

Budget 2017

Tax Changes for Businesses

Name of Tax Change	Current Treatment	New Treatment
Simplifying and Rationalizing our Tax Regime		
<p>Allowing the International Arbitration Tax Incentive (“IArb”) to lapse</p>	<p>The IArb was introduced to encourage the provision of international arbitration services and attract overseas law practices to set up international arbitration services in Singapore. The incentive grants approved law practices¹ 50% tax exemption on qualifying incremental income derived from the provision of legal services in connection with international arbitration. The maximum tax relief period is five years.</p> <p>The IArb is scheduled to lapse after 30 June 2017.</p>	<p>Over the past decade, Singapore has grown as an international arbitration hub. As part of the Government’s regular review of tax incentives, the IArb will be allowed to lapse after 30 June 2017.</p> <p>We will continue to develop and strengthen our arbitration landscape, including by:</p> <ul style="list-style-type: none"> • Strengthening our legislative framework; • Expanding Maxwell Chambers, our integrated dispute resolution complex; and • Supporting local dispute resolution institutions and top international institutions seeking to base in Singapore or use Singapore as a venue for arbitration activities.

¹ Law practice means a Singapore law practice, foreign law practice, Formal Law Alliance or Joint Law Venture.