

BUDGET 2011

SECTOR-SPECIFIC TAX CHANGES FOR BUSINESSES

Name of Tax Change	Current Treatment	New Treatment
STRENGTHEN SINGAPORE’S POSITION AS THE LEADING FINANCIAL CENTRE		
<p>Extension of Tax Incentive Schemes for Project Finance</p>	<p>The package of tax incentive schemes for Project Finance include:</p> <ul style="list-style-type: none"> a) Exemption of qualifying income from qualifying project debt securities (“QPDS”); b) Exemption of foreign-sourced interest income from offshore qualifying infrastructure projects/ assets received by approved entities listed on the Singapore Exchange (“SGX”); c) Remission of stamp duty payable on the instrument of transfer relating to qualifying infrastructure projects/assets to qualifying entities listed or to be listed on the SGX; d) Concessionary tax rate of 5% on qualifying income derived by a Financial Sector Incentive-Project Finance (“FSI-PF”) company from: 	<p>With the exception of the FSI-PF, the existing package of tax incentive schemes for Project Finance will be extended till 31 March 2017.</p> <p>The FSI-PF scheme will lapse on its expiry date of 31 December 2011. Financial institutions can enjoy similar tax benefits of the FSI-PF under the FSI-Credit Facilities Syndication and FSI-Bond Market tax incentive schemes.</p> <p>MAS will release further details of the changes by end April 2011.</p>

	<p>(i) arranging, underwriting or distributing any QPDS;</p> <p>(ii) arranging or underwriting any qualifying project loan; and</p> <p>(iii) providing project finance advisory services relating to a qualifying infrastructure project; and</p> <p>e) Concessionary tax rate of 10% on qualifying income derived by an approved¹ Trustee Manager / Fund Manager from managing qualifying SGX-listed Business Trusts / Infrastructure funds in relation to qualifying offshore infrastructure projects/assets.</p> <p>The sunset clause for these incentive schemes is 31 December 2011.</p>	
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¹ “Approved” means approved by the Minister or such person as he may appoint.