

## OTHER TAX INCENTIVES ADMINISTERED BY ECONOMIC DEVELOPMENT BOARD

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| Tax Incentives  | Qualifying Activities   | Minimum Requirements  | Tax Concession   |
| • Pioneer Status  |   |   | This incentive provides for complete exemption of corporate income tax. A company granted pioneer status is exempted from the 33% corporate income tax for a period of 5-10 years from the day it begins commercial production.  |
| • Investment Allowance  | Manufacturing and specialized technical servicing projects as an alternative to pioneer status.   |   | Under the scheme, a company is granted tax exemption on a specified amount of profits equal to the approved investment allowance which is a percentage (up to a maximum of 50%) of the fixed investment in plant, machinery and equipment actually incurred by the company on the project. The amount of investment allowance to be approved will depend on the merits of the project. |
| • Capital Assistance  |   |   | Under this scheme, industrial investors with desirable projects can obtain long term loans at concessionary interest rate.   |
| • Operational Headquarters (OHQ)                                | Approved headquarters operations.   | Operational Headquarters<br>1. should hold equity investments in companies outside of Singapore, and<br>2. must provide approved headquarters services to these companies from Singapore  | 1. Income arising from the provision in Singapore of approved services will be taxed at 10%.<br>2. Other income from overseas subsidiaries and associated companies may also be eligible for effective tax relief.<br>3. Incentive will be up to 10 years with provision for extension.  |
| • Post-Pioneer Incentive  | Approved companies enjoying pioneer status, or export incentive where the export incentive is a follow-up to the pioneer status previously awarded. | Companies must be enjoying pioneer status or export incentive on or after 1 April 1986 and should incur additional investment.  | Corporate tax rate of 15% upwards for up to 5 years upon expiry of pioneer or export incentive.  |
| • Venture Capital Incentive                                     | Investment by eligible companies and individuals in approved new technology projects.   | Companies must be<br>1. at least 50% owned by Singapore citizens or Singapore permanent residents, and<br>2. incorporated and resident in Singapore for tax purposes.<br><br>Individuals must be Singapore citizens or permanent residents. | Losses incurred from the sale of shares, up to 100% of equity invested can be set off against the investors' other taxable income.   |