ANNEX B: SUMMARY TABLE ON PROPOSED NON-BUDGET CHANGES TO THE INCOME TAX ACT 1947 ("ITA")

S/N	Proposed Legislative Changes	Brief Description of Proposed Legislative Changes	Proposed Amendment to ITA [Clause in Proposed Finance (Income Taxes) Bill 2025]
1	Allow IRAS to offset the amount of Enterprise Innovation Scheme Cash Payout ("EIS CP") to be made to a qualifying business against any outstanding amount owed by the business due to the recovery of past EIS CP	This amendment expands the scope of items (i.e., tax, duty, interest or penalty) that EIS CP could be used to offset to include recovery of past EIS CP. This streamlines and facilitates the recovery of debts due to the Government. The legislative amendments will take effect from the gazette date of the amendments.	Section 37R [Clause 28]
2	Identify related parties of trusts and partnerships and exclude non-commercial private trusts from transfer pricing requirements	The amendments clarify how to identify the related parties of trusts and partnerships for transfer pricing purposes, and that transfer pricing requirements will not apply to non-commercial private trusts. This provides more tax certainty to trusts and partnerships. The legislative amendments will take effect from the gazette date of the amendments.	Sections 34D and 34F [Clauses 23 and 24]
3	Expand the scope of Spouse Relief, Spouse Relief (Disability) and Life Insurance Relief	To align the scope of Personal Income Tax reliefs with the current social context for gender equality, the following changes will be made: a. Expand the scope of Spouse Relief and Spouse Relief (Disability) to cover maintenance payments made by legally separated wives to their husbands under a court order / deed of separation; and	Section 39(2) [Clause 29]

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		b. Expand the scope of Life Insurance Relief to cover life insurance premiums paid by wives on their husbands' lives. The legislative amendments will take effect from Year of Assessment ("YA") 2026.	
4	Disallow tax deduction on bribes and other expenses incurred in the furtherance of bribery	The amendment explicitly disallows the tax deduction of bribes and other expenses incurred in furtherance of bribery. This will bring legislation in line with IRAS' existing practice to disallow such deduction claims. There is no change to the Government's stance on this matter. The legislative amendments will take effect from the gazette date of the amendments.	Section 15(1) [Clause 18]
5	Simplify the tax deduction rules for transfer of treasury shares under employee equity-based remuneration ("EEBR") schemes	To ensure that our tax regime remains relevant and competitive, the tax deduction rules for the transfer of treasury shares of the company or the holding company to employees under EEBR schemes will be simplified as follows: a. <u>Where treasury shares are those of the company</u>. The deduction will be the cost of acquiring the shares to the company, less any amount payable by the employee. b. <u>Where treasury shares are those of the holding company</u>. The deduction will be the lower of:	Sections 14M and 15(1) [Clauses 15 and 18]

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		i. The amount paid or payable by the company to the holding company or a special purpose vehicle in respect of the shares transferred to the company's employees; and ii. The cost of acquiring the shares to the holding company, less any amount payable by employees for the shares. The legislative amendments will take effect from YA 2026.	
6	Introduce the Crypto-Asset Reporting Framework ("CARF")	The amendment enables Singapore to implement the CARF, which is an internationally agreed standard for the automatic exchange of information on crypto-assets between partner jurisdictions for tax purposes that Singapore has committed to. We plan to commence the first exchanges of information under the CARF from 2028. The effective date for the change will be provided through subsidiary legislation.	Sections 105I and 105K [Clauses 43 and 44]
7	Grant tax exemption for payments provided under the SkillsFuture Jobseeker Support Scheme	To achieve the objective of the SkillsFuture Jobseeker Support Scheme (i.e., provide temporary financial support to ease the pressure on involuntarily unemployed persons to rush into a new and potentially ill-fitting job) and ensure beneficiaries receive the full amount of financial support, the payouts from the SkillsFuture Jobseeker Support Scheme will be exempted from income tax. The legislative amendments will take effect from YA 2026.	Section 13(1) [Clause 4]

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8	Grant tax exemption for CPF top-ups provided under the Majulah Package Earn and Save Bonus	To achieve the objective of the Majulah Package Earn and Save Bonus (i.e., to help lower-income seniors with their retirement needs via top-ups to their CPF Retirement Accounts or Special Accounts if they continue to work) and allow the beneficiaries to receive the full amount of financial support, the Earn and Save Bonus credited to the members' CPF accounts will be exempted from income tax. The legislative amendments will take effect from YA 2026.	Section 13(1) [Clause 4]
9	Grant tax exemption for full-time training allowance ("FT TA") provided under the SkillsFuture Level-Up Programme ("SFLP") and Workfare Skills Support ("WSS") (Level-Up); and hourly training allowance provided under the WSS (Basic) Tier	To achieve the objectives of the (i) SFLP in supporting mid-career Singaporeans aged 40 and above to reskill and boost prospects in their current job or pivot to a new career; and (ii) WSS in supporting lower-wage workers to upskill and reskill earlier in their careers; and to ensure trainees receive the full amount of financial support, the following training allowances will be exempted from income tax: a. FT TA provided under the SFLP; and b. FT TA provided under WSS (Level-Up) and hourly training allowance provided under the WSS (Basic) Tier The legislative amendments will take effect from YA 2026 for the FT TA provided under the SFLP, YA 2027 for the FT TA provided under the WSS (Level-Up), and YA 2014 (for the first payout which commenced in 2013) for the hourly training	Section 13(1) [Clause 4]

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		allowance provided under the WSS (Basic) Tier (known as Workfare Training Support Training Allowance from 2013 to 2020, and WSS Training Allowance from 2020 to 2026).	
10	Amend the CPF tax relief to allow the relief on the full amount of compulsory MediSave contributions made by self-employed persons (“SEPs”) in the year preceding a YA	To support SEPs who were unable to claim CPF tax relief on the full amount of their compulsory MediSave contributions due to a decrease in their trade income in the year of MediSave contributions (vis-à-vis trade income in the preceding year, on which the said compulsory MediSave contributions were computed), the ITA will be amended to allow CPF tax relief on the full amount of compulsory MediSave contributions made by SEPs, regardless of the amount of their trade income derived in the preceding year. Consequential amendments will also be made to section 39(3A) to reflect the updated provisions on CPF tax relief. The legislative amendments will take effect from YA 2026.	Section 39(2), (3A) and (10B) [Clause 29]
11	Allow tax deduction to employers for CPF cash top-ups made on their employees’ behalf under the Voluntary Contribution to MediSave Account (“VC-MA”) scheme	To encourage employers to make CPF cash top-ups on behalf of their employees eligible for the Matched MediSave Scheme, employers will be allowed to claim tax deduction for CPF cash top-ups made on or after 1 January 2026 by employers on their employees’ behalf to the employees’ MediSave Account under the VC-MA scheme. The legislative amendments will take effect from YA 2027.	Section 15(1) [Clause 18]

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12	Align the law with the current administrative concession to refund excess taxes paid by foreign employees on deemed gains from employee stock options or share awards, if they subsequently realise a lower amount of gains (including no gains due to forfeiture of stock option / share award)	To align the law with IRAS' current administrative concession, the ITA will be amended to allow IRAS to refund any excess taxes paid by foreign employees based on deemed gains on employee stock options or share awards when they cease employment in Singapore, if they subsequently realise a lower amount of gains (including no gains due to forfeiture of stock option / share award) than what they were subject to tax on. Any application for a refund of excess taxes must be made within a prescribed period of four years. This will bring the legislation in line with IRAS' existing practice, and provide legal certainty. The legislative amendments will take effect from the gazette date of the amendments.	Section 10(7AA) [Clause 3]
13	Provide the Minister or the Comptroller with powers to extend certain deadlines pertaining to transfer of businesses by insurers	The amendment provides the Minister or the Comptroller with the power to extend the following deadlines pertaining to the tax framework for transfer of business by insurers: a. The deadline for an insurer to wind up or dissolve following a scheme of transfer; and b. The requirement for the insurer to transfer its non-insurance business within one year from the transfer of the insurance business (i.e., 12 months before or after the transfer of the insurance business). The legislative amendments will take effect from the gazette date of the amendments.	Section 34CA [Clause 22]

S/N	Proposed Legislative Changes	Brief Description of Proposed Legislative Changes	Proposed Amendment to ITA [Clause in Proposed Finance (Income Taxes) Bill 2025]
14	Clarify the recovery mechanism for the Corporate Income Tax Rebate Cash Grant	This amendment clarifies the procedures to recover Corporate Income Tax Rebate Cash Grant disbursed to non-qualifying companies or overpaid to companies. The legislative amendments will take effect from the gazette date of the amendments.	Section 93C [Clause 42]
15	Clarify the treatment for tax-exempt losses under the Maritime Sector Incentive ("MSI")	This amendment clarifies that the treatment to quarantine tax-exempt losses (i.e., only allowed to be set off against tax-exempt income) applies to all qualifying activities under the MSI-Shipping Enterprise (Singapore Registry of Ships) and MSI-Approved International Shipping Enterprise Award. The legislative amendments will take effect from the gazette date of the amendments.	Sections 13A(3) and 13E(4) [Clauses 5 and 6]
16	Technical amendments to sections 14(1)(d) and 14G on tax deductions relating to bad debts and doubtful debts	These amendments align the relevant terms in the ITA with the language (i.e., "impairment losses or expected credit losses") used in the Singapore Financial Reporting Standards (International). Consequential amendments will also be made to section 34AA to update the outdated terms. The legislative amendments will take effect from the YA 2027.	Sections 14(1), (8) 14G(1), (2A), (2C), (2CA), (2E), (4A), (6A), (7), 34AA(2) and (15) [Clauses 10, 13 and 21]
17	Consequential amendments arising from past changes relating to tax incentives for funds and sovereign funds	The first part of this amendment expands the meaning of "eligible SPV" under the section 13U(5) fund tax incentive to include SPVs whose co-investors are section 13V incentivised funds owned by international organisations.	Sections 13U and 43(3F) [Clauses 8 and 30]

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		The second part of this amendment updates section 43(3F) to provide for a concessionary tax rate of 10% for distributions made by certain Real Estate Investment Trust or Real Estate Investment Trust Exchanged-Traded Funds listed on the Singapore Exchange to: a. A partner of a limited partnership fund incentivised under section 13OA; and b. A section 13V incentivised fund entity owned by an international organisation. The amendments are consequential to the 2024 expansions of the sovereign funds and funds tax incentives to include funds owned by international organisations and funds constituted in the form of limited partnerships. The legislative amendments relating to international organisations will take effect from 7 February 2024. The legislative amendments relating to limited partnerships will take effect from 1 January 2025.	