

In order to transform Singapore into a "technopolis" that serves ASEAN and the surrounding region, the government has developed a range of incentives and grants in addition to the RDAS. These include:

- \* Coverage of 70% of total costs for computerization of local companies.
- \* Coverage of 50% of consultancy costs incurred by local companies.
- \* Provision of loans for computerization at special interest rates.
- \* Coverage of linkage costs between government departments and private sector companies.
- \* Incentives and grants to train technicians and automate facilities.
- \* Investment allowance of up to 50% for R&D and equipment and tax exemptions of up to 5 years.
- \* Tax deferral for R&D reserves: 20% of the profits from approved companies can be set aside as R&D reserves. These reserves will enjoy tax exemption if spent within three years.
- \* Companies that include substantial R&D as part of their operations may be granted a longer tax-free holiday.
- \* Financial assistance covering up to 75% of the cost of product development and design carried out by local firms under the Product Development Assistance Scheme (PDAS).
- \* Grants to SMEs interested in improving technological and managerial productivity.

Sources:     Economic Development Board  
                National Productivity Board  
                National Computer Board  
                Trade Development Board  
                National Science and Technology Board

The National Computer Board also administers the Software Development Assistance Scheme (SDAS), a plan that encourages and assists local IT companies develop innovative and high quality computer software. This scheme covers up to 50% of direct costs.