

Budget 2017

Tax Changes for Businesses

Name of Tax Change	Current Treatment	New Treatment
Simplifying and Rationalizing our Tax Regime		
<p>Allowing the accelerated Writing-Down Allowances (“WDA”) for acquisition of Intellectual Property Rights (“IPRs”) for Media and Digital Entertainment (“MDE”) content scheme to lapse</p>	<p>An approved MDE company or partnership is allowed to claim WDA over a period of two years for capital expenditure incurred in respect of IPRs pertaining to films, television programmes, digital animation or games, or other MDE content acquired for use in its business.</p> <p>The accelerated WDA for the MDE content scheme is scheduled to lapse in respect of IPRs acquired for MDE content after the last day of the basis period for YA2018.</p>	<p>As the scheme is assessed to be no longer relevant, and to simplify our tax regime, the accelerated WDA for the MDE content scheme will be allowed to lapse, in respect of IPRs acquired for MDE content after the last day of the basis period for YA2018.</p> <p>MDE companies or partnerships may elect to claim WDA over a writing-down period of 5, 10 or 15 years on the capital expenditure incurred to acquire the qualifying IPRs¹ under Section 19B of the ITA.</p>

¹ The qualifying IPRs under Section 19B of the ITA are patents, trademarks, registered designs, copyrights, geographical indications, lay-out designs of integrated circuits, trade secret or information that has commercial value, and plant varieties, but exclude IPRs specified under Section 19B(11A) of the ITA.