

Singapore Tax Incentives

Various types of tax incentives are available for companies and these are provided in the Singapore Income Tax Act and Economic Expansion Incentives Act. Singapore is an “associate” jurisdiction under the base erosion and profit shifting (BEPS) project, and under the BEPS inclusive framework. Singapore’s status as a BEPS associate has been reviewed by the Forum on Harmful Tax Practices. The tax incentives available in Singapore were reviewed and found to be not harmful under the peer review standards. Singapore’s tax incentives therefore conform to international tax standards. A number of the tax incentives available are listed in the table below.

Nature of Incentive	Tax Incentive		Approving Authority
Promoted/New Activities or Products	Pioneer Industries	<p>An approved company under the Pioneer tax incentive is eligible for corporate tax exemption on income derived from qualifying activities.</p> <p>The incentive period is for five years. Extension of the incentive is subject to the company’s additional capital commitment and expansion plans. The total tax relief period for a pioneer product, together with all extensions, is not to exceed 15 years</p>	EDB
Promoted/New Services	Pioneer Service Companies	<p>An approved company under the Pioneer tax incentive is eligible for corporate tax exemption on income derived from qualifying activities.</p> <p>The incentive period is for five years. Extension of the incentive is subject to the company’s additional resource commitment and expansion plans.</p> <p>Qualifying activity includes the following:</p> <ul style="list-style-type: none"> • any engineering or technical services including laboratory, consultancy and research and development activities; • computer-based information and other computer related services; • the development or production of any industrial design; and • such other services or activities as may be prescribed. 	EDB

		No company may be approved as a pioneer service company on or after 1 January 2024 (unless the incentive is renewed)	
Venture Capital	Exemption of income of venture company	<p>1. Section 13H/Fund Management Incentive (S13H/FMI)</p> <p>The tax incentive applies to approved venture capital and private equity funds. The FMI for S13H approved funds is a tax incentive for fund management companies.</p> <p>Eligibility: The venture capital/private equity funds and fund management companies should minimally fulfil the following conditions:</p> <ul style="list-style-type: none"> • The funds should be incorporated and based in Singapore and; • The fund management companies should be incorporated and based in Singapore. • They should also have obtained the necessary approvals and licenses (e.g. Capital Markets Services License, Registered Fund Management Company) from the Monetary Authority of Singapore for their proposed activities <p>Tax Incentive: S13H allows an approved fund a zero-rated tax relief for a period of up to 10 years in respect of:</p> <ul style="list-style-type: none"> • Gains arising from the divestment of approved portfolio holdings and; • Dividend income from approved foreign portfolio companies and; • Interest income arising from approved foreign convertible loan stock. <p>FMI allows an approved fund management company a tax relief at a concessionary rate of 5% for a period of up to 10 years in respect of:</p> <ul style="list-style-type: none"> • Management fees derived from an approved venture capital fund and; • Performance bonus received from the said approved venture capital fund 	ESG

		<p>2. The Angel Investors Tax Deduction (AITD) scheme</p> <p>Applicable to angel investors who can commit a minimum of \$100,000 in a qualifying startup.</p> <p>Tax Concession: Tax deduction of 50% of the investment at the end of a two-year holding period.</p> <p>For each Year of Assessment (YA), the eligible investments will be subject to a cap of \$500,000, and the corresponding maximum tax deduction is \$250,000.</p> <p>The tax deduction will only apply to qualified investments made after approval of the application and does not apply retrospectively</p> <p>Eligibility Criteria: Angel Investors must:</p> <ul style="list-style-type: none"> • Invest at the individual level; hence investment made via corporations, trust, institutionalized funds and other investment vehicles do not qualify; • Belong to one of the following three categories: <ul style="list-style-type: none"> – Experienced angel investor with track record in early-stage investments; or – Experienced/serial entrepreneur with an entrepreneurial track record; or – Senior management professional/executives with corporate senior management experience • Demonstrate the ability to nurture investee companies 	
Business Expansion	Development and Expansion Incentive	<p>Objective</p> <ul style="list-style-type: none"> • Promote the expansion or upgrading of existing operations • Attract high value added and advanced technology projects <p>Tax Concession</p> <ul style="list-style-type: none"> • A 5%, more than 5%, or 10% concessionary corporate tax rate 	EDB

		<ul style="list-style-type: none"> • Initial incentive period not more than 10 years (normally for a period of 5 years) • Renewable for not more than 5/10 years for each period that it is extended • Aggregate of total incentive period is capped at 20/40 years • Income in excess of a pre-determined base income from qualifying activities enjoy the applicable concessionary tax rate • The pre-determined base income is taxable at the normal corporate tax rate <p>Qualifying activities</p> <ul style="list-style-type: none"> • Manufacturing or increased manufacturing of any product in any industry that would be of economic benefit to Singapore • Any engineering or technical services including laboratory, consultancy and research and development activities; • Computer-based information and other computer related services; • Development or production of any industrial design; • Other services or activities as may be prescribed; and • Oversight, management or control of any activity on a regional or global basis 	
Operational Headquarters	International Headquarters Award	<p>Companies that carry out global or regional headquarters (HQ) activities of managing, coordinating and controlling business activities for a group of companies may also apply for the Pioneer or DEI for the HQ activities.</p> <p>The award of Pioneer or DEI may be accompanied with the International Headquarters Award status for companies that commit to anchor substantive HQ activities in Singapore to manage, coordinate and control regional business operations.</p>	EDB
Intellectual Property	Intellectual Property Development Incentive	The Intellectual Property Development Incentive (IDI) aims to encourage the use and commercialization of intellectual property (IP) rights arising from research and development (R&D) activities.	EDB

		<p>An approved IDI company is eligible for a reduced corporate tax rate of either 5% or 10% on a percentage of qualifying IP income derived by it during the incentive period.</p> <p>The concessionary tax rate will also increase by 0.5% at regular intervals as prescribed under the Income Tax Act.</p> <p>Qualifying IP income refers to royalties or other income receivable by the approved IDI company as consideration for the commercial exploitation of qualifying IP rights (IPR) (i.e. patents and copyrights subsisting in software) elected into the IDI (referred to as elected qualifying IPR). Election of qualifying IPR into the IDI is irrevocable.</p> <p>The incentive period is limited to an initial period not exceeding ten years, and may be further extended for a period or periods not exceeding ten years each.</p> <p>The IDI award is subject to renewal after 31 December 2023.</p>	
Research and Development	Further deductions for expenditure on research and development project	<p>Requirements:</p> <ul style="list-style-type: none"> • The objective of the project is to: <ul style="list-style-type: none"> ➢ Acquire new knowledge; ➢ Create new products or processes; or ➢ Improve existing products or processes; • It involves novelty or technical risk; and • It involves a systematic, investigative and experimental ("SIE") study in a field of science or technology. <p>Location of R&D: R&D project is conducted wholly in Singapore or wholly overseas.</p> <p>Tax Incentive: 1. R&D Wholly conducted in Singapore (applicable to any trade carried on)</p> <p>a. In-House</p>	EDB

		<ul style="list-style-type: none"> • 100% tax deduction subject to expenditure specifically disallowed under the Income Tax Act; and • Additional 150% deduction for qualifying R&D expenditure (i.e. staff costs excluding directors' fees and consumables) incurred during the basis periods for YAs 2019 to 2025 on qualifying R&D projects performed in Singapore. <p>b. Outsourced</p> <ul style="list-style-type: none"> • 100% tax deduction subject to expenditure specifically disallowed under the Income Tax Act; and • Additional 150% deduction for qualifying R&D expenditure for YAs 2019 to 2025 on qualifying R&D projects performed in Singapore on: <ul style="list-style-type: none"> ➢ 60% of fee paid; or ➢ Actual staff costs (excluding directors' fees) and consumables incurred if the amount is more than 60% of fee paid <p>2. R&D Conducted Wholly Overseas</p> <ul style="list-style-type: none"> • 100% deduction for R&D related to trade subject to expenditure specifically disallowed under the Income Tax Act • No deduction if R&D conducted is not related to trade <p>3. R&D Cost Sharing Agreement (CSA)</p> <p>a. R&D Wholly conducted in Singapore (applicable to any trade carried on)</p> <ul style="list-style-type: none"> • 100% tax deduction without being subject to expenditure specifically disallowed under the Income Tax Act; and 	
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Merger and Acquisitions	Merger and Acquisition (M&A) Allowances	<p>M&A allowance will be granted to a company ("the acquiring company") that acquires the ordinary shares of another company ("the target company") during the period 1 Apr 2010 to 31 Mar 2020.</p> <p>Qualifying conditions:</p> <ul style="list-style-type: none"> • Acquisition companies that are incorporated, tax resident, and carrying on a business in Singapore; • Where the acquiring company belongs to a corporate group, its ultimate holding company must also be incorporated and be a tax resident in Singapore 	

		<ul style="list-style-type: none"> • This requirement for the ultimate holding company in a corporate group to be incorporated and tax resident in Singapore may be waived for companies under the headquarters schemes and the Maritime Sector Incentive (MSI) for shipping-related supporting services in connection with share acquisitions completed from 17 February 2012 to 31 March 2020. • The acquiring company has at least three local employees (excluding company's directors) throughout the 12-month period before the date of share acquisition; and • Is not be connected to the target company for at least two years before the date of share acquisition. <p>Tax Concession:</p> <ul style="list-style-type: none"> • The M&A allowance will be allowed on a straight-line basis over five years i.e. at 25% of the value of acquisition and the allowance cannot be deferred. • The maximum allowance is capped at \$10 million for all qualifying share acquisitions in the basis period for each YA for qualifying share acquisitions executed from 1 April 2016 to 31 March 2020 • A 200% tax deduction is also granted on qualifying transaction costs (capped at SGD 100,000 per year of assessment) incurred on qualifying acquisitions. 	
Shipping	Exemption of international shipping profits	<p>1. Maritime Sector Incentive-Singapore Registered Ships (MSI-SRS)</p> <p>Applicable to income arising from operating Singapore ships outside Singapore port limits in connection with qualifying international shipping activities</p> <p>Tax Concession:</p> <ul style="list-style-type: none"> • Applicable to shipping enterprises operating Singapore-registered and foreign ships • Tax Exemption on qualifying shipping income 	MPA

		<ul style="list-style-type: none"> • Tax exemption is automatic if qualifying criteria are met <p>2. MSI-Approved International Shipping Enterprise award (MSI-AIS)</p> <p>Applicable to AIS income arising from operating foreign ships (and Singapore ship/ships) outside Singapore port limits in connection with qualifying international shipping activities</p> <p>Tax Concession:</p> <ul style="list-style-type: none"> • Available to a company resident in Singapore and approved as an AIS • Tax Exemption on qualifying shipping income <p>Incentive period:</p> <ul style="list-style-type: none"> • a 10-year renewable period; or • a 5-year non-renewable period, with the option of graduating to the 10-year renewable award at the end of the 5-year period, <p>if qualifying conditions are met.</p>	
Shipping	Exemption of income of shipping investment enterprise	<p>MIS-Maritime Leasing (ML)/Approved Shipping Investment Enterprise (MIS-ML/ASIE)</p> <p>Applicable to income of the ASIE from:</p> <ul style="list-style-type: none"> • the charter or finance lease of any sea-going ship acquired by the ASIE for use outside the limits of the port of Singapore; • finance leases treated as a sale for tax purposes, of seagoing ships for use outside Singapore port limits • foreign exchange and risk management activities carried out in connection with and incidental to any activity mentioned above; • the sale of a sea-going ship; • the assignment to another of all its rights as the buyer under a contract for the construction of a sea-going ship; or • the sale of all of the issued ordinary shares in a special purpose company of the ASIE where, at the time of the sale of the shares, the special purpose 	MPA

		<p>company owns any sea-going ship or is the buyer under a contract for the construction of any sea-going ship</p> <p>Incentive period:</p> <ul style="list-style-type: none"> • 5-year period; or • a further period subject to Ministerial approval <p>The ASIE incentive is subject to renewal after 31 May 2021.</p>	
Shipping	Concessionary rate of tax for shipping investment manager	<p>MSI-ML/Approved Ship Investment Manager (MSI-ML/ASIM)</p> <p>Tax Concession Tax at concessionary rate of 10% on qualifying income</p> <p>Qualifying Income:</p> <ul style="list-style-type: none"> • managing an approved shipping investment enterprise; or • other prescribed services or activities carried out for an approved shipping investment enterprise <p>Incentive period:</p> <ul style="list-style-type: none"> • 5-year period; or • a further period subject to Ministerial approval <p>The ASIM incentive is subject to renewal after 31 May 2021.</p>	MPA
Shipping	Concessionary rate of tax for container investment enterprise	<p>MIS-ML/approved container investment enterprise (MIS-ML/ACIE)</p> <p>Tax Concession Tax at concessionary rate of 5% or 10% on qualifying income</p> <p>Qualifying Income:</p> <ul style="list-style-type: none"> • the operating and finance leasing of sea containers used for international transportation of goods • the leasing of intermodal equipment incidental to the leasing of qualifying containers 	MPA

		<ul style="list-style-type: none"> foreign exchange and risk management activities carried out in connection with and incidental to qualifying container leasing activities <p>Incentive period:</p> <ul style="list-style-type: none"> 5-year period; or a further period subject to Ministerial approval <p>The ACIE incentive is subject to renewal after 31 May 2021.</p>	
Shipping	Concessionary rate of tax for container investment manager	<p>MSI-ML/Approved Container Investment Manager (MSI-ML/ACIM)</p> <p>Tax Concession Tax at concessionary rate of 10% on qualifying income</p> <p>Qualifying Income:</p> <ul style="list-style-type: none"> managing an approved container investment enterprise; or other prescribed services or activities carried out for an approved container investment enterprise <p>Incentive period:</p> <ul style="list-style-type: none"> 5-year period; or a further period subject to Ministerial approval <p>The ACIM incentive is subject to renewal after 31 May 2021</p>	MPA
Shipping	Concessionary rate of tax for ship broking and forward freight agreement trading	<p>MSI-Shipping-related Support Services (MSI-SSS)</p> <p>Tax Concession Concessionary tax rate at 10% on qualifying income exceeding pre-determined income base</p> <p>Qualifying Income from:</p> <ul style="list-style-type: none"> ship broking forward freight agreement trading prescribed ship management services ship agency freight forwarding and logistics service 	MPA

		<ul style="list-style-type: none"> corporate services rendered to qualifying approved related parties who are carrying on the business of shipping-related activities <p>Incentive period:</p> <ul style="list-style-type: none"> 5-year period; or a further period subject to Ministerial approval <p>The MSI-SSS incentive is subject to renewal after 31 May 2021.</p>	
Aircraft Leasing	Concessionary tax rate of 8% on income derived from the leasing of aircraft or aircraft engine	<p>An approved aircraft leasing company is eligible for a concessionary tax rate of 8% on income derived from the leasing of aircraft or aircraft engine and qualifying ancillary activities.</p> <p>An approved aircraft leasing company is also eligible for withholding tax exemption on interest and qualifying related payments on loans obtained for the purchase of aircraft or aircraft engines.</p> <p>The incentive period is limited to five years. Extension of the incentive may be considered, subject to the company's commitment to undertake further expansion plans on its aircraft leasing activities.</p>	EDB
Financial Services	Concessionary rate of tax for Finance and Treasury Centre	<p>Approved Finance and Treasury Centre (FTC) company</p> <p>Tax Concession: Reduced corporate tax rate of 8% on income derived from qualifying FTC services to approved network companies (ANCs) as well as qualifying FTC activities carried out on its account with funds obtained from qualifying sources.</p> <p>An approved FTC company is also eligible for withholding tax exemption on interest payments, such as interest on loans obtained by the approved FTC from banks, non-bank financial institutions and ANCs outside Singapore, provided the funds are used for its approved qualifying activities or services.</p> <p>Incentive period:</p>	EDB

		<ul style="list-style-type: none"> • 5 years • Extension is subject to the FTC company's commitment to undertake further expansion plans on its FTC activities/services. 	
Global Trading Program (GTP)	Concessionary rate of tax for global trading company and qualifying company	<p>Eligibility: A company that carries on the business of international trading of commodities or commodities derivatives, and/or brokering international trades in commodities. Approved GTP companies need to ensure that their physical trading activities substantially involves unrelated parties on the buy and/or sell legs of the transactions.</p> <p>Tax Concession:</p> <ul style="list-style-type: none"> • 5% or 10% corporate tax rate • Incentive period for 3 or 5 years • Renewable for not more than 5 years for each period that it is extended <p>Qualifying income:</p> <ul style="list-style-type: none"> • Trading as a principal in relation to qualifying commodities • commission and fees from brokering the trade in qualifying commodities • commodity futures trading • over the counter hedging transactions • over the counter or exchange-traded freight derivatives • over the counter or exchange-traded specified derivative instruments • Liquefied Natural Gas (LNG) is specified as a commodity. Qualifying (transactions are taxed at 5%) <p>Qualifying commodities:</p> <ul style="list-style-type: none"> • Energy commodities and products • Agricultural commodities and bulk edible products • Building and industrial materials • Consumer products • Industrial products • Machinery components • Minerals • Electronic and electrical products • Carbon credits 	ESG

		<p>(ii) providing services in respect of loans, other than by way of bonds or debentures;</p> <p>(iii) transacting with any bank or branch office in respect of any of the following:</p> <ul style="list-style-type: none"> • placement of funds • bankers' acceptances on bills relating to trade transactions • bills relating to trade transactions • negotiable certificates of deposit <p>(iv) transacting in or providing services relating to, trade transactions, remittances, bank guarantees or performance bonds;</p> <p>(b) Trading in any loans and their related collaterals (excluding immovable property);</p> <p>(c) Trading or investing in or providing services (including securities lending or repurchase arrangements and services as a broker, nominee or custodian) in respect of debt securities or stocks, shares, or other equity securities issued by a company, collective investment scheme or business trust;</p> <p>(d) Providing services for the purpose of a listing on the Singapore Exchange to a company;</p> <p>(e) Foreign exchange transactions;</p> <p>(f) Trading in derivatives and providing services as an intermediary in connection with transactions relating to derivatives;</p> <p>(g) Transacting in or providing services in respect of transactions in gold bullion, silver bullion or platinum bullion;</p> <p>(h) Managing or providing investment advisory services (including through another fund manager) to qualifying funds;</p> <p>(i) Providing other advisory services relating to financial matters (other than investment advisory services in respect of fund management);</p> <p>(j) Providing trustee or custodian services in its capacity as trustee of a trust;</p>	
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	<p>FSI-Capital Market (FSI-CM)</p>	<p>(k) Providing trustee services in respect of bond or loan stock issues, including services for monitoring loan covenants and administering loan repayments;</p> <p>(l) Providing trustee services in respect of issue of units of, a collective investment scheme or a business trust;</p> <p>(m) Providing trust management or administration services to any trustee of a trust;</p> <p>(n) Islamic finance lending and related activities, fund management and provision of investment advisory services in respect of fund management</p> <hr/> <p>Concessionary Tax Rate: 5%</p> <p>Qualifying Activities: (a) Trading or investing in, or providing services (including services as a broker, nominee or custodian, and the grant of a loan of the securities under a securities lending or repurchase arrangement) in respect of: (i) debt securities; or (ii) stocks, shares, or other equity securities issued by a company, a collective investment scheme or a business trust;</p> <p>(b) Providing services for the purpose of a listing on the Singapore Exchange to a company.</p> <hr/>	
	<p>FSI-Credit Facilities Syndication (FSI-CFS)</p>	<p>Concessionary Tax Rate: 5%</p> <p>Qualifying Activities: (a) Arranging, underwriting or granting loans under any syndicated facility which is a credit facility or a guarantee facility, subject to conditions;</p>	

	<p>FSI-Derivative Market (FSI-DM)</p>	<p>(b) Arranging, underwriting or granting a loan after it has become a syndicated facility, subject to conditions;</p> <p>(c) Trading in secondary loans under any syndicated facility which is a credit facility or a guarantee facility by licensed or approved banks, subject to conditions</p> <hr/> <p>Concessionary Tax Rate: 5%</p> <p>Qualifying Activities:</p> <p>(a) Trading in, or providing services as an intermediary in connection with transactions relating to any financial derivatives, commodity derivatives, emission derivatives or freight derivatives;</p> <p>(b) Incidental physical trading where volume of the incidental physical trading does not exceed 15% of the total volume of incidental physical trading and trading in commodity derivatives;</p> <p>(c) Providing project finance advisory services in connection with syndicated facilities relating to any prescribed asset or project.</p> <hr/> <p>1. Fund management Concessionary Tax Rate: 10%</p> <p>Qualifying Activities: Managing the funds of and providing investment advisory services to qualifying funds</p> <p>2. Tax Exempt (Qualifying) Funds: (a). The Section 13R fund incentive is targeted at Singapore based or resident funds. The qualifying fund vehicle would therefore, need to be a Singapore incorporated and resident company. Additionally, there is a minimum annual business spending requirement of \$200,000 and the need for the fund to be MAS</p>	
	<p>FSI-Fund Management (FSI-FM)</p>		

	<p>FSI-Headquarter Services (FSI-HQ)</p>	<p>approved. Non-qualifying investors (i.e. Singapore non-individuals investing above a certain percentage in the fund or known as the 30:50 rule) would need to pay a penalty to the IRAS.</p> <p>(b) The Section 13CA fund incentive requires the fund to be non-resident. The fund vehicle may be an individual (non-citizen, non-resident), a company (non-resident) or a trust (non-resident trustee but such trustee may be resident in Singapore with effect from 1 April 2014). There are no capital/business spending commitments required of the fund, nor is MAS approval required. Non-qualifying investors (i.e. Singapore non-individuals investing above a certain percentage in the fund or known as the 30:50 rule) would need to pay a penalty to the IRAS.</p> <p>(c) The Section 13X fund incentive does not require the residency of the fund to be in Singapore. The fund vehicle may be a Trust, Company or Limited Partnership. There is a minimum annual business spending requirement of \$200,000 and the need for the fund to be MAS approved and capital commitment/capital investment of at least \$50 million at the time of application for MAS approval.</p> <p>(d) Singapore Variable Capital Company (S-VACC) key features include the creation of sub-funds or cells with segregated assets and liabilities, redemption of shares and payment of dividend out of capital, and making the public disclosure of the register of shareholders non-mandatory. The S-VACC is eligible to apply for tax exemptions under sections 13R and 13X.</p> <hr/> <p>Concessionary Tax Rate: 10%</p> <p>Qualifying Activities: (a) general management, risk management and administration;</p>	
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		<p>(b) strategic business planning and strategic business development;</p> <p>(c) operational processing services;</p> <p>(d) information technology support and technical services;</p> <p>(e) training and personnel management;</p> <p>(f) corporate finance advisory services;</p> <p>(g) economic, financial, investment or market research and analysis;</p> <p>(h) credit control and administration;</p> <p>(i) arranging credit facilities for the approved office where the funds for providing the facilities are obtained from:</p> <p>(i) financial institutions in Singapore; or</p> <p>(ii) the accumulated profits of other approved offices;</p> <p>(j) providing guarantees, performance bonds, standby letters of credit and services relating to remittances where:</p> <p>(i) in the case of a guarantee, performance bond or standby letter of credit, the party in whose favour the facility is issued; and</p> <p>(ii) in the case of services relating to remittances, the person to whom the remittances are made,</p> <p>is a financial institution;</p> <p>(k) arranging interest rate or currency swaps with a financial institution</p> <p>(l) managing the funds of the approved office.</p> <p>-----</p>	
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	FSI-Trustee Companies (FSI-TC)	<p>Concessionary Tax Rate: 12%</p> <p>Qualifying Activities:</p> <p>(a) trustee or custodian services in its capacity as a trustee of a trust;</p> <p>(b) trustee or custodian services in respect of bond or loan stock issues and the issue of units of a collective investment scheme, or of a business trust;</p> <p>(c) trust management or administration services;</p> <p>(d) custodian services in respect of debt securities; equity securities; units in a collective investment scheme; or units in a business trust.</p>	
Financial Services	Insurance Business Development Incentive (IBD) umbrella scheme	<p>There are two tiers of qualifying IBD activities – standard and enhanced. The standard tier concessionary tax rate is 10% while the enhanced tier concessionary tax rate is 5%/8%/10%.</p> <p>1. Insurance Business Development Incentive</p> <p>(a) The incentive includes the following Insurance schemes:</p> <ul style="list-style-type: none"> • Insurance Business Development (IBD); • The Marine Hull and Liability Insurance Scheme (IBD-MHL); • Specialized Insurance Business Scheme (IBD-SI); and • Captive Insurance Scheme (IBD-CI) <p>(b) Qualifying income</p> <p>The scope of activities under IBD will be expanded to cover the following income:</p> <ul style="list-style-type: none"> • Underwriting income derived from insuring and reinsuring both onshore and offshore insurance risks for IBD and IBD-CI; • Onshore and offshore investment income (being dividend, qualifying interest, gains from sale of onshore and offshore qualifying investment) relating to the incentivized insurance business lines for IBD, IBD MHL, IBD-CI and IBD-SI; and 	MAS

		<ul style="list-style-type: none"> • Onshore and offshore broking business income for IBD-IBB and IBD-SIBB <p>(c) Excluded income The following income will be excluded for new or renewal awards approved on or after 1 June 2017:</p> <ul style="list-style-type: none"> • all underwriting income, investment income, and insurance broking commission and fee income from onshore and offshore direct life insurance; • all underwriting income, investment income, and insurance broking commission and fee income from onshore and offshore fire, motor, work injury compensation, personal accident and health insurance; • interest income other than qualifying interest; • gains from sale of investments other than qualifying investments; and • investment income relating to immovable properties both inside and outside Singapore, except for those relating to any prescribed asset or project. <p>Expiry of Incentive:</p> <p>(a) IBD Standard Tier (IBD, IBD-MHL, IBD-CI) expires 31 March 2020</p> <p>(b) IBD Enhanced Tier (IBD-SI) expires 31 August 2021</p> <p>2. Insurance Broking Business</p> <p>(a) The incentive includes the following Insurance schemes:</p> <ul style="list-style-type: none"> • IBD-Insurance Broking Business (IBD-IBB); and • IBD-Specialized Insurance Broking Business (IBD-SIBB) <p>(b) Concessionary Tax Rate: 10%</p> <p>(c) Expiry of Incentive 31 March 2020</p>	
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Business Development	Further deduction for expenses relating to approved trade fairs, trade exhibitions, trade missions or to maintenance of overseas trade office	<p>Eligibility: Singapore-registered businesses with the primary purpose of promoting the trading of goods or provision of services.</p> <p>Tax Concession: 1. 200% tax deduction on eligible expenses for supported market expansion and investment development activities.</p> <p>Qualifying Activities:</p> <ul style="list-style-type: none"> • Overseas business development trips and missions • Overseas investment study trips and missions • Overseas trade fairs • Local trade fairs approved by Enterprise Singapore or the Singapore Tourism Board (STB) • Market surveys and feasibility studies • Investment feasibility and due diligence studies • Design of packaging for overseas markets • Product or service certification • Overseas advertising and promotional campaigns • Master licensing and franchising • Overseas trade offices • Production of corporate brochures for overseas distribution • Advertising in approved local trade publications • Manpower expenses for Singaporeans posted to new overseas entities <p>2. 200% tax deduction on the first S\$150,000 of eligible expenses incurred from YA 2019 to 31 Mar 2020, for the activities listed below per year of assessment without prior approval from Enterprise Singapore.</p> <ul style="list-style-type: none"> • Overseas business development trips and missions • Overseas investments study trips and missions • Overseas trade fairs • Local trade fairs approved by Enterprise Singapore or STB 	ESG STB
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Land Intensification Allowance (LIA)	Initial allowance and annual allowances on qualifying capital expenditure	<p>Objective: To promote the intensification of industrial land use towards more land-efficient and higher value-added activities</p> <p>Qualifying Conditions: The LIA incentive is available to businesses in the manufacturing and logistics sectors which have large land takes and low Gross Plot Ratios (GPR). The scheme is also available to support the development of Integrated Construction and Prefabricated Hubs.</p> <p>Tax Concession: Initial allowance of 25% and annual allowances of 5% on qualifying capital expenditure incurred for the construction or renovation/extension of a qualifying building or structure.</p> <p>Expiry of Incentive: The incentive expires on 30 June 2020 unless it is renewed</p>	EDB/BCA

Updated: 6 June 2019

Notes:

EDB – Singapore Economic Development Board

BCA – Building and Construction Authority

ESG – Enterprise Singapore

STB – Singapore Tourism Board

MAS – Monetary Authority of Singapore

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