ANNEX G-2: OVERSEAS HUMANITARIAN ASSISTANCE TAX DEDUCTION SCHEME

An **Overseas Humanitarian Assistance Tax Deduction Scheme ("OHAS")** will be piloted for four years from 1 January 2025 to 31 December 2028.

The OHAS will provide individual and corporate donors with 100% tax deduction for qualifying overseas cash donations. Qualifying overseas cash donations must meet the following two conditions to be eligible for tax deductions:

(i) Donation must be made through a designated charity. Designated charities should have emergency humanitarian assistance as part of their charitable objectives[1], as well as enhanced governance and controls against illicit fund flows. Charities that qualify will be invited to participate in the pilot. The list of designated charities will be made available from 1 January 2025.

(ii) Donation must be made towards a fund-raiser for emergency humanitarian assistance with a valid Fund-Raising for Foreign Charitable Purposes ("FRFCP") permit from the Commissioner of Charities ("COC"). Designated charities are required to apply for a FRFCP permit from the COC prior to commencement of a fund-raising appeal for an emergency humanitarian assistance cause.

The COC will determine upon reviewing the FRFCP permit application whether a fund-raiser in question is for an emergency humanitarian assistance cause. Emergency humanitarian assistance refers to emergency assistance tied to a specific incident with a clear trigger such as in response to natural disasters (e.g., earthquakes or floods) or other sudden crises (e.g., pandemics). Assistance typically includes rapid delivery of essentials such as food, clean water, shelter, medical care, and search, rescue, and evacuation efforts.

Tax deductions under OHAS will be capped at 40% of the donor's statutory income. For donors who also receive tax deductions under the Philanthropy Tax Incentive Scheme for Family Offices[2] ("PTIS"), tax deductions under both OHAS and PTIS will be jointly capped at 40% of the donor's statutory income.

Any unutilised tax deductions under the OHAS cannot be carried forward to offset the donor's income for any subsequent Year of Assessment ("YA") and cannot be transferred to another company of the same group under the Group Relief System for any YA.

[1] Notwithstanding these charities' ability to carry out emergency humanitarian assistance overseas, these charities must still substantially benefit the community in Singapore.

[2] The PTIS provides qualifying donors 100% tax deduction for overseas cash donations made through qualifying local intermediaries, capped at 40% of the donor's statutory income. To qualify, donors must have a fund under Section 13O or 13U of the Income Tax Act 1947 and meet eligibility conditions, such as incremental local business spending of S$200,000. Please visit www.mas.gov.sg/schemes-and-initiatives/philanthropy-tax-incentive-scheme-for-family-offices for more information.

More Information

Measure	Contact Details
Overseas Humanitarian Assistance Tax Deduction Scheme	IRAS will provide further details by 30 June 2024. Charities can contact Charities Hotline at 6337 6597; or email MCCY at MCCY_Charities@mccy.gov.sg.