SUMMARY TABLE ON PROPOSED CHANGES TO THE INCOME TAX ACT ("ITA") AS ANNOUNCED IN BUDGET 2018 STATEMENT

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to ITA [Clause in Income Tax (Amendment) Bill 2018]
1	Enhance and extend the Corporate Income Tax ("CIT") rebate	To ease business costs and support restructuring by companies, we will enhance and extend the CIT rebate as follows: a) For YA 2018, the CIT rebate will be enhanced to 40% of tax payable, with enhanced cap at $15,000; and b) The CIT rebate will be extended for another year to YA 2019, at a rate of 20% of tax payable, capped at $10,000.	Sections 92G, 92H [Clauses 43, 44]
2	Adjust the Start-Up Tax Exemption Scheme ("SUTE") and Partial Tax Exemption Scheme ("PTE")	Adjustments will be made to the caps and bands of chargeable income that could receive exemption under the two schemes: The tax exemption under the SUTE scheme will be adjusted to: a) 75% exemption on the first $100,000 of normal chargeable income; and b) 50% exemption on the next $100,000 of normal chargeable income. The tax exemption under the PTE scheme will be adjusted to: a) 75% exemption on the first $10,000 of normal chargeable income; and b) 50% exemption on the next $190,000 of normal chargeable income.	Sections 13V, 34C, 34G, 37G, 43, 62B [Clauses 32(f), 50(a)-(e)]

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to ITA [Clause in Income Tax (Amendment) Bill 2018]
		The changes will take effect from YA 2020.	
3	Extend the tax incentive scheme for Approved Special Purpose Vehicle ("ASPV") engaged in Asset Securitisation Transactions ("ASPV Scheme")	To continue developing the structured debt market, the tax concessions under ASPV scheme will be extended till 31 December 2023, with the exception of the remission of stamp duties on the instrument relating to transfer of assets to the ASPV for approved asset securitisation transactions. The stamp duty remission will be allowed to lapse after 31 December 2018.	Section 13P [Clause 11]
4	Extend the tax transparency treatment for Singapore-listed Real Estate Investment Trusts ("S-REITs") to Singapore-listed Real Estate Investment Trust Exchange-Traded Funds ("REIT ETFs")	To have parity in tax treatment between investing in individual S-REIT and via REIT ETF with investments in S-REITs, the following tax treatment will be accorded to REIT ETFs: a) Tax transparency treatment on the distributions received by REIT ETFs from S-REITs which are made out of the latter's specified income; b) Tax exemption on such REIT ETFs distributions received by individuals, excluding individuals who derive any distribution: i) through a partnership in Singapore; or ii) from the carrying on of a trade, business or profession; and c) 10% concessionary tax rate on such REIT ETFs distributions received by qualifying non-resident non-individuals.	Sections 10, 13, 35, 43, 45G, 46 [Clauses 5(f), 9(c), (d)-(g), (k), 30, 32 (a)-(e), (g)-(h), 39, 40]

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to ITA [Clause in Income Tax (Amendment) Bill 2018]
		Subject to conditions, the tax concessions for REIT ETFs will take effect on or after 1 July 2018, with a review date of 31 March 2020.	
5	Extend the 250% tax deduction for qualifying donations	To continue to encourage Singaporeans to give back to community, the 250% tax deduction for qualifying donations will be extended by three years, for donations made on or before 31 December 2021.	Section 37 [Clause 31]
6	Extend the Business and IPC Partnership Scheme ("BIPS")	To continue supporting employee volunteerism through businesses, BIPS will be extended by three years till 31 December 2021.	Section 14ZB [Clause 21]
7	Extend the Qualifying Debt Securities ("QDS") scheme and allow the QDS Plus ("QDS+") scheme to lapse	To continue supporting the development of Singapore's debt market, the QDS scheme will be extended till 31 December 2023. As part of the Government regular review of tax incentives, the QDS+ scheme will be allowed to lapse after 31 December 2018. Debt securities with tenure beyond 10 years, and Islamic debt securities that are issued after 31 December 2018 will no longer enjoy the tax concessions under the QDS+ scheme. These debt securities can still enjoy tax concessions under the QDS scheme if the conditions of the QDS scheme are satisfied.	Sections 10, 13, 43N, 45, 45A [Clauses 5(e), 9(a), (j), 33, 37, 38]

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to ITA [Clause in Income Tax (Amendment) Bill 2018]
8	Extend the tax exemption on income derived by primary dealers from trading in Singapore Government Securities ("SGS")	To strengthen our primary dealer network and encourage trading in SGS, the tax exemption on income derived by primary dealers from trading in SGS will be extended till 31 December 2023.	Section 43N [Clause 33]
9	Extend the Insurance Business Development – Insurance Broking Business ("IBD-IBB") scheme	To further strengthen Singapore's position as a leading insurance and reinsurance centre, the IBD-IBB scheme will be extended till 31 December 2023.	Section 43ZC [Clause 35]
10	Allow the Insurance Business Development – Specialised Insurance Broking Business ("IBD-SIBB") scheme to lapse	To streamline and simplify the insurance tax incentives, the IBD-SIBB scheme will be allowed to lapse after 31 March 2018.	Section 43ZC [Clause 35]
11	Rationalise the withholding tax exemptions for the financial sector	As part of the Government's process to continually review tax concessions to ensure relevance, the WHT exemptions for interest from approved Asian Dollar Bonds will be withdrawn for payments under agreements entered into on or after 1 January 2019.	Section 13 [Clause 9(b)]
12	Enhance the tax deduction for qualifying expenditure on qualifying research and	To encourage R&D to be done in Singapore, we will increase the tax deduction for staff costs and consumables incurred on qualifying R&D projects performed in Singapore from 150% to 250%.	Sections 14DA, 14E

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to ITA [Clause in Income Tax (Amendment) Bill 2018]
	development ("R&D") projects performed in Singapore	This change will take effect from YA 2019 to YA 2025.	[Clauses 16, 17]
13	Enhance the tax deduction for costs on protecting intellectual property ("IP")	To encourage businesses, in particular smaller ones, to register and protect their IPs, we will: a) Extend the scheme till YA 2025; and b) Raise the tax deduction from 100% to 200% for the first $100,000 of qualifying IP registration costs incurred for each YA. This change will take effect from YA 2019 to YA 2025.	Section 14A [Clause 13]
14	Enhance the tax deduction for costs on IP in-licensing	To support businesses to buy and use new solutions, we will raise the tax deduction from 100% to 200% for the first $100,000 of qualifying IP in-licensing costs incurred for each YA. Qualifying IP in-licensing costs include payments made by a qualifying person to publicly funded research performers or other businesses, but exclude related party licensing payments, or payments for IP where any allowance was previously made to that person. This change will take effect from YA 2019 to YA 2025.	Section 14WA [Clause 20]

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15	Enhance the Enhanced-Tier Fund Scheme under section 13X of the ITA	To cater for more diverse fund structures, tax exemption under the Enhanced-Tier Fund Scheme will be extended to all fund vehicles constituted in all forms. Besides companies, trusts and limited partnerships, all fund vehicles will be allowed to qualify for the Enhanced-Tier Fund Scheme if they meet the qualifying conditions. The change will take effect for new awards approved on or after 20 February 2018.	Section 13X [Clause 12]
16	Extend the tax deduction for banks (including merchant banks) and qualifying finance companies for impairment and loss allowances made in respect of non-credit-impaired financial instruments	To promote the overall robustness and stability of Singapore's financial system, the tax deduction under section 14I of the ITA will be extended till YA 2024 (for banks and qualifying finance companies with December financial year end ("FYE")) or YA 2025 (for banks and qualifying finance companies with non-December FYE).	Section 14I [Clause 18]
17	Enhance the Double Tax Deduction for Internationalisation ("DTDi") scheme	To encourage firms to internationalise, the expenditure cap for DTDi claims without prior approval from Enterprise Singapore ("ESG") or the Singapore Tourism Board ("STB") will be raised from $100,000 to $150,000 per YA. Businesses can continue to apply to ESG or STB on qualifying expenses exceeding $150,000, or on expenses incurred on other qualifying activities, on a case by case basis.	Sections 14B, 14K [Clauses 14, 19]

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		This change will apply to qualifying expenses incurred on or after YA2019.	