

Can we raise more revenue through corporate taxes?

**BASE EROSION
AND PROFIT
SHIFTING
(BEPS 2.0)**

There are two Pillars in BEPS 2.0.

Under Pillar 1 of BEPS 2.0, we will lose tax revenue as we have a significant extent of economic activities conducted here but a small domestic market.



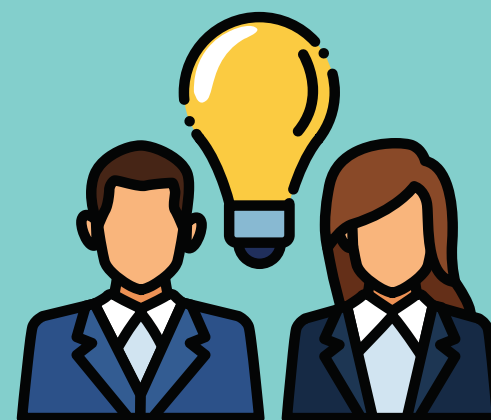
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In response to Pillar 2 of BEPS 2.0, we are studying the possible implementation of a Minimum Effective Tax Rate (METR), which will top up the Multinational Enterprise's group effective tax rate in Singapore to 15%.



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METR will raise more taxes **if** our tax base remains unchanged.

This is a big "if" - the eventual impact of Pillar 2 on our total tax revenue will depend on how governments and companies respond.



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With BEPS 2.0, companies will review existing and new investment. Other governments will also compete via non-tax means to make up for what they can no longer do so through tax incentives.





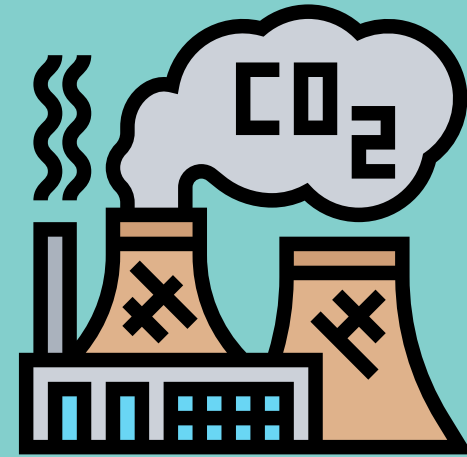
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Even if we can generate additional corporate tax revenue from BEPS 2.0, we will have to reinvest this to **enhance our overall competitiveness**, attract investments and **create good jobs for all Singaporeans.**



What about Carbon Tax?



The increase in carbon tax announced in #SGBudget2022 is not expected to generate additional revenue.



What about Carbon Tax?

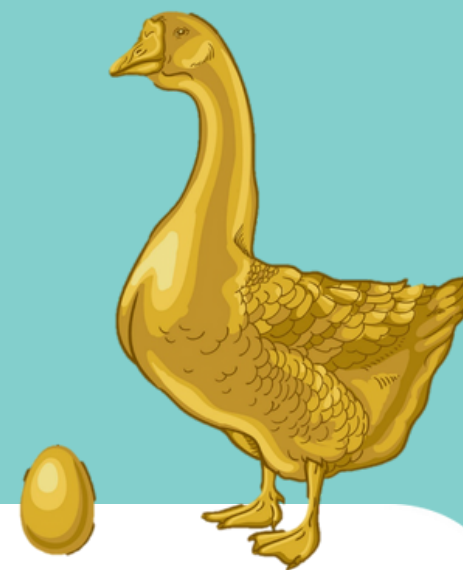


The carbon tax revenue will go towards decarbonisation, in new low-carbon and more energy efficient solutions.

Some of the revenue will be used to cushion the impact on households and businesses.



Can we use more NIRC
or spend more from
land sales?



Adjusting the Net Investment Returns Contribution (NIRC) parameters or using more of land sales means using more from the reserves today, and leaving less for future generations.





Can we use more NIRC
or spend more from
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This will translate to a **heavier tax burden**
for our children and future generations.



Can we use more NIRC
or spend more from
land sales?



Let's ensure our children will always have access to sufficient resources to meet future emergencies, and a steady stream of income for their future needs.