

ANNEX B: SUMMARY TABLE ON PROPOSED NON-BUDGET CHANGES TO THE INCOME TAX ACT 1947 (“ITA”)

S/N	Proposed Legislative Changes	Brief Description of Proposed Legislative Changes	Proposed Amendment to ITA [Clause in Proposed Income Tax (Amendment) Bill 2024]
1	Extend and refine the tax incentive schemes for foreign trusts, locally-administered trusts, and foreign accounts of philanthropic purpose trusts	<p>To continue growing Singapore’s wealth management sector and its wider ecosystem, the following key changes will be made:</p> <ul style="list-style-type: none"> a. The tax incentive schemes for (i) foreign trusts, (ii) locally-administered trusts, and (iii) foreign accounts of philanthropic purpose trusts will be extended to 31 December 2027; and b. Clarify that all foreign-sourced income received by a locally-administered trust from the date the amendments come into force is tax-exempt. 	<p>Sections 13F, 13L and 13N</p> <p>[Clauses 6, 7 and 8]</p>
2	Extend and enhance the tax incentive scheme for sovereign funds	<p>To continue to attract and retain sovereign funds in Singapore, the following key changes will be made:</p> <ul style="list-style-type: none"> a. The tax incentive scheme for sovereign funds will be extended to 31 December 2029; and b. The scope of the scheme will be enhanced to support funds owned by multiple foreign governments. The enhancement will take effect from 7 February 2024. 	<p>Section 13V</p> <p>[Clause 12]</p>
3	Extend the tax treatment in section 10I of the ITA to additional tier 1 (“ATI”)	<p>To provide tax certainty and maintain parity in tax treatment between insurers and banks, AT1 capital instruments (other than shares) issued by insurers on or after 1 January 2025 will be treated as debt for tax purposes.</p>	<p>Section 10I</p> <p>[Clause 4]</p>

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	capital instruments issued by an insurer		
4	Expand the scope of qualifying securities lending or repurchase (“SBL”) arrangements under section 10H of the ITA	<p>To promote securities lending and repurchase activities in Singapore, the scope of qualifying SBL arrangements under section 10H will be expanded to:</p> <ul style="list-style-type: none"> a. Include unlisted shares of Singapore tax resident companies; and b. Align the tax treatment of all distribution income in respect of all securities with that for dividend and interest income. <p>The amendments will be effective for qualifying SBL arrangements entered into from the date the amendments come into force.</p>	Section 10H [Clause 3]
5	Clarify the tax treatment of REIT units held by REIT managers	To provide tax certainty, the proposed amendment specifies that when REIT managers use the REIT units they have received as part of their management fees to pay employees or directors, the tax deduction amount shall be the market value of the REIT units on the date the units were originally received by the REIT managers. The amendment will take effect from YA 2026.	Section 14ZI [Clause 14]
6	Waive the requirement to furnish Estimated Chargeable Income (“ECI”) for individual	To reduce administrative burden for taxpayers, the requirement to furnish ECI will be waived from YA 2026 to YA 2030 for:	Sections 63 and 71 [Clauses 26 and 27]

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	sole-proprietors and partnerships	<ul style="list-style-type: none"> a. Individual sole-proprietors (including those who did not register their businesses with ACRA); and b. Persons responsible for filing partnership return. 	
7	Apportion and adjust tax deductions provided under the Philanthropy Tax Incentive Scheme for Family Offices (“PTIS”) between income subject to different tax rates	<p>To clarify the treatment of tax deductions provided to a company under the PTIS, the following amendments are proposed:</p> <ul style="list-style-type: none"> a. Tax deductions provided to a company under the PTIS will be apportioned between income taxed at different rates (if applicable) on a basis considered reasonable by the Comptroller of Income Tax; and b. Unabsorbed deductions relating to an income will set off against other income taxed at a different rate, after applying an adjustment factor in accordance with section 37A of the ITA. <p>The above is consistent with the treatment of donations under section 37(3)(b), (c), (d) or (f) of the ITA. The amendments will take effect from the date the amendments come into force.</p>	<p>Sections 37A(9) and (11), and 37AA(12)</p> <p>[Clauses 18 and 19]</p>