

BUDGET 2011

GENERAL TAX CHANGES FOR BUSINESSES

Name of Tax Change	Current Treatment	New Treatment
SUPPORT INTERNATIONALISING COMPANIES		
<p>Streamlining of the section 14B and section 14K Tax Deduction Schemes</p>	<p>Currently, sections 14B and 14K of the Income Tax Act allow approved firms double or further tax deductions on eligible expenses incurred for qualifying market development activities and qualifying investment development activities respectively. This incentive is administered by International Enterprise (“IE”) Singapore and the Singapore Tourism Board (“STB”).</p> <p>The tax deduction schemes currently do not have a sunset clause.</p>	<p>The sections 14B and 14K tax deduction schemes will be merged into a single scheme given their common objective of assisting businesses to internationalise and expand overseas. The merged scheme will also be simplified to allow more businesses to benefit from the scheme. For instance, businesses can now submit their applications up to the day of their overseas marketing trip, instead of seven days before the trip.</p> <p>A sunset clause will be introduced for this scheme – 31 March 2016. The sunset clause allows us to review schemes on a regular basis and ensure that they continue to be useful to the industry.</p> <p>These changes will apply to applications submitted and approved on or after 1 April 2011.</p> <p>IE Singapore will release further details by end March 2011.</p>