

TAX ALERT

OCTOBER 2023



Enterprise Innovation Scheme

The Inland Revenue Authority of Singapore (IRAS) has published a circular on Enterprise Innovation Scheme (EIS) on 30 June 2023. The EIS was introduced in Budget 2023 to encourage businesses to engage in research and development (R&D), innovation and capability development activities, and is available from Year of Assessment (YA) 2024 to YA 2028.

Under the EIS, existing tax measures are enhanced, and a new tax measure is introduced. The enhanced and new deductions/allowances (collectively referred to as "enhanced deductions") is granted on qualifying expenditure incurred on the following five qualifying activities:

- a. Qualifying R&D activities undertaken in Singapore;
- b. Registration of intellectual property;
- c. Acquisition and licensing of IP rights;
- d. Training; and
- e. Innovation projects carried out with polytechnics, the Institute of Technical Education or other qualified partners.

Taxpayers who carry on a trade or business will enjoy enhanced deductions on up to \$400,000 of qualifying expenditure incurred for each qualifying activity for the above qualifying activities (a) to (d), and up to \$50,000 of qualifying activity (e). In addition, eligible businesses may opt to convert up to \$100,000 of the total qualifying expenditure incurred across all the qualifying activities for each YA into cash at a conversion rate of 20%, in lieu of tax deductions/ allowances.

IRAS specifies information required from Property Developers

The IRAS has specified on its website a list of information to be maintained by property developers. The IRAS requires property developers to provide the relevant information upfront in the income tax computations filed together with the Corporate Income Tax Returns (Form C) so as to facilitate the review and finalisation of these taxpayers' assessments.

If the relevant information is not provided together with its Form C, IRAS will write to the company to request for it. In the case of a property development company that files Form C-S or Form C-S (Lite), it is only required to prepare and maintain the relevant information and submit it to IRAS upon request.

The information requested will be differed according to the stages of development of the property concerned.

Contact Us

If you need assistance or advice on the above, we are here to assist you.



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