## ANNEX F-1: TAX CHANGES

### (I) Tax Changes for Businesses

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| **Extending Budget 2020 Temporary Tax Measures to Support Businesses** | | | |
| 1. | Extend the Year of Assessment ("YA") 2020 enhancements to the carry-back relief scheme | The carry-back relief scheme was enhanced for YA2020. Under the enhanced scheme, current year unabsorbed capital allowances ("CA") and trade losses (collectively referred to as "qualifying deductions") for YA2020 may be carried back up to three immediate preceding YAs, capped at $100,000 of qualifying deductions, subject to conditions.<br><br>Taxpayers were allowed to elect to carry back to the relevant preceding YAs an estimated amount of qualifying deductions available for YA2020, before the actual filing of their income tax returns for YA2020. | To continue providing support to businesses, the enhancements to the carry-back relief scheme for YA2020 will be extended to apply to qualifying deductions for YA2021, with the same parameters. |
| 2. | Extend the option to accelerate the write-off of the cost of acquiring plant and machinery ("P&M") | Taxpayers who incurred capital expenditure on the acquisition of P&M in the basis period for YA2021 (i.e. financial year ("FY") 2020) were given an irrevocable option to accelerate the write-off of the cost of acquiring such P&M over two years. | To continue providing support to businesses, the option to accelerate the write-off of the cost of acquiring P&M will be extended to capital expenditure incurred on the acquisition of P&M in the basis period for |

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | The rates of accelerated CA allowed were as follows:<br>a) 75% of the cost incurred to be written off in first year (i.e. in YA2021); and<br>b) 25% of the cost incurred to be written off in second year (i.e. in YA2022).<br><br>The option above was in addition to the options currently available under Section 19 and 19A of the Income Tax Act ("ITA").<br><br>No deferment of CA claims was allowed under the above option. This meant that if a taxpayer opted for the accelerated write-off option, it would need to claim the capital expenditure incurred for acquiring P&M based on the rates of 75% (in YA2021) and 25% (in YA2022). | YA2022 (i.e. FY2021), with the same parameters. |
| 3. | Extend the option to accelerate the deduction of expenses incurred on renovation and refurbishment ("R&R") | Taxpayers who incurred qualifying expenditure on R&R during the basis period for YA2021 (i.e. FY2020) for the purposes of their trade, profession or business were given an irrevocable option to claim R&R deduction in one YA (i.e. accelerated R&R deduction). The cap of $300,000 for every | To continue providing support to businesses, the option to claim R&R deduction in one YA (i.e. accelerated R&R deduction) will be extended to qualifying expenditure incurred on R&R in the basis period for YA2022 (i.e. FY2021), with the same parameters. |

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | relevant period of three consecutive YAs applied.<br><br>The option above was in addition to the existing option under Section 14Q of the ITA. | |
| **Updating our Tax Regime as the Digital Economy Grows** | | | |
| 4. | Extend GST to (i) goods imported via air or post that are valued up to (and including) the current GST import relief threshold of S$400 ("low-value goods"), and (ii) business-to-consumer ("B2C") imported non-digital services, through the extension of the Overseas Vendor Registration and reverse charge regimes | Currently, low-value goods which are imported via air or post are not subject to GST. B2C imported non-digital services (such as live interaction with overseas providers of educational learning, fitness training, counselling and telemedicine) are also not subject to GST.<br><br>The digital economy has grown significantly over the years. In Budget 2018, we extended GST to:<br>a) B2C imported digital services (such as video and music streaming services, apps, software, and online subscription fees). This is effected via the Overseas Vendor Registration regime[1]; and | We will extend GST to:<br>a) **Low-value goods which are imported via air or post.** This will be effected via the Overseas Vendor Registration and reverse charge regimes. Jurisdictions that have extended their GST or Value Added Tax ("VAT") regimes to cover imported low-value goods include Australia, New Zealand, Norway, Switzerland, and the United Kingdom. GST is already and will continue to be collected on goods imported via land or sea, regardless of value.<br>b) **B2C imported non-digital services**. This will be effected via the Overseas |

[1] Under the existing Overseas Vendor Registration regime, overseas suppliers and electronic marketplace operators which make significant sales of digital services to local consumers are required to register with IRAS for GST.

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
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| | | b) Business-to-business ("B2B") imported services (both digital and non-digital). This is effected via the reverse charge regime[2].<br><br>The GST measure at a) and b) took effect from 1 January 2020, to ensure parity in GST treatment between local and overseas suppliers on their sales to local consumers and businesses, and ensure that our GST system remains resilient in a digital economy. | Vendor Registration regime. Jurisdictions which already tax similar services include Australia and New Zealand.<br><br>This change, together with the change announced in Budget 2018, will ensure a level playing field for our local businesses to compete effectively. Overseas suppliers of goods and services will be subject to the same GST treatment as local suppliers. This change will also ensure that our GST system remains resilient as the digital economy grows.<br><br>This change will take effect from 1 January 2023.<br><br>IRAS will consult the industry shortly, before we finalise the implementation details. |
| 5. | For GST purposes, change the basis for determining whether | Currently, for GST purposes, the basis for determining whether zero-rating applies to a | Online advertising has grown and is expected to account for an increasing share |

[2] Under the existing reverse charge regime, GST-registered persons that make non-taxable supplies of goods or services such as exempt supplies (e.g. provision of certain financial services, and the sale and lease of residential properties) are required to account for GST to IRAS on their imports of services.

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | zero-rating applies to a supply of media sales[3], from the place of circulation of the advertisement to the place where the customer and direct beneficiary of the service belong. | supply of media sales is based on the place of circulation of the advertisement:<br>a) If the advertisement is intended to be substantially circulated outside Singapore, the media sales is zero-rated; or<br>b) If the advertisement is intended to be substantially circulated in Singapore, the media sales is standard-rated. | of advertising spending in future. Developments in digital technologies have also changed the way that media sales are supplied, and have made it more difficult for suppliers of digital media sales to determine the place of circulation.<br><br>Given this trend, the basis for determining whether zero-rating applies to a supply of media sales will be updated, to be based on the place where the customer (i.e. the contractual customer) and direct beneficiary of the service belong:<br>a) If the customer of the service belongs outside Singapore and the direct beneficiary either belongs outside Singapore or is GST-registered in Singapore, the media sales will be zero-rated; and<br>b) If the customer belongs in Singapore, the media sales will be standard-rated.<br><br>This change will take effect for the supply of media sales on or after 1 January 2022. |

[3] Media sales refer to the sale of advertising space for hardcopy print and outdoor advertisements, the sale of advertising airtime for broadcasting via TV and radio, and the sale of media space for web advertising via email, internet or mobile devices.

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
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| **Maintaining the Competitiveness and Resilience of our Tax System** | | | |
| 6. | Enhance the Double Tax Deduction for Internationalisation ("DTDi") scheme | Under the DTDi scheme, businesses are allowed a tax deduction of 200% on qualifying market expansion and investment development expenses[4], subject to approval from Enterprise Singapore or Singapore Tourism Board ("STB").<br><br>No prior approval is required from Enterprise Singapore or STB for tax deduction on the first $150,000 of qualifying expenses incurred on the following activities for each YA:<br>a) Participation in overseas market development trips/missions;<br>b) Participation in overseas investment study trips/missions;<br>c) Participation in overseas trade fairs; and<br>d) Participation in approved local trade fairs. | To continue supporting internationalisation efforts of businesses amid changes in the business environment, the scope of the DTDi scheme will be enhanced to cover the following specified expenses incurred to participate in approved[5] virtual trade fairs:<br>a) Package fees charged by event organisers for virtual exhibition hall and booth access, collateral creation, business meeting/match sessions, pitches/product launches/speaking slots, webinar/conference, and post event analytics;<br>b) Third-party costs for design and production of digital collaterals and promotion materials for virtual fairs; and<br>c) Logistics costs incurred to send materials/samples overseas to potential clients met at virtual trade fairs[6]. |

[4] Please refer to www.enterprisesg.gov.sg/financial-assistance/tax-incentives/tax-incentives/double-tax-deduction-for-internationalisation for the full list of qualifying activities and expenses available for DTDi.
[5] The virtual trade fair needs to be an event approved by Enterprise Singapore.
[6] The following conditions need to be met:
(i) Both the business claiming tax deduction under the DTDi scheme and the recipient of the materials/samples have attended the approved virtual trade fair; and
(ii) Materials/samples are sent within six months from the end of the approved virtual fair.

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | The DTDi scheme is scheduled to lapse after 31 December 2025. | The list of qualifying expenses for overseas investment study trips will also be expanded to include logistics costs to transport materials/samples used during the investment trips.<br><br>In addition, the scope of qualifying activities which do not require prior approval from Enterprise Singapore or STB will be enhanced to cover the following additional activities, up to the current annual expense cap of $150,000:<br>a) Product/service certification (primarily to increase buyer's acceptance in overseas markets) approved by Enterprise Singapore;<br>b) Overseas advertising and promotional campaign;<br>c) Design of packaging for overseas markets;<br>d) Advertising in approved local trade publication; and<br>e) Participation in virtual trade fairs approved by Enterprise Singapore. |

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | | The above enhancements will take effect for qualifying expenses incurred on or after 17 February 2021.<br><br>Enterprise Singapore will provide further details of the changes by 28 February 2021. |
| 7. | Extend and refine the double tax deduction ("DTD") for qualifying upfront cost attributable to retail bonds issued under MAS' Seasoning Framework [7] and Exempt Bond Issuer Framework[8]. | Currently, bond issuers who carry on a trade or business in Singapore, are allowed to claim a tax deduction of up to 200% on qualifying upfront cost incurred on or after 19 May 2016 that is attributable to retail bonds issued during the period from 19 May 2016 to 18 May 2021 (both dates inclusive) under the Seasoning Framework and Exempt Bond Issuer Framework.<br><br>The DTD scheme is scheduled to lapse after 18 May 2021. | To promote rated retail bond issuances, the DTD scheme will be extended for qualifying upfront cost incurred on or after 19 May 2021 that is attributable to <u>rated retail bonds</u>[9] (instead of all retail bonds) issued during the period from 19 May 2021 to 31 December 2026 (both dates inclusive) under the Seasoning Framework and Exempt Bond Issuer Framework. The refinement of the DTD scheme seeks to provide investors with access to rated retail bonds. Credit rating improves market transparency by providing timely and independent assessments of the creditworthiness of bond issuers. |

[7] Issuers' wholesale bonds offered in denominations of at least $200,000 can be re-sized into smaller denominations after six months for retail investors' secondary trading on SGX. Issuers can also make additional offers of new bonds ("Re-tap") up to 50% of the initial wholesale offer size to retail investors based on the Seasoned Bonds' terms.

[8] New retail bond issuances by issuers who meet a more stringent credit test under the Exempt Bond Issuer Framework will be exempted from prospectus requirements.

[9] Rated by credit rating agencies such as Standard & Poor, Moody's and Fitch.

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | | All other conditions of the DTD scheme remain the same.<br><br>MAS will provide further details of the changes by 31 May 2021. |
| 8. | Extend and rationalise the withholding tax ("WHT") exemptions for the financial sector | There is a range of WHT exemptions or remission for the financial sector for all interest and other payments falling within Section 12(6) of the ITA ("Section 12(6) payments").<br><br>A) All Section 12(6) payments made pursuant to interbank/ interbranch transactions by banks in Singapore for the purpose of their trade or business. | To support Singapore's value proposition and competitiveness of our financial sector, the following changes will be made:<br><br>A) The existing WHT remission for interbank/ interbranch transactions will be legislated as a WHT exemption with effect from 1 April 2021, along with a review date of 31 December 2031.<br><br>Under this WHT exemption, all Section 12(6) payments made by banks in Singapore[11], for the purpose of their trade or business, to their branches / head offices outside Singapore or other banks outside Singapore will be exempt from tax where such payments: |

[11] Refer to banks licensed under the Banking Act or merchant banks approved under the MAS Act.

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | | a) are made during the period from 1 April 2021 to 31 December 2031 (both dates inclusive) under a contract that takes effect before 1 April 2021; or<br><br>b) are made under a contract that takes effect during the period from 1 April 2021 to 31 December 2031 (both dates inclusive). In such cases, the WHT exemption will apply to the entire duration of the contract, including payments that are made beyond 31 December 2031 under that contract. |
| | | B) All Section 12(6) payments made to any non-resident person (excluding any permanent establishments ("PEs") in Singapore) by the specified entities[10], for the purpose of the specified entities' trade or | B) The WHT exemption will be extended till 31 December 2026. All other conditions of the WHT exemption remain the same.<br><br>All Section 12(6) payments made to any non-resident person (excluding any PEs in |

[10] Specified entities are:
(i) Banks licensed under the Banking Act or merchant banks approved under the MAS Act.
(ii) Finance companies licensed under the Finance Companies Act
(iii) Approved entities that are (a) licensed under the Securities and Futures Act for dealing in capital markets products and advising on corporate finance; (b) involved or will be involved in the underwriting of debt or equity issuances; and (c) approved by MAS for the purpose of the exemption

<table>
<tr><th>S/N</th><th>Name of Tax Change</th><th>Existing Tax Treatment</th><th>New Tax Treatment</th></tr>
<tr><td></td><td></td><td>business, are exempt from tax where such payments:<br>a) are made during the period from 1 April 2011 to 31 March 2021 (both dates inclusive) under a contract that took effect before 1 April 2011; or<br>b) are made under a contract that takes effect during the period from 1 April 2011 to 31 March 2021 (both dates inclusive). In such cases, the WHT exemption applies to the entire duration of the contract, including payments that are made beyond 31 March 2021 under that contract.<br><br>C) Specified entities are not required to withhold tax on all Section 12(6) payments made to any PE in Singapore if the payments:<br>a) are made during the period from 17 February 2012 to 31 March 2021 (both dates inclusive) under a contract that took effect before 17 February 2012; or</td><td>Singapore) by the specified entities, for the purpose of the specified entities' trade or business, are exempt from tax where such payments:<br>a) are made during the period from 1 April 2011 to 31 December 2026 (both dates inclusive) under a contract that took effect before 1 April 2011; or<br>b) are made under a contract that takes effect during the period from 1 April 2011 to 31 December 2026 (both dates inclusive). In such cases, the WHT exemption applies to the entire duration of the contract, including payments that are made beyond 31 December 2026 under that contract.<br><br>C) The WHT exemption will be extended till 31 December 2026. All other conditions of the WHT exemption remain the same.<br><br>Specified entities are not required to withhold tax on all Section 12(6) payments made to any PE in Singapore if the payments:<br>a) are made during the period from 17 February 2012 to 31 December 2026 (both dates inclusive) under a contract</td></tr>
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| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | b) are made under a contract that takes effect during the period from 17 February 2012 to 31 March 2021 (both dates inclusive). In such cases, the specified entities do not need to withhold tax on all Section 12(6) payments that are made for the entire duration of the contract, including payments that are made beyond 31 March 2021 under that contract.<br><br>Notwithstanding paragraph C, the PEs in Singapore are required to declare the Section 12(6) payments in their annual income tax returns and are assessed to tax on such payments (unless the payments are specifically exempt from tax).<br><br>For B) and C), the WHT exemption is scheduled to lapse after 31 March 2021. | that took effect before 17 February 2012; or<br>b) are made under a contract that takes effect during the period from 17 February 2012 to 31 December 2026 (both dates inclusive). In such cases, the specified entities do not need to withhold tax on all Section 12(6) payments that are made for the entire duration of the contract, including payments that are made beyond 31 December 2026 under that contract.<br><br>As per the existing tax treatment, the PEs in Singapore are required to declare the Section 12(6) payments that they received in their annual income tax returns and are assessed to tax on such payments (unless the payments are specifically exempt from tax).<br><br>MAS will release further details of all changes by 31 May 2021. |
| 9. | Extend the WHT exemption on payments made for structured products | WHT exemption is allowed on payments made to a non-individual, non-resident person (excluding any PE in Singapore) from structured products offered by a financial institution in Singapore if such | To support Singapore's value proposition and competitiveness of our financial sector, the WHT exemption will be extended for another five years and will cover payments made under a contract that takes effect |

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
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| | | payments are made under a contract that takes effect during the period from 1 January 2007 to 31 March 2021 (both dates inclusive).<br><br>The WHT exemption is scheduled to lapse after 31 March 2021. | during the period from 1 January 2007 to 31 December 2026 (both dates inclusive).<br><br>All other conditions of the WHT exemption remain the same.<br><br>MAS will release further details of the changes by 31 May 2021. |
| 10. | Extend the WHT exemption on payments for over-the-counter ("OTC") financial derivatives | WHT exemption is allowed on payments made to any non-resident person (excluding any PE in Singapore) from OTC financial derivatives made by a financial institution in Singapore, where such payments:<br>a) are made during the period from 20 May 2007[12] to 31 March 2021 (both dates inclusive) under a contract that took effect before 15 February 2007; or<br>b) are made under a contract that takes effect during the period from 15 February 2007 to 31 March 2021 (both dates inclusive). In such cases, the WHT exemption applies to the entire duration of the OTC financial derivatives contract, including | To support Singapore's value proposition and competitiveness of our financial sector, the WHT exemption will be extended for another five years till 31 December 2026.<br><br>All other conditions of the WHT exemption remain the same.<br><br>All payments on OTC financial derivatives made by a financial institution in Singapore to any non-resident person (excluding any PE in Singapore) are exempt from WHT, where such payments:<br>a) are made during the period from 20 May 2007 to 31 December 2026 (both dates inclusive) under a contract that |

[12] The WHT exemption was previously allowed for such payments made during the period from 27 February 2004 to 19 May 2007.

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | payments that are made beyond 31 March 2021 under that contract.<br><br>The WHT exemption is scheduled to lapse after 31 March 2021. | took effect before 15 February 2007; or<br>b) are made under a contract that takes effect during the period from 15 February 2007 to 31 December 2026 (both dates inclusive). In such cases, the WHT exemption applies to the entire duration of the OTC financial derivatives contract, including payments that are made beyond 31 December 2026 under that contract.<br><br>MAS will release further details of the changes by 31 May 2021. |
| 11. | Extend the Not-for-Profit Organisation ("NPO") tax incentive | The NPO tax incentive provides tax exemption on the income derived by an approved NPO, subject to conditions.<br><br>The incentive is scheduled to lapse after 31 March 2022. | To continue attracting NPOs to Singapore, the NPO tax incentive will be extended till 31 December 2027. |
| 12. | Allow the Automation Support Package ("ASP") to lapse, but retain the 100% Investment Allowance ("IA") scheme to support automation | The ASP was introduced in Budget 2016 to support businesses to automate, drive productivity, and scale up.<br><br>The ASP includes 100% IA support on the amount of approved capital expenditure, net | The ASP will lapse after 31 March 2021.<br><br>Schemes including the Enterprise Development Grant, IA scheme, and the Enterprise Financing Scheme will continue to be available to support businesses in their |

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
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| | | of grants, for automation projects approved by Enterprise Singapore from 1 April 2016 to 31 March 2021. The approved capital expenditure for the 100% IA support is capped at $10 million per project. | automation, productivity, and scale-up efforts.<br><br>Specifically, the 100% IA scheme to support automation will be extended by two years, for automation projects approved by Enterprise Singapore from 1 April 2021 to 31 March 2023. All other conditions of the scheme remain the same. |
| 13. | Extend and enhance the Investment Allowance (Energy Efficiency) ("IA-EE") scheme | The scheme provides for investment allowance for EE improvement projects, subject to conditions.<br><br>Data Centres are subject to additional qualifying conditions under the IA-EE scheme, such as the following:<br>a) Be compliant with the Singapore Standard for Green Data Centres (SS564:2010); and<br>b) Have a minimum capacity of $400m^2$ (floor space).<br><br>The conditions above apply to EE improvement projects approved by EDB on or before 31 March 2021. | The IA-EE scheme will be renamed the "Investment Allowance for Emissions Reduction" scheme, with the following revisions:<br>a) Expansion in the scope of qualifying projects to include projects involving a reduction of greenhouse gas emissions; and<br>b) Streamlined and updated eligibility conditions. These will apply to all projects (i.e. there will no longer be a distinction between data centres and non-data centres).<br><br>The revised conditions will apply to projects approved by EDB from 1 April 2021 to 31 December 2026 (both dates inclusive). |

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
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| | | | EDB will release further details of the changes by 30 June 2021. |
| 14. | Allow the Insurance Business Development-Specialised Insurance ("IBD-SI") scheme to lapse after 31 August 2021 | Under the IBD umbrella scheme, the IBD-SI scheme provides for a concessionary tax rate of 8% and 10% for new and renewal award recipients respectively, on qualifying income derived by a (re)insurer from carrying on specialised insurance and reinsurance business.<br><br>It is scheduled to lapse after 31 August 2021. | To streamline and simplify the IBD umbrella scheme, the IBD-SI scheme will lapse after 31 August 2021.<br><br>With the lapse of the IBD-SI scheme, insurers engaged in the specialised insurance and reinsurance business can apply for the IBD scheme. |
| 15. | Withdraw the Accelerated Depreciation Allowances for Highly Efficient Pollution Control Equipment ("ADA-PCE") scheme | The ADA-PCE scheme was introduced in Budget 1996 to encourage businesses to purchase and install clean technologies to improve air quality in Singapore.<br><br>Under the scheme, a taxpayer who incurs capital expenditure to install qualifying highly efficient PCE can accelerate the write-off of the cost of acquiring such equipment over one year. | The ADA-PCE scheme will be withdrawn from 17 February 2021.<br><br>Since the introduction of this scheme in 1996, regulatory measures have been introduced including our air emission standards, which set emission concentration limits for a list of controlled pollutants. These measures are reviewed over time.<br><br>The Ministry of Sustainability and the Environment ("MSE") and the National Environment Agency ("NEA") will continue |

| S/N | Name of Tax Change | Existing Tax Treatment | New Tax Treatment |
|---|---|---|---|
| | | | to regularly review our measures to manage pollution and improve air quality in Singapore. |
| **Emerging Stronger as a Community: Encouraging Philanthropy and Volunteerism** | | | |
| 16. | Extend the 250% Tax Deduction for Qualifying Donations | Donors are eligible for a 250% tax deduction for qualifying donations made to Institutions of a Public Character ("IPCs") and other qualifying recipients from 1 January 2016 to 31 December 2021. | To continue encouraging Singaporeans to give back to the community, we will extend the 250% tax deduction to qualifying donations made from 1 January 2022 to 31 December 2023.<br><br>All other conditions of the scheme remain the same. |
| 17. | Extend the Business and IPC Partnership Scheme ("BIPS") | A qualifying person can, subject to conditions, enjoy a total of 250% tax deduction on qualifying expenditure such as wages incurred by the person from 1 July 2016 to 31 December 2021 in respect of:<br>a) The provision of services by the person's qualifying employee to an IPC during that period; or<br>b) The secondment of the person's qualifying employee to an IPC during that period. | To continue supporting corporate volunteering, BIPS will be extended till 31 December 2023.<br><br>All other conditions of the scheme remain the same. |

## (II) Tax Changes for Vehicles

<table>
<tr><th>S/N</th><th>Name of Tax Change</th><th>Existing Tax Treatment</th><th>New Tax Treatment</th></tr>
<tr><td colspan="4">Encouraging Early Adoption of Electric Vehicles</td></tr>
<tr><td>1.</td><td>Enhancement of the Electric Vehicle (“EV”) Early Adoption Incentive (“EEAI”)</td><td>45% rebate off the Additional Registration Fee (“ARF”) for electric cars and taxis from January 2021 to December 2023 at a cap of $20,000, with an ARF floor of $5,000.</td><td>45% rebate off the ARF for electric cars and taxis from January 2022 to December 2023 at a cap of $20,000, with an ARF floor of $0.</td></tr>
<tr><td colspan="4">Environmental Sustainability</td></tr>
<tr><td>2.</td><td>Revision to petrol duty rates</td><td><table><tr><th></th><th>Duty Rate</th></tr><tr><td>Premium grade petrol – unleaded (RON 97 and above)</td><td>$0.64 per litre</td></tr><tr><td>Intermediate grade petrol – unleaded (RON 90 and above but under RON 97)</td><td>$0.56 per litre</td></tr></table></td><td><table><tr><th></th><th>Duty Rate</th></tr><tr><td>Premium grade petrol – unleaded (RON 97 and above)</td><td>$0.79 per litre</td></tr><tr><td>Intermediate grade petrol – unleaded (RON 90 and above but under RON 97)</td><td>$0.66 per litre</td></tr></table></td></tr>
<tr><td>3.</td><td>Transitional offset measures for vehicles using petrol</td><td>Road tax payable for vehicles using petrol is based on various factors, including the engine capacities (for cars and motorcycles) and based on maximum laden weight (for commercial vehicles).<br><br>For taxis registered before 1 January 2021, road tax is $1,020 per year till 30 June 2022</td><td>To ease the transition to the revised petrol duty rates, a road tax rebate will be provided for petrol and petrol-hybrid vehicles at the following rates for one year:<br>• 15% for cars, including taxis and private hire cars (“PHCs”);<br>• 60% for motorcycles; and</td></tr>
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<tr><th>S/N</th><th>Name of Tax Change</th><th>Existing Tax Treatment</th><th>New Tax Treatment</th></tr>
<tr><td></td><td></td><td>and will follow road tax structure of private cars thereafter. The road tax for taxis registered on or after 1 January 2021 follows the road tax structure of private cars.</td><td>• 100% for commercial vehicles.<br><br>The road tax rebate will be effective from 1 August 2021 to 31 July 2022.<br><br>On top of the 15% road tax rebate, active drivers of taxis and PHCs using petrol will receive an additional Petrol Duty Rebate of $360 to be paid out over 4 months in view of their higher mileage.<br><br>On top of the 60% road tax rebate, individual owners of motorcycles using petrol, registered as at 16 February 2021, with the following engine capacity will receive an additional Petrol Duty Rebate:<br><br><table><tr><th>Engine capacity of motorcycle</th><th>Petrol duty rebate</th></tr><tr><td>≤ 200 cc</td><td>$80</td></tr><tr><td>201 to 400 cc</td><td>$50</td></tr><tr><td>> 400 cc</td><td>-</td></tr></table><br>LTA will release further details on the additional Petrol Duty Rebates for taxi and PHC drivers, and individual motorcycle owners in April 2021.</td></tr>
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