

## Budget 2017

### Tax Changes for Businesses

Name of Tax Change	Current Treatment	New Treatment
<b>Other Tax Changes</b>		
Introducing a safe harbour rule for payments under Cost Sharing Agreements (“CSAs”) for R&D projects	Taxpayers claiming tax deduction for R&D expenditure under Section 14D of the ITA for payments made under a CSA (“CSA payments”) are subject to specific restriction rules for certain categories of expenditure disallowed under Section 15 of the ITA. As such, the breakdown of the expenditure covered by the CSA payments is examined so as to exclude the disallowed expenditure.	To ease compliance, taxpayers may opt to claim tax deduction under Section 14D for 75% of the payments made under a CSA incurred for qualifying R&D projects instead of providing the breakdown of the expenditure covered by the CSA payments.