



# 2010 SINGAPORE BUDGET HIGHLIGHTS

Project the big picture with us..

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## CORPORATE TAX

- No change to corporate tax rate which remains at 17%.
- New Productivity and Innovation Credit that allows 250% tax deduction for 6 activities comprising expenditures each capped at \$300,000 related to R&D, design, acquisition and registration of IP rights, automation and training.
- New Merger and Acquisition allowance at 5% of the value of acquisition subject to a cap of \$5m of allowance claimable over 5 years including a stamp duty waiver capped at \$200,000 on transfer of unlisted shares.
- Phase out Industrial Building Allowance to be replaced by the Land Intensification Allowance incentive which will be granted to businesses that construct qualifying buildings or structures belonging to 9 specific industry sectors.
- New tax deduction for angel investors up to 50% of the investment capped at \$500,000.
- Enhance Financial Sector Incentive by removing the Qualifying Base for Financial Institutions, and increasing the concessionary tax rate from 10% to 12% under the FSI-Standard Tier incentive.
- Streamline the tax incentives given to members of SGX and SICOM under the Financial Sector Incentive.
- Extend and enhance the listed real estate investment trusts concessions.
- Remove Approved Start-up Fund Manager Scheme.
- Review of tax concession for offshore insurance business by introducing a sunset clause and a new headcount requirement.

- Extend Maritime Finance Incentive for a further 5 years to 31 March 2016.
- New 10% tax incentive for ship brokers and Forward Freight Agreement traders.
- Include ship management fees under Section 13A of Income Tax Act and the Approved International Shipping Enterprise Scheme.
- Extend qualifying registered Business Trusts concession another 5 years to 31 March 2015.
- Renew and enhance Investment Allowance scheme for aircraft rotables for another 5 years to 31 March 2015.



## PERSONAL TAX

- No changes in personal tax rates with highest rate at 20%.
- Reduce withholding tax rate from 15% to 10% for non-resident public entertainers.
- Increase in parent relief.
- Expand wife relief to spouse relief.
- Waive income threshold condition for handicapped dependent-related reliefs.
- Increase income threshold condition for all other dependent-related reliefs from the current \$2,000 to \$4,000.
- Increase in course fee relief from \$3,500 to \$5,500.

## PROPERTY TAX

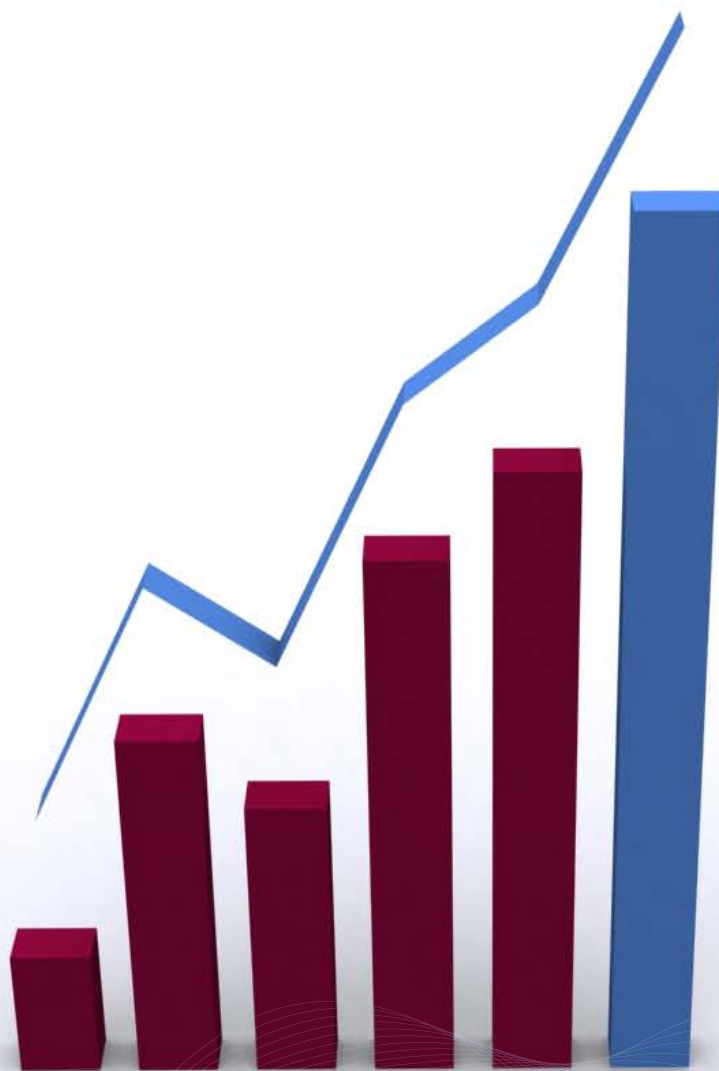
- Replace current 4% property tax rate for owner-occupied residential properties with progressive tax rates of 0% (first \$6000 AV), 4% (next \$59,000 AV) and 6% (AV in excess of \$65,000).

## GOODS AND SERVICES TAX (GST)

- Expand GST zero-rating for marine industry.
- Defer import GST for at least one month for approved GST-registered businesses.
- Simplify GST accounting rules to allow most businesses to account for GST at the earlier of: when tax invoice is issued or when payment is received.

## OTHERS

- Extend tax deduction of 250% for another year for donations made during the period from 1 January 2010 to 31 December 2010.



Published by:

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### Writer's Caveat

These articles have merely attempted to provide a broad overview on the subject matters. It is not in any way intended to be comprehensive and no specific action should be taken on the basis of the above without consulting your professional advisors.