SUMMARY TABLE ON PROPOSED CHANGES TO THE INCOME TAX ACT 1947 ("ITA") AS ANNOUNCED IN THE 2023 BUDGET STATEMENT

S/N	Proposed Legislative Change	Brief Description of Proposed Legislative Changes	Proposed Amendment to ITA [Clause in Draft Income Tax (Amendment) Bill 2023]
1	Introduce the Enterprise Innovation Scheme ("EIS")	To encourage businesses to engage in research and development ("R&D"), innovation and capability development activities, the following tax measures will be enhanced or introduced under the EIS: a. Enhance the tax deduction to 400% for the first $400,000 of staff costs and consumables incurred on qualifying R&D projects conducted in Singapore per Year of Assessment ("YA") from YA 2024 to YA 2028. The current tax deduction is 250% under sections 14C and 14D of the ITA. b. Enhance the tax deduction to 400% for the first $400,000 of qualifying intellectual property ("IP") registration costs incurred per YA from YA 2024 to YA 2028. The current tax deduction is 200% for the first $100,000 (and 100% for amounts exceeding $100,000) under section 14A of the ITA. c. Enhance the tax allowance/deduction to 400% for the first $400,000 (combined cap) of qualifying expenditure incurred on the acquisition and licensing of IP rights per YA from YA 2024 to YA 2028. This enhancement will only be available to businesses that generate less than $500 million in revenue in the relevant YA. Currently, the tax allowances/deductions are: (i) 100% writing-down allowance ("WDA") over a period of five, 10 or 15 years on the acquisition costs of	Sections 2(1), 8A(15) and (16), 14A, 14C, 14D, 14EA 14U, 14ZG, 14X(2)(*c*), 15(2), 19B, 34G(9) and (18), 37O(15)(*a*), 37Q(2)(*a*), 37R, 37S, 65B(1A), 65F(1)(*a*), 96(2), 96A(2), 101(1), 101(2), 104(2), 107(11) and Third Schedule Part 2 [Clauses, 10, 12, 13, 14, 19, 22, 25, 32 and 50]

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		qualifying IP rights under section 19B of the ITA; and (ii) 200% tax deduction for the first $100,000 (and 100% for amounts exceeding $100,000) of qualifying IP rights licensing expenditure under sections 14 or 14C, and 14U of the ITA. d. Enhance the tax deduction to 400% for the first $400,000 of qualifying training expenditure incurred per YA from YA 2024 to YA 2028. The enhancement applies to courses that are eligible for SkillsFuture Singapore funding and aligned with the Skills Framework. The current tax deduction is 100% on training expenditure incurred, subject to general tax deduction rules under sections 14 and 15 of the ITA. e. Introduce a 400% tax deduction for up to $50,000 of qualifying innovation expenditure incurred on qualifying innovation projects carried out with polytechnics, the Institute of Technical Education, and other partners per YA from YA 2024 to YA 2028. f. Allow businesses to, in lieu of tax deductions/allowances, opt for a non-taxable cash payout at a cash conversion ratio of 20% on up to $100,000 of total qualifying expenditure across all qualifying activities in (a) to (e) above per YA. The cash payout option will be capped at $20,000 per YA, and will only be available to businesses which have at least three full-	

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		time local employees[1] (Singapore Citizens or Permanent Residents with CPF contributions) each earning a gross monthly salary of at least $1,400, and in employment for six months or more in the basis period of the relevant YA. g. The sunset dates for section 14A (Deduction for costs for protecting IP), section 14C (Expenditure on R&D), section 14D (Enhanced deduction for qualifying expenditure on R&D), section 14U (Enhanced deduction for expenditure on licensing IP rights) and section 19B (WDA for IP rights) of the ITA will be extended till YA 2028, in line with the above enhancements.	
2	Enhance the Double Tax Deduction for Internationalisation ("DTDi") Scheme	Under the DTDi scheme, businesses are allowed a tax deduction of 200% on qualifying market expansion and investment development expenses, subject to prior approval[2] from Enterprise Singapore ("EnterpriseSG") or Singapore Tourism Board ("STB"). The DTDi scheme is in place until 31 December 2025.	Section 14B [Clause 11]

[1] For the purposes of the cash payout, "employees" may include individuals who are deployed to the business under a centralised hiring arrangement or secondment arrangement.

[2] No prior approval is required from EnterpriseSG or STB for tax deduction on the first $150,000 of qualifying expenses incurred on selected eligible activities for each YA.

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		To support businesses in their efforts to overcome initial challenges and build up capabilities in internationalising via e-commerce, the scope of the DTDi scheme will be enhanced to include a new qualifying activity "e-commerce campaign" and cover the following e-commerce campaign startup expenses paid to e-commerce platform/service providers: a. Business advisory: Advisory on market promotion and execution plans (e.g. choice of suitable e-commerce platforms); b. Account creation: Assistance with setting up accounts on e-commerce platforms, and the right to sell on e-commerce platforms; c. Content creation: Design of e-commerce campaign publicity materials (e.g. e-store banners, online product images); and d. Product listing and placement: Uploading content on products/services to e-commerce platforms, and selection of suitable frequency and timing to display content on products/services. Prior approval is required from EnterpriseSG to enjoy DTDi on the new qualifying activity. For each business, EnterpriseSG will only approve DTDi support for e-commerce campaigns for a maximum period of one year applied on a per-country basis.	

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		The proposed amendments will take effect from 15 February 2023.	
3	Provide an option to accelerate the write-off of the cost of acquiring Plant and Machinery ("P&M")	Businesses that incur capital expenditure on the acquisition of P&M may claim capital allowance ("CA") under section 19 (i.e. write-off over the working life of the assets as specified in the Sixth Schedule) or section 19A (i.e. write-off over one or three years) of the ITA. To provide temporary broad-based support to businesses during this period of restructuring, businesses that incur capital expenditure on the acquisition of P&M in the basis period for YA 2024 (i.e. financial year ending in 2023) will have an option to accelerate the write-off of the cost of acquiring such P&M over two years. This option, if exercised, is irrevocable. The rates of accelerated CA allowed are as follows: a. 75% of the cost incurred to be written off in the first year (i.e. YA 2024); and b. 25% of the cost incurred to be written-off in the second year (i.e. YA 2025). No deferment of CA claim is allowed under this option.	Section 19A [Clause 24]

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4	Provide an option to accelerate the deduction for Renovation or Refurbishment ("R&R") expenditure	Under section 14N of the ITA, businesses that incur qualifying expenditure on R&R may claim tax deduction on such expenditure over three consecutive YAs on a straight-line basis, starting from the YA relating to the basis period in which the R&R expenditure is incurred. A cap of $300,000 for every relevant period of the three consecutive YAs applies. To provide temporary broad-based support to businesses during this period of restructuring, businesses that incur qualifying expenditure on R&R during the basis period for YA 2024 (i.e. financial year ending in 2023) will have an option to claim R&R deduction in one YA (i.e. accelerated R&R deduction). The cap of $300,000 for every relevant period of three consecutive YAs will still apply. This option, if exercised, is irrevocable.	Section 14N [Clause 17]
5	Extend the IP Development Incentive ("IDI")	The IDI scheme accords concessionary tax rates of 5% or 10% on a percentage of qualifying IP income. To continue supporting the use and commercialisation of IP rights arising from R&D activities in Singapore, the IDI will be extended for five years till 31 December 2028.	Section 43X [Clause 37]

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6	Extend and refine the Qualifying Debt Securities ("QDS") Scheme	The QDS scheme offers the following tax concessions on qualifying income from QDS: a. 10% concessionary tax rate for qualifying companies and bodies of persons in Singapore; and b. Tax exemption for qualifying non-residents and qualifying individuals. To qualify as QDS, debt securities must be substantially arranged in Singapore as follows: a. All debt securities must be substantially arranged by a Financial Sector Incentive ("FSI") (capital market) company or a FSI (standard tier) company (collectively referred to as "FSI companies"); and b. For insurance-linked securities ("ILS")[3] that are unable to meet the condition in (a) above, at least 20% of the ILS issuance costs incurred by the issuer is paid to Singapore businesses. The QDS scheme is scheduled to lapse after 31 December 2023.	Sections 10(20A) and (23), 13, 43H, 45 and 45A [Clauses 2, 7, 34, 38, 39]

[3] Debt securities issued by Special Purpose Reinsurance Vehicles licensed under the Insurance Act 1966.

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		To continue supporting the development of Singapore's debt market, the QDS scheme will be extended till 31 December 2028. The scope of qualifying income under the QDS scheme will be streamlined and clarified such that it includes all payments in relation to early redemption of a QDS. To ensure continued relevance, the requirement that the QDS has to be substantially arranged in Singapore will be rationalised, as follows: a. For all debt securities that are issued on or after 15 February 2023, they must be substantially arranged in Singapore by a financial institution holding a specified licence (instead of a FSI company). To facilitate transition and prevent uncertainty for ongoing QDS issuances, QDS that are substantially arranged by a FSI company will continue to qualify until 31 December 2023. b. For ILS that are issued on or after 1 January 2024, if they are unable to meet the condition in (a) above, at least 30% of the ILS issuance costs incurred by the issuer must be paid to Singapore businesses.	

S/N	Proposed Legislative Change	Brief Description of Proposed Legislative Changes	Proposed Amendment to ITA [Clause in Draft Income Tax (Amendment) Bill 2023]
7	Extend the tax exemption on income derived by primary dealers from trading in Singapore Government Securities ("SGS")	Tax exemption is granted on income derived by primary dealers[4] from trading in SGS. The tax exemption is scheduled to lapse after 31 December 2023. To continue supporting primary dealers and encourage trading in SGS, the tax exemption on income derived by primary dealers from trading in SGS will be extended till 31 December 2028.	Section 43H [Clause 34]
8	Extend and refine the tax incentive scheme for Approved Special Purpose Vehicle ("ASPV") engaged in asset securitisation transactions ("ASPV scheme") and introduce a new sub-scheme to support covered bonds	The ASPV scheme grants tax exemption on income derived by an ASPV engaged in asset securitisation transactions. This supports the growth of asset securitisation activities in Singapore. The ASPV scheme is scheduled to lapse after 31 December 2023. To continue developing the structured debt market, the ASPV scheme will be extended till 31 December 2028. Further, to support the issuance of covered bonds in Singapore, a new sub-scheme named ASPV (Covered Bonds) will be introduced. The proposed ASPV (Covered Bonds) scheme will be effective from 15 February 2023 to 31 December 2028.	Sections 10K and 13M [Clauses 5 and 8]

[4] Primary dealers are financial institutions appointed by MAS as a primary dealer under section 29A of the Government Securities (Debt Market and Investment) Act 1992.

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9	Extend the Insurance Business Development – Insurance Broking Business (“IBD-IBB”) Scheme	The IBD-IBB scheme grants approved insurance and reinsurance brokers a concessionary tax rate of 10% on commission and fee income derived from insurance broking and advisory services. The IBD-IBB scheme is scheduled to lapse after 31 December 2023. To further strengthen Singapore’s position as a leading insurance and reinsurance centre, the IBD-IBB scheme will be extended till 31 December 2028.	Section 43R [Clause 36]
10	Extend the tax concession for deduction of general provisions for doubtful debts and regulatory loss allowances made in respect of non-credit-impaired financial instruments for banks (including merchant banks) and qualifying finance companies	Under section 14G of the ITA, banks, merchant banks and qualifying finance companies can claim a tax deduction for general provisions on non-credit-impaired loans and debt securities made under the Financial Reporting Standard 109 or Singapore Financial Reporting Standard (International) 9, and any additional loss allowances as required under prevailing MAS Notices, subject to a cap. The tax deduction under section 14G is scheduled to lapse after YA 2024 (for banks, merchant banks and qualifying finance companies with a 31-December financial year end (“FYE”)) or YA 2025 (for banks, merchant banks and qualifying finance companies with a non-31-December FYE).	Section 14G [Clause 16]

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		To continue to promote the overall robustness and stability of the Singapore financial system, the tax deduction under section 14G of the ITA will be extended till YA 2029 (for banks, merchant banks, and qualifying finance companies with a 31-December FYE) or YA 2030 (for banks, merchant banks, and qualifying finance companies with a non-31-December FYE).	
11	Extend Writing Down Allowance ("WDA") for the acquisition of an indefeasible right to use international telecommunications submarine cable system ("IRU")	To maintain and enhance Singapore's international connectivity, WDA for the acquisition of an IRU over its useful life will be extended to 31 December 2028.	Section 19D [Clause 26]
12	Withdraw the tax deduction for expenditure incurred on building modifications for benefit of disabled employees	Currently, employers can claim tax deductions under section 14F of the ITA for approved expenditure incurred on any addition or alteration to business premises for the purpose of facilitating the mobility or work of any disabled employee, subject to a one-off cap of $100,000. The scheme will be withdrawn from 15 February 2023. Introduced in Budget 1989, the scheme has become less relevant over the years. Since then, other support schemes (e.g. the Open Door Programme Job Redesign Grant) have been introduced to help employers recruit	Section 14F [Clause 15]

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<tr><td></td><td></td><td>and retain disabled employees, or to support employers for accommodations beyond (and including) physical modifications of the workplace. Tax deductions for R&R expenditure under section 14N of the ITA, introduced in Budget 2008, can also be tapped upon for workplace modifications without the need for prior approval from government agencies.</td><td></td></tr>
<tr><td>13</td><td>Change Working Mother's Child Relief ("WMCR") from a percentage of earned income to a fixed dollar tax relief for those with qualifying children born or adopted on or after 1 January 2024</td><td>Currently, the WMCR amount for eligible working mothers with a qualifying child who is a Singapore citizen is as follows, subject to a total cap of $50,000 per child (i.e. WMCR plus Qualifying Child Relief/ Handicapped Child Relief):
<table>
<tr><th>Child Order</th><th>WMCR Amount

For a qualifying Singapore citizen child born or adopted before 1 January 2024</th></tr>
<tr><td>1st</td><td>15% of mother's earned income</td></tr>
<tr><td>2nd</td><td>20% of mother's earned income</td></tr>
<tr><td>3rd and beyond</td><td>25% of mother's earned income</td></tr>
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</td><td>Fifth Schedule

[Clause 49]</td></tr>
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		The total WMCR amount that an eligible working mother can claim for all her qualifying children is capped at 100% of the mother's earned income for the YA. For an eligible working mother with a qualifying Singapore citizen child born or adopted before 1 January 2024, there is no change to the WMCR that the mother can claim. Working mothers of these children can continue to claim the WMCR in respect of these children based on the existing design and quantum, i.e. a percentage of their earned income. As part of the review of the Government's support for Marriage & Parenthood, the WMCR will be changed to a fixed dollar tax relief for eligible working mothers in respect of qualifying children who are Singapore citizens born or adopted on or after 1 January 2024. The WMCR amount for eligible working mothers in respect of a qualifying child who is a Singapore citizen born or adopted on or after 1 January 2024 will be as follows:	

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<table>
<tr><th>Child Order</th><th>WMCR Amount
For a qualifying Singapore citizen child born or adopted on or after 1 January 2024</th></tr>
<tr><td>1st</td><td>$8,000</td></tr>
<tr><td>2nd</td><td>$10,000</td></tr>
<tr><td>3rd and beyond</td><td>$12,000</td></tr>
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WMCR will continue to be part of a suite of support measures for eligible working mothers, including lower- to middle- income working mothers of qualifying Singapore citizen children. This change will take effect from the YA 2025.</td><td></td></tr>
<tr><td>14</td><td>Lapse the Foreign Domestic Worker Levy Relief (“FDWLR”) from YA 2025</td><td>Currently, a woman resident in Singapore who, in the year immediately preceding the YA of claim, was —
a. living with her husband; or
b. married and her husband is not resident in Singapore; or
c. married but separated from her husband, a divorcee or a widow and who, in the year immediately preceding the YA, has any unmarried child or children living with her in the</td><td>Section 39(11)

[Clause 33]</td></tr>
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S/N	Proposed Legislative Change	Brief Description of Proposed Legislative Changes	Proposed Amendment to ITA [Clause in Draft Income Tax (Amendment) Bill 2023]
		same household in Singapore in respect of whom she may be allowed a deduction under the Qualifying Child Relief, is allowed to claim FDWLR in respect of one migrant domestic worker employed by her or her husband. The amount of FDWLR is twice the total migrant domestic worker levy paid in the year immediately preceding the YA of claim on one migrant domestic worker. The FDWLR was introduced in 1989 to support working married women who needed the help of a migrant domestic worker. Since then, the Government has introduced a number of schemes that directly support those caring for dependants, including working mothers. In particular, those living with children below 16 years old, elderly or persons with disabilities who require the help of a migrant domestic worker enjoy a concessionary levy of $60 per month, instead of the usual levy of $300 or $450 per month for the first and subsequent helper respectively. This concessionary levy directly benefits all families who need help with caring for their dependants, including those who do not pay income tax.	

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		The FDWLR will be lapsed for all taxpayers with effect from the YA 2025.	
15	Allow resident individual taxpayers to claim Grandparent Caregiver Relief ("GCR") in respect of caregivers who have trade, business, profession, vocation or/and employment income not exceeding $4,000 in the year preceding the YA of claim	Working mothers who engage the help of their parents, grandparents, parents-in-law or grandparents-in-law (including parents or grandparents of an ex-spouse) to take care of their young children may claim the GCR, subject to conditions. One of the conditions is that the caregiver was not carrying on any trade, business, profession, vocation or/and employment in the year preceding the YA of claim. To give caregivers the flexibility to do some incidental work, working mothers will be able to claim GCR in respect of caregivers who have trade, business, profession, vocation or/and employment income, as long as the caregivers' total income from these activities does not exceed $4,000 in the year preceding the YA of claim, if they have met all other conditions. The proposed change will take effect from the YA 2024.	Sections 39(2)(p) [Clause 33]

S/N	Proposed Legislative Change	Brief Description of Proposed Legislative Changes	Proposed Amendment to ITA [Clause in Draft Income Tax (Amendment) Bill 2023]
16	Extend the 250% tax deduction for qualifying donations to IPCs and eligible institutions	Donors are eligible for a 250% tax deduction for qualifying donations made to Institutions of a Public Character ("IPCs") and other eligible institutions from 1 January 2016 to 31 December 2023. To continue encouraging Singaporeans to give back to the community, we will extend the 250% tax deduction to qualifying donations made from 1 January 2024 to 31 December 2026. All other conditions of the scheme remain the same.	Section 37(3A)(a)(ii) [Clause 30]
17	Extend and enhance the Corporate Volunteer Scheme ("CVS")	A qualifying person can, subject to conditions, enjoy a total of 250% tax deduction on qualifying expenditure such as wages incurred by the person from 1 July 2016 to 31 December 2023 in respect of – a. The provision of services by the person's qualifying employee to an IPC during that period; or b. The secondment of the person's qualifying employee to an IPC during that period. There is currently a cap on qualifying expenditure of $250,000 per business per YA and $50,000 per IPC per calendar year.	Section 14Z [Clause 20]

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		With effect from 1 Apr 2023, this scheme has been enhanced and renamed to CVS[5]. We will extend 250% tax deduction on qualifying expenditure incurred under the CVS until 31 December 2026 to continue supporting corporate volunteering. The scope of qualifying volunteering activities will also be expanded to include activities which are conducted virtually (e.g. online mentoring and tuition support for youths/children) or outside of the IPCs' premises (e.g. home visits to beneficiaries). In addition, the cap on qualifying expenditure per IPC per calendar year will be doubled to $100,000. The above enhancements will take effect from 1 January 2024. All other conditions of the scheme remain the same.	
18	Introduce the Philanthropy Tax Incentive Scheme for Family Offices ("FOs")	To strengthen Singapore's position as a regional philanthropy hub and encourage FOs to anchor their giving operations in Singapore, a tax incentive scheme will be piloted for five years starting from YA 2025 for qualifying donors with FOs operating in Singapore. To qualify, donors must have a fund under MAS' section 13O or 13U scheme and meet eligibility conditions, such as incremental business spending of $200,000.	Section 37(7) and 37AA [Clauses 30 and 31]

[5] The scheme was renamed from the Business and IPC Partnership Scheme ("BIPS") to CVS.

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		Under the scheme, qualifying donors will be able to claim 100% tax deduction for overseas donations made through qualifying local intermediaries. The tax deduction will be capped at 40% of the donor's statutory income.	
19	Amount of mandatory CPF contributions exempted from tax arising from the increase in CPF monthly salary ceiling	Mandatory CPF contributions on monthly salary up to the CPF monthly salary ceiling (presently at $6,000) are exempted from tax. To keep pace with rising salaries, the CPF monthly salary ceiling will be raised from $6,000 to $8,000, in phases by 2026: a. From 1 September 2023: $6,300 (+$300) b. From 1 January 2024: $6,800 (+$500) c. From 1 January 2025: $7,400 (+$600) d. From 1 January 2026: $8,000 (+$600) Accordingly, mandatory CPF contributions on monthly salary up to the revised CPF monthly salary ceilings will be exempted from tax.	Section 10B [Clause 3]