,000 (17 x $6,000).

The revised SRS contribution limits per year for a Singapore citizen/SPR employee and foreign employee will be $15,300 (15% x $102,000) and $35,700 (35% x $102,000) respectively.

The existing limits on tax relief for SRS contributions will be raised accordingly.

Effective date: 1 January 2016

Our view

The increase in the SRS cap, together with the CPF cap increase, is in line with the Government’s efforts to strengthen our social security system and increase employees’ savings for retirement.
**Tax exemption for non-resident mediators (NRMs)**
Currently, NRMs are subject to a withholding tax of 15% of their gross income, or at 20% of the net income if the NRMs elect to be taxed on their net income, in respect of mediation work carried out in Singapore.

**Proposed**
To promote the commercial mediation sector in Singapore, the Minister has proposed to exempt from tax the income derived by NRMs for mediation work carried out in Singapore from 1 April 2015 to 31 March 2020.

The Ministry of Law will release further details by March 2015.

*Effective date: 1 April 2015 to 31 March 2020*

**Our view**
Recognising the important role of NRMs in today’s dynamic business environment, the Minister’s proposal should help encourage more NRMs to carry out mediation work in Singapore and assist to build our capabilities and expertise in the area of mediation.

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**Allowing individual taxpayers to claim a specified amount of expenses against his rental income derived from residential properties in Singapore**
Currently, an individual who derives passive rental income from a residential property in Singapore can, subject to income tax rules, claim against such income a deduction of the actual deductible expenses incurred in producing that income. To substantiate the claim for deduction of expenses, he is required to keep the relevant records for a period of at least 5 years from the YA to which the claims relate.

**Proposed**
The Minister has proposed that an individual who derives passive rental income from the letting of a residential property in Singapore (referred to as “qualifying rental income”) can, in lieu of claiming the actual amount of deductible expenses incurred (excluding interest expenses) against his qualifying rental income, claim a specified amount of expenses as a proxy for the deductible expenses (determined based on 15% of the gross rental income derived from that residential property). The individual can continue to deduct against his qualifying rental income, any deductible interest expense.

This tax change does not apply to any rental income derived:
(a) by an individual through a partnership in Singapore; and
(b) from a trust property.

The IRAS will release further details by May 2015.

*Effective date: YA 2016*

**Our view**
The above proposal removes the administrative burden to keep the records of claims for deduction of expenses against the qualifying rental income and should simplify the process of claiming such expenses. However, if the amount of deductible expenses (excluding interest expenses) is more than 15% of the gross qualifying rental income, we believe that the individual should be able to claim the actual amount of deductible expenses without having to restrict it to 15% of the gross rental income, provided he has the supporting documents to substantiate his claim for these expenses.
Extending and enhancing the existing GST concessions for Singapore listed Real Estate Investment Trusts (S-REITs) and qualifying Singapore listed Registered Business Trusts (S-RBTs)

Currently, S-REITs and S-RBTs in the infrastructure business, ship leasing and aircraft leasing sectors are permitted to claim input tax in respect of their business expenses regardless of whether the S-REITs and S-RBTs hold the underlying assets of the trust directly or indirectly through multi-tiered structures such as Special Purpose Vehicles (SPVs) or sub-trusts.

S-REITs and S-RBTs are however not permitted to claim input tax incurred on business expenses to set up SPVs that do not directly or indirectly hold qualifying assets of the S-REITs and S-RBTs. In addition, the input tax incurred on business expenses by such SPVs is not claimable.

Conditions for GST concessions

S-REITs and S-RBTs will qualify for the GST concessions if they are listed or to be listed on the SGX.

S-RBTs must also carry on a qualifying business in one of the following sectors:

(a) infrastructure (e.g. electricity and gas generation/distribution/transmission, waste management, roads, rail, ports, telecommunication facilities/networks, water treatment, hospitals and schools);

(b) aircraft leasing; or

(c) ship leasing.

Both S-REITs and S-RBTs also need to continue to meet the other required conditions to qualify for the GST concessions. These conditions include the S-REIT or S-RBT having veto rights over the key operational issues in respect of the SPVs holding the underlying assets, and that the underlying assets of the S-REIT or S-RBT make taxable supplies or out-of-scope supplies which would have been taxable supplies if made in Singapore.

In order to make the input tax claims, non-GST registered S-REITs and S-RBTs need to lodge a statement of claim and an organisational structure with the IRAS. S-REITs and S-RBTs that are GST-registered should include their input tax claims in their GST returns, but also need to lodge the statement of claims. Claimants should note that they need to maintain separate records of the claims made under the normal rules and those under the GST concessions.

S-REITs and S-RBTs are not permitted to claim input tax in respect of the types of expenses usually disallowed under Regulation 26 or 27 of the GST (General) Regulations (e.g. family benefits, motor vehicle expenses, etc.).

Proposed

To continue facilitating the listing of S-REITs and S-RBTs, the Minister has announced that the existing GST concessions for S-REITs and qualifying S-RBTs, which will be expiring on 31 March 2015, be extended to 31 March 2020 and also be further enhanced.

In order to facilitate fund raising by S-REITs and S-RBTs through SPVs, the existing GST concessions will be enhanced to allow S-REITs and S-RBTs to claim input tax on business expenses incurred between 1 April 2015 and 31 March 2020 (both dates inclusive) to set up SPVs that are solely used to raise funds for the S-REITs and S-RBTs. This is regardless of whether the SPVs directly or indirectly hold qualifying assets of the S-REITs and S-RBTs. The S-REITs and S-RBTs will also be permitted to claim input tax incurred on business expenses of such SPVs.

The IRAS will release further details by March 2015.

Effective date: 1 April 2015 to 31 March 2020

Our view

The extension as well as enhancement to this GST concession will reinforce Singapore’s status as an attractive and competitive fund raising platform for S-REITs and S-RBTs amid intensive competition from Hong Kong where there is currently no GST regime.
Simplifying the recovery of GST incurred pre-GST registration

Under the current rules, when a business registers for GST, it is able to make a claim for GST it has incurred before it was registered, subject to certain conditions.

Specifically, these conditions are that the GST is not blocked under Regulation 26 or 27 of the GST (General) Regulations, (e.g. GST on motor cars or medical expenses) and also that the GST falls within the rules as set out in Regulation 40 of the GST (General) Regulations, which provides for exceptional claims of tax relief for GST incurred.

Under Regulation 40, GST incurred on services is recoverable as long as such services do not relate to goods consumed or goods/services supplied before the registration date and such services should not have been acquired more than 6 months before the effective date of GST registration. For goods, GST can be claimed as long as the goods have not been otherwise used, consumed or on-supplied before the effective date of registration.

For situations where the business may have used, consumed or on-supplied part of the services or goods prior to registration, the IRAS currently requires the business to carry out an apportionment to determine how much of the input tax can be claimed.

Proposed

To ease compliance, the Minister has announced that the claiming of pre-registration GST will be simplified, so that GST will be claimable in full on goods held by the business at the point of GST registration, and services (which includes property rental costs, utilities and other services) acquired within 6 months of the effective date of GST registration provided that the goods or services are to be used for the making of taxable supplies, not exempt supplies.

For GST incurred on purchases of goods more than 6 months before the effective date of GST registration, the business will still need to confirm that the goods have not been used, consumed or on-supplied prior to registration and the business will not be able to claim GST on any services purchased more than 6 months before the effective date.

The IRAS will release further details by June 2015.

Effective date: 1 July 2015

Our view

The proposed changes to the rules are a welcome compliance simplification and should make it easier for businesses to determine their GST liabilities in what can be a difficult time for a new business.
Extending the Wage Credit Scheme (WCS)
The WCS was introduced in Budget 2013 as part of a Transition Support Package to support businesses in raising workers’ wages and to incentivise employers to share productivity gains with their employees. Under the scheme, the Government co-funds 40% of monthly wage increases of at least $50 in the qualifying calendar year (i.e. 2013 to 2015) given to Singaporean employees earning a gross monthly wage of up to and including $4,000. Gross monthly wage is defined as the total wage (including basic salary and additional wages such as overtime pay and bonuses but excluding employer’s CPF contributions) paid to the employee in the calendar year, divided by the number of months in which CPF contributions are made.

Once the employee’s gross monthly wage exceeds $4,000, the portion of wage increase that brings the gross monthly wage above $4,000 will not be eligible for co-funding under WCS.

Proposed
In recognition that firms may need more time to adjust to rising costs in a tight labour market as they restructure, the Minister has proposed to extend the WCS for 2 years (i.e. 2016 and 2017) before phasing out the scheme entirely. However, co-funding will be reduced to 20% of monthly wage increases of at least $50 given in 2016 and 2017.

As an illustration:

(a) if the gross monthly wage increase in 2015 is $200, the Government will co-fund 40% of the $200 wage increase under the existing WCS in 2015 and 20% in 2016 and 2017 if the increase is sustained in 2016 and 2017.

(b) if the gross monthly wage increases by another $200 in 2016, the Government will co-fund 20% of the $200 wage increase in 2016 and 2017 if the increase is sustained in 2017 i.e. the Government will co-fund 20% of the total monthly wage increase of $400 in 2016 and 2017.

(c) if the gross monthly wage further increases by another $200 in 2017, the Government will co-fund 20% of the $200 wage increase in 2017 i.e. the Government will co-fund 20% of the total monthly wage increase of $400 in 2016 and $600 in 2017.

(d) this means that at the end of 3 years, the employee will receive a total of $14,400 more in wages, of which $3,360 is co-funded under WCS.

All existing applicable conditions for WCS remain unchanged. As before, there is no need to apply for the WCS. The wage credits will be automatically paid out to employers annually.

Effective date: 2016 and 2017

Our view
The WCS was meant to be a temporary scheme to help companies in their restructuring journey. It is therefore heartening that the Government has decided to extend it by another 2 years, albeit with a reduction in its co-funding share.
Enhancing the Special Employment Credit (SEC)
The SEC was first introduced in Budget 2011 to help companies cope with rising operating costs and provide employers with support to attract and retain older Singaporean workers. Currently, the SEC is given to employers who hire Singaporean workers aged above 50 and earning up to $4,000 per month between 1 January 2012 and 31 December 2016. Employers will receive an SEC of 8% of the employee’s monthly wage of up to $3,000. The SEC amount will be lower for employees with a monthly wage of between $3,000 and $4,000.

In Budget 2014, the SEC was enhanced for a year with an additional offset of up to 0.5% (i.e. up to 8.5%) of monthly wages of up to $4,000.

Proposed
To further encourage employers to voluntarily re-employ older Singaporean workers aged 65 years and above in 2015, the SEC will be further enhanced with an additional offset of up to 3% of wages. With this enhancement, employers who hire Singaporean workers aged 65 and above in 2015 will receive an SEC of 11.5% of the employee’s monthly wage of up to $3,000. The SEC amount will be lower for employees with a monthly wage of between $3,000 and $4,000.

The 2015 enhanced SEC will be paid in September 2015 for work done from January 2015 to June 2015 and March 2016 for work done from July 2015 to December 2015.

Effective date: 1 January 2015 to 31 December 2015

Our view
The enhancement to the SEC would be a welcome move for businesses that employ older Singaporean workers, albeit a temporary one and only for workers aged 65 and above. Employers should also be pleased with the introduction of the ‘SkillsFuture’ credit which will enhance the employability of older workers. However, to further motivate employers to attract and retain older workers, the Government should perhaps consider making the SEC a permanent feature.

Enhancing and extending the Temporary Employment Credit (TEC)
The TEC was introduced in Budget 2014 to help companies manage the rise in business costs with the 1% increase in employer CPF contribution rate from 1 January 2015. Under the original TEC, employers will receive a one-year TEC of 0.5% offset on wages for Singapore citizens and SPRs up to the CPF salary ceiling of $5,000 per month.

Proposed
To help companies cope with wage cost increases from the proposed hike in CPF salary ceiling and the employer CPF rates for older workers, the TEC will be raised to 1% offset on wages in 2015 and 2016 and be extended by 2 years till 2017. Employers will receive a TEC offset on wages of their Singapore citizens and SPRs as shown below:

<table>
<thead>
<tr>
<th>Year</th>
<th>TEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1% (up from 0.5%) of wages up to the CPF salary ceiling of $5,000</td>
</tr>
<tr>
<td>2016</td>
<td>1% of wages up to the CPF salary ceiling of $6,000</td>
</tr>
<tr>
<td>2017</td>
<td>0.5% of wages up to the CPF salary ceiling of $6,000</td>
</tr>
</tbody>
</table>

The TEC payouts will be made in October (for wages paid from January to June of the same year) and April (for wages paid from July to December of the preceding year).

Effective date: 1 January 2015 to 31 December 2017

Our view
Similar to the SEC, the enhancement to the TEC is a welcome move for businesses in view of increasing wage costs over the years. However, with one of the highest pre-tax wages amongst the leading Asian economies, high wages in Singapore seem set to stay and therefore the Government should perhaps consider to make TEC a permanent feature when it lapses in 2017.
Changes to Foreign Worker Levies
The Foreign Worker Levy (FWL) is a pricing control mechanism to regulate the demand of foreign workers (including foreign domestic workers) in Singapore, which an employer who employs any foreign worker under a Work Permit or Special Pass is required to pay monthly at the prevailing rate for his foreign workers.

With the progressively and significantly tightened foreign worker policies introduced since 2010, Singapore has seen a significant reduction in the inflow of foreign workers from 60,000 in 2011 to just over 16,000 in 2014 (excluding construction and foreign domestic workers). The significant slowdown gives space for the Singapore Government to recalibrate FWL.

Proposed
The Minister announced the following changes to FWL:

(a) S Pass Holders: Levy increases that were previously scheduled for 1 July 2015 (as announced in the Budget 2013) will be deferred by 1 year, to 1 July 2016.

(b) Work Permit Holders: Levy increases that were previously scheduled for 1 July 2015 (as announced in the Budget 2013) will be deferred by 1 year, to 1 July 2016, with the exception of Work Permit Holder levies in the Manufacturing and Construction Sectors:

(i) Manufacturing Sector: the levy rates for all tiers and skill levels will be kept unchanged at 1 July 2014 rates till 30 June 2017.

(ii) Construction Sector: the following levy changes will be made to incentivise the upgrading of existing R2 workers and hiring of higher skilled R1 workers:

- Basic tier levy for R2 workers will be raised from $550 currently to $650 on 1 July 2016 and then $700 on 1 July 2017.
- The man-year entitlements (“MYE”) waiver levy rate for R1 workers will be lowered from $750 to $600 from 1 July 2015 onwards.
- The other levy rates for this sector will remain at 2014 levels.

The revised rates are summarised as follows:

Table 1: S Pass Holders Levy Schedule

<table>
<thead>
<tr>
<th>Tier (Sector)</th>
<th>Sector Dependency Ratio (DR)</th>
<th>Levy Rates ($) (R1/R2) Current</th>
<th>Levy Rates ($) 1 July 2015</th>
<th>Levy Rates ($) 1 July 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Tier (All)</td>
<td>≤10%</td>
<td>315</td>
<td>315</td>
<td>330</td>
</tr>
<tr>
<td>Tier 2 (Services)</td>
<td>10-15%</td>
<td>550</td>
<td>550</td>
<td>650</td>
</tr>
<tr>
<td>Tier 2 (Other Sectors)</td>
<td>10-20%</td>
<td>550</td>
<td>550</td>
<td>650</td>
</tr>
</tbody>
</table>

Table 2: Work Permit Holders Levy Schedule

<table>
<thead>
<tr>
<th>Tier (Sector)</th>
<th>Tier</th>
<th>Sector Dependency Ratio (DR)</th>
<th>Levy Rates ($) (R1/R2) Current</th>
<th>Levy Rates ($) 1 July 2015</th>
<th>Levy Rates ($) 1 July 2016</th>
<th>Levy Rates ($) 1 July 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Basic Tier</td>
<td>≤87.5%</td>
<td>300/550</td>
<td>300/550</td>
<td>300/650</td>
<td>300/700</td>
</tr>
<tr>
<td></td>
<td>MYE-Waiver</td>
<td>700/950</td>
<td>600/950</td>
<td>600/950</td>
<td>600/950</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>Basic Tier</td>
<td>≤10%</td>
<td>300/420</td>
<td>300/420</td>
<td>300/450</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tier 2</td>
<td>10-25%</td>
<td>400/550</td>
<td>400/550</td>
<td>400/600</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tier 3</td>
<td>25-40%</td>
<td>600/700</td>
<td>600/700</td>
<td>600/800</td>
<td></td>
</tr>
<tr>
<td>Marine</td>
<td>Basic Tier</td>
<td>≤83.3%</td>
<td>300/400</td>
<td>300/400</td>
<td>350/500</td>
<td></td>
</tr>
<tr>
<td>Process</td>
<td>Basic Tier</td>
<td>≤87.5%</td>
<td>300/450</td>
<td>300/450</td>
<td>300/500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MYE-Waiver</td>
<td>600/750</td>
<td>600/750</td>
<td>600/800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Basic Tier</td>
<td>≤25%</td>
<td>250/370</td>
<td>250/370</td>
<td>250/370</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tier 2</td>
<td>25-50%</td>
<td>350/470</td>
<td>350/470</td>
<td>350/470</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tier 3</td>
<td>50-60%</td>
<td>550/650</td>
<td>550/650</td>
<td>550/650</td>
<td></td>
</tr>
</tbody>
</table>

Effective date: 1 July 2015, 1 July 2016 and 1 July 2017 as relevant
Increase in excise taxes on petrol

Excise duty rates on petrol which have remained unchanged since 2003 will, with immediate effect, be increased for premium and intermediate grades. The increases, which are designed to reduce vehicle usage and carbon emissions, are as follows:

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Product description</th>
<th>Excise Duty Rate before 23 February 2015</th>
<th>New Excise Duty Rate with effect from 23 February 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2710 1212</td>
<td>Motor spirit of RON 97 and above unleaded</td>
<td>$0.44 per litre</td>
<td>$0.64 per litre</td>
</tr>
<tr>
<td>2710 1214</td>
<td>Motor spirit of RON 90 and above but under RON 97 unleaded</td>
<td>$0.41 per litre</td>
<td>$0.56 per litre</td>
</tr>
</tbody>
</table>

Effective date: Immediate

1-year road tax rebate for petrol-based vehicles

To help offset the impact on the increase of excise rates imposed on petrol in 2015, a 1-year road tax rebate will be provided to the following types of petrol-based vehicles:

<table>
<thead>
<tr>
<th>Type of petrol-based vehicles</th>
<th>Road Tax Rebate Granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrol cars</td>
<td>20%</td>
</tr>
<tr>
<td>Petrol motorcycles</td>
<td>60%</td>
</tr>
<tr>
<td>Petrol commercial vehicles and taxis</td>
<td>100%</td>
</tr>
</tbody>
</table>

Effective date: 1 August 2015 to 31 July 2016

Our view

The full impact of these changes in excise duty rates on petrol is currently softened by low global oil prices, and the one-year road tax rebate being introduced on 1 August 2015. In the longer term, this change to the excise duty rates will translate to higher costs for Singapore motorists.
Carbon Emissions-based Vehicle Scheme (CEVS)

Extending the Carbon Emissions-based Vehicle Scheme

The Carbon Emissions-based Vehicle Scheme (CEVS) was introduced in Budget 2013 to encourage drivers to consider carbon emissions and fuel efficiency when purchasing a new car or importing a used car.

Under the scheme, vehicles with low carbon emissions of less than or equal to 160g carbon emissions per kilometre, qualify for a rebate of up to $20,000, which is given as an offset against the vehicle’s Additional Registration Fee (ARF). Vehicles with high carbon emissions equal to or more than 211g carbon emissions per kilometre incur a registration surcharge up to $20,000.

In Budget 2014 the CEVS was extended to June 2015.

Proposed

Encouraged by the high percentage of cars that have qualified for the CEVS rebates, and to further promote the shift to green cars, the Minister has extended CEVS by another 2 years. Following a review of CEVS at the end of 2014, the extended scheme has been refined as follows:

(a) the surcharge and rebate bands will be updated to reflect improvements in vehicle engine technology; and

(b) increase the highest rebate and surcharge quantum from $20,000 to $30,000 for cars.

Current treatment for cars

<table>
<thead>
<tr>
<th>Band</th>
<th>CO2/g/km</th>
<th>Rebate (-)/ Surcharge (+) for Cars ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>0 to 100</td>
<td>-20,000</td>
</tr>
<tr>
<td>A2</td>
<td>101 to 120</td>
<td>-15,000</td>
</tr>
<tr>
<td>A3</td>
<td>121 to 140</td>
<td>-10,000</td>
</tr>
<tr>
<td>A4</td>
<td>141 to 160</td>
<td>-5,000</td>
</tr>
<tr>
<td>B</td>
<td>161 to 185</td>
<td>0</td>
</tr>
<tr>
<td>C1</td>
<td>186 to 200</td>
<td>+5,000</td>
</tr>
<tr>
<td>C2</td>
<td>201 to 215</td>
<td>+10,000</td>
</tr>
<tr>
<td>C3</td>
<td>216 to 230</td>
<td>+15,000</td>
</tr>
<tr>
<td>C4</td>
<td>231 &amp; above</td>
<td>+20,000</td>
</tr>
</tbody>
</table>

New treatment for cars

<table>
<thead>
<tr>
<th>Band</th>
<th>CO2/g/km</th>
<th>Rebate (-)/ Surcharge (+) for Cars ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Up to 95</td>
<td>-30,000</td>
</tr>
<tr>
<td>A2</td>
<td>96 to 105</td>
<td>-15,000</td>
</tr>
<tr>
<td>A3</td>
<td>106 to 120</td>
<td>-10,000</td>
</tr>
<tr>
<td>A4</td>
<td>121 to 135</td>
<td>-5,000</td>
</tr>
<tr>
<td>B</td>
<td>136 to 185</td>
<td>0</td>
</tr>
<tr>
<td>C1</td>
<td>186 to 200</td>
<td>+5,000</td>
</tr>
<tr>
<td>C2</td>
<td>201 to 215</td>
<td>+10,000</td>
</tr>
<tr>
<td>C3</td>
<td>216 to 230</td>
<td>+15,000</td>
</tr>
<tr>
<td>C4</td>
<td>231 &amp; above</td>
<td>+30,000</td>
</tr>
</tbody>
</table>

Effective date: 1 July 2015 to 30 June 2017

Enhancing the Early Turnover Scheme

As one of the measures to improve Singapore’s air quality, the Early Turnover Scheme (ETS) was implemented in April 2013 to encourage replacement of old commercial diesel vehicles with newer models that comply with tighter emission standards.

Proposed

Linked to the initiative to further encourage use of green vehicles, the ETS will be enhanced. Details on the enhancements to the ETS are yet to be announced, but will further promote the replacement of older commercial vehicles with greener vehicles that meet higher emission standards.

Effective date: August 2015

Our view

The extension of the CEVS for a further 2 years, and the enhancement of the ETS, will be a further step towards improving air quality in Singapore, and be a welcome development for motor vehicle manufacturers and dealers in promoting the benefits of greener vehicles.
Appendix A

Singapore corporate tax rates for the YAs 1959 to 2015

Notes:
(1) 75% of first $10,000 and 50% of next $290,000 of chargeable income are exempt from tax
(2) For qualifying new companies, the first $100,000 chargeable income and 50% of the next $200,000 chargeable income are exempt from tax for any of the first 3 consecutive YAs falling within the period from YA 2008 onwards
(3) A corporate income tax rebate at 30% of the tax payable up to a maximum rebate of $30,000
(4) A one-off SME cash grant of 5% of revenue, capped at $5,000
(5) A one-off corporate income tax rebate or SME cash grant computed at higher of:
   - 20% of YA 2011 corporate income tax payable, capped at $10,000 (corporate income tax rebate); or
   - 5% of revenue, capped at $5,000 (SME cash grant)
(6) 75% of first $10,000 and 50% of next $90,000 of chargeable income are exempt from tax
(7) For qualifying new companies, the first $100,000 chargeable income is exempt from tax for any of the first 3 consecutive YAs falling within the period from YA 2005 onwards
(8) Effective tax rate (net of 10% tax rebate)
### Appendix B

#### Comparison of current corporate tax rates in selected countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>16.5%</td>
</tr>
<tr>
<td>Singapore</td>
<td>17.0%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>17.0%</td>
</tr>
<tr>
<td>Thailand</td>
<td>20.0% (1)</td>
</tr>
<tr>
<td>UK</td>
<td>21.0% (3) (2)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>25.0% (1)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>25.0% (1) (3)</td>
</tr>
<tr>
<td>China</td>
<td>25.0% (6)</td>
</tr>
<tr>
<td>Japan</td>
<td>25.5% (1) (5)</td>
</tr>
<tr>
<td>India</td>
<td>30.0% (6)</td>
</tr>
<tr>
<td>USA</td>
<td>35.0% (1) (7)</td>
</tr>
</tbody>
</table>

### Notes

1. Lower rates of tax apply to income below certain levels.
2. To reduce to 20% from 1 April 2015, unifying the main and small profits rates.
3. To reduce to 24% with effect from YA 2016.
4. A 20% rate applies to small-scale enterprises and 15% rate applies to state-encouraged new high-technology enterprises.
5. After surtax, the effective tax rate is approximately 38% for the fiscal years beginning in the period from 1 April 2012 to 31 March 2014, and 35.64% thereafter.
6. 40% for foreign companies; both rates exclude surcharge and education cess which could range in aggregate from 2% to 4%.
7. After other taxes, the total maximum effective tax rate is approximately 39.5%.
Appendix C

Comparative personal effective tax rates for YA 2015

Employee married with 2 children
Gross annual remuneration $200,000
Appendix D

Rates of income tax for resident individuals for YA 2015* and YA 2016

<table>
<thead>
<tr>
<th>Chargeable income ($)</th>
<th>Tax rate (%)</th>
<th>Tax ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the first</td>
<td>20,000</td>
<td>0.00</td>
</tr>
<tr>
<td>On the next</td>
<td>10,000</td>
<td>2.00</td>
</tr>
<tr>
<td>On the first</td>
<td>30,000</td>
<td>3.50</td>
</tr>
<tr>
<td>On the next</td>
<td>10,000</td>
<td>3.50</td>
</tr>
<tr>
<td>On the first</td>
<td>40,000</td>
<td>7.00</td>
</tr>
<tr>
<td>On the next</td>
<td>80,000</td>
<td>11.50</td>
</tr>
<tr>
<td>On the first</td>
<td>120,000</td>
<td>15.00</td>
</tr>
<tr>
<td>On the next</td>
<td>160,000</td>
<td>17.00</td>
</tr>
<tr>
<td>On the first</td>
<td>200,000</td>
<td>18.00</td>
</tr>
<tr>
<td>On the next</td>
<td>320,000</td>
<td>20.00</td>
</tr>
<tr>
<td>Excess over</td>
<td>320,000</td>
<td>20.00</td>
</tr>
</tbody>
</table>

* A personal income tax rebate of 50%, capped at $1,000, will be granted to resident individuals for YA 2015
### Proposed rates of income tax for resident individuals with effect from YA 2017

<table>
<thead>
<tr>
<th>Chargeable income ($)</th>
<th>Tax rate (%)</th>
<th>Tax ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the first</td>
<td>20,000</td>
<td>0.00</td>
</tr>
<tr>
<td>On the next</td>
<td>10,000</td>
<td>2.00</td>
</tr>
<tr>
<td>On the first</td>
<td>30,000</td>
<td>3.50</td>
</tr>
<tr>
<td>On the next</td>
<td>10,000</td>
<td>7.00</td>
</tr>
<tr>
<td>On the first</td>
<td>80,000</td>
<td>11.50</td>
</tr>
<tr>
<td>On the next</td>
<td>40,000</td>
<td>15.00</td>
</tr>
<tr>
<td>On the first</td>
<td>120,000</td>
<td>18.00</td>
</tr>
<tr>
<td>On the next</td>
<td>40,000</td>
<td>19.00</td>
</tr>
<tr>
<td>On the first</td>
<td>200,000</td>
<td>19.50</td>
</tr>
<tr>
<td>On the next</td>
<td>40,000</td>
<td>20.00</td>
</tr>
<tr>
<td>On the first</td>
<td>280,000</td>
<td>22.00</td>
</tr>
<tr>
<td>Excess over</td>
<td>320,000</td>
<td>22.00</td>
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# Appendix F

## Personal reliefs for YA 2015

### Earned income relief

<table>
<thead>
<tr>
<th>Age</th>
<th>Earned income relief</th>
<th>Handicapped earned income relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 55</td>
<td>$1,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>55 to 59</td>
<td>$6,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>60 and above</td>
<td>$8,000</td>
<td>$12,000</td>
</tr>
</tbody>
</table>

Lower of actual earned income and

### Spouse relief

With effect from the YA 2010, relief is granted to taxpayer who is supporting a non-working spouse with an annual income not exceeding $4,000.

With effect from the YA 2012, taxpayers can no longer claim spouse relief for maintaining their former spouses.

### Handicapped spouse relief - with effect from YA 2015

With effect from the YA 2010, the income threshold condition in respect of the handicapped spouse is removed.

With effect from the YA 2012, taxpayers can no longer claim handicapped spouse relief for maintaining their former spouses.

### Parent relief – with effect from YA 2015

<table>
<thead>
<tr>
<th>Maximum of two parents*</th>
<th>Parent relief (per dependant)</th>
<th>Handicapped parent relief (per dependant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living in the same household</td>
<td>$9,000</td>
<td>$14,000</td>
</tr>
<tr>
<td>Not living in the same household</td>
<td>$5,500</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

* Taxpayer’s or spouse’s parents, grandparents or great-grandparents who are living in Singapore and are 55 years old and above. In addition, the dependants must not have an annual income of more than $4,000.

With effect from the YA 2010, the income threshold condition in respect of handicapped dependent is removed.

With effect from the YA 2015, where more than one taxpayer is claiming same relief on the same dependant, the relief shall be apportioned based on the claimants’ agreed proportion or equally among all the claimants by the IRAS.

### Grandparent caregiver relief (GCR)

Applicable to working mothers (including widows and divorcees) whose child is being looked after by their parent/parent-in-law/grandparent/grandparent-in-law or ex-spouse’s parent/grandparent living in Singapore.

The child must be a Singapore citizen aged 12 years or below at any time during the year preceding the YA of claim.
Handicapped siblings relief - with effect from YA 2015
Each dependant must have lived with the taxpayer in the same household in 2014. If not, the taxpayer must have incurred at least $2,000 per annum in the maintenance of each dependant.

With effect from the YA 2010, the income threshold condition is removed.

Where more than one taxpayer is claiming the same relief on the same dependant, the relief shall be apportioned based on the claimants’ agreed proportion.

Child relief - with effect from YA 2015

<table>
<thead>
<tr>
<th>Qualifying Child Relief (QCR)</th>
<th>Handicapped Child Relief (HCR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per child</td>
<td>$4,000</td>
</tr>
<tr>
<td></td>
<td>$7,500</td>
</tr>
</tbody>
</table>

With effect from YA 2010,
• Child’s annual income shall not exceed $4,000.
• Income threshold condition for handicapped child is removed.

Working mother’s child relief (WMCR)

<table>
<thead>
<tr>
<th>Quantum of relief</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>1st child</td>
</tr>
<tr>
<td>2nd child</td>
</tr>
<tr>
<td>3rd child and subsequent children</td>
</tr>
</tbody>
</table>

WMCR is capped as follows:
• Maximum of $50,000 per child (QCR/HCR + WMCR); and
• Up to 100% of the mother’s earned income for all qualifying children.

QCR/HCR will be claimed first and WMCR will be limited to the remaining cap balance.

Only applicable to working mothers (including widows and divorcees) with children who are Singapore citizens.

With effect from the YA 2010, child’s annual income shall not exceed $4,000.

Parenthood tax rebate (PTR)

<table>
<thead>
<tr>
<th>Quantum of rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>1st child</td>
</tr>
<tr>
<td>2nd child</td>
</tr>
<tr>
<td>3rd child and subsequent children</td>
</tr>
</tbody>
</table>

Different qualifying criteria under PTR applies for the child, depending on whether the child is legitimate, illegitimate or adopted.
Special tax rebate (STR)
Previous claimants of STR whose STR balances have not been fully utilised as at 1 January 2005 can continue to draw on the STR balance until the balance is fully utilised.

Approved provident fund/Life insurance relief
Compulsory contributions to CPF

<table>
<thead>
<tr>
<th>Employees</th>
<th>Statutory CPF deductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary wages</td>
<td>Statutory contributions fully allowed</td>
</tr>
<tr>
<td>Additional wage ceiling</td>
<td>Restricted to statutory contributions of $85,000 less total annual ordinary wages subject to CPF contributions in the year.</td>
</tr>
</tbody>
</table>

With effect from the YA 2017, the annual CPF ceiling is proposed to be raised from $85,000 to $102,000.

Voluntary contributions to CPF

<table>
<thead>
<tr>
<th>Employee or self employed</th>
<th>Maximum amount of voluntary contribution relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,600</td>
<td></td>
</tr>
</tbody>
</table>

With effect from the YA 2016, the maximum amount of voluntary contribution relief will be increased from $30,600 to $31,450.

With effect from the YA 2017, the maximum amount of voluntary contribution relief is proposed to be increased from $31,450 to $37,740.

Voluntary contributions to Medisave account
With effect from the YA 2012, voluntary contributions made to a taxpayer’s Medisave account may be claimed as a deduction, subject to a cap of $30,600 less total mandatory contributions per YA.

With effect from the YA 2016, voluntary contributions made to a taxpayer’s Medisave account may be claimed as a deduction, subject to a cap of $31,450 less total mandatory contributions per YA.

With effect from the YA 2017, voluntary contributions made to a taxpayer’s Medisave account may be claimed as a deduction, subject to a proposed cap of $37,740 less total mandatory contributions per YA.

Life insurance premiums
Where compulsory CPF contributions are less than $5,000, taxpayer may claim qualifying life insurance premiums on his or his wife’s life as deduction; however, the total deduction (ie. CPF contributions and life insurance premium together) is subject to a maximum of $5,000.

CPF cash top-up

<table>
<thead>
<tr>
<th>Quantum of relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top-up in cash to taxpayer’s parents’ / parents-in-law or taxpayer’s grandparents’ / grandparents-in-law, non-working spouse’s or siblings’ retirement accounts or special accounts under CPF Minimum Sum Topping-Up Scheme regardless of the age of the recipients.</td>
</tr>
</tbody>
</table>

• Non-working spouse or siblings must not have income of more than $4,000. Income threshold does not apply to handicapped spouse or handicapped siblings.
• Recipients must be Singapore citizens or Singapore Permanent Residents.

Top-up in cash by taxpayer or his employer to his retirement account or special account under the CPF Minimum Sum Topping-Up Scheme, regardless of the age of the recipients. | $7,000 (Maximum) |
**Supplementary retirement scheme**

<table>
<thead>
<tr>
<th>Employees and self employed</th>
<th>Maximum contributions per year</th>
<th>Maximum contributions per year (with effect from YA 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Citizens or SPRs</td>
<td>$12,750</td>
<td>$15,300</td>
</tr>
<tr>
<td>Foreigners</td>
<td>$29,750</td>
<td>$35,700</td>
</tr>
</tbody>
</table>

**Course fees relief**

<table>
<thead>
<tr>
<th>Quantum of relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees (registration fees, examination fees, tuition fees), for courses, seminars and conferences: $5,500 (Maximum)</td>
</tr>
</tbody>
</table>

- Relating to one’s current trade, business, profession, vocation or employment in 2014;
- Leading to an approved academic, professional or vocational qualification in 2014.

**NSman relief**

<table>
<thead>
<tr>
<th>Quantum of relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active NSman $3,000</td>
</tr>
<tr>
<td>Non-active NSman $1,500</td>
</tr>
<tr>
<td>Each parent of active NSman who are Singapore citizens and entitled to NSman relief $750</td>
</tr>
<tr>
<td>Wives or widows of active NSman who are Singapore citizens and entitled to NSman relief $750</td>
</tr>
<tr>
<td>NS key command and staff appointment holders (in addition to basic NSman relief) $2,000</td>
</tr>
</tbody>
</table>

**Foreign maid levy relief**

<table>
<thead>
<tr>
<th>Quantum of relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>For YA 2015 $6,360 (Maximum)</td>
</tr>
</tbody>
</table>

Claimable against the earned income of a married woman, or divorced woman and widow with children in respect of whom child relief is available.

(Twice the annual levy paid for 1 foreign maid)
Comparative standard VAT/GST rates for 2015

1. China has a VAT Pilot Reform in a number of cities across the country, replacing Business Tax with a modified form of VAT (rates vary up to 17%).
2. The Indian rate above is indicative only - India has a range of Indirect Taxes that varies from state to state.
3. Japan increased the JCT rate to 8% on 1 April 2014 and proposes to further increase it to 10% on 1 April 2017.
4. The reduced 7% rate was extended until 30 September 2015. The VAT rate will revert to 10% from 1 October 2015.
5. Effective from 1 April 2015.
6. The Canadian rate above is indicative only – many provinces have additional taxes and/or a Harmonised Sales Tax in force.
## Contacts

### Business Tax Services

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Steven Yap</td>
<td>+65 6530 8018</td>
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<td>+65 6530 5595</td>
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</tr>
</tbody>
</table>

### Global Employer Services

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jill Lim (Leader)</td>
<td>+65 6530 5519</td>
<td><a href="mailto:jlim@deloitte.com">jlim@deloitte.com</a></td>
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<td>Don Riegger</td>
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<tr>
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<td>Sarah Lane</td>
<td>+65 6531 5035</td>
<td><a href="mailto:sarahlane@deloitte.com">sarahlane@deloitte.com</a></td>
</tr>
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### Transfer Pricing Services

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Jee Chang</td>
<td>+65 6216 3181</td>
<td><a href="mailto:jsee@deloitte.com">jsee@deloitte.com</a></td>
</tr>
</tbody>
</table>

### Indirect Tax Services

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<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
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<td>+65 6530 5523</td>
<td><a href="mailto:robtsang@deloitte.com">robtsang@deloitte.com</a></td>
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<td>Danny Koh</td>
<td>+65 6216 3385</td>
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</tr>
</tbody>
</table>

### Customs and Global Trade Services

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bob Fletcher</td>
<td>+65 6216 3338</td>
<td><a href="mailto:bobfletcher@deloitte.com">bobfletcher@deloitte.com</a></td>
</tr>
</tbody>
</table>

### Business Model Optimisation Services

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Ewigleben</td>
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</tr>
</tbody>
</table>

### Tax Management Consulting

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
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<td>piy <a href="mailto:vallabh@deloitte.com">vallabh@deloitte.com</a></td>
</tr>
</tbody>
</table>

### Business Process Solutions

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
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<td><a href="mailto:rimackender@deloitte.com">rimackender@deloitte.com</a></td>
</tr>
</tbody>
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### FATCA Services

<table>
<thead>
<tr>
<th>Name</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Michael Velten</td>
<td>+65 6531 5039</td>
<td><a href="mailto:mvelten@deloitte.com">mvelten@deloitte.com</a></td>
</tr>
</tbody>
</table>

### India Tax Services

<table>
<thead>
<tr>
<th>Name</th>
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<th>Email Address</th>
</tr>
</thead>
<tbody>
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</table>

### UK Tax Services

<table>
<thead>
<tr>
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<th>Phone Number</th>
<th>Email Address</th>
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</thead>
<tbody>
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### Tax Industry Leaders

<table>
<thead>
<tr>
<th>Category</th>
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<th>Email Address</th>
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</thead>
<tbody>
<tr>
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