

Tax Incentives for Businesses

(July 2023)

There are various types of tax incentives available in Singapore for businesses. If you are considering making an investment in Singapore or expanding your existing investment in Singapore, this document serves as a useful resource for you.

We provide in this write-up some key tax incentives which are subject to an approval process that is administered by various government agencies, including the **Economic Development Board ("EDB")**, **Enterprise Singapore** and **Maritime Port Authority of Singapore ("MPA")**. Generally, companies applying for such tax incentives are expected to carry out substantive, high value activities in Singapore, and will be required to commit to certain levels of local business spending, fixed asset investment and hiring of skilled employees.

Administering agency	Type of incentive	What they offer
EDB	Pioneer Certificate ("PC") Incentive	<ul style="list-style-type: none"> Corporate tax exemption on income derived from the manufacturing of pioneer products or provision of qualifying activities Incentive period: initial 5 years (extension is possible. Total tax relief period must not in total exceed 15 years)
	Development and Expansion Incentive ("DEI")	<ul style="list-style-type: none"> Concessional tax rate of 5% / 10% on qualifying income, in excess of the base income, derived from qualifying activities Incentive period: initial 5 years (extension is possible. Total tax relief period must not in aggregate exceed 40 years)
	Finance & Treasury Centre ("FTC") Incentive	<ul style="list-style-type: none"> Concessional tax rate of 8% on qualifying income from qualifying FTC services / activities Incentive period: 5 years
	Intellectual Property ("IP") Development Incentive ("IDI")	<ul style="list-style-type: none"> Applied for as a standalone incentive or tied in with a Pioneer service incentive or DEI (including Headquarter) Concessional tax rate of 5% / 10% would be imposed on a percentage of the qualifying IP income derived during the incentive period Incentive period: Tie-in with a Primary Incentive or for standalone award is 5 years (extension is possible)
Enterprise Singapore	Global Trader Programme ("GTP")	<ul style="list-style-type: none"> Concessional tax rate of 5% / 10% on income derived from qualifying trading income Incentive period: 3 or 5 years (extension is possible)
MPA	Approved International Shipping Enterprise ("MSI-AIS")	<ul style="list-style-type: none"> Corporate tax exemption on qualifying shipping income Incentive period: 10 years (renewable period); or 5 years (non-renewable), with the option of graduating to the 10-year renewable award at the end of the 5-year period, if qualifying conditions are met

How can Baker Tilly assist

Baker Tilly can assist you with the application of the tax incentive which amongst others include:-

- Prior to the application of the tax incentive, assist you to:
 - Identify and evaluate applicable tax incentives.
 - Understand the details of the tax incentive which includes tax benefits, qualifying criteria, commitment requirements, etc.
 - Review and comment on any business plans.
- During the application of the tax incentive, assist you as follows:
 - Accompany you to meet with the administering agency to discuss and negotiate on the applicable tax incentives, milestones and conditions.
 - Review the draft tax incentive application documents.
 - Assist to respond to any subsequent queries raised by the administering agency.
- Upon the approval of the tax incentive application, assist you to:
 - Review the tax incentive award letter to ensure that the terms and conditions are in accordance with the discussions with the administering agency.

Contact us

If you are considering a tax incentive application, or would like to learn more about Baker Tilly's services, please reach out to us:-

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