

INDUSTRY INCENTIVES AND REGULATIONS

INDUSTRY INCENTIVES

The government allows free repatriation of profits. There are no import or export duties. The corporate tax rate is 32% and can be reduced or waived in special circumstances such as when companies locate overseas headquarters in Singapore.

New policies from the EDB to upgrade local operations with these measures are:

- 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.
- Investment allowance of up to 50% for R&D and equipment and tax exemptions of up to 5 years.
- Financial assistance covering 75% of product design costs by local firms.

INDUSTRY REGULATIONS

The Singapore government exercises a laissez-faire policy for incoming businesses. Full or partial ownership of local firms is legal and licensing agreements flourish as well. The Singapore government is generally permissive in allowing persons to conduct business. Provided that there is no environmental damage, companies are free to start subsidiaries and build plants in Singapore with minimal regulation.