SUMMARY TABLE ON CHANGES AS ANNOUNCED AT BUDGET 2011 STATEMENT

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
1	Enhancement of the Productivity and Innovation Credit ("PIC") Scheme	To further encourage pervasive innovation and raise productivity efforts, the PIC scheme is simplified and enhanced in 4 main areas: (a) The quantum of PIC deduction is increased to 400% of qualifying expenditure (up from 250% currently), for the first $400,000 spent on <u>each</u> qualifying activity (up from $300,000 currently); ➢ The change is effective from Year of Assessment (YA) 2011 to YA 2015 (b) R&D conducted abroad, not just R&D done in Singapore, will qualify; (c) The $400,000 expenditure cap per year for YA 2013 to YA 2015 is combined into a 3-year block of expenditure of $1.2 million. Businesses have more flexibility to utilise any amount up to the 3-year block within YA 2013 to YA 2015 for each qualifying activity; (d) Taxpayers can opt to receive, in lieu of a tax deduction, a cash payout of 30% of the first $100,000 of qualifying expenditure, up to $30,000 (up from the original $21,000). ➢ The cash payout is available from YA 2011 to YA 2013. ➢ Taxpayers may also combine the YA 2011 and YA 2012 cash payout of up to	Sections 14A, 14DA, 14R, 14S, 14T, 19, 19A, 19B and 37I [Clauses 16, 18, 22, 23, 24, 28, 29, 30 and 32]

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
		$60,000. For YA 2013, the cash payout is up to $30,000. Currently, taxpayers claiming PIC benefits on prescribed automation equipment have to use the equipment for one year; else the PIC benefits would be clawed back. Legislative amendments are provided for Minister, or such person appointed by him, to waive the claw-back of PIC benefits on the early disposal of a prescribed automation equipment under the following two circumstances: (a) The capital expenditure incurred on other prescribed automation equipment acquired is more than or equal to the amount of PIC expenditure cap, and thus may be substituted for the expenditure on the equipment claimed initially, for that relevant year of assessment; and (b) The Minister or the person appointed by him is satisfied that there is a bona fide commercial reason for the disposal or lease of the equipment.	
2	One-off corporate income tax rebate of 20% or SME cash grant of up to $5,000	A corporate income tax ("CIT") rebate of 20% of the corporate income tax payable, capped at $10,000 is granted for YA 2011. As many small companies pay little taxes and so may not benefit fully from the CIT rebate, a one-off SME cash grant is given instead. The grant is based on 5% of the company's revenue for YA 2011, subject to a cap of $5,000. The company has to make CPF contributions for its employees in YA 2011 to qualify for the grant. Companies will automatically receive the higher	Sections 92A and 92B [Clause 59]

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
		of the tax rebate or the grant when IRAS assesses their YA 2011 corporate income tax returns.	
3	Introduction of the Foreign Tax Credits ("FTC") Pooling System	Resident taxpayers may elect for the pooling of tax credits on foreign tax suffered on their foreign income taxable in Singapore from YA 2012, if the following conditions are fulfilled: (a) Foreign income tax is paid on the foreign income; (b) The headline tax rate of the foreign jurisdiction is at least 15% at the time the foreign income is received in Singapore; and (c) There is Singapore tax payable on the foreign income and the taxpayer is entitled to claim double taxation relief, unilateral tax relief or tax relief on trust income to which beneficiary is entitled on that foreign income. The amount of FTC to be granted is based on the lower of the pooled foreign taxes paid on the foreign income and the total Singapore tax payable on such foreign income.	Section 50C [Clause 52]
4	Introduction of the new Maritime Sector Incentive ("MSI") Scheme	To continue to promote Singapore as an International Maritime Center, all existing tax incentives for the maritime sector are streamlined and consolidated under the new Maritime Sector Incentive ("MSI") effective from 1 June 2011. There are three broad categories under the MSI: (a) International Shipping Operations, (b) Maritime (Ship or Container) Leasing, and (c) Shipping-related Support Services. Enhancements are also introduced under the MSI. Specifically, the legislative amendments are intended to effect the following key changes	Sections 13F, 13S, 43W, 43ZA, 43ZB, 43ZE, 43ZF, Miscellaneous amendment- Sections 14C, 37B, 37E of the Income Tax Act and section 66 of Economic Expansion

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
		under the MSI: (i) Introduction of a new award under the International Shipping Operations category for qualifying entry players (i.e. the MSI Approved International Shipping Enterprise (Entry) award). Qualifying entry players would be granted the tax benefits under the MSI-Approved International Shipping Enterprise award for a non-renewable 5-year period. There is the option of graduating to the MSI-AIS award at the end of the 5-year period if qualifying conditions are met. (ii) Introduction of a new MSI- Shipping-related Support Services award to encourage shipping-related support service providers to base their operations in Singapore, and more shipping conglomerates to conduct their ancillary activities here. The award is granted for 5 years and offers 10% concessionary tax rate on incremental income derived from the provision of qualifying shipping-related support services. Qualifying shipping-related support services include: (a) Ship management, ship agency, and shipping freight/logistic services (previously covered under the Approved Shipping Logistics scheme); (b) Ship broking and trading of Forward Freight Agreements (previously covered under the ship broking and Forward Freight Agreement trading incentive); and (c) Qualifying corporate services (these activities have not been covered under any maritime tax incentives previously). (iii) Introduction of a sunset date of 31 May 2016	Incentives (Relief from Income Tax) Act [Clauses 9, 11, 41, 43, 44, 46, 47, 67 and 69]

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
		for awards under the MSI-Maritime Leasing (Ship or Container), MSI- Shipping-related Support Services category and the MSI-Approved International Shipping Enterprise (Entry) award.	
5	Deductions for overseas market development expenses	Presently, double tax deductions are available for certain expenses incurred by businesses expanding overseas, including expenses incurred for overseas marketing and project offices. These existing deductions have been merged and streamlined into a single scheme for promoting internationalisation. In addition, the following changes are made under the new scheme: (i) *Waiver of the Permanent Establishment condition for qualifying expenses relating to an Overseas Marketing Office.* Currently, a firm may apply for Double Tax Deduction (DTD) under Section 14B for qualifying expenses, such as maintenance and promotional expenses, incurred for maintaining an Overseas Marketing Office (OMO). Amongst other qualifying criteria, the firm must not have a Permanent Establishment in the country in which the OMO is established. (herein referred to as the "Permanent Establishment condition"). From 1 April 2011, this condition may be waived on a case-by-case basis. This will facilitate business expansion within large countries, where separate OMOs could be set up in different regions within a country. *(ii) Removal of Overseas Project Offices (OPO) from the list of qualifying activities.* This qualifying activity is removed from 1	Sections 14B and 14K [Clauses 17 and 19]

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
		April 2011 as it is no longer relevant. Generally, businesses seek out investment opportunities directly in foreign markets without setting up an OPO. *(iii) Introduction of sunset clause of 31 March 2016 to the scheme.*	
6	Tax Exemption Scheme for Marine Hull and Liability Insurance Business	The Tax Exemption Scheme for Marine Hull and Liability Insurance Business provides for exemption of specified income derived by an approved insurer. A framework is introduced to allow existing incentive recipients to renew their incentive awards at a concessionary tax rate of 0% or 5%.	Section 43C [Clause 35]
7	Tax Incentives for Project Finance	The Qualifying Project Debt Securities ("QPDS") and Infrastructure Trustee Manager/ Fund Manager tax incentives are amongst several tax incentives for Project Finance that are extended till 31 March 2017.	Sections 13, 43ZD, 45 and 45A. [Clauses 5(a), 45, 48 and 49]
8	Tax Incentive Scheme for Trustee Company	The changes to the incentive are as follows: (a) A sunset clause of 31 March 2016 is introduced for the scheme; (b) Award recipients approved on or after 1 April 2011 will be offered a 10-year award tenure; (c) All existing award recipients have been automatically transited to the new framework on 1 April 2011 and will enjoy the scheme	Sections 43D and 43J [Clauses 36 and 38]

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
		for a period of 10 year ending 31 March 2021.	
9	Tax Exemption on Income Derived from Structured Products	Currently, income derived by non-resident non-individuals from any structured product offered by a financial institution in Singapore is exempt from tax. This is applicable to payments made on structured product contracts which are issued, renewed or extended during the period from 1 January 2007 to 31 December 2011 (both dates inclusive). The existing tax exemption scheme for income derived by non-resident non-individuals from structured products is extended to 31 March 2017.	Section 13 [Clause 5(c) and (d)]
10	Global Trader Program (GTP) scheme	The changes to the GTP scheme are as follows: (a) The existing list of qualifying derivative instruments under the GTP scheme is expanded to include all derivative instruments. This enhancement will apply to qualifying income derived by a GTP company from YA 2012. (b) An expiry date of 31 March 2021 is introduced for the GTP scheme. The existing sunset clauses for the GTP enhancements will be aligned to this common expiry date.	Section 43P [Clause 40]
11	Finance & Treasury Centre (FTC) Incentive	An expiry date of 31 March 2016 is introduced for the FTC Incentive. This allows for the scheme to be reviewed nearer the expiry date.	Section 43G [Clause 37]

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
12	Employee Equity-Based Remuneration (EEBR) Scheme	Companies may claim tax deduction on costs incurred on treasury shares used to fulfil employee equity-based remuneration. Companies have fed back that they may use special purpose vehicles (SPVs) to acquire the parent company's shares for EEBR. Changes are introduced to allow tax deduction to the taxpayer for the cost incurred on acquisition of its parent company's shares through a SPV to fulfil its EEBR obligations, subject to the following: (a) The SPV is a trustee of a trust that is set up solely to hold shares for the purpose of the EEBR schemes for companies within the group; (b) The SPV acquires the parent company's shares from the parent company or the market and holds them in trust for the employees of the companies within the group for the EEBR scheme(s); (c) The amount of tax deduction depends on whether the SPV acquired the parent company's shares from the parent company or the market. This will take effect when shares are applied for the benefit of employees from YA 2012 onwards. The company is eligible to claim a tax deduction at which the later of the following occurs: (a) the company applies the parent company's shares for the benefit of its employees under its EEBR scheme through a SPV; or (b) the company is liable to pay the SPV for the	Sections 14PA and 15 [Clauses 21 and 26(b)]

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
		shares transferred. As is currently the case, no tax deduction is allowed in respect of the costs incurred by the company in the purchase of its parent company's newly issued shares through the SPV.	
13	Enhancement to Concession for Enterprise Development	The new tax deduction on pre-commencement expenses is to further relieve businesses of start-up costs incurred. Currently, until the first dollar of business receipts is earned, there is no income to tax. Hence, expenses incurred before the first dollar of business receipts is earned are generally not deductible[1]. The change allows businesses to claim pre-commencement revenue expenses incurred in the accounting year immediately preceding the accounting year in which they earn the first dollar of business receipt. The new tax deduction on pre-commencement expenses is effective from YA 2012. Thus, businesses may claim in YA 2012 pre-commencement revenue expenses incurred during the accounting year ending in 2010 (YA 2011) if the first dollar of business receipt is earned in the accounting year ending in 2011 (YA 2012), and so on.	Section 14U [Clause 25]
14	250% Deduction on Qualifying Donations	For donations made to Institutions of a Public Character, Government approved museums and prescribed educational/ research institutions during the period from 1 January 2009 to 31 December 2010, the tax deduction was enhanced to 250% of the amount of donation.	Section 37(3A) [Clause 31(a)]

[1] There is an existing administrative concession that allows the deduction of expenses incurred in the same basis year as the first dollar of business receipt is earned. The concession was introduced in YA 2004.

<table>
<tr><th>s/n.</th><th>Legislative Change</th><th>Brief Description of Legislative Change</th><th>Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]</th></tr>
<tr><td></td><td></td><td>The tax deduction of 250% of the donations made is extended for another five years for donations made from 1 January 2011 to 31 December 2015. All existing qualifying conditions for tax deduction remain unchanged.</td><td></td></tr>
<tr><td>15</td><td>Changes to Personal Income Tax Rate Structure</td><td>With effect from YA 2012, the new tax rate structure of resident individuals and Hindu Joint Family is as below.
<table>
<tr><th colspan="4">Tax Structure with effect from YA 2012</th></tr>
<tr><th></th><th>Chargeable Income ($)</th><th>Tax Rate (%)</th><th>Gross Tax Payable ($)</th></tr>
<tr><td>On the first</td><td>20,000</td><td>0</td><td>0</td></tr>
<tr><td>On the next</td><td>10,000</td><td>2</td><td>200</td></tr>
<tr><td>On the first</td><td>30,000</td><td>-</td><td>200</td></tr>
<tr><td>On the next</td><td>10,000</td><td>3.5</td><td>350</td></tr>
<tr><td>On the first</td><td>40,000</td><td>-</td><td>550</td></tr>
<tr><td>On the next</td><td>40,000</td><td>7</td><td>2,800</td></tr>
<tr><td>On the first</td><td>80,000</td><td>-</td><td>3,350</td></tr>
<tr><td>On the next</td><td>40,000</td><td>11.5</td><td>4,600</td></tr>
<tr><td>On the first</td><td>120,000</td><td>-</td><td>7,950</td></tr>
<tr><td>On the next</td><td>40,000</td><td>15</td><td>6,000</td></tr>
<tr><td>On the first</td><td>160,000</td><td>-</td><td>13,950</td></tr>
<tr><td>On the next</td><td>40,000</td><td>17</td><td>6,800</td></tr>
<tr><td>On the first 200,000</td><td>200,000</td><td>-</td><td>20,750</td></tr>
<tr><td>On the next</td><td>120,000</td><td>18</td><td>21,600</td></tr>
<tr><td>On the first</td><td>320,000</td><td>-</td><td>42,350</td></tr>
<tr><td>In excess of</td><td>320,000</td><td>20</td><td></td></tr>
</table></td><td>Part A of the Second Schedule [Clause 66]</td></tr>
<tr><td>16</td><td>One- off Personal Income Tax</td><td>A one-off personal income tax rebate of 20% is granted to a resident individual or Hindu Joint Family for YA 2011. The rebate is capped at</td><td>[Clause 68]</td></tr>
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s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
	Rebate of 20% for resident individuals	$2,000 per taxpayer.	
17	Tax Exemption for Alimony and Maintenance Payments	Presently, receipts of alimony and maintenance payments are income for income tax purposes. *Alimony payments* Female taxpayers will be exempted from tax on receipt of alimony and maintenance payments made under the Court Order or Deed of Separation. This exemption is applicable whether the payments are made voluntarily or paid under a Court Order or Deed of Separation by the former husbands or husbands. The change is effective from YA 2012. *Spouse relief and handicapped spouse relief* The spouse relief and handicapped spouse relief are granted to recognise taxpayers who support their spouses. Spouse relief and handicapped spouse relief will no longer be granted to taxpayers who pay alimony to their former spouses. The change is effective from YA 2012.	Sections 13, 39 and 51 [Clauses 5(f), 34(a) to (g), 34(j), 34(k) and 53]
18	CPF contribution rate and salary ceiling changes	It was announced in Budget 2011 that - (a) the employer's compulsory CPF contribution rate will be raised by another 0.5% point to 16% with effect from 1 September 2011; and (b) the current CPF monthly salary ceiling of $4,500 will be raised to $5,000 with effect from 1 September 2011.	Sections 10C(12), 14(1)(e) and 39(2)(h) [Clauses 3(b) and (c), 15(a), and 34(h) and (i)]

s/n.	Legislative Change	Brief Description of Legislative Change	Amendment to Income Tax Act [Clause in Income Tax (Amendment) Bill]
		Corresponding changes are made to the Income Tax Act for (i) the tax deduction allowed on compulsory contributions made by employers to the CPF, (ii) the tax relief allowed to self-employed individuals on their CPF contributions and (iii) the income base liable for compulsory employer CPF contribution that is exempt from tax.	
19	Tax benefit for voluntary Medisave CPF contributions made by eligible companies to Self-employed Persons	To help self-employed persons (SEPs) increase their CPF savings – (a) tax deduction is allowed on qualifying voluntary contributions of up to $1,500 per year made by eligible companies to the Medisave account of a SEP; and (b) exemption is given to SEP on these contributions of up to $1,500 per year. This change applies to qualifying voluntary contributions made on or after 1 January 2011 by eligible companies to the Medisave Account of SEPs.	Sections 10C(4), (5), 13(1)(jc), (16), 14(1)(fa) and 15(1)(i) [Clauses 3(a), 5(b) and (i), 15(b) and 26(a)]

SUMMARY TABLE ON PROPOSED NON-BUDGET CHANGES TO THE INCOME TAX ACT

s/n.	Legislative Changes	Brief Description of Legislative Changes	Amendment to Income Tax Act [Clause in Income Tax Amendment Bill]
1	Taxability of Government-paid childcare leave	The Income Tax Act is amended to deem Government-Paid Childcare Leave (GPCL) payments received by self-employed individuals as taxable income and to give this provision retrospective effect from 31 October 2008. This is consistent with the tax treatment of Government-Paid Maternity Leave (GPML) payments received by self-employed women.	Section 10(26) [Clause 2]
2	Application of exchange of information (EOI) provisions	Currently, the EOI provisions of the Income Tax Act only apply to Avoidance of Double Taxation Arrangements ("DTAs") that incorporate the internationally-agreed standard for the exchange of information upon request for tax purposes. The amendments to the EOI provisions are to allow Singapore to apply the EOI provisions to EOI agreements as well. This is to allow Singapore greater flexibility to expand its EOI network.	Sections 105A, 105B, 105BA,105C, 105D [Clauses 60, 61, 62, 63, 64 and 65]
3	Enhancements of the statutory appeal procedures in respect of tax assessments	Taxpayers have the statutory right to appeal against their income tax assessments. Amendments are made to the appeal procedures which are expected to bring greater clarity and certainty for the timely resolution of tax disputes and savings in tax compliance and administration costs. The changes are to : (a) Clarify that taxpayer's right to object to revised income tax assessments is restricted only to the revised items of income and deductions; (b) Allow the issuance of notice of	Sections 76, 79, 80, 81, 82 and savings provision [Clauses 54, 55, 56, 57, 58 and 70]

s/n.	Legislative Changes	Brief Description of Legislative Changes	Amendment to Income Tax Act [Clause in Income Tax Amendment Bill]
		refusal to amend the assessment for non-taxable cases so that taxpayers can take their cases to the Income Tax Board of Review; (c) Affirm, for the avoidance of doubt, that the notice of refusal to amend the assessment can be issued without taxpayer requesting for the notice; (d) Extend the period for taxpayer to file notice of appeal to Income Tax Board of Review from 7 days to 30 days; and (e) Allow non-taxable cases where the notional tax benefit of the disputed assessment exceeds $200 to be heard by the High Court.	
4	Private companies to certify equipment for accelerated capital allowance	Capital allowance may be given on capital expenditure incurred on equipment where the expenditure is written down over a certain number of years. To qualify for accelerated capital allowance for specified equipment, the equipment must be certified by Standards, Productivity and Innovation Board or National University of Singapore to have met the requisite criteria. The legislative amendment is to provide that the equipment may be certified by any private company appointed by the administering agencies to perform the certification work. This change ratifies the existing practice and takes effect from 2006.	Section 19A(15) [Clauses 29(e) and (f)]
5	Accord MAS bills and notes tax parity with	The amendments are intended to allow approved bills and notes issued by the MAS to enjoy the same tax treatment as that accorded to Singapore	Section 43N [Clause 39]

s/n.	Legislative Changes	Brief Description of Legislative Changes	Amendment to Income Tax Act [Clause in Income Tax Amendment Bill]
	Singapore Government Securities (SGS)	Government Securities.	
6	Expansion of scope of tax exemption for in-house ship management services	Currently, ship management fees derived by an MSI-AIS parent company from rendering ship management services to its related qualifying SPVs are treated as qualifying income to be exempted from tax under the MSI-AIS award, subject to conditions. We have received feedback that the MSI-AIS company could provide in-house ship management services to a fellow sister company in a group (i.e. both the MSI-AIS company and the sister company are owned by a common parent company). The legislative amendments extend tax exemption under the MSI-AIS award to income from in-house ship management services rendered by a company to other sister companies in a group of companies. The change is to be effective from 22 February 2010, the effective date of the Budget 2010 change to include in-house ship management income under the MSI-AIS award.	Section 13F [Clause 9]
7	Removal of "directorship condition" for the Angel Investors Tax Deduction scheme	To qualify for the Angel Investors Tax Deduction scheme, an approved angel investor is required to take up a board seat in the qualifying start-up company for the entire holding period of his investment (hereinafter referred to as the **"directorship condition"**), amongst other conditions. As angel investors are able to nurture and advise investee companies without the need to be board members, the directorship condition is not keeping with commercial reality and thus	Section 37K [Clause 33]

s/n.	**Legislative Changes**	**Brief Description of Legislative Changes**	**Amendment to Income Tax Act [Clause in Income Tax Amendment Bill]**
		removed. This change is effective from 1 April 2011.	
8	Clarification of cap for CPF Minimum Sum Topping-Up (MSTU) scheme	For avoidance of doubts, amendments are made to clarify that the tax deduction for CPF MSTU contributions for all contributions to a person's retirement or special account, (whichever is applicable) are subject to the MSTU Topping-Up Limit. The requirement to apportion the tax deduction is removed for legal clarity because there is no scenario under which the Comptroller is required to carry out that apportionment, and any adjustments will be made on the contribution amounts at source (by CPFB).	Section 39 [Clause 34(1)]
9	Compulsory provision of donors' Unique Identity Number (UIN) or Unique Entity Number (UEN) for tax deduction on donations	The Income Tax Act was amended in 2010 to provide for the compulsory provision of UIN/UEN by donors who make cash donations directly to Institutions of Public Character (IPCs). With the amendment, donors do not have to claim the tax deduction on these donations in their income tax returns with effect from YA 2012. The tax deduction would be automatically included in their tax assessments. For donors who wish to remain anonymous and do not wish to claim tax deduction, they are not required to provide their UIN/UEN to the IPCs. From 1 January 2012, the compulsory provision of UIN/UEN will be extended to donors who make cash donations to IPCs through grant maker and donations of computers and art works to approved or prescribed institutions.	Section 37(3B) [Clause 31(b)]
10	Disallowance	The legislative amendment seeks to disallow the	Section 19B

s/n.	Legislative Changes	Brief Description of Legislative Changes	Amendment to Income Tax Act [Clause in Income Tax Amendment Bill]
	of enhanced writing-down allowance under PIC for intellectual property rights (IPR) relating to software not for acquirer's own use	claiming of the PIC benefits of an additional 300% writing down allowance if the intellectual property rights pertaining to the software are acquired for purpose of licensing to others. This means that the additional 300% writing down allowance will only be available to the end-user of the software.	[Clause 30]
11	Amendment to section 13(13) to clarify on the application process for tax exemption on foreign-sourced income	The amendment to Section 13(13) clarifies that taxpayers who wish to enjoy the tax exemption granted under Section 13(12) of the Income Tax Act for specified foreign income received in Singapore under the specified scenarios, and real estate investment trusts ("REIT") are required to satisfy the Comptroller of the compliance with conditions for tax exemption before the foreign income is received in Singapore. The amendment will be effective from 9 January 2009, the date of publication of the e-tax guide on "Tax exemption under Section 13(12) for specified scenarios and real estate investment trusts" which states that the taxpayer or REIT must write in on the exemption before the foreign income is received in Singapore. This is for avoidance of doubts that the conditions should be satisfied before the income is received in Singapore.	Section 13(13) [Clause 5(h)]
12	Amendment to make clear the tax treatment for certain amounts not returned to the Supplementary Retirement	Section 10L is amended to clarify that any amount of gains or profits derived from an investment acquired using SRS funds, funds used for the investment or proceeds from the sale or liquidation of such investment, that is paid directly to the SRS member and not returned to SRS account, is a withdrawal by the SRS member from his SRS account.	Section 10L [Clause 4]

s/n.	Legislative Changes	Brief Description of Legislative Changes	Amendment to Income Tax Act [Clause in Income Tax Amendment Bill]
	Savings (SRS) account		
13	Amendment in respect of the Land Intensification Allowance provisions	The legislative amendment provides that the gross plot ratio benchmark for a building which corresponds to each specified activity carried out in the building is to be prescribed in the regulations. The provision is also amended to make clear that the annual allowances is to be granted if, among other conditions, 80% or more (instead of more than 80%) of the total floor area of the building or structure is used by a single person or partnership for the purposes of the specified trade or business.	Section 18C [Clause 27]
14	Amendments to legislative provisions on fund management tax incentives	The following amendments are made: (a) Amendment to clarify that there is no requirement for the fund manager to be prescribed in order for specified income of the fund to qualify for tax exemption under Sections 13CA, 13C and 13R. Funds managed by any fund manager defined under Section 2 of the Income Tax Act can currently qualify for these incentives if the requisite conditions are satisfied; (b) Amendment to clarify that the tax exemption under Section 13R, 13X and 13Y is subject to conditions prescribed in the regulations as well as those specified in the letter of approval of the fund; and (c) Amendment to clarify that the exemptions and concessions for trust income accruing to resident beneficiaries under Sections 13T,	Sections 13C, 13CA, 13R, 13T, 13X, 13Y, 43X and 50B [Clauses 7,8, 10, 12, 13, 14, 42 and 51]

s/n.	Legislative Changes	Brief Description of Legislative Changes	Amendment to Income Tax Act [Clause in Income Tax Amendment Bill]
		43X and 50B do not apply to trusts that enjoy tax exemption under Sections 13C, 13CA or 13X.	
15	Reclassification of freight income as consequence of consolidation of maritime sector incentives	Currently, MSI-AIS companies that derive freight income from foreign ships have to classify the income separately under Section 13A and 13F. Income from uplift from Singapore is currently exempt from tax under Section 13A while income from uplift outside Singapore is exempt from tax under Section 13F. With the consolidation of the maritime sector incentives, the requirement to classify income under the respective provisions is removed so as to ease administrative compliance for MSI-AIS companies. Section 13F would be amended to include tax exemption for income derived from freight uplift by a foreign ship from Singapore. The change would take effect from YA2012. As a consequential amendment to the above change, Section 13A would be amended to provide that the tax exemption on freight income derived in respect of uplift of goods etc from Singapore by a foreign ship shall not apply to companies under the MSI-AIS award.	Sections 13A and 13F [Clauses 6 and 9]
16	Amendments to legislative provisions for granting withholding tax exemption under Section 13(4)	Currently, taxpayers may be granted exemption from the need to withhold tax on interest and royalty payments to non-residents. The exemption is granted by Minister to the extent specified in the notification. Exemption is usually granted with certain conditions in the notification. The amendments clarify that conditions may be imposed when granting withholding tax	Section 45AA [Clause 50]

s/n.	Legislative Changes	Brief Description of Legislative Changes	Amendment to Income Tax Act [Clause in Income Tax Amendment Bill]
		exemption under Section 13(4). Should these conditions be breached, the payer will be required to pay to the Comptroller the amount of tax and penalty due.	
17	Amendments to legislative provisions on tax deduction for Employee Equity-Based Remuneration (EEBR) Scheme	The amendments clarify that the recharge payable by subsidiary company to the holding company for the transfer of the holding company's treasury shares to the subsidiary company's employee should be reduced by any amount received or receivable from the employee. This ensures consistency with the EEBR changes announced in Budget 2011.	Section 14P [Clause 20]
18	Expiry of concession on Foreign-sourced income received by REITs	With effect from 2006, REITs and their wholly-owned Singapore subsidiary companies may enjoy tax exemption on their foreign-sourced dividend income, interest income and trust distribution income ("specified foreign income"), subject to certain conditions. It was subsequently announced in Budget 2010 that this scheme will expire on 31 March 2015, if it is not renewed. The amendments clarify that the tax exemption granted previously under the scheme will cease to apply to the specified foreign income received by REITs and their wholly-owned Singapore subsidiary companies on or after 1 April 2015, unless the scheme is renewed.	Section 13(12A) [Clause 5(g)]