

Budget 2017

Tax Changes for Businesses

Name of Tax Change	Current Treatment	New Treatment
Other Tax Changes		
<p>Extending and refining the Integrated Investment Allowance (“IIA”) scheme</p>	<p>The IIA scheme was introduced to keep pace with the evolving business environment. The scheme grants a qualifying company an additional allowance⁴ in respect of the fixed capital expenditure incurred on qualifying productive equipment placed with an overseas company for an approved project.</p> <p>For the purpose of the scheme, one of the qualifying requirements is that the qualifying productive equipment has to be used by the overseas company solely to manufacture products for the qualifying company under the approved project.</p> <p>EDB administers the scheme.</p> <p>The IIA scheme is scheduled to lapse after 28 February 2017.</p>	<p>The IIA scheme will be extended till 31 December 2022. Also, the qualifying productive equipment may be used by the overseas company primarily to manufacture products for the qualifying company under an approved project.</p> <p>The above liberalisation in the qualifying requirement will apply to expenditure incurred on a qualifying productive equipment for a project approved on or after 21 February 2017.</p>