

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		
Enhancement to the Tax Incentive Scheme for Trustee Company	Trustee companies approved on the scheme can enjoy a concessionary tax rate of 10% on income derived from the provision of qualifying trustee and custodian services, trust management and administration services.	<p>To streamline the scheme and align the administration of the incentive with other tax incentive schemes, the following changes will be made to the scheme:</p> <ul style="list-style-type: none">a) A sunset clause will be introduced for the 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;b) Award recipients approved on or after 1 April 2011 will be offered a 10-year award tenure;c) All existing award recipients will automatically transit to the new framework on 1 April 2011. They will enjoy the scheme for a period of 10-year ending 31 March 2021; andd) The list of qualifying activities will be expanded to include the provision

		<p>of trustee and custodian services in respect of the issue of units of foreign Collective Investment Schemes and foreign Business Trusts with effect from 1 April 2011.</p> <p>MAS will release further details of the changes by end April 2011.</p>
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