

SINGAPORE BUDGET 2020 HIGHLIGHT

Individual Tax

Main key points

- No change on personal tax rate.
- Angel Investor Tax Deduction scheme to lapse after 31 March 2020.
- No personal tax rebate introduced



Stamp duty

Main key points

- Stamp duty relief for M&A scheme will lapse on or after 1 April 2020

GST

Main key points

- GST remains the same on 2021, the government will plan to increase 2% by 2025.

HR Policies

Main key points

- Enhanced Wage Credit Scheme (WCS) announced
- Enhanced Market Readiness Assistance (MRA) grant, increased from \$20,000 to \$100,000 per new market per company, between the financial years 2020 and 2022.
- Maximum SME working capital loan quantum raised to \$600,000 for one year.

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Business Tax

Main key points

- Corporate income tax rebate of 25%, capped at S\$15,000 for Year of Assessment (YA) 2020.
- Automatic Extension of interest-free instalments of 2 months for payment on Estimated Chargeable Income Tax via GIRO system.
- Enhance Carry-Back Relief Scheme to permit carry back of losses for up to 3 immediate preceding YAs
- Extend and enhance the Double Tax Deduction for Internalisation (DTD_i) deduction.
- Accelerated 2-years capital allowance (CA) on acquisition of machineries for YA 2021 is introduced. However, the CA is **NOT** allowed to be deferred in this option.
- Accelerated 1-year deduction on expenses incurred on renovation and refurbishment for YA 2021.
- Extend the Mergers & Acquisition (M&A) Scheme until 31 December 2025.

Possible tax benefits

- Maximise the tax rebate
- Companies under GIRO scheme will be able to alleviate their cashflow issue, if they file within 3 months from their financial year end.
- Companies which have cashflow issue may claim refund if they have tax losses in YA 2020 and paid tax in any YA from 2017 to 2019 before 30 November 2020.
- Companies that wish to expand their business further globally can take advantage as this scheme have wider range of expenditures newly introduced to be covered.
 - (a) *Third-party consultancy costs related to **new** overseas business development.*
 - (b) *New categories of expenses incurred for overseas business missions.*
- Companies are encouraged to purchase machineries in the financial year ended 2020 to enhance productivity.
- Companies in certain industries (e.g Hospitalities and Tourism industries) are encouraged to renovate in order to attract high volume of customer to boost the economy.
- Companies are encouraged to consider M&A as a strategy for growth.

