

## Budget 2017

### Tax Changes for Businesses

Name of Tax Change	Current Treatment	New Treatment
<b>Other Tax Changes</b>		
Extending the Withholding Tax (“WHT”) exemption on payments for international telecommunications submarine cable capacity under an Indefeasible Rights of Use (“IRUs”) agreement	<p>As payments for international telecommunications submarine cable capacity under an IRU agreement fall under the scope of Section 12(7) of the ITA, persons making such payments to non-residents are required to withhold tax on the payments. The WHT exemption on payments for international telecommunications submarine cable capacity under an IRU agreement was introduced to encourage telecommunications operators to provide international connectivity.</p> <p>The scheme is scheduled to lapse after 27 February 2018.</p>	<p>In line with the Government’s thrust to grow the digital economy and continue to be a key hub for data flow, the WHT exemption on payments for international telecommunications submarine cable capacity under an IRU agreement will be extended till 31 December 2023.</p>